



LOGICOM PUBLIC LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Period ended 31 March 2017

LOGICOM PUBLIC LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS Period from 1 January to 31 March 2017

| CONTENTS | PAGE |
|---|-------------|
| Board of Directors and Professional Advisors | 1 |
| Declaration of the members of the board of directors and the company officials responsible for the financial statements | 2 |
| Management Report | 3 - 5 |
| Consolidated statement of profit or loss and other comprehensive income | 6 |
| Consolidated statement of financial position | 7 |
| Consolidated statement of changes in equity | 8 |
| Consolidated cash flow statement | 9 |
| Statement of financial position | 10 |
| Notes to the consolidated interim financial statements | 11 - 30 |

BOARD OF DIRECTORS AND PROFESSIONAL ADVISERS**DIRECTORS**

Adamos K. Adamides, Chairman
Varnavas Irinarchos, Vice Chairman and Managing Director
Takis Klerides, Director
Nicos Michaelas, Director
George Papaioannou, Director
Anastasios Athanasiades, Director

GROUP CHIEF FINANCIAL OFFICER

Anthoulis Papachristoforou

SECRETARY

Adaminco Secretarial Limited
Eagle Star House, 1st floor
35 Theklas Lysioti Street
3030 Limassol

REGISTERED OFFICE

Eagle Star House, 1st floor
35 Theklas Lysioti Street
3030 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
Eagle Star House, 1st floor
35 Theklas Lysioti Street
3030 Limassol

BANKERS

Ancoria Bank Limited
Commercial Bank of Qatar
Credito Valtellinese Societa Cooperativa
Emirates NBD Bank PJSC
USB Bank PLC
TFI Markets Limited
Hypo Vereinsbank
Romanian Commercial Bank
The First Insurance Brokers
Turk Ekonomi Bankasi
Bancpost SA
Banco Popolare Societa Cooperativa
Global Supply Chain Finance Ltd
Arab Bank Jordan
Albaraka Turk Katilim Bankasi AS

BANKERS

Hellenic Bank Public Company Limited
Bank of Cyprus Public Company Limited
National Bank of Greece (Cyprus) Ltd
HSBC Bank Middle East
Banque Audi SAL
Alpha Bank Cyprus Ltd
Societe Generale Bank - Cyprus Limited
Standard Chartered Bank
Eurobank Ergasias S.A.
Piraeus Bank (Cyprus) Ltd
UniCredit Bulbank AD
The Cyprus Development Bank Public Company Limited
Societe Generale de banque au Liban
Turkiye Garanti Bankasi A.S
National Bank of Greece S.A
Eurobank Cyprus Ltd
Eurobank Factors S.A
Alpha Bank S.A.
FIMBank PLC
Saudi British Bank
National Bank of Fujairah PSC
Arab Bank PLC
Mashreq Bank PSC
Alpha Bank Romania SA
Piraeus Bank S.A
Marfin Bank S.A
Noor Bank PJSC
ABC Factors S.A.
Commercial Bank of Dubai PSC
Bank of Beirut
Akbank TAS
Finansbank AS
Yapi ve Kredi Bankasi AS
Asya Katilim Bankasi AS
Turkiye Is Bankasi
Bank of Beirut
Akbank TAS
Finansbank AS
Yapi re Kredi Bakasi AS
Asya Kntim bankasi AS
Turkiye Is Bankasi
Emporiki Bank SA
FBME Bank Ltd
Bank of Bahrain and Kuwait BSC
Cooperative Central Bank Ltd
NGB Factors SA

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

According to article 10 and 12, 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 Chief Financial Officer responsible for the preparation of the financial statements, of the Group and the Company Logicom Public Ltd, for the period ended 31 March 2017, we confirm that to the best of our knowledge:

(a) The Interim Consolidated Financial Statements which are presented on pages 6 to 30.

(i) were prepared in accordance with the International Accounting 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 Ltd and the businesses that are included in the Interim Consolidated Financial Statements as a whole, and

b) the directors' 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:

Adamos K. Adamides, Chairman

Varnavas Irinarchos, Vice Chairman and Managing Director

Takis Klerides

Nicos Michaelas

George Papaioannou

Anthoulis Papachristoforou

Anastasios Athanasiades

Responsible for drafting the financial statements

Anthoulis Papachristoforou (Group Chief Financial Officer)

