



**LOGICOM PUBLIC LIMITED**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
Period ended 30 June 2020

**LOGICOM PUBLIC LIMITED**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**Period from 1 January 2020 to 30 June 2020**

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BOARD OF DIRECTORS AND PROFESSIONAL ADVISERS**DIRECTORS**

**Takis Klerides**, Chairman  
**Varnavas Irinarchos**, Vice Chairman and Managing Director  
**Nicos Michaelas**, Director  
**George Papaioannou**, Director  
**Anthoulis Papachristoforou**, Deputy Managing Director  
**Anastasios Athanasiades**, Director  
**Andreas Constantinides**, Director  
**Christoforos Hadjikyriou**, Director

**GROUP CHIEF FINANCIAL OFFICER**

Anthoulis Papachristoforou

**SECRETARY**

**Adaminco Secretarial Limited**  
 Zenonos Sozou 3,  
 1st floor  
 3105 Limassol

**REGISTERED OFFICE**

Zenonos Sozou 3,  
 1st floor  
 3105 Limassol

**MANAGEMENT OFFICE**

26 Stasinou Street, Ayia Paraskevi  
 2003 Strovolos, Nicosia

**INDEPENDENT AUDITORS**

**KPMG Limited**  
 14 Esperidon street  
 1087 Nicosia

**LEGAL ADVISERS**

Scordis, Papapetrou & Co LLC  
 Zenonos Sozou 3,  
 1st floor  
 3105 Limassol

**BANKERS**

Hellenic Bank Public Company Limited  
 Bank of Cyprus Public Company Limited  
 Ancoria Bank Limited  
 Alpha Bank Cyprus Ltd  
 AstroBank Limited  
 Societe Generale Bank - Cyprus Limited  
 The Cyprus Development Bank Public Company Limited  
 FIMBank PLC

**BANKERS**

National Bank of Greece S.A  
 Alpha Bank S.A.  
 Piraeus Bank S.A.  
 Eurobank Ergasias S.A.  
 HSBC Bank Middle East Limited  
 HSBC Bank Oman SAOG  
 Standard Chartered Bank (UAE)  
 National Bank of Fujairah PSC  
 Mashreq Bank PSC  
 Noor Bank PJSC  
 Arab Bank PLC  
 Emirates NBD Bank PJSC  
 Standard Chartered Bank (Bahrain)  
 The Commercial Bank of Qatar (Q.S.C.)  
 Standard Chartered Bank (Qatar)  
 Bank of Bahrain and Kuwait BSC  
 National Bank of Kuwait SAK  
 Bank of Beirut  
 Marfin Bank (Romania) SA  
 Banca Transilvania SA  
 Alpha Bank Romania SA  
 Banca Comerciala Romania SA  
 Turkiye Garanti Bankasi A.S  
 Yapi ve Kredi Bankasi AS  
 QNB Finansbank A.S.  
 Akbank TAS  
 Arab Bank PLC Jordan  
 Credito Valtellinese spa  
 Banco BPM Societa per Azioni  
 UniCredit Bank AG  
 Saudi British Bank  
 Bank Audi S.A.L  
 Societe Generale de Banque au Liban  
 Abu Dhabi Commercial Bank  
 First Abu Dhabi Bank

**LOGICOM PUBLIC LIMITED****STATEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE OFFICIALS OF THE  
COMPANY RESPONSIBLE FOR THE FINANCIAL STATEMENTS**

According to the provisions of the Conditions for Transparency (Movable Securities for Trading in Controlled Market) Law of 2007 (“Law”), we the members of the Board of Directors and Anthoulis Papachristoforou, BA (Hons) FCCA, Group Financial Controller responsible for the preparation of the financial statements, of the Group and the Company Logicom Public Ltd, for the period ended 30 June 2020, we confirm that to the best of our knowledge:

(a) The Interim Consolidated Financial Statements which are presented on pages 8 to 52,

(i) were prepared in accordance with the International Financial Reporting Standard (IAS) 34 Interim Financial Statements. The Interim Consolidated Financial Statements have not been audited by the Group external auditors, and

(ii) give a true and fair view of the assets and liabilities, of the financial position and of the profit or losses of Logicom Public Limited and the businesses that are included in the Interim Consolidated Financial Statements as a whole, and

b) the management's report gives a fair review of the developments and the performance of the business as well as the position of Logicom Public Limited and the businesses that are included in the Interim Consolidated Financial Statements as a whole, together with a description of the main risks and uncertainties which are faced.

**Members of the Board of Directors:**

Takis Klerides, Chairman

Varnavas Irinarchos, Vice Chairman and Managing Director

Nicos Michaelas

George Papaioannou

Anthoulis Papachristoforou, Deputy Managing Director

Anastasios Athanasiades

Andreas Constantinides

Christoforos Hadjikyprianou

**Responsible for drafting the financial statements**

Anthoulis Papachristoforou (Group Chief Financial Officer)

Nicosia, 29 September 2020

## LOGICOM PUBLIC LIMITED

### BOARD OF DIRECTORS' INTERIM REPORT

#### ACCOUNTING STANDARDS FOR THE PREPARATION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Interim Consolidated Financial Statements were prepared according to the International Accounting Standard (IAS) No. 34 Interim Financial Reporting. The Interim Consolidated Financial Statements have not been audited by the external Group auditors.

#### DEVELOPMENT AND PERFORMANCE OF THE GROUP'S ACTIVITIES AND POSITION, RISKS AND UNCERTAINTIES

##### DEVELOPMENT AND PERFORMANCE OF THE GROUP'S ACTIVITIES AND POSITION

1. **The turnover** decreased by 11,0% in relation to the corresponding period in 2019. The Turnover of the Distribution Sector decreased by 11,6%, mainly due to the decreased sales in the markets of the Gulf region, Saudi Arabia, Lebanon and Jordan compared to the A' half of 2019. The turnover of the Software and Integrated Solutions Sector also decreased by 3,6%. The turnover of the Group was adversely affected by the spread of Coronavirus (COVID-19) and the consequences of the efforts to limit its spread to the economies of the countries in which the Group operates.
2. **The percentage of gross profit margin** increased significantly to 8,1% compared to 7,5% in the corresponding previous period (2020: Gross profit: €33.669.739 to Sales: €414.295.318, 2019: Gross profit: €35.151.688 to Sales: €465.601.440 as reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income), mainly due to constant pursuit of achieving sales with increased profit margin.
3. **Other Income** increased mainly due to the taken one-off state provision of a tax deduction on the repayment of tax liabilities by a foreign subsidiary in the context of financial measures taken to address the economic consequences of the Coronavirus pandemic. The usual Other Income mainly relates to contributions from suppliers for the promotion of their products and income from collaborations with third parties.
4. **The Impairment loss on the Group's Trade Receivables** increased compared to the A' half of 2019 and amounted to €433.624 from €293.168 in the corresponding period last year as a result of the aggravated economic climate due to the spread of Coronavirus (COVID-19). The impairment loss on trade receivables refers to the total bad debts that were recognised in the results in accordance with the provisions of IFRS9.
5. The decrease in **Administration Expenses** by €611.857 and in percentage terms 2,9%, compared to the A' half of 2019, is mainly due to the decrease of personnel costs. The term 'Administration Expenses' encompasses all the operating expenses of the Group, including Administrative, Distribution and Operational expenses.
6. **The Profit from Operating Activities** decreased by 4,3% compared to the corresponding period of 2019 and amounts to €13.060.236 compared to €13.643.602 in the A' half of 2019, mainly due to the decrease in turnover, despite the increase in gross profit margin. The term 'Operating Activities' encompasses all the activities of the Group.
7. **The Net Bank Finance Cost**, including Interest Receivable and Payable, and related Bank Charges resulting from the banking facilities used for the execution of the Group's operations decreased to €3.117.966 compared to €4.052.451 during the corresponding period of 2019 and by 23,1%, in percentage terms, due to the decreased utilisation of the available bank facilities during the period, due to the reduction of the turnover, but also due to the gradual reduction of the borrowing interest rates in US Dollars.
8. **The Foreign Exchange Difference** resulting from the exchange rate fluctuation between the US Dollar and the Euro, had a negative impact on the Group's Results amounting to a loss of €258.932 (A' half 2019 loss: €243.435). It is clarified that the provisions of IFRS 9 in relation to Hedge Accounting have been adopted, with the aim to reduce the effects of the exchange rate fluctuations between the US Dollar and the Euro in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

**LOGICOM PUBLIC LIMITED**

**BOARD OF DIRECTORS' INTERIM REPORT**

**DEVELOPMENT AND PERFORMANCE OF THE GROUP'S ACTIVITIES AND POSITION, RISKS AND UNCERTAINTIES** *(continued)*

According to the directives of the IAS21, the increase in the value of the Company's long term investments in its foreign subsidiaries, due to foreign exchange differences, amounting to €30.898, is transferred to the Reserves until the date of liquidation, where any result will be transferred in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

9. References to the **Profit from associates after tax** refer to the share of profit of €427.812 for the A' half of 2020 compared to share of profit of €3.471.414 for the prior year corresponding period from the associated company Demetra Holding Plc ('Demetra'). The financial results of Demetra include 21,01% of the results of Hellenic Bank Public Company Ltd ('Hellenic') in which Demetra acquired in 2019 a corresponding percentage of the shares and evaluated, based on the provision of the International Financial Reporting Standards, that it exercises significant influence, which recognised the investment using the method of equity accounting. As a result of the accounting treatment of Demetra's investment in Hellenic, a negative goodwill value of €119 million was recorded in the results of Demetra in 2019 which resulted in the share of profits from associated companies to be particularly high in the final results of 2019.  
References to the **Profit from joint ventures and partnership and to the Profit attributable to Non-controlling Interest** refer to the net operating profit of the investments in the Desalination Plants in Larnaca and Episkopi.
10. **The Profit attributable to the Company's shareholders** decreased by 22,8% compared to the corresponding period of 2019, from €11.140.941 to €8.605.442, mainly due to the significantly lower profit, in relation to the profit during the A' half of 2019, from Demetra.
11. **The Group's cash and cash equivalent** compared to the overdrafts present a credit balance of €463.847 at the end of the A' half of 2020 compared to €21.111.933 at the end of 2019. **The short term loans** decreased to €41.144.741 from €66.551.100. **The long term loans** decreased to €21.378.163 from €25.048.466.
12. Verendrya Ventures Limited, of which the Company holds 60% of its share capital, in a joint venture with a 50% share:
  - Completed the construction of the Desalination plant in Episkopi based on the agreement with the Water Development Department dated 7 August 2009. As announced, as per the agreement dated 20 July 2011 Demetra Holdings Plc, participates indirectly to the execution and operation of the desalination project in Episkopi as a result of the indirect 40% share in Verendrya Ventures Limited. The construction of the project was completed in June 2012 and the desalination unit remained in stand by mode from 1 July 2012 until 27 April 2014. The desalination unit started production on the 28th of April 2014. As of today, claims are pending in regards to the execution of this contract.
  - On 26 January 2012, signed an agreement with the Water Development Department for the renovation and operation of the existing desalination unit in Larnaca. Demetra Holdings Plc participates indirectly in the implementation and operation of the desalination project in Larnaca with 40% share in Verendrya Ventures Limited. The renovation of the unit was completed in June 2015 and started operations on the 4th of July 2015. As of today, claims are pending in regards to the execution of this contract.
13. During the A' half of 2020, the Turnover and the Profit from Operations are reduced. The significantly lower profit from the associated company Demetra Holdings Plc resulted in the significant decrease of the Profit attributable to the Shareholders, in comparison with the corresponding period of 2019.
14. During the A' quarter of 2020 there was not any income from non-recurring or extraordinary activities, other than that mentioned in note 3 above.
15. The economic performance measurement indicators, used in the above report for the performance and position of the Group, serve the best analysis and understanding of these results.
16. The results are within the estimations of the Board of Directors.

**LOGICOM PUBLIC LIMITED****BOARD OF DIRECTORS' INTERIM REPORT****RISKS AND UNCERTAINTIES**

The main risks consist of credit risk, interest rate risk, foreign exchange risk, liquidity risk, fair value risk and risk of capital management. These risks are analysed and the procedures of monitoring them are described in note 14 to the Interim Consolidated Financial Statements.

**OPERATIONS OF THE COMPANY AND ITS SUBSIDIARY COMPANIES**

During the A' half of 2020 the Group continued the distribution of high technology products, the supply of services and complete information technology, telecommunication and software solutions and the participation in large infrastructure projects in the water sector.

**IMPACT OF THE CORONAVIRUS PANDEMIC AND FORESEEABLE DEVELOPMENT OF THE COMPANY**

The slowdown in the growth of the global economy, which is further exacerbated with the escalation of the Coronavirus Pandemic (COVID-19) with consequent effects on the production, combined with geopolitical developments, as well as, the observed instability in areas in which the Group operates, at the beginning of 2020, have affected the activities of the Group, and have led to a reduction in turnover.

The Coronavirus pandemic, the restrictive measures implemented by the Governments of the countries in which the Group operates and the slowdown of the already aggravated economic climate, as well as the negative impact on the supply chain, resulted in the reduction of the Group's turnover.

The Management of the Group, evaluating the challenges and the possible effects, proceeded to take compensatory measures to limit the operating expenses, and to protect the employees. The priority is the preservation of liquidity achieved with the cooperation of suppliers and banks, but also the support of the customers and collaborators of the Group.

During the A' half of 2020, the Group, despite the decrease in the turnover and the consequences of the pandemic, the profitability for the ordinary activities (excluding the share of profit/loss from associated company and partnerships) remained at approximately the same levels as the corresponding period of last year. Bank borrowing has decreased and liquidity has improved, and in line with the decrease of the bank interest rates, borrowing costs have decreased significantly.

The Management of the Group is closely monitoring any developments in order to maintain and strengthen growth prospects without affecting the viability and strong financial position of the Group. A possible resurgence of the pandemic may cause deterioration in the already strained economies of the countries in which the Group operates. Possible further measures to restrict the movement and smooth running of the Group's companies may cause a further reduction in turnover but are not expected to significantly affect the profitability and sound financial position of the Group.

**RESEARCH AND DEVELOPMENT ACTIVITIES**

There were no significant activities in the sector of research and development from the Group's companies.

**RELATED PARTIES TRANSACTIONS**

The related parties' transactions are analysed in the notes 19 and 20.

**LOGICOM PUBLIC LIMITED****BOARD OF DIRECTORS' INTERIM REPORT****BRANCHES – FOREIGN OPERATIONS**

The Group operates through subsidiary companies in United Arab Emirates, Saudi Arabia, Lebanon, Jordan, Greece, Italy, Romania, Germany, Qatar, Kuwait, Oman and Bahrain. The Group operates a branch in Malta.

**USE OF FINANCIAL INSTRUMENTS**

The derivative financial instruments of the Group and the Company relate to foreign exchange hedging products to hedge the risk of fluctuations in foreign currencies. The Group's and the Company's management follow a policy to minimize the risk arising from the fluctuation in foreign exchange differences, as stated in the significant accounting policies.

