



LOGICOM PUBLIC LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Period ended 30 September 2019

LOGICOM PUBLIC LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2019 to 30 September 2019

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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

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
 National Bank of Greece (Cyprus) Ltd
 Alpha Bank Cyprus Ltd
 AstroBank Limited
 TFI Markets Limited
 Societe Generale Bank - Cyprus Limited
 The Cyprus Development Bank Public Company Limited
 FIMBank PLC
 Ancoria Bank Limited
 Arab Bank PLC Jordan

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
 Albaraka Turk Katilim Bankasi AS
 Credito Valtellinese spa
 Banco Popolare belong to Banco BPM spa
 Saudi British Bank
 Bank Audi S.A.L
 Societe Generale de Banque au Liban
 Global Supply Chain Finance Ltd
 First Abu Dhabi Bank PJSC
 Abu Dhabi Commercial Bank PJSC

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 September 2019, we confirm that to the best of our knowledge:

(a) The Interim Consolidated Financial Statements which are presented on pages 7 to 40.

(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 financial 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

Responsible for drafting the financial statements

Anthoulis Papachristoforou (Group Chief Financial Officer)

Nicosia, 31 October 2019

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** increased by 3,5% in relation to the corresponding period in 2018. The Turnover of the Distribution Sector increased by 2,8%, mainly due to the increased sales in the Gulf, Saudi Arabia and Romania markets compared to the nine month period of 2018. The turnover of the Software and Integrated Solutions Sector also increased by 15,1% mainly due to the new projects in the Cypriot market.
2. **The percentage of gross profit margin** increased significantly at 7,6%. (2019: Gross profit: €52.027.176 to Sales: €681.866.663 as reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income), compared to 7,0% the corresponding previous period. (2018: Gross profit: €46.060.805 to Sales: €658.570.401 as reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income), mainly due to sales and undertaking of projects with gross profit margin higher than average.
3. **Other Income** increased significantly due to profit of €214.100 from the revaluation of the investment in Hellenic Bank during the nine month period of 2019, which is classified as Investment at Fair Value through profit or loss. The remaining Other Income mainly relates to contributions from suppliers for promotion of their products and income through business relationships with third parties.
4. **The Impairment loss on the Group's Trade Receivables** amounts to €375.873 (nine month period of 2018: €169.547) and refer to the total bad debts that were recognised in the results in accordance with the provisions of IFRS 9.
5. The increase in **Administration Expenses** by €2.171.343 and in percentage terms 7,5%, compared to the nine month period of 2018, is mainly due to the increase 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** increased by 22,6% compared to the corresponding period of 2018 and amounts to €20.767.413 compared to €16.935.305 in the nine month period of 2018, mainly due to the increase in the 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 expansion of the Group's operations increased to €6.220.166 compared to €5.701.431 during the corresponding period of 2018 and by 9,1% in percentage terms, due to the increase of the net borrowing which was mainly used for the financing of the acquisition of shares in Demetra Investment Public Limited, as mentioned in paragraph 9 below, as well as for the financing of the increased working capital due to the increase in turnover. In addition, an amount which relates to the discounted cost of lease liabilities that arises from the accounting treatment of operating leases in accordance with the provisions of IFRS16, is included, as adopted by the Group on 1 January 2019.
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 €87.223, compared to profit of €468,718 in the corresponding period of 2018. It is clarified that as from 1/1/2010 the provisions of the IAS39 have been adopted and as from 1/1/2018 the provisions of IFRS9 in relation to Hedge Accounting are followed, with the aim to reduce the effects of the exchange rate fluctuation 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 Revised International Accounting Standard 21, the increase in the value of the Company's long term investments in its foreign subsidiaries, due to foreign exchange differences, amounting to €485.817, 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** refer to the share of profit of €2.014.893 for the nine month period of 2019 compared to share of profit of €1.356.864 for the prior year period from 15 March - 30 September 2018 from the associated company Demetra Investment Public Limited ('Demetra'). Considering the significant increase in the share of profit for the period, the total profit from associated companies decreased significantly due to the write off of negative goodwill of €4.414.493 during the nine month period of 2018 which arose from the increase of the investment in Demetra through the subsidiary Logicom Services Limited. The investment in Demetra which was classified as Investments at Fair Value through Other Comprehensive Income was reclassified to Investments in Associates following the increase of the shareholding of Logicom Services Limited in the share capital of Demetra to 29,62%. The amount of negative goodwill written off in the Consolidated Statement of Profit or loss and Other Comprehensive Income refers to the surplus of Demetra's Net Assets fair value on 15 March 2018 compared to the carrying value of the investment in the company which is composed by the existing investment in its stock market value plus the shares' acquisition cost which took place on 15 March 2018. References to the **Profit from jointly controlled companies 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 12,0% compared to the corresponding period of 2018, from €16.321.327 to €14.369.003, mainly due to the write off of the negative goodwill (€4.414.493) of the investment in Demetra Investment Public Limited during the corresponding prior period.
11. **The cash and cash equivalent** compared to the Group's bank overdrafts present a credit balance of €4.392.974 at the end of the nine month period of 2019 compared to €18.318.669 at the end of 2018. **The short term loans** increased to €64.772.801 from €58.138. 882. **The long term loans** decreased to €26.276.477 from €31.734.431.
12. The assets from leases as well as the liabilities for leases arose as a result of the IFRS16 first time adoption that replaces IAS 17 and IFRIC 4 relating to leases. The Group recognises a right of use of an asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.
13. 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 Investments Public Ltd 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.
 - 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 Investment Public Ltd 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.
14. During the nine month period of 2019, the Turnover and the Results from the existing operations have improved, however, the increase of the shareholding in Demetra Investment Public Limited that took place in the A' quarter of 2018 and the write off of the negative goodwill that followed, resulted in the significant decrease of the Profit attributable to the Shareholders, in comparison with the corresponding prior period.
15. During the nine month period of 2019 there was not any income from non-recurring or extraordinary activities.

LOGICOM PUBLIC LIMITED**BOARD OF DIRECTORS' INTERIM REPORT****DEVELOPMENT AND PERFORMANCE OF THE GROUP'S ACTIVITIES AND POSITION, RISKS AND UNCERTAINTIES** *(continued)*

16. The results are within the estimations of the Board of Directors.

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 13 to the Interim Consolidated Financial Statements.

OPERATIONS OF THE COMPANY AND ITS SUBSIDIARY COMPANIES

During the nine period month of 2019 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.

FORSEEABLE DEVELOPMENT OF THE COMPANY

The slow down in the growth of the global economy combined with the geopolitical developments as well as the perceived instability in some of the Group's areas of operation, may affect the prospects for future development.

RESEARCH AND DEVELOPMENT ACTIVITIES

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

BRANCHES - FOREIGN OPERATIONS

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

USE OF FINANCIAL INSTRUMENTS

The derivative financial instruments of the Group and the Company refer to contracts for exchange of foreign currency for hedging the risk of fluctuations in foreign currencies. The Group's management follows a policy to minimize the risk arising from the fluctuation in foreign exchange differences, as mentioned in the accounting policies.

The gain arising from the change in the fair value of derivative financial instruments for the period, that was recognised in Group's profit or loss amounts to €1.125.068 (nine month period of 2018: €738.145).

SHARE CAPITAL

There was no change in the issued share capital of the company during the nine month period of 2019.

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 10.

LOGICOM PUBLIC LIMITED**BOARD OF DIRECTORS' INTERIM REPORT****COMPOSITION, SEGRAGATION OF DUTIES AND REIMBURSEMENT OF THE BOARD OF DIRECTORS - SHARE CAPITAL PARTICIPATION - REELECTION**

The Board of Directors members as at 30 September 2019 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 September 2019 and on 31 October 2019 are presented in notes 14 and 15 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 19.

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 'Politis' on 02/11/2019, and 'i Simerini' and 'o Phileleftheros' on 03/11/2019.
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) 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) and of the Cyprus Stock Exchange(www.cse.com.cy).