Nicosia, 4 May 2017

LOGICOM PUBLIC LIMITED

MANAGEMENT'S 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 12,4% in relation to the corresponding period in 2016. The Turnover of the Distribution Division increased by 11,4% in relation to the A' quarter of 2016, mainly due to the increased sales in the Gulf and Saudi Arabia markets. The Turnover of the Software and the IT & Telecommunications Solutions Division also shows an increase of 33,9%, mainly due to the presence of new projects in the Cypriot market.
2. **The percentage of gross profit margin** remained at approximately the same levels of 7,0% during the A' quarter of 2017 compared to 6,9% during the corresponding previous period.
3. **Other Income** mainly relates to contributions from suppliers for promotion of their products and income through business relationships with third parties.
4. The increase in **Administration Expenses** by €1.130.228 and in percentage terms 13,4%, compared to the A' quarter of 2016, is mainly due to the increase of personnel and infrastructure costs, as a result of the Group's planned expansion into new markets and the addition of new products and brands. The term 'Administration Expenses' encompasses all the operating expenses of the Group, including Administrative, Distribution and Operational expenses.
5. **The Profit from Operating Activities** increased by 13,3% compared to the corresponding period of 2016, and amounts to €5.977.222 compared to €5.274.208 in the A' quarter of 2016, mainly due to the increase in the Turnover. The term 'Operating Activities' encompasses all the activities of the Group.
6. **The Net Bank Finance Cost**, including interest receivable and payable, and bank related charges resulting from the banking facilities used for the expansion of the Group's operations decreased to €1.358.695 compared to €1.765.150 during the corresponding period of 2016 and decreased by 23,0% in percentage terms.
7. **The Foreign Exchange Difference** resulting from the exchange rate fluctuation between the US Dollar and the Euro, had a positive impact on the Group's Results amounting to a gain of €39.610, compared to the corresponding period of 2016 where the loss amounted to €144.518. It is clarified that as from 1/1/2010 the provisions of the IAS39 in relation to Hedge Accounting have been adopted, with the aim to reduce the effects of the exchange rate fluctuation between the US Dollar and the Euro in the Consolidated Statement of Comprehensive Income.

According to the provisions of the Revised International Accounting Standard 21, the decrease in the value of the Holding Company's long term receivables (investments) to its foreign subsidiaries, due to foreign exchange differences, amounting to €143.712 is transferred to the Reserves until the date of their disposal, at which time any resulting profit or loss will be recognized in the Consolidated Statement of Results and Other Comprehensive Income.

8. References to the **Share of loss from jointly controlled companies and partnership** and to the **Share of loss attributable to Non-Controlling interest** mainly relate to the operating losses of the investment in Larnaca Desalination Plant. The Desalination Plant in Episkopi recorded a profit in the period.
9. **The Profit attributable to the Company's Shareholders** increased by 34,0% compared to the corresponding period of 2016, from €3.044.205 to €4.080.258 mainly due to the increase of Turnover and the decrease in the Net Financing Expenses.

LOGICOM PUBLIC LIMITED

MANAGEMENT'S INTERIM REPORT

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

10. **The Group's cash and cash equivalents** compared to the bank overdrafts present a credit balance of €14.970.320 at the end of A' quarter of 2017 compared to €12.867.118 at the end of 2016. **The short term loans** decreased to €66.033.113 from €67.114.604. **The long term loans** decreased to €2.861.560 from €3.793.410.
11. Verendrya Ventures Limited, of which the Company holds 60% of its share capital and in a joint venture with a 50% share, completed the construction of the Desalination plant in Episkopi based on a relevant 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 with 40% share of Verendrya Ventures Ltd interest in the joint venture. The construction of the project was completed in June 2012 and the desalination unit remains in stand-by mode since 1 July 2012 until 27 April 2014. The desalination unit started production on the 28th of April 2014.

Verendrya Ventures Ltd, of which the Company holds 60% of its share capital and in a joint venture with a 50% share, signed on 26 January 2012 an agreement with the Water Development Department for the renovation and operation of an 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 of Verendrya Ventures Ltd's interest in the joint venture. The renovation of the unit was completed in June 2015 and started operation on the 4th of July 2015. Claims are pending from both sides in regards to the execution of this contract.
12. During the A' quarter of 2017, despite the continuing uncertainty and the economic instability in some of the regions where the Group operates, the Profit attributable to the Shareholders increased significantly due to the increase in the Turnover, which resulted in the increased Operating Profit, and to the decrease in the Net Financing Expenses.
13. During the A' quarter of 2017 there was not any income from non-recurring or extraordinary activities.
14. 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 and fair value risk. These risks are analysed and the procedures of monitoring them are described in note 11.