The gain arising from the change in the fair value of derivative financial instruments for the period, that was recognised in the Group's results amounted to €116.272 (A' half 2019, profit: €154.356).

**SHARE CAPITAL**

There was no change in the issued share capital of the company during the A' quarter of 2020.

All shares are listed and traded in the Cyprus Stock Exchange, have the same and equal rights and have no limitations in their transfer. Detailed information in relation to the Company's share capital is presented in note 11.

**COMPOSITION, SEGRAGATION OF DUTIES AND REIMBURSEMENT OF THE BOARD OF DIRECTORS - SHARE CAPITAL PARTICIPATION - REELECTION**

The Board of Directors members as at 30 June 2020 and at the date of the present report are presented on page 2.

The percentages of participation in the Company's share capital that was held directly or indirectly by the members of the Board of Directors of the Company on 30 June 2020 and on 29 September 2020 are presented in notes 15 and 16 to the Interim Consolidated Financial Statements.

The remuneration of the executive directors is presented in note 17 to the Interim Consolidated Financial Statements.

**SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

The significant events after the reporting date that have a bearing on the understanding of the Interim Consolidated Financial Statements are presented in note 21.



**LOGICOM PUBLIC LIMITED****BOARD OF DIRECTORS' INTERIM REPORT****PUBLICATION**

1. The Interim Financial Report will not be sent to the shareholders but the Consolidated Statement of Profit or loss and Other Comprehensive Income will be published in the newspapers 'o Phileleftheros' on 1/10/2020, 'Politis' on 2/10/2020 and 'i Simerini' on 4/10/2020.
2. The whole content of the Interim Financial Report, is available, free of charge, from the Registered Office of the Company (Zenonos Sozou 3, 1st Floor, 3105 Limassol. P.O Box : 51094,3501 Limassol. Tel.: +357 25 818444, Fax: +357 25 372282, E mail: ([log@adamides.com](mailto:log@adamides.com)) and from the Head Offices of the Company (Stasinou 26, Agia Paraskevi, 2003 Strovolos, Nicosia. P.O. Box.: 23472, 1683 Nicosia. Tel.: +357 22 551000, Fax: +357 22 514294) and it is uploaded in the Company's websites ([www.logicom.net](http://www.logicom.net)) and of the Cyprus Stock Exchange([www.cse.com.cy](http://www.cse.com.cy)).

THE BOARD OF DIRECTORS

29 September 2020

## LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period ended 30 June 2020

	Period ended 30 June 2020 €	Period ended 30 June 2019 €	Year ended 31 December 2019 €
Note			
<b>Revenue</b>	414.295.318	465.601.440	946.797.978
Cost of sales	<u>(380.625.579)</u>	<u>(430.449.752)</u>	<u>(875.437.919)</u>
<b>Gross profit</b>	33.669.739	35.151.688	71.360.059
Other income	554.725	127.546	1.051.035
Impairment loss on trade receivables	(433.624)	(293.168)	(535.970)
Administrative expenses	(20.730.604)	(21.342.461)	(41.230.338)
Other expenses	-	-	<u>(34.376)</u>
<b>Profit from operations</b>	13.060.236	13.643.605	30.610.410
Net foreign exchange	(258.932)	(243.435)	(313.338)
Interest receivable	311.559	266.145	537.784
Interest payable and bank charges	<u>(3.429.525)</u>	<u>(4.318.596)</u>	<u>(8.472.749)</u>
<b>Net finance costs</b>	(3.376.898)	(4.295.886)	(8.248.303)
Share of profit from associated companies after tax	9 427.812	3.471.414	39.789.625
Share of (loss)/profit from joint ventures after tax	9 <u>(82.925)</u>	<u>96.176</u>	<u>31.627</u>
<b>Profit before tax</b>	10.028.225	12.915.309	62.183.359
Tax	<u>(1.456.561)</u>	<u>(1.735.106)</u>	<u>(3.508.446)</u>
<b>Profit for the period/year</b>	<u>8.571.664</u>	<u>11.180.203</u>	<u>58.674.913</u>
<b>Other comprehensive income that will not be reclassified to profit or loss in future periods</b>			
Surplus from revaluation of land and buildings	-	-	1.794.232
Surplus from revaluation of investments at fair value through other comprehensive income	-	418.385	213.099
Deferred taxation arising on revaluation of land and buildings	(86.394)	1.780	(172.787)
Adjustment on remeasurement of obligation	-	-	(483.103)
Deferred taxation arising from the remeasurement of obligation	<u>-</u>	<u>-</u>	<u>(1.704)</u>
	(86.394)	420.165	1.349.737
<b>Other comprehensive income that will be reclassified to profit or loss in future periods</b>			
Exchange difference from translation and consolidation of financial statements from foreign operations	(1.838.695)	(593.494)	3.619.382
Exchange difference in relation to hedge of a net investment in a foreign operation	(114.469)	(214.886)	(671.698)
Share of loss from associated company	9 <u>(149.729)</u>	<u>-</u>	<u>(64.907)</u>
	<u>(2.102.893)</u>	<u>(808.380)</u>	<u>2.882.777</u>
Other comprehensive (expenses)/income for the period/year	<u>(2.189.287)</u>	<u>(388.215)</u>	<u>4.232.514</u>
<b>Total comprehensive for the period/year</b>	<u>6.382.377</u>	<u>10.791.988</u>	<u>62.907.427</u>
<b>Profit for the period/year attributable to:</b>			
Company's shareholders	8.605.442	11.140.941	58.683.217
Non-controlling interest	<u>(33.778)</u>	<u>39.262</u>	<u>(8.304)</u>
<b>Profit for the period/year</b>	<u>8.571.664</u>	<u>11.180.203</u>	<u>58.674.913</u>
<b>Total comprehensive income for the period/year attributable to:</b>			
Company's shareholders	6.416.155	10.752.726	62.915.731
Non-controlling interest	<u>(33.778)</u>	<u>39.262</u>	<u>(8.304)</u>
<b>Total comprehensive</b>	<u>6.382.377</u>	<u>10.791.988</u>	<u>62.907.427</u>
<b>Basic earnings per share (cent)</b>	5 <u>11.62</u>	<u>15.04</u>	<u>79.22</u>
<b>Diluted earnings per share (cent)</b>	5 <u>11.62</u>	<u>15.04</u>	<u>79.22</u>

The notes on pages 13 to 52 are an integral part of these consolidated interim financial statements.

## LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONAs at 30 June 2020

	Note	30 June 2020	31 December 2019
		€	€
<b>ASSETS</b>			
Property, plant and equipment	6	22.889.123	23.086.797
Right-of-use assets	7	6.047.826	6.644.304
Intangible assets and goodwill		9.263.010	9.391.507
Equity-accounted investees	9	77.324.908	77.003.779
Investments at fair value through other comprehensive income		3.634.238	3.862.832
Trade and other receivables		22.466.557	22.416.171
Deferred taxation		<u>1.941.176</u>	<u>1.944.689</u>
<b>Total non-current assets</b>		<u>143.566.838</u>	<u>144.350.079</u>
Inventories		70.319.358	67.969.900
Trade and other receivables		197.905.192	211.413.123
Investments at fair value through profit or loss		19.284	19.284
Current tax assets		1.008.290	855.102
Cash and cash equivalents	10	<u>36.055.722</u>	<u>29.761.787</u>
<b>Total current assets</b>		<u>305.307.846</u>	<u>310.019.196</u>
<b>Total assets</b>		<u>448.874.684</u>	<u>454.369.275</u>
<b>Equity</b>			
Share capital	11	25.187.064	25.187.064
Reserves		<u>144.606.972</u>	<u>138.191.563</u>
<b>Equity attributable to shareholders of the company</b>		169.794.036	163.378.627
<b>Non-controlling interest</b>		<u>(2.457.033)</u>	<u>(2.423.254)</u>
<b>Total equity</b>		<u>167.337.003</u>	<u>160.955.373</u>
<b>Liabilities</b>			
Long-term loans	12	13.435.871	16.758.647
Obligations under finance leases		4.541.825	5.399.600
Trade and other payables		11.609.827	11.441.699
Deferred taxation		486.178	486.683
Provision for other liabilities and termination of employment		<u>3.267.042</u>	<u>3.090.779</u>
<b>Total non-current liabilities</b>		<u>33.340.743</u>	<u>37.177.408</u>
Trade and other payables		157.945.910	126.756.223
Bank overdrafts	12	36.519.569	50.873.720
Short term loans	12	41.144.741	66.551.100
Current portion of long-term loans	12	7.942.292	8.289.819
Obligations under finance leases		1.479.225	1.187.701
Promissory notes		592.460	130.549
Derivative financial instruments		592.564	946.831
Current tax liabilities		1.979.912	1.460.282
Provision for other liabilities and termination of employment		<u>265</u>	<u>40.269</u>
<b>Total current liabilities</b>		<u>248.196.938</u>	<u>256.236.494</u>
<b>Total liabilities</b>		<u>281.537.681</u>	<u>293.413.902</u>
<b>Total equity and liabilities</b>		<u>448.874.684</u>	<u>454.369.275</u>

The notes on pages 13 to 52 are an integral part of these consolidated interim financial statements.

**LOGICOM PUBLIC LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Period ended 30 June 2020

	Share capital €	Share Premium Reserve €	Revaluation Reserve €	Difference arising on the conversion the share capital to Euro €	Hedge reserve €	Statutory reserve €	Translation reserve €	Retained earnings €	Total €	Non-controlli ng interest €	Total €
Balance at 1 January 2019	25.187.064	10.443.375	4.764.386	116.818	(9.019.199)	1.872.251	(4.271.676)	76.193.168	105.286.187	(1.989.007)	103.297.180
Profit for the period	-	-	-	-	-	-	-	11.140.941	11.140.941	39.262	11.180.203
Other comprehensive income	-	-	1.780	-	(214.886)	-	(593.494)	418.385	(388.215)	-	(388.215)
<i>Transactions with owners recognized directly in equity</i>											
Proposed dividend for 2018 that was paid in 2019	-	-	-	-	-	-	-	(5.185.572)	(5.185.572)	-	(5.185.572)
Transfer to retained earnings	-	-	-	-	-	1.071	-	-	1.071	-	1.071
Balance at 30 June 2019	<u>25.187.064</u>	<u>10.443.375</u>	<u>4.766.166</u>	<u>116.818</u>	<u>(9.234.085)</u>	<u>1.873.322</u>	<u>(4.865.170)</u>	<u>82.566.922</u>	<u>110.854.412</u>	<u>(1.949.745)</u>	<u>108.904.667</u>
Balance at 1 January 2020	25.187.064	10.443.375	6.385.831	116.818	(9.690.897)	2.435.557	(652.294)	129.153.173	163.378.627	(2.423.254)	160.955.373
Profit for the period	-	-	-	-	-	-	-	8.605.442	8.605.442	(33.778)	8.571.664
Other comprehensive income	-	-	(86.394)	-	(114.469)	-	(1.838.695)	(149.729)	(2.189.287)	-	(2.189.287)
<i>Transactions with owners recognized directly in equity</i>											
Share of other transactions with owners from an associated company	-	-	-	-	-	-	-	(747)	(747)	-	(747)
<b>Balance at 30 June 2020</b>	<u>25.187.064</u>	<u>10.443.375</u>	<u>6.299.437</u>	<u>116.818</u>	<u>(9.805.366)</u>	<u>2.435.557</u>	<u>(2.490.989)</u>	<u>137.608.139</u>	<u>169.794.035</u>	<u>(2.457.032)</u>	<u>167.337.003</u>

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during the period of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the shareholders at the end of the period of the two years from the end of the year of assessment to which profits refer are Cyprus tax residents and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

Retained earnings is the only reserve that is available for distribution

The notes on pages 13 to 52 are an integral part of these consolidated interim financial statements.

## LOGICOM PUBLIC LIMITED

CONSOLIDATED CASHFLOW STATEMENT  
Period ended 30 June 2020

	Period ended 30 June 2020	Period ended 31 December 2019
Note	€	€
<b>Cash flows from operations</b>		
Profit for the period/year	8.571.664	11.180.203
Adjustments for:		
Exchange differences	(943.600)	(563.610)
Depreciation	6 666.882	649.464
Depreciation on leased property, plant and equipment	6 122.189	156.175
Depreciation on right of use assets	7 806.362	773.539
Interest payable	2.915.998	3.921.436
Interest receivable	(311.559)	(266.145)
Impairment loss on trade receivables	433.624	293.168
Provision for obsolete and slow moving inventory	140.163	164.628
Share of profit from investments in associated companies	9 (427.812)	(3.471.414)
Share of loss /(profit) from joint ventures	82.925	(96.176)
Change in fair value of derivative financial instruments	(354.666)	(154.356)
Profit from the disposal of property, plant and equipment	(13.452)	(8.876)
Amortisation of research and development	120.519	122.438
Charge to profit or loss for provisions for other liabilities and termination of employment	258.636	326.161
Taxation	<u>1.456.561</u>	<u>1.735.106</u>
	13.524.434	14.761.741
Increase in inventories	(2.489.621)	(4.542.803)
Decrease/(increase) in trade and other receivables	13.023.921	(17.201.144)
Increase in trade and other payables	31.357.815	15.734.799
Increase/(Decrease) in promissory notes	<u>461.911</u>	<u>(489.326)</u>
	55.878.460	8.263.267
Interest paid	(2.793.213)	(4.230.113)
Taxation paid	<u>(1.092.019)</u>	<u>(1.580.196)</u>
<b>Net cash flows from operations</b>	<u>51.993.228</u>	<u>2.452.958</u>
<b>Cash flows used in investing activities</b>		
Proceeds from disposal of property, plant and equipment	897.021	290.606
Payments to acquire investments at fair value through other comprehensive income	(1.000.800)	(3.434.818)
Decrease in provisions	(122.377)	(1.488)
Payments to acquire property, plant and equipment	6 (1.448.178)	(678.881)
Interest received	<u>311.559</u>	<u>266.145</u>
<b>Net cash flows used in investing activities</b>	<u>(1.362.775)</u>	<u>(3.558.436)</u>
<b>Net cash flow (used in)/from financing activities</b>		
Proceeds from issue of new loans	41.619.348	79.488.533
Repayment of loans	(70.696.010)	(66.476.119)
Repayments of obligations under finance leases	(905.705)	(746.016)
Dividends paid	-	(5.185.572)
(Payments)/ proceeds from derivative financial instruments	<u>-</u>	<u>7.784</u>
<b>Net cash flows (used in)/from financing activities</b>	<u>(29.982.367)</u>	<u>7.088.610</u>
<b>Net flow in cash and cash equivalents</b>	20.648.086	5.983.132
<b>Cash and cash equivalents at beginning of the period</b>	<u>(21.111.933)</u>	<u>(18.318.669)</u>
<b>Cash and cash equivalents at end of the period</b>	10 <u>(463.847)</u>	<u>(12.026.860)</u>

The notes on pages 13 to 52 are an integral part of these consolidated interim financial statements.