THE BOARD OF DIRECTORS

31 October 2019

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period ended 30 September 2019

| | Note | Period ended 30 September 2019 € | Period ended 30 September 2018 € | Year ended 31 December 2018 € |
|--|------|--|--|-------------------------------------|
| Revenue | | 681.866.663 | 658.570.401 | 899.984.186 |
| Cost of sales | | <u>(629.839.487)</u> | <u>(612.509.596)</u> | <u>(835.947.255)</u> |
| Gross profit | | 52.027.176 | 46.060.805 | 64.036.931 |
| Other income | | 424.843 | 181.437 | 1.599.446 |
| Impairment loss on trade receivables | | (375.873) | (169.547) | (68.591) |
| Administrative expenses | | (31.308.733) | (29.137.390) | (40.435.487) |
| Other expenses | | <u>-</u> | <u>-</u> | <u>(13.955)</u> |
| Profit from operations | | 20.767.413 | 16.935.305 | 25.118.344 |
| Net foreign exchange (loss)/profit | | (87.223) | 468.718 | 393.371 |
| Interest receivable | | 404.181 | 559.455 | 1.178.293 |
| Interest payable and bank charges | | <u>(6.624.347)</u> | <u>(6.260.886)</u> | <u>(8.445.243)</u> |
| Net finance costs | | (6.307.389) | (5.232.713) | (6.873.579) |
| Share of profit from associated companies after tax and write off of negative goodwill | 8 | 2.014.893 | 5.771.357 | 6.261.315 |
| Share of profit from jointly controlled companies and partnership after tax | | <u>82.053</u> | <u>90.922</u> | <u>67.967</u> |
| Profit before tax | | 16.556.970 | 17.564.871 | 24.574.047 |
| Tax | | <u>(2.153.122)</u> | <u>(1.196.437)</u> | <u>(1.894.164)</u> |
| Profit for the period/year | | <u>14.403.848</u> | <u>16.368.434</u> | <u>22.679.883</u> |
| Other comprehensive income that is not to be reclassified to profit or loss in future periods | | | | |
| Surplus from revaluation of investments at fair value through other comprehensive income | | - | - | 231.136 |
| Deferred taxation arising on revaluation of land and buildings | | 2.669 | 126.517 | 3.559 |
| | | <u>2.669</u> | <u>126.517</u> | <u>234.695</u> |
| Other comprehensive income that is to be reclassified to profit or loss in future periods | | | | |
| Surplus from revaluation of available for sale investments | | - | 156.136 | - |
| Exchange difference from translation and consolidation of financial statements from foreign operations | | 2.697.034 | (2.283.569) | 1.162.373 |
| Exchange difference in relation to hedge of a net investment in a foreign operation | | <u>(1.799.821)</u> | <u>1.201.461</u> | <u>(1.581.709)</u> |
| Other comprehensive income/(expenses) for the period/year | | <u>899.882</u> | <u>(799.455)</u> | <u>(184.641)</u> |
| Total comprehensive income for the period/year | | <u>15.303.730</u> | <u>15.568.979</u> | <u>22.495.242</u> |
| Profit for the period/year attributable to: | | | | |
| Company's shareholders | | 14.369.003 | 16.321.327 | 22.266.227 |
| Non-controlling interest | | <u>34.845</u> | <u>47.107</u> | <u>413.656</u> |
| Profit for the period/year | | <u>14.403.848</u> | <u>16.368.434</u> | <u>22.679.883</u> |
| Total comprehensive income for the period/year attributable to: | | | | |
| Company's shareholders | | 15.268.885 | 15.521.872 | 22.081.586 |
| Non-controlling interest | | <u>34.845</u> | <u>47.107</u> | <u>413.656</u> |
| Total comprehensive income | | <u>15.303.730</u> | <u>15.568.979</u> | <u>22.495.242</u> |
| Basic earnings per share (cent) | 4 | <u>19.40</u> | <u>22.03</u> | <u>30.06</u> |
| Diluted earnings per share (cent) | 4 | <u>19.40</u> | <u>22.03</u> | <u>30.06</u> |

The notes on pages 12 to 40 are an integral part of these consolidated interim financial statements.

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONAs at 30 September 2019

| | Note | 30 September 2019 € | 31 December 2018 € |
|--|------|---------------------------|--------------------------|
| ASSETS | | | |
| Property, plant and equipment | 5 | 20.135.134 | 20.432.645 |
| Right-of-use assets | 6 | 6.858.530 | - |
| Intangible assets and goodwill | | 9.457.749 | 9.659.165 |
| Equity-accounted investees | 8 | 39.466.341 | 37.456.513 |
| Trade and other receivables | | 22.159.077 | 22.160.626 |
| Deferred taxation | | <u>2.288.153</u> | <u>2.305.056</u> |
| Total non-current assets | | <u>100.364.984</u> | <u>92.014.005</u> |
| Inventories | | 70.799.927 | 69.332.834 |
| Trade and other receivables | | 190.684.559 | 187.245.224 |
| Investments at fair value through profit or loss | | 3.777.759 | 244.041 |
| Derivative financial instruments | | 22.197 | - |
| Current tax assets | | 1.794.005 | 382.881 |
| Cash and cash equivalents | 9 | <u>37.522.746</u> | <u>31.211.426</u> |
| Total current assets | | <u>304.601.193</u> | <u>288.416.406</u> |
| Total assets | | <u>404.966.177</u> | <u>380.430.411</u> |
| Equity | | | |
| Share capital | 10 | 25.187.064 | 25.187.064 |
| Reserves | | <u>90.180.838</u> | <u>80.099.123</u> |
| Equity attributable to shareholders of the company | | 115.367.902 | 105.286.187 |
| Non-controlling interest | | <u>(1.954.162)</u> | <u>(1.989.007)</u> |
| Total equity | | <u>113.413.740</u> | <u>103.297.180</u> |
| Liabilities | | | |
| Long-term loans | 11 | 19.301.684 | 23.397.196 |
| Obligations under leases | | 6.218.315 | - |
| Trade and other payables | | 11.392.467 | 11.246.270 |
| Deferred taxation | | 409.472 | 412.422 |
| Provisions for other liabilities and termination of employment | | <u>2.925.745</u> | <u>2.542.474</u> |
| Total non-current liabilities | | <u>40.247.683</u> | <u>37.598.362</u> |
| Trade and other payables | | 133.404.343 | 117.807.651 |
| Bank overdrafts | 11 | 41.915.720 | 49.530.095 |
| Short term loans | 11 | 64.772.801 | 58.138.882 |
| Current portion of long-term loans | 11 | 6.974.793 | 8.337.235 |
| Obligations under leases | | 447.259 | - |
| Promissory notes | | 2.248.559 | 3.470.451 |
| Derivative financial instruments | | 239.994 | 1.350.649 |
| Current tax liabilities | | 1.261.285 | 846.263 |
| Provisions for other liabilities and termination of employment | | <u>40.000</u> | <u>53.643</u> |
| Total current liabilities | | <u>251.304.754</u> | <u>239.534.869</u> |
| Total liabilities | | <u>291.552.437</u> | <u>277.133.231</u> |
| Total equity and liabilities | | <u>404.966.177</u> | <u>380.430.411</u> |

The notes on pages 12 to 40 are an integral part of these consolidated interim financial statements.

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 30 September 2019

| | Share capital € | Share Premium Reserve € | Revaluation Reserve € | Fair Value Reserve € | Difference arising on the conversion the share capital to Euro € | Hedge reserve € | Statutory reserve € | Translation reserve € | Retained earnings € | Total € | Non-controlling interest € | Total € |
|--|--------------------|-------------------------------|-----------------------------|----------------------------|--|---------------------|------------------------|-----------------------------|------------------------|--------------------|----------------------------------|--------------------|
| Balance at 1 January 2018 as previously reported | 25.187.064 | 10.443.375 | 4.760.827 | 1.881.807 | 116.818 | (7.437.490) | 1.378.430 | (5.434.049) | 58.459.740 | 89.356.522 | (2.402.663) | 86.953.859 |
| Change in accounting policy for the application of IFRS9 after tax | - | - | - | 379.500 | - | - | - | - | (1.787.219) | (1.407.719) | - | (1.407.719) |
| Balance at 1 January 2018 | 25.187.064 | 10.443.375 | 4.760.827 | 2.261.307 | 116.818 | (7.437.490) | 1.378.430 | (5.434.049) | 56.672.521 | 87.948.803 | (2.402.663) | 85.546.140 |
| Total comprehensive income | | | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | - | 16.321.327 | 16.321.327 | 47.107 | 16.368.434 |
| Other comprehensive income | - | - | 126.517 | 156.136 | - | (1.201.461) | - | 2.283.569 | - | 1.364.761 | - | 1.364.761 |
| Proposed dividend for 2017 that was paid in 2018 | - | - | - | - | - | - | - | - | (4.815.174) | (4.815.174) | - | (4.815.174) |
| Transfer to retained earnings | - | - | - | (2.492.443) | - | - | 157.527 | - | 2.334.916 | - | - | - |
| Revaluation reserve realised through use | - | - | (21.633) | - | - | - | - | - | 21.633 | - | - | - |
| Balance at 30 September 2018 | <u>25.187.064</u> | <u>10.443.375</u> | <u>4.865.711</u> | <u>(75.000)</u> | <u>116.818</u> | <u>(8.638.951)</u> | <u>1.535.957</u> | <u>(3.150.480)</u> | <u>70.535.223</u> | <u>100.819.717</u> | <u>(2.355.556)</u> | <u>98.464.161</u> |
| 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 |
| Total comprehensive income | | | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | - | 14.369.003 | 14.369.003 | 34.845 | 14.403.848 |
| Other comprehensive income | - | - | 2.669 | - | - | (1.799.821) | - | 2.694.365 | - | 897.213 | - | 897.213 |
| Proposed dividend for 2018 that was paid in 2019 | - | - | - | - | - | - | - | - | (5.185.572) | (5.185.572) | - | (5.185.572) |
| Transfer | - | - | - | - | - | - | 1.071 | - | - | 1.071 | - | 1.071 |
| Balance at 30 September 2019 | <u>25.187.064</u> | <u>10.443.375</u> | <u>4.767.055</u> | <u>-</u> | <u>116.818</u> | <u>(10.819.020)</u> | <u>1.873.322</u> | <u>(1.577.311)</u> | <u>85.376.599</u> | <u>115.367.902</u> | <u>(1.954.162)</u> | <u>113.413.740</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 12 to 40 are an integral part of these consolidated interim financial statements.