OPERATIONS OF THE COMPANY AND ITS SUBSIDIARY COMPANIES

During the A' quarter of 2017 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

Despite the current market conditions which are characterized by the uncertainty due to the economic instability in some regions of the Group's operations, during the A' quarter of 2017, the prospects remain favorable.

The effort for the relative reduction of the operational costs and for increased productivity will continue to be pursued.

RESEARCH AND DEVELOPMENT ACTIVITIES

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

LOGICOM PUBLIC LIMITED
MANAGEMENT'S INTERIM REPORT

BRANCHES - FOREIGN OPERATIONS

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

USE OF FINANCIAL INSTRUMENTS

The derivative financial instruments of the Group refer to contracts for exchange of foreign currency for hedging the risk of the 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 significant accounting policies.

The loss arising from the change in the fair value of derivative financial instruments for the year, that was recognised in Group's profit or loss amounts to €237.149 (A' quarter 2016 loss: €1.106.188).

SHARE CAPITAL

There was no change in the issued share capital of the company during the A' quarter of 2017.

All shares are listed and traded in 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 8.

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

The Board of Directors members as at 31 March 2017 and at the date of the present report are presented in page 1. 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 31 March 2017 and on 4 May 2017 are presented in notes 12 and 13 to the Interim Consolidated financial statements.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting date that have a bearing on the understanding of the consolidated and separate financial statements.

PUBLICATION

1. The Interim Financial Report will not be sent to the shareholders but the Consolidated Statement of Results and Other Comprehensive Income will be published in the newspapers 'Alitheia' and 'i Simerini' on 06/05/2017 and 'o Phileleftheros' on 07/05/2017.
2. The whole content of the Interim Financial Report, is available, free of charge, from the Registered Office of the Company (Theklas Lysiotti 35, Eagle Star House, 1st Floor, 3030 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

4 May 2017

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period ended 31 March 2017

| | Period ended 31 March 2017 € | Period ended 31 March 2016 € | Year ended 31 December 2016 € |
|--|------------------------------------|------------------------------------|--|
| | Note | | |
| Revenue | 222.476.695 | 197.903.820 | 799.131.522 |
| Cost of sales | <u>(207.003.181)</u> | <u>(184.223.338)</u> | <u>(742.686.033)</u> |
| Gross profit | 15.473.514 | 13.680.482 | 56.445.489 |
| Other income | 88.523 | 48.313 | 1.189.938 |
| Administrative expenses | <u>(9.584.815)</u> | <u>(8.454.587)</u> | <u>(36.465.495)</u> |
| Operating profit | 5.977.222 | 5.274.208 | 21.169.932 |
| Net foreign exchange profit/(loss) | 39.610 | (144.518) | 27.080 |
| Interest receivable | 38.819 | 20.321 | 182.099 |
| Interest payable and bank charges | <u>(1.397.514)</u> | <u>(1.785.471)</u> | <u>(6.487.749)</u> |
| Net finance costs | (1.319.085) | (1.909.668) | (6.278.570) |
| Share of loss of jointly controlled companies and partnership after tax | <u>(90.669)</u> | <u>(96.829)</u> | <u>(1.508.930)</u> |
| Profit before tax | 4.567.468 | 3.267.711 | 13.382.432 |
| Tax | <u>(509.312)</u> | <u>(249.802)</u> | <u>(1.724.370)</u> |
| Profit for the period/year | <u>4.058.156</u> | <u>3.017.909</u> | <u>11.658.062</u> |
| Other comprehensive income that is not to be reclassified to profit or loss in future periods | | | |
| Surplus from revaluation of land and buildings | - | - | 1.455.891 |
| Deferred taxation arising on revaluation of land and buildings | <u>5.474</u> | <u>660</u> | <u>21.896</u> |
| | 5.474 | 660 | 1.477.787 |
| Other comprehensive income that is to be reclassified to profit or loss in future periods | | | |
| Surplus from the revaluation of investments available for sale | 377.189 | 249.017 | (574.448) |
| Exchange difference from translation and consolidation of financial statements from foreign operations | (2.944.231) | (1.818.169) | 3.126.261 |
| Exchange difference in relation to hedge of a net investment in a foreign operation | 532.415 | 1.004.449 | (1.175.343) |
| Deferred taxation arising from exchange differences in relation to foreign operations | - | <u>37.241</u> | - |
| Other comprehensive (expenses) /income for the period/year after tax | <u>(2.029.153)</u> | <u>(526.802)</u> | <u>2.854.257</u> |
| Total comprehensive income for the period/year after tax | <u>2.029.003</u> | <u>2.491.107</u> | <u>14.512.319</u> |
| Profit for the period/year attributable to: | | | |
| Company's shareholders | 4.080.258 | 3.044.205 | 12.214.872 |
| Non-controlling interest | <u>(22.102)</u> | <u>(26.296)</u> | <u>(556.810)</u> |
| Profit for the period/year | <u>4.058.156</u> | <u>3.017.909</u> | <u>11.658.062</u> |
| Total comprehensive income for the period/year attributable to: | | | |
| Company's shareholders | 2.051.105 | 2.517.403 | 15.069.129 |
| Non-controlling interest | <u>(22.102)</u> | <u>(26.296)</u> | <u>(556.810)</u> |
| Total comprehensive income | <u>2.029.003</u> | <u>2.491.107</u> | <u>14.512.319</u> |
| Basic earnings per share (cent) | 4 <u>5,51</u> | <u>4,11</u> | <u>16,49</u> |
| Diluted earnings per share (cent) | 4 <u>5,51</u> | <u>4,11</u> | <u>16,49</u> |