## LOGICOM PUBLIC LIMITED

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Note	30 June 2020 €	31 December 2019 €
<b>ASSETS</b>			
Property, plant and equipment	6	4.603.133	5.027.232
Right of use assets	7	527.609	586.229
Investments in subsidiary companies	8	53.707.037	53.707.037
Long-term loans to subsidiary companies	19	29.236.994	29.048.640
Deferred taxation		<u>879.276</u>	<u>879.277</u>
<b>Total non-current assets</b>		<u>88.954.049</u>	<u>89.248.415</u>
Inventories		829.090	1.789.537
Trade and other receivables		18.456.545	20.397.039
Receivables from subsidiary companies	19	17.327.963	37.921.188
Investments at fair value through profit or loss		9.594	9.594
Cash and cash equivalents	10	<u>833.899</u>	<u>2.141.917</u>
<b>Total current assets</b>		<u>37.457.091</u>	<u>62.259.275</u>
<b>Total assets</b>		<u>126.411.140</u>	<u>151.507.690</u>
<b>Equity</b>			
Share capital	11	25.187.064	25.187.064
Reserves		<u>14.574.794</u>	<u>17.753.639</u>
<b>Total equity</b>		<u>39.761.858</u>	<u>42.940.703</u>
<b>Liabilities</b>			
Long-term loans	12	7.884.739	10.899.978
Obligations under finance leases		433.039	490.218
Deferred taxation		<u>484.273</u>	<u>484.273</u>
<b>Total non-current liabilities</b>		<u>8.802.051</u>	<u>11.874.469</u>
Trade and other payables		20.873.606	22.459.410
Bank overdrafts	12	24.969.801	30.258.843
Short term loans	12	24.237.717	36.333.646
Current portion of long-term loans	12	6.490.350	6.490.353
Obligations under finance leases		112.039	108.440
Promissory notes		592.460	130.549
Derivative financial instruments		567.959	908.251
Current tax liabilities		<u>3.299</u>	<u>3.026</u>
<b>Total current liabilities</b>		<u>77.847.231</u>	<u>96.692.518</u>
<b>Total liabilities</b>		<u>86.649.282</u>	<u>108.566.987</u>
<b>Total equity and liabilities</b>		<u>126.411.140</u>	<u>151.507.690</u>

The notes on pages 13 to 52 are an integral part of these consolidated interim financial statements.

**LOGICOM PUBLIC LIMITED**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 June 2020

**1. UNAUDITED FINANCIAL STATEMENTS**

The interim consolidated financial statements for the A' half ended on 30 June 2020 and 2019 respectively, have not been audited by the external auditors of the Company.

**2. EFFECT OF CORONAVIRUS (COVID-19)**

The interim financial statements include amounts that have been directly affected by the Coronavirus pandemic (COVID-19) and are analysed below:

**Turnover**

During the A' half of 2020, the Group's turnover showed a decrease of 11,0%. This reduction cannot be attributed solely to the pandemic and its consequences, nor can the degree of its impact be determined.

**Other Income**

Other income includes an amount of €312.337 which relates to a discount for advance payment of tax liability in Greece in the context of the measures announced by the Greek Government to restrain the negative effects of the pandemic on businesses.

During the period of implementation of the restrictive measures against the spread of the pandemic by the governments of the countries in which the Group operates, subsidiaries receive support packages whose value is not significant.

**Impairment Loss On Trade Receivables**

Impairment loss on trade receivables includes an amount of €150.000 relating to impairment provision for expected credit losses, as a result of the deteriorating economic climate in the countries where the Group operates.

**Administrative Expenses**

The Management of the Group has taken action to reduce operating expenses during the period, which are expected to have a positive effect on the results in the near future. As a result of the pandemic, administrative expenses have increased by €207.620 from expenditures on prevention and hygiene measures.

There were no significant differences in finance leases to the extent that they affected the value of the right-of-use assets, lease liabilities and related depreciation.

**Finance costs**

As part of the efforts to restrain the financial impact, and especially on cash flows, from the pandemic, agreements were reached to extend the terms of payment with trade suppliers and respectively, facilities were granted to Group's customers.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The interim financial statements, which are presented in Euro, have been prepared in accordance with the International Financial Reporting Standards, including IAS 34 "Interim Financial Reporting".

The accounting policies used in the preparation of the interim financial statements are in accordance with those used in the annual financial statements for the year ended 31 December 2019. During the current period, the Group assesses the effect of the new and revised International Financial Reporting Standards (IFRSs) and Interpretations that refer to accounting periods beginning on or after 1 January 2019, on the consolidated financial statements. The new standards and interpretations that are relevant to the Group operations will be adopted in accordance with the relevant IFRSs guidelines.

The results are presented in Euro. Transactions in foreign currencies are translated using the exchange rates prevailing at the date of the transaction. Amounts receivable and payable denominated in foreign currencies are translated to the functional currency at the exchange rate prevailing at the date of the Statement of Financial Position and the Foreign currency differences arising on translation are recognised in the Statement of Profit or Loss and Other Comprehensive Income. From 1st of January 2006 and according to the latest amendment of IAS 21, all exchange differences arising from the translation of long term loans granted to foreign subsidiaries are transferred to the Exchange Differences Reserve in the financial statements of the Group irrespective of the currency in which the loans has been granted.

**LOGICOM PUBLIC LIMITED**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 June 2020

**3. SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

The Company has chosen to implement the provisions of IFRS 9 for the hedging of the foreign exchange risk. According to the provisions of IFRS 9, the net investments in foreign operations can be defined as 'hedged item' and the long term bank borrowings, of a corresponding value, denominated in the same currency as the net investments, which is different from the parent Company's functional currency, can be defined as 'hedging instrument', resulting to the hedging of exchange differences arising from the translation of net investments and long term bank borrowings, in the consolidated financial statements of the parent Company with its subsidiaries, and their transfer to the Hedge Reserve in the Group's financial statements, provided that the hedging is considered effective.

The Taxation has been calculated on the taxable profits for the period based on the Company's dividend policy and the applicable tax legislation.

**4. OPERATING SEGMENTS**

The Group can be divided in to two important segments, the distribution segment and the services segment. The distribution segment that mainly operates in the distribution of high technology products is divided in three main geographical segments as described below. The services segment operates mainly in the provision of solutions and services for networks and telecommunications and the provision of solutions and services for software for customers in Cyprus and abroad. The following summary describes the operations in each of the Group's Reportable Segments:

- European markets distribution segment – This segment operates mainly in the distribution of high technology products in Cyprus, Greece and Italy.
- UAE and Saudi Arabia distribution segment – This segment operates mainly in the distribution of high technology products in United Arab Emirates and Saudi Arabia.
- Other markets distribution segment – This segment operates mainly in the distribution of high technology products and the production of computers in other countries that the Group operates in, other than the countries mentioned above.
- Services segment – This segment operates in the provision of solutions and services for networks and telecommunications and the provision of solutions and services for software for customers in Cyprus and abroad.

Information regarding the results of each reportable segment is presented below. The information is used for the preparation of the consolidated and separate financial statements. The performance is evaluated based on the profit before taxation of each segment, as presented in management reports which are examined by the Board of Directors. The profit of each segment is used for the evaluation of the performance since the management believes that this information is the most appropriate for the evaluation of the results of all segments that are reported. The accounting policies of the operating segments are presented in note 3.

Revenue and total non-current assets are allocated between Cyprus, Greece, United Arab Emirates and other countries are as follows:

	Revenue		Total non-current assets	
	Period ended	Period ended	30 June 2020	31 December
	30 June 2020	2019		2019
	€	€	€	€
Cyprus	49,033,445	46,913,957	131,866,060	132,283,529
Greece	44,550,047	48,402,646	1,419,740	1,248,624
United Arab Emirates	133,449,840	158,707,340	5,786,091	5,957,664
Other Foreign Countries	<u>187,261,986</u>	<u>211,577,497</u>	<u>4,494,947</u>	<u>4,860,262</u>
	<u>414,295,318</u>	<u>465,601,440</u>	<u>143,566,838</u>	<u>144,350,079</u>



## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 June 2020

## 4. OPERATING SEGMENTS (continued)

Period ended 30 June 2020	European Markets Distribution Segment €	Middle East Markets Distribution Segment €	All other Segments €	Services Segments €	Transactions between operating segments €	Total €
Revenue from third parties	<u>83.409.503</u>	<u>263.550.288</u>	<u>37.664.470</u>	<u>30.477.776</u>	<u>(806.719)</u>	<u>414.295.318</u>
Intersegment revenue	<u>17.800.640</u>	<u>62.768.143</u>	<u>583.686</u>	<u>697.212</u>	<u>(81.849.681)</u>	<u>-</u>
Other income	464.069	12.286	39.031	39.339	-	554.725
Depreciation and amortisation	461.399	573.669	300.841	257.854	-	1.593.763
Personnel costs	3.532.646	5.982.142	1.602.731	2.462.398	-	13.579.917
Travelling expenses	126.161	76.653	11.409	29.646	-	243.869
Impairment loss on trade receivables	48.690	349.642	6.228	29.064	-	433.624
Professional fees	679.896	247.251	85.589	136.297	-	1.149.033
Rent	2.123	121.137	67.777	11.353	-	202.390
Credit insurance	282.061	513.267	30.758	45.990	-	872.076
Transportation expenses	<u>282.496</u>	<u>570.416</u>	<u>54.459</u>	<u>419</u>	<u>-</u>	<u>907.790</u>
<b>Profit from operations</b>	<u>277.737</u>	<u>8.178.383</u>	<u>381.723</u>	<u>3.694.115</u>	<u>528.278</u>	<u>13.060.236</u>
Net foreign exchange	81.440	(112.771)	(302.353)	9.089	65.663	(258.932)
Interest receivable	10.537	34.206	264.912	1.904	-	311.559
Interest payable and bank charges	<u>(2.030.319)</u>	<u>(1.465.715)</u>	<u>(619.258)</u>	<u>(138.861)</u>	<u>824.628</u>	<u>(3.429.525)</u>
<b>Net finance costs</b>	<u>(1.938.342)</u>	<u>(1.544.280)</u>	<u>(656.699)</u>	<u>(127.868)</u>	<u>890.291</u>	<u>(3.376.898)</u>
Share of profit from associated companies after tax	-	-	-	427.812	-	427.812
Share of profit from joint ventures	<u>-</u>	<u>-</u>	<u>(82.925)</u>	<u>-</u>	<u>-</u>	<u>(82.925)</u>
<b>Profit before tax</b>	<u>(1.660.605)</u>	<u>6.634.104</u>	<u>(357.901)</u>	<u>3.994.056</u>	<u>1.418.571</u>	<u>10.028.225</u>

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 June 2020

## 4. OPERATING SEGMENTS (continued)

Period ended 30 June 2019	European Markets Distribution Segment €	Middle East Markets Distribution Segment €	All other Segments €	Services Segments €	Transactions between operating segments €	Total €
Revenue from third parties	<u>85.754.410</u>	<u>306.407.315</u>	<u>41.828.436</u>	<u>31.611.279</u>	-	<u>465.601.440</u>
Intersegment revenue	<u>16.188.006</u>	<u>71.879.005</u>	<u>38.823</u>	<u>2.194.783</u>	<u>(90.300.617)</u>	-
Other income	60.308	(2.296)	51.215	18.319	-	127.546
Depreciation and amortisation	392.344	574.319	332.869	245.909	-	1.545.441
Personnel costs	3.820.674	6.098.106	1.682.025	2.593.487	-	14.194.292
Travelling expenses	255.826	123.074	24.638	61.083	-	464.621
Impairment loss on trade receivables	(195)	134.236	161.664	(2.537)	-	293.168
Professional fees	665.509	126.202	153.172	117.500	-	1.062.383
Rent	2.084	118.800	41.207	6.080	-	168.171
Credit insurance	169.200	507.644	66.094	45.350	-	788.288
Transportation expenses	<u>268.832</u>	<u>586.330</u>	<u>46.395</u>	<u>3.176</u>	-	<u>904.733</u>
<b>Profit from operations</b>	<u>(17.330)</u>	<u>10.284.155</u>	<u>514.330</u>	<u>3.804.690</u>	<u>(942.240)</u>	<u>13.643.605</u>
Net foreign exchange	(86.402)	35.847	(365.125)	19.218	153.027	(243.435)
Interest receivable	2.453	-	252.997	10.695	-	266.145
Interest payable and bank charges	<u>(2.590.602)</u>	<u>(1.939.643)</u>	<u>(597.035)</u>	<u>(137.411)</u>	<u>946.095</u>	<u>(4.318.596)</u>
<b>Net finance costs</b>	<u>(2.674.551)</u>	<u>(1.903.796)</u>	<u>(709.163)</u>	<u>(107.498)</u>	<u>1.099.122</u>	<u>(4.295.886)</u>
Share of profit from associated companies after tax	-	-	-	3.471.414	-	3.471.414
Share of profit from joint ventures	-	-	96.176	-	-	96.176
<b>Profit before tax</b>	<u>(2.691.881)</u>	<u>8.380.359</u>	<u>(98.657)</u>	<u>7.168.606</u>	<u>156.882</u>	<u>12.915.309</u>

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 June 2020

## 5. EARNINGS PER SHARE

## THE GROUP

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share is based on the profit attributable to the shareholders of the parent Company, the weighted average number of issued shares and the weighted average number of issued shares as adjusted for the effect of the warrants during the period as follows:

	Period ended 30 June 2020	Period ended 31 December 2019
Earnings attributable to shareholders (€)	<u>8.605.442</u>	<u>11.140.941</u>
Weighted average number of issued shares during the period	<u>74.079.600</u>	<u>74.079.600</u>
Basic earnings per share (cent)	<u>11.62</u>	<u>15.04</u>
Diluted weighted average number of shares	<u>74.079.600</u>	<u>74.079.600</u>
Diluted earnings per share (cent)	<u>11.62</u>	<u>15.04</u>