LOGICOM PUBLIC LIMITED

CONSOLIDATED CASH FLOW STATEMENT
Period ended 30 September 2019

| | Note | Period ended 30 September 2019 € | Period ended 30 September 2018 € |
|---|------|--|--|
| Cash flows from operations | | | |
| Profit for the period /year | | 14.403.848 | 16.368.434 |
| Adjustments for: | | | |
| Exchange differences | | (1.939.964) | 1.824.518 |
| Depreciation | 5 | 978.061 | 958.162 |
| Depreciation on leased property, plant and equipment | 5 | 227.801 | 228.701 |
| Depreciation on right of use assets | 6 | 1.136.049 | - |
| Interest payable | | 6.060.948 | 5.520.597 |
| Interest receivable | | (404.181) | (559.455) |
| Share of profit from investments in equity-accounted investees | 8 | (2.014.893) | (5.771.357) |
| Share of profit from jointly controlled companies and partnership | | (82.053) | (90.922) |
| Change in fair value of derivative financial instruments | | (1.125.068) | (738.145) |
| (Profit) on revaluation of financial assets at fair value through profit or loss | | (214.101) | - |
| Payments for right of use | | 1.123.290 | - |
| Profit from the disposal of property, plant and equipment | | (17.454) | (2.335) |
| Amortisation of research and development | | 183.797 | - |
| Charge to profit or loss for provisions for other liabilities and termination of employment | | 371.432 | 151.130 |
| Tax | | 2.153.122 | 395.737 |
| | | <u>20.840.634</u> | <u>18.285.065</u> |
| Increase in inventories | | (1.467.093) | (4.882.347) |
| Increase in trade and other receivables | | (3.437.786) | (12.246.742) |
| Increase/(decrease) in trade and other payables | | 15.742.889 | (4.008.760) |
| Decrease in promissory notes | | (1.221.892) | (884.370) |
| | | <u>30.456.752</u> | <u>(3.737.154)</u> |
| Interest paid | | (6.060.948) | (5.520.597) |
| Tax paid | | (2.829.224) | (1.559.199) |
| | | <u>21.566.580</u> | <u>(10.816.950)</u> |
| Net cash flows from/(used in) operations | | | |
| Cash flows used in investing activities | | | |
| Proceeds from disposal of property, plant and equipment | | 318.161 | 41.848 |
| Payment to acquire investments in equity-accounted investees | | - | (23.933.710) |
| Payments to acquire investments at fair value through profit or loss | | (3.434.818) | - |
| Decrease in provisions | | (1.804) | (40.000) |
| Payments to acquire property, plant and equipment | 5 | (909.214) | (9.090.565) |
| Interest received | | 404.181 | 559.455 |
| | | <u>(3.623.494)</u> | <u>(32.462.972)</u> |
| Net cash flows used in investing activities | | | |
| Net cash flow (used in)/from financing activities | | | |
| Proceeds from issue of new loans | | 97.673.526 | 134.308.483 |
| Repayment of loans | | (96.497.561) | (103.613.009) |
| Dividends paid | | (5.185.572) | (4.815.174) |
| Payments to derivative financial instruments | | (7.784) | (52.611) |
| | | <u>(4.017.391)</u> | <u>25.827.689</u> |
| Net cash flows (used in)/from financing activities | | | |
| Net flow in cash and cash equivalents | | | |
| | | 13.925.695 | (17.452.233) |
| Cash and cash equivalents at beginning of the period | | | |
| | | <u>(18.318.669)</u> | <u>(1.981.224)</u> |
| Cash and cash equivalents at end of the period | | | |
| | 9 | <u>(4.392.974)</u> | <u>(19.433.457)</u> |

The notes on pages 12 to 40 are an integral part of these consolidated interim financial statements.

LOGICOM PUBLIC LIMITED

STATEMENT OF FINANCIAL POSITION

As at 30 September 2019

| | Note | 30 September 2019 € | 31 December 2018 € |
|--|------|---------------------------|--------------------------|
| ASSETS | | | |
| Property, plant and equipment | 5 | 4.269.130 | 4.387.315 |
| Right of use assets | 6 | 363.441 | - |
| Investments in subsidiary companies | 7 | 53.708.587 | 53.708.587 |
| Long-term loans to subsidiary companies | 18 | 29.446.103 | 28.406.793 |
| Deferred taxation | | <u>1.021.864</u> | <u>1.341.864</u> |
| Total non-current assets | | <u>88.809.125</u> | <u>87.844.559</u> |
| Inventories | | 921.148 | 2.197.547 |
| Trade and other receivables | | 19.746.655 | 18.798.611 |
| Receivables from subsidiary companies | 18 | 29.479.217 | 56.038.179 |
| Investments at fair value through profit or loss | | 9.594 | 9.594 |
| Current tax assets | | 212.787 | - |
| Cash and cash equivalents | 9 | <u>5.505.520</u> | <u>2.299.735</u> |
| Total current assets | | <u>55.874.921</u> | <u>79.343.666</u> |
| Total assets | | <u>144.684.046</u> | <u>167.188.225</u> |
| Equity | | | |
| Share capital | 10 | 25.187.064 | 25.187.064 |
| Reserves | | <u>8.303.516</u> | <u>18.150.602</u> |
| Total equity | | <u>33.490.580</u> | <u>43.337.666</u> |
| Liabilities | | | |
| Long-term loans | 11 | 12.445.701 | 16.714.478 |
| Obligations under leases | | 339.608 | - |
| Deferred taxation | | <u>349.419</u> | <u>352.088</u> |
| Total non-current liabilities | | <u>13.134.728</u> | <u>17.066.566</u> |
| Trade and other payables | | 33.269.507 | 31.563.725 |
| Bank overdrafts | 11 | 29.863.506 | 29.933.854 |
| Short term loans | 11 | 26.018.999 | 33.915.953 |
| Current portion of long-term loans | 11 | 6.399.935 | 6.568.820 |
| Obligations under leases | | 18.238 | - |
| Promissory notes | | 2.248.559 | 3.470.451 |
| Derivative financial instruments | | 239.994 | 1.327.871 |
| Current tax liabilities | | - | <u>3.319</u> |
| Total current liabilities | | <u>98.058.738</u> | <u>106.783.993</u> |
| Total liabilities | | <u>111.193.466</u> | <u>123.850.559</u> |
| Total equity and liabilities | | <u>144.684.046</u> | <u>167.188.225</u> |

The notes on pages 12 to 40 are an integral part of these consolidated interim financial statements.

LOGICOM PUBLIC LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Period ended 30 September 2019****1. UNAUDITED FINANCIAL STATEMENTS**

The interim consolidated financial statements for the nine months ended on 30 September 2019 and 2018 respectively, have not been audited by the external auditors of the Company.

2. 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 2018. 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 loan has been granted.

As from 1/1/2010, the Company has chosen to implement the provisions of IAS 39 and as of 1/1/2018 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.

Accounting policies not used in the preparation of the annual financial statements for the year ended 31 December 2018

The Group initially adopted IFRS 16 on 1 January 2019 by applying the modified retrospective approach and did not restate the comparative information that are presented under IAS 17 and IFRIC 4.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2019

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Accounting policy applicable after 1 January 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset- this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease.

3. 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.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2019

3. OPERATING SEGMENTS *(continued)*

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 2.