The notes on pages 11 to 30 are an integral part of these consolidated interim financial statements.

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

| | Note | 31 March 2017 € | 31 December 2016 € |
|---|------|--------------------|--------------------------|
| ASSETS | | | |
| Property, plant and equipment | 5 | 13.420.099 | 13.777.623 |
| Intangible assets | | 8.672.896 | 8.669.161 |
| Available-for-sale financial assets | | 5.654.168 | 5.276.936 |
| Trade and other receivables | | 22.761.606 | 22.557.386 |
| Deferred tax assets | | <u>2.239.013</u> | <u>2.315.497</u> |
| Total non-current assets | | <u>52.747.782</u> | <u>52.596.603</u> |
| Inventories | | 55.112.994 | 78.890.775 |
| Trade and other receivables | | 161.263.903 | 157.598.708 |
| Derivative financial instruments | | 2.795 | 239.944 |
| Financial assets at fair value through profit or loss | | 16.448 | 16.448 |
| Refundable taxes | | 6.558.703 | 7.835.637 |
| Cash and cash equivalents | 7 | <u>30.936.046</u> | <u>39.266.277</u> |
| Total current assets | | <u>253.890.889</u> | <u>283.847.789</u> |
| Total assets | | <u>306.638.671</u> | <u>336.444.392</u> |
| Equity | | | |
| Share capital | 8 | 25.187.064 | 25.187.064 |
| Reserves | | <u>60.841.831</u> | <u>58.796.201</u> |
| Equity attributable to shareholders of the company | | 86.028.895 | 83.983.265 |
| Non-controlling interest | | <u>(1.428.317)</u> | <u>(1.406.215)</u> |
| Total equity | | <u>84.600.578</u> | <u>82.577.050</u> |
| Liabilities | | | |
| Long-term loans | 9 | 652.058 | 486.011 |
| Trade and other payables | | 10.729.350 | 10.625.561 |
| Deferred taxation | | 503.561 | 503.574 |
| Contingent liabilities | | <u>120.000</u> | <u>120.000</u> |
| Total non-current liabilities | | <u>12.004.969</u> | <u>11.735.146</u> |
| Trade and other payables | | 93.634.538 | 115.366.099 |
| Bank overdrafts | 9 | 45.906.366 | 52.133.395 |
| Short term loans | 9 | 66.033.113 | 67.114.604 |
| Current portion of long-term loans | 9 | 2.209.502 | 3.307.399 |
| Promissory notes | | 1.990.301 | 2.588.889 |
| Tax payable | | 219.304 | 1.581.810 |
| Contingent liabilities | | <u>40.000</u> | <u>40.000</u> |
| Total current liabilities | | <u>210.033.124</u> | <u>242.132.196</u> |
| Total liabilities | | <u>222.038.093</u> | <u>253.867.342</u> |
| Total equity and liabilities | | <u>306.638.671</u> | <u>336.444.392</u> |

The notes on pages 11 to 30 are an integral part of these consolidated interim financial statements.