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 June 2020

## 6. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Land and buildings €	Computers €	Furniture and fittings €	Motor vehicles €	Total €
<b>Acquisition cost or revaluation</b>					
Balance at 1 January 2019	17.853.850	7.361.222	4.119.196	1.616.123	30.950.391
Additions for the period	868.577	1.811.921	166.412	215.010	3.061.920
Disposals for the period	(326.000)	(994.653)	(718.379)	(269.687)	(2.308.719)
Adjustment on revaluation	887.830	-	-	-	887.830
Impairment charge	-	(140.267)	-	-	(140.267)
Exchange differences	112.877	39.420	23.878	8.881	185.056
<b>Balance at 31 December 2019</b>	<b>19.397.134</b>	<b>8.077.643</b>	<b>3.591.107</b>	<b>1.570.327</b>	<b>32.636.211</b>
<b>Balance at 1 January 2020</b>	19.397.134	8.077.643	3.591.107	1.570.327	32.636.211
Additions for the period	157.062	1.077.013	72.156	141.947	1.448.178
Disposals for the period	-	(1.229.687)	(72.445)	(62.983)	(1.365.115)
Exchange differences	15.461	13.797	1.263	1.806	32.327
<b>Balance at 30 June 2020</b>	<b>19.569.657</b>	<b>7.938.766</b>	<b>3.592.081</b>	<b>1.651.097</b>	<b>32.751.601</b>
<b>Depreciation</b>					
Balance at 1 January 2019	959.376	5.607.138	2.697.658	1.253.574	10.517.746
Charge for the year	363.272	769.115	314.036	144.456	1.590.879
Disposals for the year	(50.976)	(887.357)	(448.461)	(228.959)	(1.615.753)
Exchange differences	11.459	32.420	16.672	8.284	68.835
Adjustment on revaluation	(906.402)	(105.891)	-	-	(1.012.293)
<b>Balance at 31 December 2019</b>	<b>376.729</b>	<b>5.415.425</b>	<b>2.579.905</b>	<b>1.177.355</b>	<b>9.549.414</b>
<b>Balance at 1 January 2020</b>	376.729	5.415.425	2.579.905	1.177.355	9.549.414
Charge for the period	180.978	387.696	150.770	69.627	789.071
Disposals for the period	-	(346.636)	(71.927)	(62.983)	(481.546)
Exchange differences	(923)	4.222	829	1.411	5.539
<b>Balance at 30 June 2020</b>	<b>556.784</b>	<b>5.460.707</b>	<b>2.659.577</b>	<b>1.185.410</b>	<b>9.862.478</b>
<b>Net book value</b>					
<b>Balance at 30 June 2020</b>	<b>19.012.873</b>	<b>2.478.059</b>	<b>932.504</b>	<b>465.687</b>	<b>22.889.123</b>
<b>Balance at 1 January 2020</b>	<b>19.020.405</b>	<b>2.662.218</b>	<b>1.011.202</b>	<b>392.972</b>	<b>23.086.797</b>

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 June 2020

## 6. PROPERTY, PLANT AND EQUIPMENT (continued)

THE COMPANY	Land and buildings €	Computers €	Furniture and fittings €	Motor vehicles €	Total €
<b>Acquisition cost or revaluation</b>					
Balance at 1 January 2019	3.743.000	1.963.402	632.164	575.463	6.914.029
Additions for the period	-	1.110.830	24.491	19.169	1.154.490
Disposals for the period	(326.000)	(662.996)	(379.283)	(111.000)	(1.479.279)
Adjustment on revaluation	25.111	-	-	-	25.111
<b>Balance at 31 December 2019</b>	<b>3.442.111</b>	<b>2.411.236</b>	<b>277.372</b>	<b>483.632</b>	<b>6.614.351</b>
<b>Balance at 1 January 2020</b>	3.442.111	2.411.236	277.372	483.632	6.614.351
Additions for the period	-	663.359	10.690	41.471	715.520
Disposals for the period	-	(883.083)	-	(39.121)	(922.204)
<b>Balance at 30 June 2020</b>	<b>3.442.111</b>	<b>2.191.512</b>	<b>288.062</b>	<b>485.982</b>	<b>6.407.667</b>
<b>Depreciation</b>					
Balance at 1 January 2019	210.143	1.414.234	540.246	362.091	2.526.714
Charge for the year	(209.516)	(347.269)	(355.266)	83.456	(828.595)
Disposals for the year	-	-	-	(111.000)	(111.000)
<b>Balance at 31 December 2019</b>	<b>627</b>	<b>1.066.965</b>	<b>184.980</b>	<b>334.547</b>	<b>1.587.119</b>
<b>Balance at 1 January 2020</b>	627	1.066.965	184.980	334.547	1.587.119
Charge for the period	67.228	145.026	13.513	31.272	257.039
Disposals for the period	-	(503)	-	(39.121)	(39.624)
<b>Balance at 30 June 2020</b>	<b>67.855</b>	<b>1.211.488</b>	<b>198.493</b>	<b>326.698</b>	<b>1.804.534</b>
<b>Net book value</b>					
<b>Balance at 30 June 2020</b>	<b>3.374.256</b>	<b>980.024</b>	<b>89.569</b>	<b>159.284</b>	<b>4.603.133</b>
<b>Balance at 1 January 2020</b>	<b>3.441.484</b>	<b>1.344.271</b>	<b>92.392</b>	<b>149.085</b>	<b>5.027.232</b>

Approximately every three years, or earlier if required, revaluations are prepared to estimate the fair values of land and buildings.

The revaluations were made on the basis of the comparable valuation method for the computation of the market value, with the cost of construction method for the market value of the building under consideration as well as on the basis of future prospects of the properties under consideration. Revaluations are made by independent professional valuers.

On 9 February 2018, the company Najada Holdings Limited, a subsidiary company of Logicom Public Limited, acquired all the interests of the immovable property Parcel 1878 Sheet/Plan 30/06E2, area 16 decares and 147 sq.m, at Strovolos Municipality in Nicosia ('The Property'). The purchase price amounted to €8.125.000. The decision for the acquisition of the Property was taken taking into consideration the present and future premises needs of the Group as well as the opportunities for its commercial development and exploitation.

On 31 December 2019, the property was revalued with a revaluation surplus of €2.100.000.

On land and buildings, borrowing costs, as well as, professional and legal costs for the design and licensing of the building of Najada Holdings Ltd under construction, have been capitalised, with a total cost of €795.924. The cost of the building under construction is not depreciated.

**LOGICOM PUBLIC LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Period ended 30 June 2020

**6. PROPERTY, PLANT AND EQUIPMENT** *(continued)*

The real right to rent in the Larnaca Free Trade Zone as well as the privately owned buildings with an initial purchase cost of €130.178 and with subsequent additions at a cost of €29.672 were sold in 2019 for €330.000. The listed value at the date of the sale was €289.017.

The land and buildings of Logicom Public Limited were revalued on 31 December 2019 and the surplus from revaluation amounted to €281.098.

The subsidiary company Logicom FZE acquired land in the Free Trade Zone Area in Jebel Ali. The land is leased under an operating lease for 10 years from the 1 August 2007 with an option for renewal. During the year, the subsidiary proceeded with the construction of an office building and a warehouse in the land. The annual lease payment is €154.090. The land and buildings were revalued on 31 December 2019 and the revaluation loss amounted to €610.844.

The land and buildings of Logicom Jordan LLC were revalued on 31 December 2019 and the revaluation surplus amounted to €23.978.

As at 30 June 2020 the Group's management estimates that the book value of buildings of Logicom (Middle East) SAL in Lebanon is not significantly different from their fair value which amounts to €200.777.

Land and buildings are classified as Level 3 for the calculation of their fair value, where the valuation technique is performed by independent qualified appraisers using a variety of valuation methods and assumptions based mainly on the market situation at each valuation date.

The main property of the Group included in the Land and Buildings category are presented below:

<b>Type of property</b>	<b>Assessment method</b>	<b>Non observable data</b>	<b>Data fluctuation range</b>	30 June 2020	31 December 2019
				€	€
Land and buildings	Comparative method	Sale price per sq.m.	€500/sq.m. - €1.700/sq.m.	2.835.000	2.835.000
Land	Comparative method	Sale price per sq.m.	€1.000/sq.m.	602.000	602.000
Land	Comparative method	Sale price per sq.m.	€300/sq.m.- €800/sq.m.	10.225.000	10.225.000
Buildings	Comparative method	Transfer price per sq.m.	USD 1.720 (€1.532)/sq.m.	<u>3.507.404</u>	<u>3.507.404</u>

Sensitivity of data: The fair value will increase/(decrease) if the sale price or transfer price per sq.m increases/(decreases).

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 June 2020

## 7. RIGHT-OF-USE ASSETS

## THE GROUP

	Right of use land €	Right of use buildings and warehouse €	Right of use motor vehicles €	Total €
<b>Acquisition cost</b>				
<b>Balance at 1 January 2019</b>	1.892.023	5.070.456	234.114	7.196.593
Additions for the period	-	748.382	95.786	844.168
Exchange differences	36.378	18.100	(1.585)	52.893
<b>Balance at 31 December 2019</b>	<u>1.928.401</u>	<u>5.836.938</u>	<u>328.315</u>	<u>8.093.654</u>
<b>Period ended 30 June 2020</b>				
<b>Balance at 1 January 2020</b>	1.928.401	5.836.938	328.315	8.093.654
Additions for the period	-	15.348	201.322	216.670
Disposals for the period	-	-	-	-
Exchange differences	6.200	(17.509)	(945)	(12.254)
<b>Balance at 30 June 2020</b>	<u>1.934.601</u>	<u>5.834.507</u>	<u>528.692</u>	<u>8.297.800</u>
<b>Depreciation</b>				
<b>Balance at 1 January 2019</b>	-	-	-	-
Charge	96.756	1.254.317	101.661	1.452.734
Exchange differences	(336)	(2.665)	(383)	(3.384)
<b>Balance at 31 December 2019</b>	<u>96.420</u>	<u>1.251.652</u>	<u>101.278</u>	<u>1.449.350</u>
<b>Period ended 30 June 2020</b>				
<b>Balance at 1 January 2020</b>	96.420	1.251.652	101.278	1.449.350
Charge for the period	49.147	680.506	76.709	806.362
Exchange differences	(471)	(4.577)	(690)	(5.738)
<b>Balance at 30 June 2020</b>	<u>145.096</u>	<u>1.927.581</u>	<u>177.297</u>	<u>2.249.974</u>
<b>Net book value</b>				
<b>Balance at 30 June 2020</b>	<u>1.789.505</u>	<u>3.906.926</u>	<u>351.395</u>	<u>6.047.826</u>
<b>Balance at 1 January 2020</b>	<u>1.831.981</u>	<u>4.585.286</u>	<u>227.037</u>	<u>6.644.304</u>

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 June 2020**7. RIGHT-OF-USE ASSETS (continued)**

<b>THE COMPANY</b>	Right of use buildings and warehouse €
<b>Acquisition cost</b>	
<b>Balance at 1 January 2019</b>	<u>703.475</u>
<b>Balance at 31 December 2019</b>	<u>703.475</u>
<b>Period ended 30 June 2020</b>	
<b>Balance at 1 January 2020</b>	703.475
<b>Balance at 30 June 2020</b>	<u>703.475</u>
<b>Depreciation</b>	
<b>Balance at 1 January 2019</b>	-
Charge	117.246
Disposals for the period	-
Exchange differences	-
Impairment charge	<u>-</u>
<b>Balance at 31 December 2019</b>	<u>117.246</u>
<b>Period ended 30 June 2020</b>	
<b>Balance at 1 January 2020</b>	117.246
Charge for the period	<u>58.620</u>
<b>Balance at 30 June 2020</b>	<u>175.866</u>
<b>Net book value</b>	
<b>Balance at 30 June 2020</b>	<u><u>527.609</u></u>
<b>Balance at 1 January 2020</b>	<u><u>586.229</u></u>

The Group and the Company adopted IFRS 16 “Leases” on 1 January 2019. On transition to IFRS 16 the Group recognised right-of-use assets and lease liabilities relating to leases of land, buildings, warehouses and vehicles.



## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 June 2020**8. INVESTMENTS IN SUBSIDIARIES**

The Company has the following investments in subsidiary companies:

Company	Country of incorporation	30 June 2020 Holding %	31 December 2019 Holding %	30 June 2020 €	31 December 2019 €
Logicom(Overseas) Limited	Cyprus	100	100	-	-
Logicom(Middle East) SAL	Lebanon	100	100	375.820	375.820
ENET Solutions Logicom S.A.	Greece	100	100	1.205.400	1.205.400
Logicom FZE	United Arab Emirates	100	100	18.693.825	18.693.825
Logicom Trading & Distribution LLC	Qatar	100	100	46.313	46.313
Logicom Jordan LLC	Jordan	100	100	78.372	78.372
Logicom Italia s.r.l.	Italy	100	100	3.569.544	3.569.544
Rehab Technologies Limited	Saudi Arabia	100	100	-	-
Logicom Information Technology Distribution s.r.l.	Romania	100	100	2.200.063	2.200.063
Logicom Bulgaria EOOD	Bulgaria	100	100	-	-
Logicom Services Ltd	Cyprus	100	100	24.010.000	24.010.000
Verendrya Ventures Ltd	Cyprus	60	60	600	600
Logicom Distribution Germany GmbH	Germany	100	100	27.000	27.000
Cadmus Tech Points S.A.L	Lebanon	100	100	-	-
Najada Holdings Limited	Cyprus	100	100	3.500.100	3.500.100
				<u>53.707.037</u>	<u>53.707.037</u>

The value of the investments as listed above consists of the share capital and the contribution from the parent company to its subsidiaries.

The Company owns indirectly, through the subsidiary company Logicom Services Ltd, 100% of Logicom Solutions Ltd in Cyprus with share capital of €11.115.

The Company owns indirectly, through the subsidiary companies Enet Solutions Logicom S.A. and Logicom FZE, 100% of Logicom IT Distribution Ltd in Turkey with share capital of €11.343.372.

The Company owns indirectly, through the subsidiary company Verendrya Ventures Limited, the 60% of the subsidiary Netcom Limited in Cyprus with share capital €17.100.

The Company owns indirectly, through the subsidiary company Logicom FZE, 100% of the subsidiary, Logicom Saudi Arabia LLC in Saudi Arabia with share capital of €4.960.896.

The Company owns indirectly, through the subsidiary company Logicom FZE, 100% of the subsidiary, Logicom Dubai LLC in United Arab Emirates, with share capital of €92.129

The Company owns indirectly, through the subsidiary company Logicom Services Ltd, 100% of Newcytech Business Solutions Ltd in Cyprus with share capital of €756.776.

The Company owns indirectly, through the subsidiary company Logicom Services Ltd, 100% of Newcytech Distribution Ltd in Cyprus with share capital of €8.550.

The Company owns indirectly, through the subsidiary company Logicom Services Ltd, 100% of the subsidiary in United Arab Emirates, Logicom Solutions LLC with share capital of €56.589.

**LOGICOM PUBLIC LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Period ended 30 June 2020****8. INVESTMENTS IN SUBSIDIARIES** *(continued)*

The Company owns indirectly, through the subsidiary company LogicomServices Ltd, 100% of the subsidiary in Greece, ICT Logicom Solutions SA with share capital of €100.000.

The Company owns indirectly, through subsidiaries LogicomFZE and Logicom Dubai LLC 100% of Logicom LLC in Oman, with share capital of €41.086.

The Company owns indirectly, through subsidiary Logicom FZE 100% of Logicom Kuwait for Computer Company W.L.L. in Kuwait, with share capital of €50.997.

The Company owns indirectly, through its subsidiary LogicomFZE, the 100% of Logicom Bahrain W.L.L. in Bahrain, with share capital of €11.676.

The Company owns indirectly through its subsidiary Logicom FZE and Logicom (Overseas) Limited the 100% of LogicomEgypt LLC in Egypt, with share capital of €56.