Revenue and total non-current assets that relate to intangible assets and property, plant and equipment are allocated between Cyprus and abroad as follows:

| | Revenue | | Total non-current assets | |
|-------------------------|---|---|---------------------------|--------------------------|
| | Period ended 30 September 2019 € | Period ended 30 September 2018 € | 30 September 2019 € | 31 December 2018 € |
| Cyprus | 67.669.839 | 59.427.974 | 86.367.291 | 83.484.791 |
| Greece | 70.994.838 | 74.403.451 | 1.580.758 | 660.669 |
| United Arab Emirates | 234.669.559 | 212.136.247 | 6.432.513 | 4.680.206 |
| Other Foreign Countries | <u>308.532.427</u> | <u>312.602.729</u> | <u>5.984.422</u> | <u>3.188.339</u> |
| | <u>681.866.663</u> | <u>658.570.401</u> | <u>100.364.984</u> | <u>92.014.005</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2019

3. OPERATING SEGMENTS (continued)

| Period ended 30 September 2019 | European Markets Distribution Segment € | Middle East Markets Distribution Segment € | All other Segments € | Services Segments € | Transactions between operating segments € | Total € |
|--|---|--|-------------------------|------------------------|--|--------------------|
| Revenue from third parties | 127.451.088 | 449.653.754 | 61.136.833 | 43.624.988 | - | 681.866.663 |
| Intersegment revenue | 23.433.069 | 107.041.051 | 149.321 | 2.760.656 | (133.384.097) | - |
| Other income | 81.711 | 14.469 | 96.384 | 232.279 | - | 424.843 |
| Depreciation and amortisation | 585.192 | 877.270 | 467.463 | 367.982 | - | 2.297.907 |
| Personnel costs | 5.507.582 | 9.060.519 | 2.545.464 | 3.781.853 | - | 20.895.418 |
| Travelling expenses | 353.395 | 164.999 | 34.518 | 90.372 | - | 643.284 |
| Provision for bad debts | (159) | 276.034 | 146.112 | (46.114) | - | 375.873 |
| Professional fees | 892.674 | 264.291 | 397.026 | 165.041 | - | 1.719.032 |
| Rent | 2.960 | 188.798 | 45.220 | 9.380 | - | 246.358 |
| Credit insurance | 309.933 | 765.667 | 84.547 | 67.992 | (480.000) | 748.139 |
| Transportation expenses | 401.154 | 833.279 | 75.386 | 3.983 | - | 1.313.802 |
| Profit from operations | 403.360 | 15.087.573 | 415.531 | 5.798.092 | (937.143) | 20.767.413 |
| Net foreign exchange (loss)/profit | (677.500) | 18.840 | (790.384) | (84.560) | 1.446.381 | (87.223) |
| Interest receivable | 3.050 | - | 385.965 | 15.166 | - | 404.181 |
| Interest payable and bank charges | (3.841.997) | (2.974.910) | (884.183) | (208.023) | 1.284.766 | (6.624.347) |
| Net finance costs | (4.516.447) | (2.956.070) | (1.288.602) | (277.417) | 2.731.147 | (6.307.389) |
| Share of profit from associated companies after tax and write off of negative goodwill | - | - | - | 2.014.893 | - | 2.014.893 |
| Share of profit from jointly controlled companies and partnership | - | - | 82.053 | - | - | 82.053 |
| Profit before tax | (4.113.087) | 12.131.503 | (791.018) | 7.535.568 | 1.794.004 | 16.556.970 |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2019

3. OPERATING SEGMENTS (continued)

| Period ended 30 September 2018 | European Markets Distribution Segment € | Middle East Markets Distribution Segment € | All other Segments € | Services Segments € | Transactions between operating segments € | Total € |
|--|---|--|-------------------------|------------------------|--|--------------------|
| Revenue from third parties | 134.963.369 | 415.562.554 | 70.146.514 | 37.897.964 | - | 658.570.401 |
| Intersegment revenue | 65.534.146 | 105.107.308 | 397.225 | 3.193.992 | (174.232.671) | - |
| Other income | 115.476 | 3.874 | 3.241.917 | 41.633 | (3.221.463) | 181.437 |
| Depreciation and amortisation | 328.037 | 401.656 | 111.550 | 116.919 | - | 958.162 |
| Personnel costs | 4.752.905 | 8.384.975 | 2.257.489 | 3.622.709 | - | 19.018.078 |
| Travelling expenses | 343.836 | 192.780 | 82.728 | 109.689 | - | 729.033 |
| Provision for bad debts | 8.346 | 158.333 | (4.360) | 7.228 | - | 169.547 |
| Professional fees | 863.794 | 255.495 | 227.995 | 250.324 | - | 1.597.608 |
| Rent | 234.761 | 684.500 | 297.260 | 251.421 | - | 1.467.942 |
| Credit insurance | 222.831 | 203.290 | 59.191 | 35.141 | - | 520.453 |
| Transportation expenses | 406.008 | 773.607 | 240.391 | 3.263 | - | 1.423.269 |
| Profit from operations | (223.567) | 11.111.534 | 1.534.139 | 4.464.500 | 48.699 | 16.935.305 |
| Net foreign exchange (loss)/profit | (233.303) | 80.701 | (154.747) | (101.089) | 877.156 | 468.718 |
| Interest receivable | 3.313 | - | 376.951 | 179.191 | - | 559.455 |
| Interest payable and bank charges | (3.526.671) | (2.074.628) | (655.546) | (201.324) | 197.283 | (6.260.886) |
| Net finance costs | (3.756.661) | (1.993.927) | (433.342) | (123.222) | 1.074.439 | (5.232.713) |
| Share of profit from associated companies after tax and write off of negative goodwill | - | - | 5.771.357 | - | - | 5.771.357 |
| Share of profit from jointly controlled companies and partnership | - | - | 90.922 | - | - | 90.922 |
| Profit before tax | (3.980.228) | 9.117.607 | 6.963.076 | 4.341.278 | 1.123.138 | 17.564.871 |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2019**4. 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 September 2019 | Period ended 30 September 2018 |
|--|--------------------------------------|--------------------------------------|
| Earnings attributable to shareholders (€) | <u>14.369.003</u> | <u>16.321.327</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>19,40</u> | <u>22,03</u> |
| Diluted weighted average number of shares | <u>74.079.600</u> | <u>74.079.600</u> |
| Diluted earnings per share (cent) | <u>19,40</u> | <u>22,03</u> |

THE COMPANYBasic 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 September 2019 | Period ended 30 September 2018 |
|--|--------------------------------------|--------------------------------------|
| Loss attributable to shareholders (€) | <u>(4.664.184)</u> | <u>(5.009.968)</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>(6,30)</u> | <u>(6,76)</u> |
| Diluted weighted average number of shares | <u>74.079.600</u> | <u>74.079.600</u> |
| Diluted earnings per share (cent) | <u>(6,30)</u> | <u>(6,76)</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2019

5. PROPERTY, PLANT AND EQUIPMENT

| THE GROUP | Land and buildings € | Computers € | Furniture and fittings € | Motor vehicles € | Total € |
|--|-------------------------|------------------|-----------------------------|---------------------|-------------------|
| Acquisition cost or revaluation | | | | | |
| Balance at 1 January 2018 | 9.443.673 | 6.776.895 | 3.594.294 | 1.606.971 | 21.421.833 |
| Additions for the period | 8.675.059 | 754.025 | 556.032 | 187.736 | 10.172.852 |
| Disposals for the period | - | (246.665) | (103.905) | (203.340) | (553.910) |
| Exchange differences | (264.882) | 90.922 | 72.775 | 24.756 | (76.429) |
| Impairment charge | - | (13.955) | - | - | (13.955) |
| Balance at 31 December 2018 | 17.853.850 | 7.361.222 | 4.119.196 | 1.616.123 | 30.950.391 |
| Balance at 1 January 2019 | 17.853.850 | 7.361.222 | 4.119.196 | 1.616.123 | 30.950.391 |
| Additions for the period | 69.618 | 634.089 | 100.748 | 104.759 | 909.214 |
| Disposals for the period | - | (163.689) | (277.330) | (200.534) | (641.553) |
| Exchange differences | 302.453 | 108.605 | 77.903 | 25.212 | 514.173 |
| Balance at 30 September 2019 | 18.225.921 | 7.940.227 | 4.020.517 | 1.545.560 | 31.732.225 |
| Depreciation | | | | | |
| Balance at 1 January 2018 | 582.796 | 5.011.697 | 2.406.128 | 1.240.574 | 9.241.195 |
| Charge for the year | 351.327 | 800.116 | 329.347 | 168.545 | 1.649.335 |
| Disposals for the period | - | (283.794) | (83.394) | (177.000) | (544.188) |
| Exchange differences | 25.253 | 79.119 | 45.577 | 21.455 | 171.404 |
| Balance at 31 December 2018 | 959.376 | 5.607.138 | 2.697.658 | 1.253.574 | 10.517.746 |
| Balance at 1 January 2019 | 959.376 | 5.607.138 | 2.697.658 | 1.253.574 | 10.517.746 |
| Charge for the period | 275.992 | 585.572 | 232.744 | 111.554 | 1.205.862 |
| Disposals for the period | - | (136.537) | (22.945) | (181.364) | (340.846) |
| Exchange differences | 39.544 | 94.770 | 55.400 | 24.615 | 214.329 |
| Balance at 30 September 2019 | 1.274.912 | 6.150.943 | 2.962.857 | 1.208.379 | 11.597.091 |
| Net book amount | | | | | |
| Balance at 30 September 2019 | 16.951.009 | 1.789.284 | 1.057.660 | 337.181 | 20.135.134 |
| Balance at 1 January 2019 | 16.894.474 | 1.754.084 | 1.421.538 | 362.549 | 20.432.645 |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2019