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 31 March 2017

| | Share capital | Share Premium | Revaluation | Fair Value | Difference | Hedge reserve | Statutory | Translation | Retained | Total | Non-controlling | Total |
|--|-------------------|-------------------|------------------|------------------|------------------|--------------------|----------------|------------------|-------------------|-------------------|--------------------|-------------------|
| | € | € | € | € | arising on the | € | € | € | € | € | interest | € |
| | | | | | conversion the | | | | | | € | |
| | | | | | share capital to | | | | | | | |
| | | | | | € | | | | | | | |
| Balance at 1 January 2016 | 25.187.064 | 10.443.375 | 3.144.659 | 1.304.971 | 116.818 | (9.331.678) | 900.739 | 2.006.269 | 38.845.899 | 72.618.116 | (849.405) | 71.768.711 |
| Total comprehensive income | | | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | - | 3.044.205 | 3.044.205 | (26.296) | 3.017.909 |
| Other comprehensive income | - | - | 660 | 249.017 | - | 1.004.449 | - | (1.780.928) | - | (526.802) | - | (526.802) |
| Revaluation reserve realised through use | - | - | (5.520) | - | - | - | - | - | 5.520 | - | - | - |
| Balance at 31 March 2016 | <u>25.187.064</u> | <u>10.443.375</u> | <u>3.139.799</u> | <u>1.553.988</u> | <u>116.818</u> | <u>(8.327.229)</u> | <u>900.739</u> | <u>225.341</u> | <u>41.895.624</u> | <u>75.135.519</u> | <u>(875.701)</u> | <u>74.259.818</u> |
| Balance at 1 January 2017 | 25.187.064 | 10.443.374 | 4.620.982 | 730.523 | 116.818 | (10.507.021) | 977.963 | 5.132.530 | 47.281.031 | 83.983.264 | (1.406.215) | 82.577.049 |
| Total comprehensive income | | | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | - | 4.080.258 | 4.080.258 | (22.102) | 4.058.156 |
| Other comprehensive income | - | - | - | 377.189 | - | 532.415 | - | (2.944.231) | - | (2.034.627) | - | (2.034.627) |
| Revaluation reserve realised through use | - | - | (366) | - | - | - | - | - | 366 | - | - | - |
| Balance at 31 March 2017 | <u>25.187.064</u> | <u>10.443.374</u> | <u>4.620.616</u> | <u>1.107.712</u> | <u>116.818</u> | <u>(9.974.606)</u> | <u>977.963</u> | <u>2.188.299</u> | <u>51.361.655</u> | <u>86.028.895</u> | <u>(1.428.317)</u> | <u>84.600.578</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 of 17% will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) at the end of the period of the two years from the end of the year of assessment to which the profits refer are Cyprus tax residents. The amount of deemed dividend 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 reserve is the only reserve that is available for distribution.

The notes on pages 11 to 30 are an integral part of these consolidated interim financial statements.

LOGICOM PUBLIC LIMITED

CONSOLIDATED CASH FLOW STATEMENT
Period ended 31 March 2017

| | Note | Period ended 31 March 2017 € | Period ended 31 March 2016 € |
|--|------|------------------------------------|------------------------------------|
| Cash flows from operations | | | |
| Profit for the period /year | | 4.058.156 | 3.017.909 |
| Adjustments for: | | | |
| Exchange differences | | (2.761.945) | (3.104.342) |
| Depreciation | 5 | 329.144 | 287.636 |
| Depreciation on leased property, plant and equipment | 5 | 109.769 | 139.540 |
| Interest payable | | 1.187.980 | 1.785.471 |
| Interest receivable | | (38.819) | (20.321) |
| Change in fair value of derivative financial instruments | | 237.149 | 1.106.188 |
| Profit from the sale of property, plant and equipment | | (11.796) | (5.940) |
| Amortisation of intangible assets | | - | 14.281 |
| (Credit) to profit or loss for provisions | | - | (29.168) |
| Tax | | <u>812.281</u> | <u>1.399.235</u> |
| | | 3.921.919 | 4.590.489 |
| Decrease in inventories | | 23.777.781 | 9.441.963 |
| (Increase)/decrease in trade and other receivables | | (3.869.415) | 28.921.798 |
| Decrease in trade and other payables | | <u>(21.627.772)</u> | <u>(30.935.912)</u> |
| | | 2.202.513 | 12.018.338 |
| Tax paid | | <u>(594.884)</u> | <u>(665.437)</u> |
| Net cash flows from operations | | <u>1.607.629</u> | <u>11.352.901</u> |
| Cash flows used in investing activities | | | |
| Proceeds from disposal of property, plant and equipment | | (7.071) | 7.894 |
| Payment for purchase of property, plant and equipment | 5 | (179.819) | (661.435) |
| Interest received | | <u>38.819</u> | <u>20.321</u> |
| Net cash flows used in investing activities | | <u>(148.071)</u> | <u>(633.220)</u> |
| Net cash flow used in investing activities Cash flows from financing activities | | | |
| Proceeds from borrowings | | 15.592.160 | 14.244.390 |
| Repayment of borrowings | | (17.605.501) | (11.359.352) |
| Interest paid | | (1.187.980) | (1.785.471) |
| Decrease in promissory notes | | (598.588) | (9.545.726) |
| Proceeds from derivative financial instruments | | <u>237.149</u> | <u>1.031.511</u> |
| Net cash flows used in financing activities | | <u>(3.562.760)</u> | <u>(7.414.648)</u> |
| Net flow in cash and cash equivalents | | (2.103.202) | 3.305.033 |
| Cash and cash equivalents at beginning of the period | | <u>(12.867.118)</u> | <u>(24.234.329)</u> |
| Cash and cash equivalents at end of the period | 7 | <u>(14.970.320)</u> | <u>(20.929.296)</u> |