As at 31 December 2019, the Company made an impairment assessment on the value of the investments in subsidiary companies by comparing the net asset value of each investment with the carrying amount as stated in the Company's books. There was no indication for impairment in the value of the investments in subsidiaries, except for Logicom Information Technology Distribution s.r.l, Logicom (Middle East) SAL, and Logicom Italia s.r.l, according to the comparison mentioned above. The value of the investment in LogicomIT Distribution Ltd was fully impaired in 2018. The value of the investment in Logicom(Middle East) SAL has been impaired by €1.150.000 in 2019. The value of the investments in the companies Logicom Information Technology Distribution s.r.l. and Logicom Italia srl were not impaired based on the calculation of the expected future cash flows of these companies for the years 2020-2022 divided by the weighted average cost of capital that was calculated at 7,65%, with growth rate to perpetuity of 2% and based on the fact that the discounted future cash flows exceed the value of these investments. Impairments on the values of the investments are presented in the Statement of Profit or Loss.

**LOGICOM PUBLIC LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Period ended 30 June 2020

**8. INVESTMENTS IN SUBSIDIARIES (continued)**

The following table presents the dates of acquisition, the nominal values and the number of shares of the main subsidiary companies:

Company	Date of acquisition/ incorporation	Nominal Value	Number of shares
Logicom(Overseas) Limited	01/01/1999	EUR 1,71	10.000
Logicom Solutions Limited	01/01/2000	EUR 1,71	6.500
Netcom Limited	27/04/2000	EUR 1,71	10.000
Logicom (Middle East) SAL	25/07/2000	LBP 15.000	20.000
ENET Solutions Logicom S.A.	21/02/2001	EUR 2,94	410.000
Logicom Jordan LLC	07/08/2001	JOD 1	50.000
Logicom FZE	03/10/2001	AED 1 Million	1
Logicom Dubai LLC	07/11/2001	AED 100	3.000
Logicom Italia s.r.l.	14/06/2005	EUR 10.000	1
Logicom IT Distribution Limited	01/12/2005	YTL 25	920.000
Rehab Technologies Limited	01/08/2006	SAR 500	1.000
Logicom Information Technology Distribution s.r.l.	19/03/2007	RON 200	1
Logicom Bulgaria EOOD	12/04/2007	BGN 20.000	1
Verendrya Ventures Ltd	30/01/2009	EUR 1	1.000
Logicom Services Ltd	06/05/2009	EUR 1	10.000
Enet Solutions LLC	16/08/2009	AED 1.000	300
ICT Logicom Solutions SA	03/11/2009	EUR 1	100.000
Logicom Saudi Arabia LLC	29/09/2009	SAR 10	2.680.000
Newcytech Business Solutions Ltd	30/10/2009	EUR 1,71	442.559
Newcytech Distribution Ltd	30/10/2009	EUR 1,71	5.000
Logicom Distribution Germany GmbH	29/09/2010	EUR 1	25.000
Logicom LLC	02/09/2012	OMR 1	20.000
Cadmus Tech Points S.A.L	01/10/2013	LBP 10.000	3.000
Logicom Kuwait for Computer Company W.L.L	13/03/2014	KWD 200	100
Logicom Trading & Distribution LLC	23/03/2014	QAR 1.000	200
Najada Holdings Limited	23/05/2017	EUR 1	100
Logicom Bahrain W.L.L	06/09/2018	BD 50	100
Logicom Egypt LLC	07/11/2019	LE 10	100

**9. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES**

The Group participates in the consortium M.N Limasol Water Co. Limited and M.N. E.P.C Water Co. (partnership) with 50% holding through its subsidiary company Verendrya Ventures Limited. The above consortiums have undertaken the construction and operation of the desalination plant in Episkopi.

During 2012, the Group has also acquired a 50% holding through its subsidiary company Verendrya Ventures Limited, in the joint venture M.N Larnaca Desalination Co. Limited for the renovation and operation of the existing desalination unit in Larnaca.

On 15 March 2018, the Group increased its total shareholding held in Demetra Holdings Plc to 29,62%, resulting in significant influence.

The Group recognizes the above investments using the equity method.

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 June 2020**9. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES** (continued)**THE GROUP**

	Period ended 30 June 2020		31 December 2019		
	€	€	€	€	
M.N. Limassol Water Co. Ltd		726.293		682.501	
M.N. E.P.C Water Co.		-		-	
M.N. Larnaca Desalination Co. Ltd		-		-	
Demetra Holdings Plc		<u>76.598.615</u>		<u>76.321.278</u>	
		<u>77.324.908</u>		<u>77.003.779</u>	
	M.N. Larnaca Desalination Co. Ltd	M.N. E.P.C Water Co.	M.N. Limassol Water Co. Ltd	Demetra Holdings Plc	Demetra Investments Public Limited
	€	€	€	€	€
Balance at 1 January 2020	-	-	682.501	76.321.278	77.003.779
Reclassification of loss from investments in joint ventures after tax	81.948	550		8	82.49
Share of profit/(loss) from investments in joint ventures	(81.948)	(550)	43.792	-	(38.706)
Exchange differences	-	-	-	-	-
Net share of profit from associated companies after tax	-	-	-	427.812	-
Share of loss through other comprehensive income	-	-	-	(149.729)	-
Share of loss on retained earnings reserve	-	-	-	(746)	-
Balance at 30 June 2020	<u>-</u>	<u>-</u>	<u>726.293</u>	<u>76.598.615</u>	<u>77.047.571</u>
	M.N. Larnaca Desalination Co. Ltd	M.N. E.P.C Water Co.	M.N. Limassol Water Co. Ltd	Demetra Holdings Plc	Demetra Investments Public Limited
	€	€	€	€	€
Balance at 1 January 2019	-	-	796.289	36.660.224	37.456.513
Dividend	-	-	(419.160)	-	(419.160)
Reclassification of loss from investments in joint ventures	273.249	496		5	273.74
Share of profit/(loss) from investments in joint ventures after tax	(273.249)	(496)	305.372	-	31.627
Net share of profit from associated companies after tax	-	-	-	39.789.625	39.789.625
Share of loss through other comprehensive income	-	-	-	(64.907)	(64.907)
Share of other transactions with the owners	-	-	-	(63.664)	(63.664)
Balance at 31 December 2019	<u>-</u>	<u>-</u>	<u>682.501</u>	<u>76.321.278</u>	<u>77.003.779</u>

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 June 2020**9. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES** *(continued)*

According to the Bank Loan Agreement between M.N. Limassol Water Co. Ltd and Hellenic Bank Public Limited (ex. Cyprus Cooperative Bank), a restriction with regards to the dividend distribution exists if any of the below applies:

- Based on the instructions issued by the Water Development Department, the production of the desalinated water is restricted below the minimum quantities as specified in the contract.
- The Water Development Department instructs the company to operate in a stand by mode.
- The economic position or the future cash flows of the company are not in a position to warrant the distribution of dividends.

Regarding the investment in the desalination unit of Larnaca, M.N. Larnaca Desalination Co's Limited management has prepared its financial statements for the year ended 31 December 2019 using estimates, assumptions and evidence that include the legal opinion in relation to the validity of claims in favor and against the company and an opinion from its consultants in respect of the level of compensation that the company is expected to be entitled to. Judgement has also been applied in the allocation of the expected compensation in the financial model of the company between financial and intangible asset. In accordance with the provisions of the paragraph 92 of IAS 37 'Provisions, contingent liabilities and contingent assets' no further information is disclosed in relation to the subject matter on the grounds that it may prejudice the position of the company in a dispute with other parties.

The desalination unit of M.N. Limassol Water Co. Limited has been instructed to restrict the production to 50% of the agreed one from 8 March 2019 and then operate in stand by mode from 10 October 2019.

Significant aggregate amounts in respect of Investments in equity-accounted investees:

<u>Period ended 30 June 2020</u>	M.N. Larnaca			Total
	Desalination Co. Ltd	M.N. Limassol Water Co. Ltd	M.N. E.P.C Water Co.	
Percentage Reporting Date	50% 30/06/2020	50% 30/06/2020	50% 30/06/2020	
	€	€	€	€
Non-current assets	18.122.861	36.203.650	-	54.326.511
Current assets	<u>5.996.902</u>	<u>8.179.191</u>	<u>2.712</u>	<u>14.178.805</u>
Total assets	<u>24.119.763</u>	<u>44.382.841</u>	<u>2.712</u>	<u>68.505.316</u>
Current liabilities	(35.971.629)	(7.234.497)	(1.000)	(43.207.126)
Liabilities	<u>-</u>	<u>(36.320.541)</u>	<u>(29.839)</u>	<u>(36.350.380)</u>
Total liabilities	<u>(35.971.629)</u>	<u>(43.555.038)</u>	<u>(30.839)</u>	<u>(79.557.506)</u>
Net Assets	<u>(11.851.866)</u>	<u>827.803</u>	<u>(28.127)</u>	<u>(11.052.190)</u>
Revenue	3.771.149	3.805.993	-	7.577.142
Expenses	<u>(4.023.484)</u>	<u>(3.718.408)</u>	<u>(1.100)</u>	<u>(7.742.992)</u>
(Loss)/profit	<u>(252.335)</u>	<u>87.585</u>	<u>(1.100)</u>	<u>(165.850)</u>
Group's share in net assets	<u>(5.925.933)</u>	<u>413.902</u>	<u>(14.064)</u>	<u>(5.526.095)</u>
Group's share in (loss)/profit	<u>(126.168)</u>	<u>43.793</u>	<u>(550)</u>	<u>(82.925)</u>

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 June 2020**9. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES** *(continued)*

<u>2019</u>	M.N. Larnaca			Total
	Desalination Co. Ltd	M.N. Limassol Water Co. Ltd	M.N. E.P.C Water Co.	
Percentage Reporting Date	50% 31/12/2019	50% 31/12/2019	50% 31/12/2019	
	€	€	€	€
Non-current assets	18.444.236	36.632.486	-	55.076.722
Current assets	<u>6.475.500</u>	<u>10.271.340</u>	<u>2.563</u>	<u>16.749.403</u>
Total assets	<u>24.919.736</u>	<u>46.903.826</u>	<u>2.563</u>	<u>71.826.125</u>
Current liabilities	(1.277.039)	(7.440.493)	(1.000)	(8.718.532)
Liabilities	<u>(35.242.228)</u>	<u>(38.723.127)</u>	<u>(29.589)</u>	<u>(73.994.944)</u>
Total liabilities	<u>(36.519.267)</u>	<u>(46.163.620)</u>	<u>(30.589)</u>	<u>(82.713.476)</u>
Net Assets	<u>(11.599.531)</u>	<u>740.206</u>	<u>(28.026)</u>	<u>(10.887.351)</u>
Revenue	13.153.652	12.548.388	-	25.702.040
Expenses	<u>(13.700.149)</u>	<u>(11.937.645)</u>	<u>(992)</u>	<u>(25.638.786)</u>
(Loss)/profit	<u>(546.497)</u>	<u>610.743</u>	<u>(992)</u>	<u>63.254</u>
Group's share in net assets	<u>(5.799.766)</u>	<u>370.103</u>	<u>(14.013)</u>	<u>(5.443.676)</u>
Group's share in (loss)/profit	<u>(273.249)</u>	<u>305.372</u>	<u>(496)</u>	<u>31.627</u>

The following table summarises the investment in the associated company Demetra Holdings Plc:

Reporting date	30/06/2020	31/12/2019
Percentage	29,62%	29,62%
	€	€
Non-current assets	248.536.172	244.852.155
Current assets	<u>22.427.037</u>	<u>26.314.704</u>
Total assets	<u>270.963.209</u>	<u>271.166.859</u>
Current liabilities	(5.118.520)	(3.596.630)
Non-current liabilities	<u>(7.240.319)</u>	<u>(9.902.172)</u>
Total liabilities	<u>(12.358.839)</u>	<u>(13.498.802)</u>
Net assets	<u>258.604.370</u>	<u>257.668.057</u>
Revenue	4.602.459	137.338.454
Expenses	<u>(3.158.124)</u>	<u>(3.004.812)</u>
Profit	<u>1.444.335</u>	<u>134.333.642</u>
Group's share in net assets	<u>76.598.614</u>	<u>76.321.278</u>
Group's share in profit for the period	<u>427.812</u>	<u>39.789.625</u>

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 June 2020**9. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES** *(continued)*

During the year 2019 Demetra Holdings Plc (the "company") acquired additional 66.771.716 shares in Hellenic Bank Public Company Limited (the "Bank"), thus increasing the total number of shares held to 86.725.772 which corresponds to 21,01% of the Bank's share capital. After examining the provisions of the International Financial Reporting Standards, the Management of the Company decided that the group Demetra Holdings Plc exercises significant influence on the Bank commencing on 28 August 2018. Therefore, the company conducted an exercise to calculate the fair value of the Bank's identifiable assets and liabilities. For practical purposes and as permitted by the International Financial Reporting Standards, the fair value was calculated on 30 September 2019, a date that is considered to be close to the date that the company acquired significant influence over the Bank, and given that there were no significant intervening events during the period from 28 August 2019 until 30 September 2019. The fair value of the company's share in the Bank amounted to €195.474.939 compared to the total acquisition cost of the shares, €75.624.873, and resulted in a negative goodwill of €119.850.066 that was written off in the results of Demetra Holdings Plc.

**10. CASH AND CASH EQUIVALENTS****THE GROUP**

	30 June 2020 €	31 December 2019 €
Cash in hand	55.853	45.145
Current accounts with banks	<u>35.999.869</u>	<u>29.716.642</u>
	<u><u>36.055.722</u></u>	<u><u>29.761.787</u></u>

**THE COMPANY**

	30 June 2020 €	31 December 2019 €
Cash in hand	35.215	26.919
Current accounts with banks	<u>798.684</u>	<u>2.114.998</u>
	<u><u>833.899</u></u>	<u><u>2.141.917</u></u>

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

**THE GROUP**

	30 June 2020 €	31 December 2019 €
Cash at bank and in hand	36.055.722	29.761.787
Bank overdrafts (Note 12)	<u>(36.519.569)</u>	<u>(50.873.720)</u>
	<u><u>(463.847)</u></u>	<u><u>(21.111.933)</u></u>

**THE COMPANY**

	30 June 2020 €	31 December 2019 €
Cash at bank and in hand	833.899	2.141.917
Bank overdrafts (Note 12)	<u>(24.969.801)</u>	<u>(30.258.843)</u>
	<u><u>(24.135.902)</u></u>	<u><u>(28.116.926)</u></u>

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 June 2020**11. SHARE CAPITAL**

	30 June 2020 Number of shares	30 June 2020 €	31 December 2019 Number of shares	31 December 2019 €
<b>Authorised</b>				
Ordinary shares of €0,34 each	<u>100.000.000</u>	<u>34.000.000</u>	<u>100.000.000</u>	<u>34.000.000</u>
<b>Issued and fully paid</b>				
Balance at 1 January	<u>74.079.600</u>	<u>25.187.064</u>	<u>74.079.600</u>	<u>25.187.064</u>
<b>Balance at 30 June\31 December 2019</b>	<u>74.079.600</u>	<u>25.187.064</u>	<u>74.079.600</u>	<u>25.187.064</u>

**12. LOANS AND BANK OVERDRAFTS****THE GROUP**

	30 June 2020 €	31 December 2019 €
Long-term loans	21.378.163	25.048.466
Short term loans	41.144.741	66.551.100
Bank overdrafts (Note 10)	<u>36.519.569</u>	<u>50.873.720</u>
	<u>99.042.473</u>	<u>142.473.286</u>

The long-term loans of the Group are repayable as follows:

**THE GROUP**

	30 June 2020 €	31 December 2019 €
Within one year	7.942.292	8.289.819
Between two and five years	<u>13.435.871</u>	<u>16.758.647</u>
	<u>21.378.163</u>	<u>25.048.466</u>

**THE COMPANY**

	30 June 2020 €	31 December 2019 €
Long-term loans	14.375.089	17.390.331
Short term loans	24.237.717	36.333.646
Bank overdrafts (Note 10)	<u>24.969.801</u>	<u>30.258.843</u>
	<u>63.582.607</u>	<u>83.982.820</u>

The long term loans of the Company are repayable as follows:

**THE COMPANY**

	30 June 2020 €	31 December 2019 €
Within one year	6.490.350	6.490.353
Between two and five years	<u>7.884.739</u>	<u>10.899.978</u>
	<u>14.375.089</u>	<u>17.390.331</u>



**LOGICOM PUBLIC LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Period ended 30 June 2020

**13. FAIR VALUES**

Management believes that the fair values of the financial assets and liabilities of the Group and the Company are approximately equal to the amounts shown in the books at the end of the period.