5. PROPERTY, PLANT AND EQUIPMENT (continued)

| THE COMPANY | Land and buildings € | Computers € | Furniture and fittings € | Motor vehicles € | Total € |
|--|-------------------------|------------------|-----------------------------|---------------------|------------------|
| Acquisition cost or revaluation | | | | | |
| Balance at 1 January 2018 | 3.743.000 | 1.658.616 | 618.422 | 456.079 | 6.476.117 |
| Additions for the period | - | 304.786 | 13.742 | 132.001 | 450.529 |
| Disposals for the period | - | - | - | (12.617) | (12.617) |
| Balance at 31 December 2018 | 3.743.000 | 1.963.402 | 632.164 | 575.463 | 6.914.029 |
| Balance at 1 January 2019 | | | | | |
| Balance at 1 January 2019 | 3.743.000 | 1.963.402 | 632.164 | 575.463 | 6.914.029 |
| Additions for the period | - | 177.457 | 4.553 | 19.170 | 201.180 |
| Disposals for the period | - | - | - | (111.000) | (111.000) |
| Balance at 30 September 2019 | 3.743.000 | 2.140.859 | 636.717 | 483.633 | 7.004.209 |
| Depreciation | | | | | |
| Balance at 1 January 2018 | 112.086 | 1.211.222 | 512.351 | 312.322 | 2.147.981 |
| Charge for the year | 98.057 | 203.012 | 27.895 | 62.386 | 391.350 |
| Disposals for the period | - | - | - | (12.617) | (12.617) |
| Balance at 31 December 2018 | 210.143 | 1.414.234 | 540.246 | 362.091 | 2.526.714 |
| Balance at 1 January 2019 | | | | | |
| Balance at 1 January 2019 | 210.143 | 1.414.234 | 540.246 | 362.091 | 2.526.714 |
| Charge for the period | 73.542 | 178.649 | 20.250 | 46.924 | 319.365 |
| Disposals for the period | - | - | - | (111.000) | (111.000) |
| Balance at 30 September 2019 | 283.685 | 1.592.883 | 560.496 | 298.015 | 2.735.079 |
| Net book amount | | | | | |
| Balance at 30 September 2019 | 3.459.315 | 547.976 | 76.221 | 185.618 | 4.269.130 |
| Balance at 1 January 2019 | 3.532.857 | 549.168 | 91.918 | 213.372 | 4.387.315 |

Approximately every three years, or earlier if required, revaluations are prepared to estimate the fair values of land and buildings. These valuations are prepared by independent professional valuers.

The revaluations were prepared according to the comparable valuation method for the computation of the market value, with the cost of construction method for the purchase price of the building under consideration as well as on the basis of future prospects of the building under consideration.

On 9 February 2018, the company Najada Holdings Limited, a subsidiary company of Logicom Public Limited, acquired from Bank of Cyprus Public Company Limited all the interests of the immovable property Parcel 1878Sheet/Plan 30/06E2, area 16 decares and 147 sq.m, at Strovolos Municipality in Nicosia ('The Property'). The purchase price was agreed at the amount of €8.125.000 plus VAT at 19% (total of €9.668.750), payable immediately. 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. The estimation of the Property's value was assessed by two independent professional property valuers.

Relevant announcement with reference to the provision 5.2.1.17 of RAA 379/2014 was issued on 9 February 2018.

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

Period ended 30 September 2019

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

The subsidiary company Logicom (Overseas) Limited acquired buildings (land, offices and warehouse) in the Larnaca Free Zone Area in December 1994. Land was acquired on a long term lease agreement from the Cyprus Government to the subsidiary, ending on 30 September 2016 with an option for renewal for another two lease periods of 33 years. The lease agreement was renewed for an additional period of 33 years and has been transferred to Logicom Public Limited. The buildings with an initial cost of €130.178 followed by additions of cost €29.672, were revalued on 10 May 2016, resulting to a revaluation surplus of €96.108 and were distributed in the form of dividends to the parent company.

The land and buildings of Logicom Public Limited were revalued on 31 December 2016 and the surplus from revaluation amounted to €126.841.

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 €99.488. The land and buildings were revalued on 31 December 2016 and the revaluation surplus amounted to €1.225.959.

The land and buildings of Logicom Jordan LLC were revalued on 31 December 2016 and the revaluation surplus amounted to €6.983.

As at 31 December 2016 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 €154.121.

The Group's Management estimates that the accounting value of land and buildings is not significantly different from their fair value.

Taking into account the absence of satisfactory evidence, the general inertia of the real estate market and the unpredictable developments, the calculation of the fair value of land and buildings is classified at Level 3.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2019

6. RIGHT-OF-USE ASSETS
THE GROUP

| | Right of use land € | Right of use buildings and warehouse € | Right of use motor vehicles € | Total € |
|-------------------------------------|------------------------|---|-------------------------------------|---|
| Acquisition cost | | | | |
| Balance at 1 January 2018 | - | - | - | - |
| Balance at 31 December 2018 | - | - | - | - |
| Balance at 1 January 2019 | - | - | - | - |
| Additions for the period | 1.079.455 | 6.633.409 | 300.855 | 8.013.719 |
| Balance at 30 September 2019 | 1.079.455 | 6.633.409 | 300.855 | 8.013.719 |
| Depreciation | | | | |
| Balance at 1 January 2018 | - | - | - | - |
| Balance at 31 December 2018 | - | - | - | - |
| Balance at 1 January 2019 | - | - | - | - |
| Charge for the period | 91.408 | 964.273 | 80.368 | 1.136.049 |
| Disposals for the period | 5.826 | 31.394 | 1.060 | 38.280 |
| Exchange differences | (2.913) | (15.697) | (530) | (19.140) |
| Balance at 30 September 2019 | 94.321 | 979.970 | 80.898 | 1.155.189 |
| Net book value | | | | |
| Balance at 30 September 2019 | 985.134 | 5.653.439 | 219.957 | 6.858.530 |
| Balance at 1 January 2019 | - | - | - | - |
| THE COMPANY | | | | Right of use buildings and warehouse € |
| Acquisition cost | | | | |
| Balance at 1 January 2018 | | | | - |
| Balance at 31 December 2018 | | | | - |
| Balance at 1 January 2019 | | | | - |
| Additions for the period | | | | 447.603 |
| Balance at 30 September 2019 | | | | 447.603 |
| Depreciation | | | | |
| Balance at 1 January 2018 | | | | - |
| Balance at 31 December 2018 | | | | - |
| Balance at 1 January 2019 | | | | - |
| Charge for the period | | | | 84.162 |
| Balance at 30 September 2019 | | | | 84.162 |
| Net book value | | | | |
| Balance at 30 September 2019 | | | | 363.441 |
| Balance at 1 January 2019 | | | | - |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2019

7. INVESTMENTS IN SUBSIDIARIES

The Company has the following investments in subsidiary companies:

| Company | Country of incorporation | 30 September 2019 Holding % | 31 December 2018 Holding % | Cost 30 September 2019 € | Cost 31 December 2018 € |
|--|--------------------------|-----------------------------|----------------------------|--------------------------|-------------------------|
| Logicom (Overseas) Limited | Cyprus | 100 | 100 | - | - |
| Logicom (Middle East) SAL | Lebanon | 100 | 100 | 1.525.819 | 1.525.819 |
| ENET Solutions Logicom S.A. | Greece | 100 | 100 | 1.205.400 | 1.205.400 |
| Logicom FZE | United Arab Emirates | 100 | 100 | 17.545.376 | 17.545.376 |
| 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 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>53.708.587</u> | <u>53.708.587</u> |

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.

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

LOGICOM PUBLIC LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Period ended 30 September 2019****7. INVESTMENTS IN SUBSIDIARIES** *(continued)*

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

As at 30 September 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 Logicom IT Distribution Ltd was fully impaired in 2018. The value of the investments in the companies Logicom Information Technology Distribution s.r.l, Logicom (Middle East) SAL and Logicom Italia s.r.l were not impaired based on the calculation of the expected future cashflows of these companies for the years 2019-2021 divided by the weighted average cost of capital that was calculated at 11%, with growth rate to perpetuity of 2% and based on the fact that the discounted future cash flows exceed the value of these investments.

The Company issued a financial support commitment to the Group companies noted above, confirming that the Group will continue to provide financial support to enable them to continue as a going concern and meet their liabilities as they fall due.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2019

7. 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 1Million | 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 | LBP10.000 | 3.000 |
| Logicom Kuwait for Computer Company W.L.L | 13/03/2014 | KWD200 | 100 |
| Logicom Trading & Distribution LLC | 23/03/2014 | QAR1.000 | 200 |
| Najada Holdings Limited | 23/05/2017 | EUR 1 | 100 |
| Logicom Bahrain W.L.L | 06/09/2018 | BD50 | 100 |

8. EQUITY-ACCOUNTED INVESTEEES

The Group participates in the consortium M.N Limassol 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 acquired 17,5% of the share capital of Demetra Investments Public Limited ("Demetra Investments") for the amount of €20.350.000 through its subsidiary Logicom Services Limited. As a result, the total share capital held in Demetra Investments increased to 29,62%, resulting to acquisition of significant influence.

The Group recognizes the above investments using the equity method.