The notes on pages 11 to 30 are an integral part of these consolidated interim financial statements.

LOGICOM PUBLIC LIMITED
STATEMENT OF FINANCIAL POSITION
As at 31 March 2017

| | Note | 31 March 2017 € | 31 December 2016 € |
|---|------|--------------------|--------------------------|
| ASSETS | | | |
| Property, plant and equipment | 5 | 4.211.868 | 4.220.807 |
| Intangible assets | | 9.961 | 6.226 |
| Investments in subsidiary companies | 6 | 14.292.966 | 14.292.965 |
| Long-term loans to subsidiary companies | 16 | 28.482.358 | 28.504.488 |
| Deferred tax assets | | <u>1.385.609</u> | <u>1.385.609</u> |
| Total non-current assets | | <u>48.382.762</u> | <u>48.410.095</u> |
| Inventories | | 589.165 | 5.675.402 |
| Trade and other receivables | | 12.459.959 | 13.295.695 |
| Receivables from related companies | 16 | 61.283.324 | 80.204.568 |
| Derivative financial instruments | | 35.170 | 228.195 |
| Financial assets at fair value through profit or loss | | 9.594 | 9.594 |
| Cash and cash equivalents | 7 | <u>2.914.008</u> | <u>9.507.156</u> |
| Total current assets | | <u>77.291.220</u> | <u>108.920.610</u> |
| Total assets | | <u>125.673.982</u> | <u>157.330.705</u> |
| Equity | | | |
| Share capital | 8 | 25.187.064 | 25.187.064 |
| Reserves | | <u>9.372.729</u> | <u>10.338.005</u> |
| Total equity | | <u>34.559.793</u> | <u>35.525.069</u> |
| Liabilities | | | |
| Deferred taxation | | <u>445.288</u> | <u>445.287</u> |
| Total non-current liabilities | | <u>445.288</u> | <u>445.287</u> |
| Trade and other payables | | 37.988.724 | 58.088.183 |
| Bank overdrafts | 9 | 22.858.985 | 30.000.235 |
| Short term loans | 9 | 25.617.809 | 27.611.076 |
| Current portion of long-term loans | 9 | 2.209.502 | 3.068.295 |
| Promissory notes | | 1.990.301 | 2.588.889 |
| Tax payable | | <u>3.580</u> | <u>3.671</u> |
| Total current liabilities | | <u>90.668.901</u> | <u>121.360.349</u> |
| Total liabilities | | <u>91.114.189</u> | <u>121.805.636</u> |
| Total equity and liabilities | | <u>125.673.982</u> | <u>157.330.705</u> |

The notes on pages 11 to 30 are an integral part of these consolidated interim financial statements.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2017

1. Unaudited financial statements

The interim consolidated financial statements for the A' quarters ended on 31 March 2017 and 2016 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 2016.

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 at the end of the year are translated to the functional currency at the exchange rate prevailing at that date and the Foreign currency differences arising on retranslation are recognised in profit or loss. 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 for the hedging of the foreign exchange risk. According to the provisions of IAS 39, 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.

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.

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. For this reason, the taxation of each operating segment is not presented in the note. 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.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2017

3. OPERATING SEGMENTS (continued)

Sales 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 31 March 2017 | Period ended 31 March 2016 | 31 March 2017 | 31 December 2016 |
| | € | € | € | € |
| Cyprus | 17.508.169 | 14.880.675 | 43.677.370 | 43.527.314 |
| Greece | 21.719.278 | 17.945.887 | 625.615 | 632.473 |
| United Arab Emirates | 91.445.483 | 86.297.306 | 5.764.296 | 5.972.503 |
| Other Foreign Countries | <u>91.803.765</u> | <u>78.779.952</u> | <u>2.680.501</u> | <u>2.464.313</u> |
| | <u>222.476.695</u> | <u>197.903.820</u> | <u>52.747.782</u> | <u>52.596.603</u> |