**14. RISK MANAGEMENT**

The main financial assets held by the Group and the Company are cash and cash equivalents, investments and trade and other receivables. The main financial liabilities of the Group and the Company are bank overdrafts and loans and trade and other payables. The Group and the Company are exposed to the following risks from their financial assets and liabilities.

**14.1 Credit risk**

Credit risk is the risk of default by counter parties to transactions mainly from trade receivables of the Group and the Company. The Group and the Company ensure the application of appropriate mechanisms and ensure the maintenance of related monitoring procedures and controls over credits. Credit risk is monitored on an ongoing basis.

The Group entered into an agreement with Atradius Credit Insurance N.V. (“Insurance Company”) for the credit insurance that the Group offers to its customers. The issuance of such insurance agreement is considered to be the most appropriate method for hedging against credit risk. The insurance company was evaluated in March 2020 by the rating agency Moody’s as A2 with negative prospects. The Group also signed an agreement in March 2020 for additional insurance on top of the credit limits provided by Atradius with Cooper Gay SA.

The insurance agreements for the trade receivables and the procedures required by these agreements, have improved significantly the monitoring and control of trade receivables, mainly in the approval of credit limits, which is done in cooperation with the credit insurance company that has the resources for a better evaluation of the credibility of each debtor. It should be noted that the credit insurance covers all trade receivables other than governmental or semi-governmental organizations as well as natural persons.

The burden on the economies of the countries in which the Group operates as a result of the Coronavirus pandemic has increased the levels of credit risk. The Management of the Group, taking into account the possible effects of the pandemic on the credit risk, reviewed the assumptions and estimates used to calculate the expected credit losses and, in particular, the macroeconomic impact factor.

The Group's exposure to credit risk is mainly influenced by the individual characteristics of each customer.

The Group establishes an allowance for impairment which represents its assessment of incurred losses in respect of trade and other receivables. The main components of this allowance relate to specific provisions for significant separately identified amounts and general provisions in relation to groups of similar assets for losses that have been incurred but have not yet recognised.

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 June 2020**14. RISK MANAGEMENT** (continued)**14.1 Credit risk** (continued)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

**THE GROUP**

	30 June 2020	31 December 2019
	€	€
Investments at fair value through other comprehensive income	3.634.238	3.862.832
Investments at fair value through profit or loss	19.284	19.284
Receivables from associated companies and joint ventures	22.292.232	22.161.599
Trade and other receivables	196.037.101	208.886.364
Cash and cash equivalents	<u>35.999.869</u>	<u>29.716.642</u>
	<u>257.982.724</u>	<u>264.646.721</u>

**THE COMPANY**

	30 June 2020	31 December 2019
	€	€
Financial assets at fair value through profit or loss	9.594	9.594
Long-term loans to subsidiary companies	29.236.994	29.048.640
Trade and other receivables	18.456.545	20.372.390
Cash and cash equivalents	833.899	2.114.998
Balances with subsidiary companies	<u>17.327.963</u>	<u>37.921.188</u>
	<u>65.864.995</u>	<u>89.466.810</u>

The maximum exposure of the Group to credit risk, for trade receivables by geographic region, is as follows:

**THE GROUP**

	30 June 2020	31 December 2019
	€	€
Europe	60.159.411	66.245.780
Middle East	<u>121.042.880</u>	<u>136.852.140</u>
	<u>181.202.291</u>	<u>203.097.920</u>

**THE COMPANY**

	30 June 2020	31 December 2019
	€	€
Europe	8.703.304	10.480.638
Middle East	-	-
	<u>8.703.304</u>	<u>10.480.638</u>

In accordance with the above analysis 33% of the Group's trade receivables (2019: €33%) originate from Europe and 67% (2019: €67%) of the Group's trade receivables originates from the Middle East.

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 June 2020**14. RISK MANAGEMENT** (continued)**14.1 Credit risk** (continued)

The ageing of the remaining trade receivables is as follows:

**THE GROUP**

	30 June 2020	31 December 2019
	€	€
0 until 90 days	148.713.154	192.162.913
91 until 180 days	23.814.446	5.795.437
more than 180 days	<u>8.674.691</u>	<u>5.139.570</u>
	<u><u>181.202.291</u></u>	<u><u>203.097.920</u></u>

**THE COMPANY**

	30 June 2020	31 December 2019
	€	€
0 until 90 days	7.014.385	10.059.487
91 until 180 days	960.965	141.813
more than 180 days	<u>727.954</u>	<u>279.338</u>
	<u><u>8.703.304</u></u>	<u><u>10.480.638</u></u>

The ageing of the balances of the subsidiary companies in the Company's books is as follows:

**THE COMPANY**

	30 June 2020	31 December 2019
	€	€
0 until 180 days	17.327.963	37.921.188
more than 180 days	<u>29.236.994</u>	<u>29.048.640</u>
	<u><u>46.564.957</u></u>	<u><u>66.969.828</u></u>

The provision for doubtful debts for the year shows a minor increase in relation to the corresponding provision in 2019. The Management of the Group estimates that the credit insurance has reduced significantly the risk for doubtful debts. The provision for doubtful debts is analysed as follows:

**THE GROUP**

	30 June 2020	31 December 2019
	€	€
At 1 January	3.653.877	3.312.677
Provision for doubtful debts	433.624	535.970
Exchange differences	<u>(54.850)</u>	<u>(194.770)</u>
<b>At 30 June\31 December</b>	<u><u>4.032.651</u></u>	<u><u>3.653.877</u></u>

## LOGICOM PUBLIC LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 June 2020

## 14. RISK MANAGEMENT (continued)

## 14.1 Credit risk (continued)

## THE COMPANY

	30 June 2020	31 December 2019
	€	€
At 1 January	116.082	120.133
Provision for doubtful debts	5.000	-
Decrease in provision for bad debts	-	(4.051)
<b>At 30 June\31 December</b>	<b><u>121.082</u></b>	<b><u>116.082</u></b>

The Group estimates that the fair value of trade and other receivables is not significantly different from the carrying value in the financial statements, as the average repayment period of trade and other receivables is less than 6 months.

## THE GROUP

	Weighted-aver age loss rate 2020 %	Gross carrying amount 2020 €	Impairment loss allowance 2020 €	Weighted-aver age loss rate 2019 %	Gross carrying amount 2019 €	Impairment loss allowance 2019 €
Balances not impaired	0,0505	133.688.502	67.576	0,0372	170.488.502	63.423
1 to 90 days	0,4199	41.111.466	172.614	0,3090	25.430.790	78.592
91 to 180 days	1,1970	6.605.284	79.063	0,8809	5.976.827	52.647
More than 180 days	<u>5,9302</u>	<u>3.338.788</u>	<u>197.997</u>	<u>4,3643</u>	<u>3.896.737</u>	<u>170.064</u>
		<u>184.744.040</u>	<u>517.250</u>		<u>205.792.856</u>	<u>364.726</u>

## THE COMPANY

	Weighted-aver age loss rate 2020 %	Gross carrying amount 2020 €	Impairment loss allowance 2020 €	Weighted-aver age loss rate 2019 %	Gross carrying amount 2019 €	Impairment loss allowance 2019 €
Balances not impaired	0,0077	5.457.238	418	0,0022	9.161.460	204
1 to 90 days	0,0623	2.601.660	1.621	0,0179	1.089.887	195
91 to 180 days	0,0564	562.439	3.171	0,1620	220.944	358
More than 180 days	<u>0,3272</u>	<u>203.049</u>	<u>664</u>	<u>0,0940</u>	<u>124.429</u>	<u>117</u>
		<u>8.824.386</u>	<u>5.874</u>		<u>10.596.720</u>	<u>874</u>

**LOGICOM PUBLIC LIMITED**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 June 2020

**14. RISK MANAGEMENT** *(continued)*

**14.2** Interest rate risk

Interest rate risk is the risk of fluctuations in the value of financial instruments due to movements in market interest rates. Income and cash flows from operations of the Group and the Company are dependent on changes of market interest rates, since the Group and the Company have material assets which bear interest. The Group and the Company are exposed to interest rate risk on borrowings. Borrowing in variable interest rates exposes the Group and the Company in interest rate risk that affects cash flows. Borrowing in fixed interest rates exposes the Group and the Company in interest rate risk that affects the fair value. The management of the Group and the Company is monitoring the fluctuations of interest rates on an ongoing basis and ensures that the necessary actions are taken. The interest rate risk was not affected by the Coronavirus pandemic.

**14.3** Foreign exchange risk

This risk arises from adverse movements in foreign exchange rates.

The Company and the Group are subject to foreign exchange risk on sales, purchases and loans in currencies other than the Company's and subsidiary companies functional currency, and on the long term loans to foreign subsidiaries. Management is aware of foreign exchange risk and is examining alternative methods to hedge the risk. The foreign exchange risk was not affected by the Coronavirus pandemic.

The hedging of foreign exchange risk is managed by the Group Financial Controller together with the Executive Directors. This issue is discussed and examined at Board of Directors meetings because the Company is materially affected from the movements in foreign currencies against the Euro.

Until today, the hedging methods that have been used against foreign exchange risk are the following:

1. Natural Hedging. The Company maintains to the maximum possible degree, assets (investments in foreign subsidiaries) and liabilities (bank overdrafts, short and long term loans) at the same currency, mainly the USD. In this way any gain or loss in assets is hedged by the corresponding loss or gain in liabilities.
2. The percentage of sales in foreign currency on total turnover, is approximately the same with the percentage of bank borrowing in foreign currency in relation to the total borrowings of the Group.
3. The bank borrowing is usually made in the currency that the suppliers invoice the Company.
4. In cases of projects where total cost of completion of the project is known from the time of the validation of the tender, then forward contracts are used, for the period required to complete the project, for the specific amount in foreign currency that the Company will be invoiced.
5. In addition, the Company enters into forward exchange contracts based on turnover at regular intervals e.g. weekly, for covering the payments to suppliers based on the credit period that they give to the Company. This way the purchase of foreign currency for payments to suppliers in future periods is secured with the receipts from trade receivables.

Hedging of net investment in foreign operation

The Group applies hedge accounting to decrease foreign exchange risk.

More specifically, the equity and long-term loans that are part of the net investment in subsidiaries Logicom FZE, Logicom Dubai LLC, Logicom (Middle East) SAL, Logicom Jordan LLC and Logicom Saudi Arabia LLC, where the functional currency is the U.S. Dollar are counterbalanced with the bank borrowings of the Group in U.S. Dollar. Hedging is determined on a quarterly basis and the amount is adjusted accordingly. The hedge effectiveness is assessed on the monthly basis and to the extent the hedging is ineffective the exchange differences are recognized in the statement of profit or loss and other comprehensive income.

On 30 June 2020 the amounts that were hedged were, USD 40.000.000 of net investment in the above foreign companies and USD 40.000.000 of bank borrowings.

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 June 2020

**14. RISK MANAGEMENT** (continued)**14.4 Liquidity risk**

Liquidity risk is the risk that arises when the expiry date of assets and liabilities does not concur. When expiries do not concur, the performance can increase but at the same time the risk for losses can also increase. The Group and the Company have procedures in place to minimize such losses, like retaining sufficient amounts in cash and other highly liquid assets and retaining sufficient amounts in secured credit facilities in order to cover liabilities when they fall due.

The liquidity risk has increased since the Coronavirus pandemic. As part of the efforts to restrain the impact of the pandemic on the cash flows, agreements were reached to extend the terms of payment with trade suppliers and facilities were granted to the Group's customers respectively.

The Management estimates that the ability of the Group to discount its trade receivables through the factoring agreement without recourse in Cyprus, Greece and the United Arab Emirates reduces even further the liquidity risk.