The Group through the consolidation of the results of the subsidiary company Verendrya Ventures Limited recognised a net total gain of €82.053 (nine month period of 2018: €90.992) which mainly results from its indirect participation in the company M.N. Larnaca Desalination Co. Limited and M.N. Limassol Water Co. Limited.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2019**8. EQUITY-ACCOUNTED INVESTEES** *(continued)***THE GROUP**

| | 2019 € | 2018 € |
|------------------------------------|-------------------|-------------------|
| M.N. Limassol Water Co. Ltd | 1.084.825 | 796.289 |
| M.N. E.P.C Water Co. | - | - |
| M.N. Larnaca Desalination Co. Ltd | - | - |
| Demetra Investments Public Limited | <u>38.381.516</u> | <u>36.660.224</u> |
| | <u>39.466.341</u> | <u>37.456.513</u> |

According to the Bank Loan Agreement between M.N. Limassol Water Co. Ltd and Hellenic Bank (former 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.

In addition, according to the Bank Loan Agreement, the ratio of the total borrowings of the Consortium to M.N. Limassol Water Co. Limited, the company's equity and the available cash in the company's account compared to the amount borrowed from the bank should be at least 30%-70% for a period of 3 years from the date of the commencement of the production. After the 3 years lapse, this ratio will not apply provided that M.N. Limassol Water Co. Ltd will have available a Debt Service Reserve Account, which will be blocked in favor of the Bank. Following the lapse of the 3 years, the company maintains the minimum ratio of 30%-70% and therefore has not created a Debt Service Reserve Account.

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 2018 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 recognition of investment in M.N. Larnaca Desalination Co. Ltd, arose from the decrease of the conventional interest of the loan receivable to 0% from 4,5% and in consequence the fair value of the rejected cash flows discounted at the effective interest was recognised as increase in the investment.

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

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2019

8. EQUITY-ACCOUNTED INVESTEEES (continued)

| <u>Period ended 30 September 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% 30/09/2019 | 50% 30/09/2019 | 50% 30/09/2019 | |
| | € | € | € | € |
| Non-current assets | 18.602.675 | 38.448.610 | - | 57.051.285 |
| Current assets | 6.555.123 | 11.947.688 | 2.563 | 18.505.374 |
| Total assets | 25.157.798 | 50.396.298 | 2.563 | 75.556.659 |
| Current liabilities | (1.682.077) | (7.983.528) | (1.500) | (9.667.105) |
| Liabilities | (34.942.228) | (40.775.926) | (29.589) | (75.747.743) |
| Total liabilities | (36.624.305) | (48.759.454) | (31.089) | (85.414.848) |
| Net Assets | (11.466.507) | 1.636.844 | (28.526) | (9.858.189) |
| Revenue | 9.985.058 | 10.516.840 | - | 20.501.898 |
| Expenses | (10.398.531) | (9.937.769) | (1.492) | (20.337.792) |
| (Loss)/profit | (413.473) | 579.071 | (1.492) | 164.106 |
| Group's share in net assets | (5.733.254) | 818.422 | (14.263) | (4.929.095) |
| Group's share in (loss)/profit | (206.737) | 289.536 | (746) | 82.053 |
| <u>2018</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% 31/12/2018 | 50% 31/12/2018 | 50% 31/12/2018 | |
| | € | € | € | € |
| Non-current assets | 19.053.294 | 38.988.257 | - | 58.041.551 |
| Current assets | 4.750.698 | 13.158.084 | 2.415 | 17.911.197 |
| Total assets | 23.803.992 | 52.146.341 | 2.415 | 75.952.748 |
| Current liabilities | (1.614.803) | (7.309.531) | (1.500) | (8.925.834) |
| Liabilities | (33.242.229) | (43.867.345) | (27.950) | (77.137.524) |
| Total liabilities | (34.857.032) | (51.176.876) | (29.450) | (86.063.358) |
| Net Assets | (11.053.040) | 969.465 | (27.035) | (10.110.610) |
| Revenue | 11.043.146 | 13.264.208 | - | 24.307.354 |
| Expenses | (12.086.704) | (12.080.356) | (2.180) | (24.169.240) |
| (Loss)/profit | (1.043.558) | 1.183.852 | (2.180) | 138.114 |
| Group's share in net assets | (5.526.520) | 484.733 | (13.518) | (5.055.305) |
| Group's share in (loss)/profit | (521.779) | 591.926 | (2.180) | 67.967 |

The balances and transactions between the jointly controlled companies are presented in note 18.

On 15 March 2018, the Group acquired 17,5% of the share capital of Demetra Investments Public Limited ('Demetra Investments') for the consideration of €20.350.000 through the Company's subsidiary company Logicom Services Limited. As a result the total share capital held in Demetra Investments increased to 29,62%, resulting in the acquiring of significant influence.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2019**8. EQUITY-ACCOUNTED INVESTEEES** *(continued)*

During the valuation of the investment at fair value, judgement was exercised in relation to the existence of an active market due to the volume of the transaction compared to the market, with a negative result. Therefore the fair value of the identifiable assets and liabilities were measured separately.

Negative goodwill

The recognition at fair value of the investment in Demetra Investments as an equity accounted investee resulted in the recognition of negative goodwill that was written off in profit or loss as follows:

| | € |
|--|---------------------------|
| Transfer to investments at fair value through other comprehensive income | 10.048.909 |
| Consideration | 20.350.000 |
| Fair value acquired | <u>(34.813.402)</u> |
| Negative goodwill written off in profit or loss | <u><u>(4.414.493)</u></u> |

The following table summarises the investment in the associated company for the period from 1 January 2019 until 30 September 2019 and from 15 March 2018 until 31 December 2018.

| Percentage Reporting date | Demetra Investments Public Company Ltd | Δήμητρα Επενδυτική Δημόσια Εταιρεία Λτδ |
|--|---|--|
| | 29,62% 30/09/2019 € | 29,62% 15 March - 31 December 2018 € |
| Non-current assets | 45.636.151 | 45.304.478 |
| Current assets | <u>98.348.332</u> | <u>81.526.954</u> |
| Total assets | <u>143.984.483</u> | <u>126.831.432</u> |
| Current liabilities | (3.312.670) | (3.062.951) |
| Non-current liabilities | <u>(10.100.857)</u> | <u>-</u> |
| Total liabilities | <u>(13.413.527)</u> | <u>(3.062.951)</u> |
| Net assets | <u>130.570.956</u> | <u>123.768.481</u> |
| Revenue | 8.531.528 | 7.891.094 |
| Expenses | <u>(1.729.053)</u> | <u>(1.909.053)</u> |
| Profit | <u>6.802.475</u> | <u>5.982.041</u> |
| Group's share in net assets | <u>38.675.117</u> | <u>36.660.224</u> |
| Group's share in profit for the period | <u>2.014.893</u> | <u>1.846.822</u> |

The share of profit attributable to the Group for the period 15 March - 30 September 2018 amounts to a profit of €1.356.864.

On 30 September 2019 Demetra Investments held 86.725.772 shares of Hellenic Bank Public Ltd ("the Bank") that correspond to 21,01% of the Bank's share capital.

On 30 September 2019 the subsidiary company Logicom Services Ltd held 4.560.827 shares of Hellenic Bank Public Ltd ("the Bank") that correspond to 1,1% of the Bank's share capital.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2019

9. CASH AND CASH EQUIVALENTS

THE GROUP

| | 30 September 2019 | 31 December 2018 |
|-----------------------------|----------------------|---------------------|
| | € | € |
| Cash in hand | 24.664 | 21.808 |
| Current accounts with banks | <u>37.498.082</u> | <u>31.189.618</u> |
| | <u>37.522.746</u> | <u>31.211.426</u> |

THE COMPANY

| | 30 September 2019 | 31 December 2018 |
|-----------------------------|----------------------|---------------------|
| | € | € |
| Cash in hand | 5.333 | 2.853 |
| Current accounts with banks | <u>5.500.187</u> | <u>2.296.882</u> |
| | <u>5.505.520</u> | <u>2.299.735</u> |

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

THE GROUP

| | 30 September 2019 | 31 December 2018 |
|---------------------------|----------------------|---------------------|
| | € | € |
| Cash at bank and in hand | 37.522.746 | 31.211.426 |
| Bank overdrafts (Note 11) | <u>(41.915.720)</u> | <u>(49.530.095)</u> |
| | <u>(4.392.974)</u> | <u>(18.318.669)</u> |

THE COMPANY

| | 30 September 2019 | 31 December 2018 |
|---------------------------|----------------------|---------------------|
| | € | € |
| Cash at bank and in hand | 5.505.520 | 2.299.735 |
| Bank overdrafts (Note 11) | <u>(29.863.506)</u> | <u>(29.933.854)</u> |
| | <u>(24.357.986)</u> | <u>(27.634.119)</u> |