| Period ended 31 March 2017 | European Markets Distribution Segment € | Middle East Markets Distribution Segment € | All other Segments € | Services Segments € | Intersegment transaction € | Total € |
|---|---|--|----------------------------|---------------------------|----------------------------------|--------------------|
| External revenue | <u>39.777.120</u> | <u>152.075.009</u> | <u>19.055.969</u> | <u>11.724.281</u> | <u>(155.684)</u> | <u>222.476.695</u> |
| Intersegment revenue | <u>15.108.440</u> | <u>39.124.210</u> | <u>370.996</u> | <u>1.707.041</u> | <u>(56.310.687)</u> | <u>-</u> |
| Other income | (2.728) | (234) | 5.781 | 85.704 | - | 88.523 |
| Depreciation and amortisation | 80.204 | 165.819 | 43.989 | 39.132 | - | 329.144 |
| Personnel costs | 1.384.685 | 2.789.301 | 653.380 | 1.150.927 | - | 5.978.293 |
| Travelling expenses | 110.810 | 68.812 | 29.584 | 48.026 | - | 257.232 |
| Provision for bad debts | 8.147 | (899) | (8.652) | (7.010) | - | (8.414) |
| Professional fees | 233.606 | 69.832 | 39.415 | 98.983 | - | 441.836 |
| Rent | 77.608 | 220.036 | 71.622 | 72.318 | - | 441.584 |
| Credit insurance | 102.626 | 465.045 | 30.190 | 18.107 | - | 615.968 |
| Transportation expenses | <u>114.078</u> | <u>341.363</u> | <u>37.108</u> | <u>799</u> | <u>-</u> | <u>493.348</u> |
| Operating profit | <u>331.766</u> | <u>4.599.756</u> | <u>161.346</u> | <u>1.698.157</u> | <u>(813.803)</u> | <u>5.977.222</u> |
| Net foreign exchange profit/(loss) | 256.003 | 41.351 | 92.922 | 38.037 | (388.703) | 39.610 |
| Interest receivable | 1.077 | - | 448 | 37.294 | - | 38.819 |
| Interest payable and bank charges | <u>(806.967)</u> | <u>(683.385)</u> | <u>(17.887)</u> | <u>(44.958)</u> | <u>155.683</u> | <u>(1.397.514)</u> |
| Net finance costs | <u>(549.887)</u> | <u>(642.034)</u> | <u>75.483</u> | <u>30.373</u> | <u>(233.020)</u> | <u>(1.319.085)</u> |
| Share of loss of jointly controlled companies and partnership after tax | - | - | (90.669) | - | - | (90.669) |
| Profit before tax | <u>(218.121)</u> | <u>3.957.722</u> | <u>146.160</u> | <u>1.728.530</u> | <u>(1.046.823)</u> | <u>4.567.468</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2017

3. OPERATING SEGMENTS (continued)

| Period ended 31 March 2016 | European Markets Distribution Segment € | Middle East Markets Distribution Segment € | All other Segments € | Services Segments € | Intersegment transaction € | Total € |
|---|---|--|----------------------------|---------------------------|----------------------------------|--------------------|
| External revenue | 36.452.978 | 136.845.447 | 15.846.290 | 8.759.105 | - | 197.903.820 |
| Intersegment revenue | 8.638.502 | 42.240.824 | 735.418 | 475.427 | (52.090.171) | - |
| Other income | 1.210 | 27.853 | 1.074 | 18.176 | - | 48.313 |
| Depreciation and amortisation | 92.068 | 122.298 | 44.519 | 43.032 | - | 301.917 |
| Personnel costs | 905.591 | 2.601.083 | 612.086 | 1.113.092 | - | 5.231.852 |
| Travelling expenses | 121.734 | 55.670 | 20.904 | 47.708 | - | 246.016 |
| Provision for bad debts | (482) | 80.755 | (14.059) | (4.905) | - | 61.309 |
| Professional fees | 231.748 | 71.601 | 39.910 | 117.661 | - | 460.920 |
| Rent | 76.774 | 242.248 | 84.484 | 65.090 | - | 468.596 |
| Credit insurance | 72.218 | 191.655 | 23.349 | - | - | 287.222 |
| Transportation expenses | 60.321 | 384.518 | 41.712 | 707 | - | 487.258 |
| Operating profit | 229.558 | 3.659.871 | 342.150 | 561.861 | 480.768 | 5.274.208 |
| Net foreign exchange profit/(loss) | (313.133) | 54.811 | 300.606 | 183.844 | (370.646) | (144.518) |
| Interest receivable | 2.089 | - | 951 | 17.281 | - | 20.321 |
| Interest payable and bank charges | (785.506) | (799.881) | (31.026) | (27.430) | (141.628) | (1.785.471) |
| Net finance costs | (1.096.550) | (745.070) | 270.531 | 173.695 | (512.274) | (1.909.668) |
| Share of loss of jointly controlled companies and partnership after tax | - | - | (96.829) | - | - | (96.829) |
| Profit before tax | (866.992) | 2.914.801 | 515.852 | 735.556 | (31.506) | 3.267.711 |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 31 March 2017**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 for the period 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 31 March 2017 | Period ended 31 March 2016 |
|---|-------------------------------|-------------------------------|
| Profit attributable to owners (€) | <u>4.080.258</u> | <u>3.044.205</u> |
| Weighted average number of ordinary shares in issue during the period | <u>74.079.600</u> | <u>74.079.600</u> |
| Basic earnings per share (cent) | <u>5,51</u> | <u>4,11</u> |
| Diluted weighted average number of shares | <u>74.079.600</u> | <u>74.079.600</u> |
| Diluted earnings per share (cent) | <u>5,51</u> | <u>4,11</u> |