Bank loans and overdrafts of the Group and the Company are presented in note 12.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

**THE GROUP****Liquidity Risk**

	Balance	Cash outflows arising from contractual liabilities				
		6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
<u>1 January 2020 to 30 June 2020</u>	€	€	€	€	€	€
Long-term loans	21.378.163	4.313.843	1.752.315	3.509.352	8.887.709	2.914.944
Short term loans	41.144.741	41.144.741	-	-	-	-
Operating leases	1.773.275	1.773.275	-	-	-	-
Trade and other payables	169.555.737	158.017.614	-	-	-	11.538.123
Bank overdrafts	36.519.569	36.519.569	-	-	-	-
Provision for other liabilities	95.919	-	-	-	95.919	-
Promissory notes	592.460	592.460	-	-	-	-
Obligation under finance leases	6.021.051	739.491	672.779	837.480	1.836.842	1.934.459
	<u>277.080.915</u>	<u>243.100.993</u>	<u>2.425.094</u>	<u>4.346.832</u>	<u>10.820.470</u>	<u>16.387.526</u>
<u>31 December 2019</u>						
Long-term loans	25.048.466	4.184.491	4.105.325	3.506.154	9.290.056	3.962.440
Short term loans	66.551.100	66.551.100	-	-	-	-
Operating leases	1.773.275	1.773.275	-	-	-	-
Trade and other payables	138.197.922	119.430.198	7.329.684	-	-	11.438.040
Bank overdrafts	50.873.720	50.873.720	-	-	-	-
Provision for other liabilities	137.056	-	40.000	-	97.056	-
Promissory notes	130.549	130.549	-	-	-	-
Obligations under finance leases	6.587.301	594.732	592.970	1.230.503	2.016.739	2.152.357
	<u>289.299.389</u>	<u>243.538.065</u>	<u>12.067.979</u>	<u>4.736.657</u>	<u>11.403.851</u>	<u>17.552.837</u>

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 June 2020

**14. RISK MANAGEMENT** (continued)14.4 Liquidity risk (continued)**THE COMPANY****Liquidity Risk**

	Balance	Cash outflows arising from contractual liabilities				
		6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
<u>1 January 2020 to 30 June 2020</u>	€	€	€	€	€	€
Long-term loans	14.375.089	3.254.984	1.359.204	2.718.408	6.592.767	449.726
Short term loans	24.237.717	24.237.717	-	-	-	-
Trade and other payables	20.873.606	20.873.606	-	-	-	-
Bank overdrafts	24.969.801	24.969.801	-	-	-	-
Promissory notes	592.460	592.460	-	-	-	-
Obligations under finance leases	<u>545.078</u>	<u>54.857</u>	<u>57.181</u>	<u>117.109</u>	<u>315.931</u>	<u>-</u>
	<u>85.593.751</u>	<u>73.983.425</u>	<u>1.416.385</u>	<u>2.835.517</u>	<u>6.908.698</u>	<u>449.726</u>
<u>31 December 2019</u>						
Long-term loans	17.390.331	3.284.410	3.205.940	2.718.408	6.885.852	1.295.721
Short term loans	36.333.646	36.333.646	-	-	-	-
Trade and other payables	22.459.410	22.459.410	-	-	-	-
Bank overdrafts	30.258.843	30.258.843	-	-	-	-
Promissory notes	130.549	130.549	-	-	-	-
Obligations under finance leases	<u>598.658</u>	<u>53.582</u>	<u>54.858</u>	<u>115.272</u>	<u>374.946</u>	<u>-</u>
	<u>107.171.437</u>	<u>92.520.440</u>	<u>3.260.798</u>	<u>2.833.680</u>	<u>7.260.798</u>	<u>1.295.721</u>

14.5 Fair Value

Items of the assets and liabilities of the Group and the Company as these are classified in amortised cost or fair value are presented below:

Assets and liabilities in amortised cost:

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 June 2020**14. RISK MANAGEMENT** *(continued)***THE GROUP**

	30 June 2020	31 December 2019
	€	€
Trade and other receivables	220.371.749	233.829.294
Cash and cash equivalents	36.055.722	29.761.787
Right-of-use assets	6.032.748	6.644.304
Obligations under finance leases	(6.005.972)	(6.587.301)
Long-term loans	(21.378.163)	(25.048.466)
Short term loans	(41.144.741)	(66.551.100)
Bank overdrafts	(36.519.569)	(50.873.720)
Provision for other liabilities	-	(137.056)
Trade and other payables	(169.555.737)	(138.197.922)
Promissory notes	(592.460)	(130.549)
	<u>(12.736.423)</u>	<u>(17.290.729)</u>

**THE COMPANY**

	30 June 2020	31 December 2019
	€	€
Long-term loans to subsidiary companies	29.236.994	29.048.640
Balances with subsidiary companies	17.327.963	37.921.188
Trade and other receivables	18.456.545	20.397.039
Cash and cash equivalents	833.899	2.141.917
Right-of-use assets	527.609	586.229
Obligations under finance leases	(545.078)	(598.658)
Long-term loans	(14.375.089)	(17.390.331)
Short term loans	(24.237.717)	(36.333.646)
Bank overdrafts	(24.969.801)	(30.258.843)
Trade and other payables	(20.873.606)	(22.459.410)
Promissory notes	(592.460)	(130.549)
	<u>(19.210.741)</u>	<u>(17.076.424)</u>

The fair values of the financial assets and liabilities of the Group and the Company are approximately the same as the amounts reported in the books at the end of year.

Assets and liabilities in fair value:

**THE GROUP**

	30 June 2020	31 December 2019
	€	€
Investments at fair value through profit and loss	19.284	19.284
Investments at fair value through other comprehensive income	3.634.238	3.862.832
Land and buildings	19.012.873	19.020.405
Derivative financial instruments	(592.564)	(946.831)
	<u>22.073.831</u>	<u>21.955.690</u>



## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 June 2020**14. RISK MANAGEMENT** (continued)**THE COMPANY**

	30 June 2020	31 December 2019
	€	€
Investments at fair value through profit and loss	9.594	9.594
Land and buildings	3.374.256	3.441.484
Derivative financial instruments	<u>(567.959)</u>	<u>(908.251)</u>
	<u>2.815.891</u>	<u>2.542.827</u>

The table below analyses the financial assets carried at fair value, by the valuation method used to determine their value. The different levels have been defined as follows:

- Level 1: investments measured at fair value using quoted prices in active markets.
- Level 2: investments measured at fair value based on valuation models in which all significant inputs that significantly affect the fair value are based on observable market data.
- Level 3: investments measured at fair value based on valuation models in which all significant inputs that significantly affect the fair value are not based on observable market data.

**THE GROUP**

1 January 2020 to 30 June 2020	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Financial assets and liabilities</b>				
Financial assets at fair value through profit or loss	19.284	-	-	19.284
Available-for-sale financial assets	3.634.238	-	-	3.634.238
Land and buildings	-	-	19.012.873	19.012.873
Derivative financial instruments	-	<u>(592.564)</u>	-	<u>(592.564)</u>
<b>Total</b>	<u>3.653.522</u>	<u>(592.564)</u>	<u>19.012.873</u>	<u>22.073.831</u>

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 June 2020**14. RISK MANAGEMENT** (continued)

31 December 2019	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Financial assets and liabilities</b>				
Investments at fair value through profit and loss	19.284	-	-	19.284
Investments at fair value through other comprehensive income	3.862.832	-	-	3.862.832
Land and buildings	-	-	19.020.405	19.020.405
Derivative financial instruments	-	(946.831)	-	(946.831)
<b>Total</b>	<u>3.882.116</u>	<u>(946.831)</u>	<u>19.020.405</u>	<u>21.955.690</u>

During both 2020 and 2019 there were no transfers between the two levels reported above.

The fair value of investments through profit and loss is based on the stock exchange prices at the reporting date.

The fair value of shares that are classified to investments available for sale is based on stock exchange prices at the reporting date.

The fair value of the shares classified as available-for-sale investments is based on the stock exchange prices at the reporting date, except for the investments in shares in Bank of Cyprus that are not traded in the CSE. The Management of the Group estimates that the fair value of the shares is €1 each and has classified the total investment (€124.992) at Level 3. The Group has also investments in securities of Laiki Bank whose fair value is estimated at zero on 31 December 2012.

Although the Management evaluates that its estimates for the fair value of investments available for sale are appropriate, the use of different methodologies or estimates would result in deriving to different amounts of fair value.

**THE COMPANY**

1 January 2020 to 30 June 2020	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Financial assets and liabilities</b>				
Investments at fair value through profit and loss	9.594	-	-	9.594
Land and buildings	-	-	3.374.256	3.374.256
Derivative financial instruments	-	(567.959)	-	(567.959)
<b>Total</b>	<u>9.594</u>	<u>(567.959)</u>	<u>3.374.256</u>	<u>2.815.891</u>
31 December 2019	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Financial assets and liabilities</b>				
Investments at fair value through profit and loss	9.594	-	-	9.594
Land and buildings	-	-	3.441.484	3.441.484
Derivative financial instruments	-	(908.251)	-	(908.251)
<b>Total</b>	<u>9.594</u>	<u>(908.251)</u>	<u>3.441.484</u>	<u>2.542.827</u>

**LOGICOM PUBLIC LIMITED**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 June 2020

**14. RISK MANAGEMENT** (continued)

**14.6 Capital Management**

The management of the Group and the Company has as a principle the maintenance of a strong capital base for the support of the credibility and trust of the investors and creditors as well as the market as a whole. The Management monitors continuously the return on equity.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings, minus cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debt.

The Group's gearing ratio is calculated as follows:

	THE GROUP		THE COMPANY	
	Year ended Period ended 30 June 2020	Year ended 31 December 2019	Year ended Period ended 30 June 2020	Year ended 31 December 2019
	€	€	€	€
Total borrowings	99.634.933	142.603.835	63.582.607	84.113.369
Less: Cash and cash equivalents (Note 10)	<u>(36.055.722)</u>	<u>(29.761.787)</u>	<u>(833.899)</u>	<u>(2.141.917)</u>
Net debt	63.579.211	112.842.048	62.748.708	81.971.452
Totalequity	<u>167.337.003</u>	<u>160.955.373</u>	<u>39.761.858</u>	<u>42.940.703</u>
<b>Gearing ratio</b>	<u>0.38</u>	<u>0.70</u>	<u>1.58</u>	<u>1.91</u>

**15. DIRECTORS' INTEREST**

The percentage of the share capital of the Company that was held by each member of the Board of Directors, directly or indirectly, is as follows:

	30/06/2020	29/09/2020
	Fully paid Shares %	Fully paid Shares %
Varnavas Irinarchos <sup>1</sup>	51,55	51,55
Takis Klerides <sup>2</sup>	0,55	0,55
George Papaioannou <sup>3</sup>	1,01	1,08
Nikos Michaelas <sup>4</sup>	0,02	0,02
Anthoulis Papachristoforou	0,65	0,65
Anastasios Athanasiades	0,07	0,07
Andreas Constantinides	-	-
Christoforos Hadjikyprianou	-	-

- The indirect ownership of Mr. Varnavas Irinarchos on 29 September 2020 of 51,55% arises from the participation of the company Edcrane Ltd.
- The direct ownership of Mr. Takis Klerides as at 29 September 2020 is 0,26% and the indirect ownership which arises from the participation of his daughter Mrs. Pamela Klerides, is 0,27%.
- The direct ownership of Mr. George Papaioannou on 29 September 2020 is 1,0813% and the indirect ownership that arises from the participation of his son Mr. Christos Papaioannou is 0,0034% and of his son Mr. Alexandros Papaioannou is 0,0034%.
- The indirect ownership of Mr. Nicos Michaelas on 29 September 2020 is 0,02% and arises from the share of its shareholding by the Employee Providend Fund of Demetra Investments Public Limited.

**LOGICOM PUBLIC LIMITED**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 June 2020

**16. SHAREHOLDERS' INTEREST**

The shareholders who held, directly or indirectly, more than 5% of the share capital of the Company were as follows:

	30/06/2020 %	29/09/2020 %
Varnavas Irinarchos <sup>1</sup>	51,55	51,55
Demetra Holdings Plc	10,28	10,28

1. The indirect ownership of Mr. Varnavas Irinarchos on 29 September 2020 arises through the company Edcrane Ltd. The ultimate parent company of the Group is Takero Limited which holds 100% of Edcrane's Ltd shares.

**17. DIRECTORS' CONTRACTS**

No important contract exists or existed at the end of the financial year and at the date of issuing the financial statements in which the members of management, their spouses or their underage children have or had, direct or indirect significant interest, except from the employment contracts of Mr. Varnavas Irinarchos and Mr. Anthoulis Papachristoforou.

**(1) Contract of Mr. Varnavas Irinarchos, Managing Director**

Employment contract as Managing Director of the Company for two years from 1 January 2005, with annual salary (13 months) of €93.973 which will be increasing at a proportion equal to the annual rate of inflation, as determined by the annual index on 31 January each year or at a rate equal to 4% over his last salary, whichever is higher. For 2019 the annual salary of the Managing Director was €151.200. The Company will also pay annually (12 months) for entertainment expenses an amount of €25.629, that will be increasing in every following annual period at a proportion equal to the rate of inflation, as determined by the annual index on 31 January each year or at a rate equal to 4%, whichever is higher. For 2019 the allowance for entertainment expenses amounted to €25.000.

In addition, the Company provides to the Director an appropriate vehicle and covers all related expenses.

The contract was renewed for one year from 1 January 2020, with an annual salary (13 months) of €151.200.

The Company will also pay annually (12 months), for entertainment expenses the amount of €25.000.

Mr. Varnavas Irinarchos is committed not to form, assist or take part in any way in the incorporation of a company or business, which performs operations similar or competitive to the operations of the Company during his employment and for at least five years after his departure from the Company. Mr. Varnavas Irinarchos accepts that this constraint is by no means in contrast with the general principle of Restraint of Trade, and that it is considered reasonable as the employee benefited from the bonus issue of shares during the listing of the Company in the CSE.

**(2) Contract of Mr. Anthoulis Papachristoforou, Group Financial Controller**

In 2019 the annual salary of Mr. Anthoulis Papachristoforou amounted to €151.050 and the allowance for entertainment expenses amounted to €24.000. The remuneration of Mr. Anthoulis Papachristoforou for 2020 will be the same as 2019.

**18. CONTINGENCIES AND LITIGATIONS**

The most important guarantees are as follows:

- (1) The Company has provided a bank guarantee of up to USD 3.600.000 (€3.214.860) to a foreign supplier for providing a trading credit facility. This guarantee is valid from 9 July 2019 until 18 August 2020. The guarantee has been renewed until 18 February 2021.
- (2) The Company has provided a second bank guarantee of up to USD 400.000 (€357.207) to a second foreign supplier for providing a trading credit facility. This guarantee is valid from 9 July 2019 until 18 August 2020. The guarantee has been renewed until 18 August 2021.

**LOGICOM PUBLIC LIMITED**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 June 2020

**18. CONTINGENCIES AND LITIGATIONS** *(continued)*

- (3) The Company has provided a third bank guarantee of up to EUR 1.500.000 to a third foreign supplier for providing a trading credit facility. This guarantee is valid from 12 August 2019 until 11 August 2020. The guarantee has been renewed until 11 February 2021.
- (4) The Company has provided a fourth bank guarantee of up to EUR 450.000 to a fourth foreign supplier for providing a trading facility. This guarantee is valid from 12 August 2019 until 11 August 2020. The guarantee has been renewed until 11 August 2021.
- (5) The Company has provided a fifth bank guarantee of up to USD 800.000 (€714.413) to a fifth supplier for providing a trading facility. This guarantee expired on 12 April 2019 and was renewed until 12 April 2020. This guarantee expired on 12 April 2020 and has been renewed until 12 April 2021.
- (6) The Company has provided a sixth bank guarantee of up to USD 300.00 (€267.905) to a sixth foreign supplier for providing a trading facility. This guarantee is valid from 12 September 2019 until 11 September 2020. The guarantee has been renewed for the amount of USD 150.000 (€133.952) until 11 September 2021.
- (7) The Company has provided a seventh bank guarantee of up to USD 500.000 (€446.508) to a seventh foreign supplier for providing a trading facility. This guarantee is valid from 12 September 2019 until 11 September 2020. The guarantee has been renewed for the amount of USD 300.000 (€267.905) until 11 September 2021.
- (8) The Company has provided an eighth guarantee of up to USD 2.000.000 (€1.786.033) to an eighth foreign supplier for providing a trading facility. The guarantee is valid from 16 April 2020 until 15 April 2021.
- (9) Group companies have provided bank guarantees in order to participate in governmental and private sector projects.
- (10) Verendrya Ventures Ltd committed not request repayment of the loan receivable from M.N. Larnaca Desalination Co. Ltd for the following 12 months or until it becomes possible without affecting the company's ability to continue to operate as a going concern.
- (11) The Company committed to provide financial and other assistance to Verendrya Ventures Ltd, to the extent of its participation in the company, which will enable it to continue its activities and meets its obligation as they fall due. As part of the financial assistance provided, the Company has also committed not to claim repayment of the amounts due from Verendrya Ventures Ltd, until the company has the necessary liquidity.