10. SHARE CAPITAL

| | 30 September 2019 | 30 September 2019 | 31 December 2018 | 31 December 2018 |
|--|----------------------|----------------------|---------------------|---------------------|
| | Number of shares | € | Number of shares | € |
| Authorised | | | | |
| 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> |
| Issued and fully paid | | | | |
| Balance at 1 January | <u>74.079.600</u> | <u>25.187.064</u> | <u>74.079.600</u> | <u>25.187.064</u> |
| Balance at 30 September/31 December | <u>74.079.600</u> | <u>25.187.064</u> | <u>74.079.600</u> | <u>25.187.064</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2019**11. LOANS AND BANK OVERDRAFTS****THE GROUP**

| | 30 September 2019 | 31 December 2018 |
|--------------------------|----------------------|---------------------|
| | € | € |
| Long-term loans | 26.276.477 | 31.734.431 |
| Short term loans | 64.772.801 | 58.138.882 |
| Bank overdrafts (Note 9) | <u>41.915.720</u> | <u>49.530.095</u> |
| | <u>132.964.998</u> | <u>139.403.408</u> |

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

THE GROUP

| | 30 September 2019 | 31 December 2018 |
|----------------------------|----------------------|---------------------|
| | € | € |
| Within one year | 6.974.793 | 8.337.235 |
| Between two and five years | <u>19.301.684</u> | <u>23.397.196</u> |
| | <u>26.276.477</u> | <u>31.734.431</u> |

THE COMPANY

| | 30 September 2019 | 31 December 2018 |
|--------------------------|----------------------|---------------------|
| | € | € |
| Long-term loans | 18.845.636 | 23.283.298 |
| Short term loans | 26.018.999 | 33.915.953 |
| Bank overdrafts (Note 9) | <u>29.863.506</u> | <u>29.933.854</u> |
| | <u>74.728.141</u> | <u>87.133.105</u> |

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

THE COMPANY

| | 30 September 2019 | 31 December 2018 |
|----------------------------|----------------------|---------------------|
| | € | € |
| Within one year | 6.399.935 | 6.568.820 |
| Between two and five years | <u>12.445.701</u> | <u>16.714.478</u> |
| | <u>18.845.636</u> | <u>23.283.298</u> |

12. 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.

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

Period ended 30 September 2019

13. 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.

The Group adopted the IFRS 15 and IFRS 9 from 1 January 2018.

13.1 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. for the insurance of the credit 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 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.

13.2 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.

13.3 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 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.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2019

13. RISK MANAGEMENT *(continued)*

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 September 2019 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.

13.4 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 Management estimates that the ability of the Group to receive in advance 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 11.

13.5 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.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2019

14. 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:

| | 30/09/2019 Fully paid Shares % | 31/10/2019 Fully paid Shares % |
|--------------------------------------|---|---|
| Varnavas Irinarchos ¹ | 51,55 | 51,55 |
| Takis Klerides ² | 0,53 | 0,53 |
| George Papaioannou ³ | 1,01 | 1,01 |
| Nikos Michaelas ⁴ | 0,02 | 0,02 |
| Anthoulis Papachristoforou | 0,62 | 0,62 |
| Anastasios Athanasiades ⁵ | 0,07 | 0,07 |

1. The indirect ownership of Mr. Varnavas Irinarchos on 31 October 2019 of 51,55% arises from the participation of the company Edcrane Ltd.
2. The direct ownership of Mr. Takis Klerides on 31 October 2019 is 0,46% and the indirect ownership which arises from the participation of his daughter Mrs. Pamela Klerides, is 0,05%.
3. The direct ownership of Mr. Giorgou Papaioannou on 31 October 2019 is 1% and the indirect ownership that arises from the participation of his son Mr. Christou Papaioannou is 0,0034% and of his son Mr. Alexandrou Papaioannou is 0,0034%.
4. The indirect ownership of Mr. Nicos Michaelas on 31 October 2019 is 0,02% and arises from the share of its shareholding by the Employee Providend Fund of Demetra Investments Public Limited.
5. The direct ownership of Mr. Athanasios Athanasiades on 31 October 2019 is 0,07% and arises from common participation with his wife Mrs. Evangelia Georgiadou Athanasiadou.

15. SHAREHOLDERS' INTEREST

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

| | 30/09/2019 % | 31/10/2019 % |
|----------------------------------|-----------------|-----------------|
| Varnavas Irinarchos ¹ | 51,55 | 51,55 |
| Demetra Investment Public Ltd | 10,28 | 10,28 |

1. The indirect ownership of Mr. Varnavas Irinarchos on 31 October 2019 arises through the company Edcrane Ltd. The ultimate parent company of the Group is Takero Limited which holds 100% of Edcrane's Ltd shares.

16. 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

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2019

16. DIRECTORS' CONTRACTS *(continued)*

(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 2018 the annual salary of the Managing Director was €151.800. 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 2018 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 2019, with an annual salary (13 months) of €150.000.

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 2018 the annual salary of Mr. Anthoulis Papachristoforou amounted to €150.750 and the allowance for entertainment expenses amounted to €24.000. The remuneration of Mr. Anthoulis Papachristoforou for 2019 will be the same as 2018.

17. 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 (€3.306.089) to a foreign supplier for providing a trading credit facility. This guarantee is valid from 9 July 2019 until 18 August 2020.
- (2) The Company has provided a second bank guarantee of up to USD 400.000 (€367.343) to a second foreign supplier for providing a trading credit facility. This guarantee is valid from 9 July 2019 until 18 August 2020.
- (3) The Company has provided a third bank guarantee of up to EUR 1.700.000 to a third foreign supplier for providing a trading credit facility. This guarantee is valid from 12 August 2019 until 11 August 2020.
- (4) The Company has provided a fourth bank guarantee of up to EUR450.000 to a fourth foreign supplier for providing a trading facility. This guarantee is valid from 12 August 2019 until 11 August 2020.
- (5) The Company has provided a fifth bank guarantee of up to USD 800.000 (€734.686) to a fifth supplier for providing a trading facility. This guarantee expired on 12 April 2019 and was renewed until 12 April 2020.
- (6) The Company has provided a sixth bank guarantee of up to USD 300.00 (€275.507) to a sixth foreign supplier for providing a trading facility. This guarantee is valid from 12 September 2019 until 11 September 2020.
- (7) The Company has provided a seventh bank guarantee of up to USD 500.000 (€459.179) to a seventh foreign supplier for providing a trading facility. This guarantee is valid from 12 September 2019 until 11 September 2020.
- (8) The Company has provided an eighth guarantee of up to EUR34.172 to the Director of Customs and Excise Department for the use of a Bonded Warehouse in the Free Trade Zone in Larnaca.
- (9) Group companies have provided bank guarantees in order to participate in governmental and private sector projects.

LOGICOM PUBLIC LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**Period ended 30 September 2019**17. CONTINGENCIES AND LITIGATIONS** *(continued)*

On 19 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 claim is additional tax and Zakat of €2,4m (SAR10,3 m), plus additional penalties to be computed when the tax is settled. On 14 February 2019 the company has filed an objection in response to the claim and no response was received about the matter up to the date of the interim consolidated financial statements' approval. At this stage the company is of the view that any amount payable in the form of charges or penalties is not probable and as a result no provision is recorded.

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.

18. RELATED PARTY TRANSACTIONS

The companies of the Group buy and sell goods and services according to their needs from other Group companies. Transactions are mainly carried out at cost. There are cases where transactions are carried out at a price other than cost when this is agreed between the parties involved. 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 September 2019 | Period ended 30 September 2018 |
|--|-----------------------------------|-----------------------------------|
| | € | € |
| Logicom Solutions Limited | 1.237.848 | 1.745.323 |
| Newcytech Business Solutions Ltd | 3.615.345 | 2.794.583 |
| ENET Solutions Logicom S.A. | 6.492.333 | 24.712.880 |
| Logicom Jordan LLC | 1.317.509 | 3.559.014 |
| Logicom (Middle East) SAL | 120.244 | 964.726 |
| Logicom FZE | 969 | 8.100 |
| Logicom Italia s.r.l. | 24.633 | 35.164 |
| Logicom Information Technology Distribution s.r.l. | 4.398.439 | 9.967.251 |
| Logicom Saudi Arabia LLC | <u>20.085</u> | <u>67</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2019**18. 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 September 2019 | 31 December 2018 |
|-----------------------------|-----------------------------------|---------------------|
| | € | € |
| ENET Solutions Logicom S.A. | 2.352.833 | 2.237.555 |
| Logicom (Middle East) SAL | 4.386.353 | 4.171.441 |
| Logicom FZE | 2.722.564 | 2.589.170 |
| Logicom Jordan LLC | 2.806.594 | 2.669.083 |
| Verendrya Ventures Ltd | <u>17.177.759</u> | <u>16.739.544</u> |
| | <u>29.446.103</u> | <u>28.406.793</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% (2017: 4,0%) 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 STATEMENTS

Period ended 30 September 2019

18. RELATED PARTY TRANSACTIONS (continued)

Balances with subsidiary companies

| | 30 September 2019 | 31 December 2018 |
|--|--------------------|--------------------|
| | € | € |
| | Debit/ (Credit) | Debit/ (Credit) |
| Logicom (Overseas) Limited | (340.965) | (337.186) |
| Netcom Limited | 123.908 | 121.634 |
| Logicom Solutions Limited | (2.359.395) | 425.652 |
| Logicom Services Ltd | 18.954.691 | 18.875.644 |
| ENET Solutions Logicom S.A. | (1.332.300) | (3.535.170) |
| Newcytech Business Solutions Ltd | 1.067.183 | 102.241 |
| ICT Logicom Solutions SA | (194.815) | (194.815) |
| Logicom Jordan LLC | (3.683.480) | 4.816.054 |
| Logicom (Middle East) SAL | (4.577.461) | 1.120.737 |
| Logicom FZE | (10.062.569) | (10.354.711) |
| Logicom Dubai LLC | (546.922) | (48.510) |
| Logicom Italia s.r.l. | 4.430.612 | 6.885.528 |
| Logicom IT Distribution Limited | - | 4.335.753 |
| Logicom Saudi Arabia LLC | 22.528.771 | 24.435.628 |
| Logicom Information Technology Distribution s.r.l. | 10.015.035 | 13.338.422 |
| Logicom Trading & Distribution LLC | (1.951.511) | (786.026) |
| Logicom Distribution Germany GmbH | (313.770) | (425.763) |
| Najada Holdings Limited | (178.348) | (849.371) |
| Verendrya Ventures Ltd | 3.715 | 215.600 |
| | <u>31.582.379</u> | <u>58.141.341</u> |
| Expected credit losses | <u>(2.103.162)</u> | <u>(2.103.162)</u> |
| | <u>29.479.217</u> | <u>56.038.179</u> |

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

Balances with jointly controlled companies

| | 30 September 2019 | 31 December 2018 |
|-----------------------------------|----------------------|---------------------|
| | € | € |
| | Debit/ (Credit) | Debit/ (Credit) |
| M.N. Larnaca Desalination Co. Ltd | - | 383 |
| | <u>-</u> | <u>383</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2019**18. RELATED PARTY TRANSACTIONS** *(continued)*

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

Sales

| | Period ended 30 September 2019 | Period ended 30 September 2018 |
|---|-----------------------------------|-----------------------------------|
| | € | € |
| Logicom Public Limited | 84.653 | 183.779 |
| Logicom Jordan LLC | 1.068.391 | 1.036.696 |
| Logicom (Middle East) SAL | 1.615.777 | 2.527.476 |
| Logicom Dubai LLC | 83.619.746 | 82.491.094 |
| Logicom Saudi Arabia LLC | 8.368.719 | 9.242.972 |
| Logicom Kuwait for Computer Company W.L.L | 6.260.705 | 5.904.958 |
| Logicom Trading & Distribution LLC | 3.464.182 | 3.255.809 |
| Logicom LLC | 2.198.634 | 406.481 |
| Logicom Bahrain W.L.L | 303.679 | - |
| Logicom IT Distribution Limited | - | 1.951 |
| ENET Solutions Logicom S.A. | <u>1.157</u> | <u>-</u> |

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

Sales

| | Period ended 30 September 2019 | Period ended 30 September 2018 |
|---|-----------------------------------|-----------------------------------|
| | € | € |
| Logicom Public Limited | - | 1.759 |
| Logicom FZE | 13.236 | 135.339 |
| Logicom Kuwait for Computer Company W.L.L | <u>7.433</u> | <u>-</u> |

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

Sales

| | Period ended 30 September 2019 | Period ended 30 September 2018 |
|----------------------------------|-----------------------------------|-----------------------------------|
| | € | € |
| Newcytech Business Solutions Ltd | 3.422 | - |
| Logicom Bahrain W.L.L | <u>6.712</u> | <u>-</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2019**18. RELATED PARTY TRANSACTIONS** *(continued)*

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

Sales

| | Period ended 30 September 2019 | Period ended 30 September 2018 |
|--|-----------------------------------|-----------------------------------|
| | € | € |
| Logicom Public Limited | 5.655.303 | - |
| ICT Logicom Solutions SA | 204.663 | 44.347 |
| Logicom IT Distribution Limited | - | 14.628.852 |
| Logicom Information Technology Distribution s.r.l. | 185.387 | 715.510 |
| Logicom Solutions Limited | 384 | 6.187.128 |
| Logicom Italia s.r.l. | 424 | 792 |
| Logicom FZE | 654 | - |
| Newcytech Business Solutions Ltd | <u>(2.800)</u> | <u>-</u> |

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

Sales

| | Period ended 30 September 2019 | Period ended 30 September 2018 |
|----------------------------------|-----------------------------------|-----------------------------------|
| | € | € |
| Logicom Public Limited | 46.532 | 97.083 |
| Newcytech Business Solutions Ltd | 111.443 | 539.017 |
| ICT Logicom Solutions SA | <u>1.889.345</u> | <u>1.892.089</u> |

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

Sales

| | Period ended 30 September 2019 | Period ended 30 September 2018 |
|-----------------------------|-----------------------------------|-----------------------------------|
| | € | € |
| ENET Solutions Logicom S.A. | <u>-</u> | <u>453</u> |

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

Sales

| | Period ended 30 September 2019 | Period ended 30 September 2018 |
|-----------------------------|-----------------------------------|-----------------------------------|
| | € | € |
| Logicom Public Limited | (1.644) | 90.314 |
| ENET Solutions Logicom S.A. | 47.751 | 73.752 |
| Logicom Solutions Limited | <u>-</u> | <u>1.823</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2019**18. RELATED PARTY TRANSACTIONS** *(continued)*

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

Sales

| | Period ended 30 September 2019 | Period ended 30 September 2018 |
|-----------------------------|-----------------------------------|-----------------------------------|
| | € | € |
| Logicom FZE | - | 21.379 |
| Logicom (Middle East) SAL | 4.365 | 4.117 |
| ENET Solutions Logicom S.A. | <u>-</u> | <u>5.913</u> |

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

Sales

| | Period ended 30 September 2019 | Period ended 30 September 2018 |
|----------------------------|-----------------------------------|-----------------------------------|
| | € | € |
| Logicom Public Limited | 7.258 | 5.859 |
| Logicom Solutions Limited | 188.356 | 356.095 |
| Newcotech Distribution Ltd | <u>194.671</u> | <u>122.100</u> |

The sales made by Logicom IT Distribution Limited to Group companies were as follows:

Sales

| | Period ended 30 September 2019 | Period ended 30 September 2018 |
|-----------------------------|-----------------------------------|-----------------------------------|
| | € | € |
| ENET Solutions Logicom S.A. | <u>82.544</u> | <u>94.239</u> |

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

Sales

| | Period ended 30 September 2019 | Period ended 30 September 2018 |
|---------------------------|-----------------------------------|-----------------------------------|
| | € | € |
| Logicom Solutions Limited | <u>323.052</u> | <u>181.750</u> |

The sales made by Logicom Distribution Germany Gmbh to Group companies were as follows:

Sales

| | Period ended 30 September 2019 | Period ended 30 September 2018 |
|-----------------------|-----------------------------------|-----------------------------------|
| | € | € |
| Logicom Italia s.r.l. | <u>161.511</u> | <u>169.571</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2019**18. RELATED PARTY TRANSACTIONS** *(continued)*

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

Balances with related companies

| | Period ended 30 September 2019 | 31 December 2018 |
|--|-----------------------------------|---------------------|
| | € | € |
| | Debit/ (Credit) | Debit/ (Credit) |
| Logicom (Overseas) Limited | 340.965 | 337.186 |
| Netcom Limited | (123.908) | (121.634) |
| Logicom Solutions Limited | 2.359.395 | (425.652) |
| Logicom Services Ltd | (18.954.691) | (18.875.644) |
| Newcytech Business Solutions Ltd | (1.067.183) | (102.241) |
| ENET Solutions Logicom S.A. | (1.020.533) | 1.297.615 |
| ICT Logicom Solutions SA | 194.815 | 194.815 |
| Logicom Jordan LLC | 876.886 | (7.485.137) |
| Logicom (Middle East) SAL | 191.108 | (5.292.178) |
| Logicom FZE | 7.340.005 | 7.765.541 |
| Logicom Dubai LLC | 546.922 | 48.510 |
| Logicom Italia s.r.l. | (4.430.609) | (6.885.528) |
| Logicom IT Distribution Limited | - | (3.285.753) |
| Logicom Saudi Arabia LLC | (22.528.771) | (24.435.628) |
| Logicom Information Technology Distribution s.r.l. | (10.015.035) | (13.338.422) |
| Logicom Trading & Distribution LLC | 1.951.511 | 786.026 |
| Logicom Distribution Germany GmbH | 313.770 | 425.763 |
| Najada Holdings Limited | 178.348 | 849.371 |
| Verendrya Ventures Ltd | <u>(17.174.044)</u> | <u>(16.955.144)</u> |

19. EVENTS AFTER THE REPORTING PERIOD

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