In December 2018, the subsidiary company Logicom Saudi Arabia LLC in Saudi Arabia, received notice of Zakat and Income tax assessments from the General Authority of Zakat and Tax ("GAZT") relating to the years 2010 - 2014. The total amount of additional tax and Zakat is €2,4m (SAR 10,3 m), plus additional penalties that will be calculated when the tax is settled. In February 2019 the company has filed an objection in response to the claim and in September 2019 received a negative response. In November 2019 the Company contacted the General Secretariat of Tax Affairs ('GSTC') and expects a response on this matter. At this stage the company is of the view that any amount of payable in the form of charges or penalties is not probable and as a result no provision was made.

The company has submitted the Zakat and Income tax forms up to 2018 and is expecting the assessment of the local authorities.

Apart from the tax liabilities that have already been accounted for in the consolidated financial statements based on the existing information, it is possible that additional tax liabilities may arise during the examination of the tax and other affairs of the companies of the Group.

**LOGICOM PUBLIC LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**Period ended 30 June 2020**19. RELATED PARTY TRANSACTIONS****i. Transactions and balances between Group Companies**

The companies of the Group buy and sell goods and services according to their needs from other Group companies. Transactions are made in the context of commercial practices related to intragroup transactions in the relevant operating activities. When necessary, Logicom Public Limited charges every year its subsidiary companies with a fee for administration services.

The sales made by Logicom Public Ltd to its subsidiary companies were as follows:

**Sales**

	Period ended 30 June 2020	Period ended 30 June 2019
	€	€
Logicom Solutions Limited	1.411.201	669.357
Newcytech Business Solutions Ltd	2.557.448	2.430.290
ENET Solutions Logicom S.A.	5.851.570	4.686.908
Logicom Jordan LLC	1.414.527	897.795
Logicom (Middle East) SAL	(157.352)	204.367
Logicom FZE	20.905	887
Logicom Italia s.r.l.	38.449	21.169
Logicom Information Technology Distribution s.r.l.	3.474.982	3.293.778
Logicom Saudi Arabia LLC	<u>35.166</u>	<u>20.474</u>

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 June 2020**19. RELATED PARTY TRANSACTIONS** (continued)

The balances between Logicom Public Ltd and its subsidiary companies in the books of the parent company were as follows:

**Long-term loans to subsidiary companies:**

	Period ended 30 June 2020	31 December 2019
	€	€
ENET Solutions Logicom S.A.	2.287.909	2.280.577
Logicom (Middle East) SAL	4.265.315	4.251.647
Logicom FZE	2.647.437	2.638.953
Logicom Jordan LLC	2.729.148	2.720.402
Verendrya Ventures Ltd	<u>17.307.185</u>	<u>17.157.061</u>
	<u><u>29.236.994</u></u>	<u><u>29.048.640</u></u>

There is no written agreement between the parent and the subsidiary companies, regarding the long term loans receivable from the subsidiary companies. The loans bear no interest and there is no fixed repayment date. The loans are recognised according to the provisions of IAS 21.

The long term loan with the subsidiary company Verendrya Ventures Limited, relates to a contract for the financing of the operations of the desalination units in Larnaka and Episkopi. The loan bears an annual interest of 1,75% (2019: 1,75%) and has no fixed repayment date.

Taking into consideration the expected future cash flows of the subsidiary company, which consists of the expected future cash flows of the desalination company in Larnaca as well as those of the company that has undertaken the same project of the desalination unit in Limassol no impairment has been recognised for the loan with the subsidiary company Verendrya Ventures Limited. The determination of the expected future cash flows is based on estimates, judgements and assumptions that were applied by the management of Verendrya Ventures Limited.

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 June 2020**19. RELATED PARTY TRANSACTIONS (continued)****Balances with subsidiary companies**

	Nature of transactions	30 June 2020 €	31 December 2019 €
		Debit/ (Credit)	Debit/ (Credit)
Logicom(Overseas) Limited	Other	(304.287)	(307.442)
Netcom Limited	Other	129.185	123.908
Logicom Solutions Limited	Trading	66.697	(697.054)
Logicom Services Ltd	Financing	22.303.642	21.256.111
ENET Solutions Logicom S.A.	Trading	(1.016.076)	(3.976.879)
Newcytech Business Solutions Ltd	Trading	1.614.309	1.767.387
ICT Logicom Solutions SA	Other	(194.989)	(194.989)
Logicom Jordan LLC	Trading	24.650	2.179.644
Logicom (Middle East) SAL	Trading/Financing	1.701.938	1.755.557
Logicom FZE	Trading/Financing	(38.924.681)	(18.418.786)
Logicom Dubai LLC	Trading/Financing	(12.299.149)	(12.259.735)
Logicom Italia s.r.l.	Trading/Financing	3.411.252	3.875.332
Logicom IT Distribution Limited	Financing	-	-
Logicom Saudi Arabia LLC	Trading/Financing	29.189.606	29.808.620
Logicom Information Technology Distribution s.r.l.	Trading	8.141.556	9.700.202
Logicom Trading & Distribution LLC	Trading	3.559.875	4.750.248
Logicom Distribution Germany GmbH	Other	(439.006)	(505.921)
Najada Holdings Limited	Financing	767.360	291.761
Logicom Kuwait for Computer Company W.L.L	Trading	807.695	-
Enet Solutions LLC	Other	90.820	90.529
Logicom Egypt LLC	Other	1.669	688
Verendrya Ventures Ltd	Financing	120.429	106.539
		<u>18.752.495</u>	<u>39.345.720</u>
Expected credit losses from subsidiary companies		<u>(1.424.532)</u>	<u>(1.424.532)</u>
		<u><u>17.327.963</u></u>	<u><u>37.921.188</u></u>

The above balances are repayable according to the nature of each transaction.

**Balances with joint ventures**

	30 June 2020 €	31 December 2019 €
	Debit/ (Credit)	Debit/ (Credit)
M.N. E.P.C Water Co.	350	(350)
M.N. Limassol Water Co. Ltd	<u>5.547</u>	<u>105</u>
	<u><u>5.897</u></u>	<u><u>(245)</u></u>



## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 June 2020**19. RELATED PARTY TRANSACTIONS (continued)**

The sales made by Logicom FZE to Group companies were as follows:

**Sales**

	Period ended 30 June 2020	Period ended 30 June 2019
	€	€
Logicom Public Limited	8.088	84.189
Logicom Jordan LLC	572.377	826.281
Logicom (Middle East) SAL	295.237	1.240.656
Logicom Dubai LLC	46.815.259	55.562.730
Logicom Saudi Arabia LLC	4.594.976	5.727.276
Logicom Kuwait for Computer Company W.L.L	3.838.520	4.571.513
Logicom Trading & Distribution LLC	2.315.616	2.316.289
Logicom LLC	3.643.467	1.335.925
Logicom Bahrain W.L.L	644.958	164.566
Logicom LLC	-	-
ENET Solutions Logicom S.A.	-	-

The sales made by Logicom (Middle East) SAL to Group companies were as follows:

**Sales**

	Period ended 30 June 2020	Period ended 30 June 2019
	€	€
Logicom FZE	540.757	6.134
Logicom Kuwait for Computer Company W.L.L	-	7.392
Logicom Saudi Arabia LLC	312	-

The sales made by Logicom Dubai LLC to Group companies were as follows:

**Sales**

	Period ended 30 June 2020	Period ended 30 June 2019
	€	€
Newcytech Business Solutions Ltd	-	3.403

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 June 2020**19. RELATED PARTY TRANSACTIONS (continued)**

The sales made by ENET Solutions Logicom S.A. to Group companies were as follows:

**Sales**

	Period ended 30 June 2020	Period ended 30 June 2019
	€	€
Logicom Public Limited	2.767.177	3.742.577
ICT Logicom Solutions SA	4.344	3.019
Logicom Information Technology Distribution s.r.l.	239.623	110.371
Logicom Solutions Limited	-	384
Logicom FZE	-	654
	<u>-</u>	<u>654</u>

The sales made by Logicom Solutions Ltd to Group companies were as follows:

**Sales**

	Period ended 30 June 2020	Period ended 30 June 2019
	€	€
Logicom Public Limited	16.255	28.396
Newcytech Business Solutions Ltd	102.067	50.981
ICT Logicom Solutions SA	<u>302.027</u>	<u>1.609.217</u>

The sales made by Logicom IT Distribution s.r.l. to Group companies were as follows:

**Sales**

	Period ended 30 June 2020	Period ended 30 June 2019
	€	€
Logicom Public Limited	-	(3.828)
ENET Solutions Logicom S.A.	42.426	29.126
Logicom Solutions Limited	<u>191</u>	<u>-</u>

The sales made by Logicom Saudi Arabia LLC to Group companies were as follows:

**Sales**

	Period ended 30 June 2020	Period ended 30 June 2019
	€	€
Logicom FZE	5.499	-
Logicom (Middle East) SAL	<u>-</u>	<u>4.341</u>

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 June 2020**19. RELATED PARTY TRANSACTIONS** *(continued)*

The sales made by Newcytech Business Solutions Limited to Group companies were as follows:

**Sales**

	Period ended 30 June 2020	Period ended 30 June 2019
	€	€
LogicomPublic Limited	3.494	2.660
LogicomSolutions Limited	228.497	170.154
NewcytechDistribution Ltd	<u>27.624</u>	<u>185.416</u>

The sales made by ICT LogicomSolutions S.A. to Group companies were as follows:

**Sales**

	Period ended 30 June 2020	Period ended 30 June 2019
	€	€
LogicomPublic Limited	-	147.959
LogicomSolutions Limited	<u>17.248</u>	<u>-</u>

The sales made by LogicomDistribution Germany GmbH to Group companies were as follows:

**Sales**

	Period ended 30 June 2020	Period ended 30 June 2019
	€	€
LogicomItalia s.r.l.	<u>79.686</u>	<u>105.839</u>

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 June 2020**19. RELATED PARTY TRANSACTIONS (continued)**

The balances between Group companies and the parent Company are stated below:

**Balances with related companies**

	Nature of transactions	Period ended 30 June 2020 €	31 December 2019 €
		Debit/ (Credit)	Debit/ (Credit)
Logicom(Overseas) Limited	Other	304.287	307.442
Netcom Limited	Other	(129.185)	(123.908)
Logicom Solutions Limited	Trading	(66.697)	697.054
Logicom Services Ltd	Financing	(22.303.642)	(21.256.111)
Newcytech Business Solutions Ltd	Trading	(1.614.309)	(1.767.387)
ENET Solutions Logicom S.A.	Trading/Financing	(1.271.833)	1.696.302
ICT Logicom Solutions SA	Other	194.989	194.989
Logicom Jordan LLC	Trading	(2.753.798)	(4.900.046)
Logicom (Middle East) SAL	Trading/Financing	(5.967.253)	(6.007.204)
Logicom FZE	Trading/Financing	36.277.244	15.779.833
Logicom Dubai LLC	Trading/Financing	12.299.147	12.259.735
Logicom Italia s.r.l.	Trading/Financing	(3.411.252)	(3.875.332)
Logicom IT Distribution Limited	Financing	-	-
Logicom Saudi Arabia LLC	Trading/Financing	(29.189.606)	(29.808.620)
Logicom Information Technology Distribution s.r.l.	Trading	(8.141.556)	(9.700.202)
Logicom Trading & Distribution LLC	Trading	(3.559.875)	(4.750.248)
Logicom Distribution Germany GmbH	Other	439.006	505.921
Najada Holdings Limited	Financing	(767.359)	(291.761)
Enet Solutions LLC	Other	(90.820)	(90.529)
Logicom Kuwait for Computer Company W.L.L	Trading	(807.695)	-
Logicom Egypt LLC	Other	(1.669)	(688)
Verendrya Ventures Ltd	Financing	<u>(17.427.614)</u>	<u>(17.263.600)</u>

**ii. Transactions and balances between related parties**

There were no significant transactions and balances with related parties, including the Directors, during the period ended 30 June 2020.

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 June 2020**20. BALANCES WITH ASSOCIATED COMPANIES AND JOINT VENTURES**

The balances with joint ventures relate to financing for the construction, maintenance and operation of the desalination plants in Cyprus through the subsidiary Verendrya Ventures Limited.

The balances with joint ventures are as follows:

<b>Balances with joint ventures</b>	Period ended 30	31 December
	June 2020	2019
	€	€
M.N Larnaca Desalination Co. Limited	10.597.986	10.724.152
M.N. Limassol Water Co. Limited	<u>12.185.149</u>	<u>11.930.375</u>
	<u>22.783.135</u>	<u>22.654.527</u>
Expected credit losses	<u>(490.902)</u>	<u>(492.928)</u>
	<u>22.292.233</u>	<u>22.161.599</u>

The amounts receivable from joint ventures are presented after the deduction of the accumulated impairments and loss in addition to the value of the investment. The net value of the balances as at 31 December 2019 is considered recoverable based on the expected discounted future cash flows from these companies. As mentioned in note 20, for the calculation of the expected future cash flows of the company estimates, assumptions, judgements and evidence which include the legal opinion in relation to the validity of claims in favor and against the company and an opinion from its consultants in respect of the level of compensation that the company is expected to be entitled to, have been made. The Group considers that there were no evidence for impairment of the amount receivable from joint venture M.N. Limassol Water Co. Limited.

The loan with M.N. Limassol Water Co. Ltd is non-current, bearing interest of 4,5% per annum and does not have a specified repayment date. The M.N. Larnaca Desalination Co. Ltd is non-current, interest free and has no specified repayment date.

Interest receivable for the A' half of 2020 amounts to €250.210 (2019: €501.796).

The balances with the joint ventures, relate to a loan that the subsidiary Verendrya Ventures Limited entered into with Demetra Holdings Plc in relation to the latter's participation in the desalination plants in Episkopi and Larnaca.

The balances with associated companies were as follows:

<b>Balances with associated companies</b>	Period ended 30	31 December
	June 2020	2019
	€	€
	Credit	Credit
Demetra Holdings Plc	<u>11.538.123</u>	<u>11.438.040</u>

The long-term loan of the subsidiary company Verendrya Ventures Limited, with Demetra Holdings Plc, relates to the financing of the desalination projects in Larnaca and Limassol. The loan bears an interest rate of 1,75% (2019: 1,75%) per annum and does not have a specified repayment date.

**LOGICOM PUBLIC LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Period ended 30 June 2020****21. EVENTS AFTER THE REPORTING PERIOD**

The economic impact of a possible resurgence of the Coronavirus pandemic (COVID-19) on the global economy and in the overall business activities cannot be assessed with reasonable certainty at this stage, due to the high level of uncertainty resulting from the inability to predict the outcome reliably.

The Management will continue to monitor the situation and will assess the need for actions in the event that the disruption period is extended.

There were no other significant events after the reporting date other than the above that have a bearing on the understanding of the condensed interim consolidated financial statements.