THE COMPANYBasic and diluted earnings per share

The calculation of basic and diluted earnings per share is based on the profit for the period 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 31 March 2017 | Period ended 31 March 2016 |
|---|-------------------------------|-------------------------------|
| Loss attributable to owners (€) | <u>(965.273)</u> | <u>(1.642.932)</u> |
| Weighted average number of ordinary shares in issue during the period | <u>74.079.600</u> | <u>74.079.600</u> |
| Basic loss per share (cent) | <u>(1,30)</u> | <u>(2,22)</u> |
| Diluted weighted average number of shares | <u>74.079.600</u> | <u>74.079.600</u> |
| Diluted loss per share (cent) | <u>(1,30)</u> | <u>(2,22)</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2017

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 2016 | 8.908.327 | 6.896.300 | 2.998.524 | 1.845.867 | 20.649.018 |
| Additions for the period | 394.334 | 809.716 | 724.371 | 156.044 | 2.084.465 |
| Disposals for the period | - | (347.631) | (19.768) | (213.201) | (580.600) |
| Write off for the period | - | (551.230) | (18.502) | - | (569.732) |
| Adjustment on revaluation | 716.836 | - | - | - | 716.836 |
| Exchange differences | 165.198 | 59.654 | 33.890 | 21.874 | 280.616 |
| Balance at 31 December 2016 | <u>10.184.695</u> | <u>6.866.809</u> | <u>3.718.515</u> | <u>1.810.584</u> | <u>22.580.603</u> |
| Balance at 1 January 2017 | 10.184.695 | 6.866.809 | 3.718.515 | 1.810.584 | 22.580.603 |
| Additions for the period | 2.936 | 123.034 | 53.849 | - | 179.819 |
| Disposals for the period | - | (89.851) | - | (13.698) | (103.549) |
| Exchange differences | (88.805) | (29.942) | (23.078) | (9.466) | (151.291) |
| Balance at 31 March 2017 | <u>10.098.826</u> | <u>6.870.050</u> | <u>3.749.286</u> | <u>1.787.420</u> | <u>22.505.582</u> |
| Depreciation | | | | | |
| Balance at 1 January 2016 | 630.769 | 4.745.691 | 2.029.634 | 1.285.787 | 8.691.881 |
| Charge | 337.741 | 937.640 | 328.461 | 177.870 | 1.781.712 |
| Disposals for the period | - | (332.911) | (11.785) | (162.634) | (507.330) |
| Write off for the period | - | (526.584) | (18.502) | - | (545.086) |
| Exchange differences | 24.130 | 54.199 | 26.635 | 15.894 | 120.858 |
| Adjustment on revaluation | (739.055) | - | - | - | (739.055) |
| Balance at 31 December 2016 | <u>253.585</u> | <u>4.878.035</u> | <u>2.354.443</u> | <u>1.316.917</u> | <u>8.802.980</u> |
| Balance at 1 January 2017 | 253.585 | 4.878.035 | 2.354.443 | 1.316.917 | 8.802.980 |
| Charge | 88.094 | 218.014 | 114.607 | 18.198 | 438.913 |
| Disposals for the period | - | (85.560) | (27.271) | (9.585) | (122.416) |
| Exchange differences | 419 | (20.058) | (9.265) | (5.090) | (33.994) |
| Balance at 31 March 2017 | <u>342.098</u> | <u>4.990.431</u> | <u>2.432.514</u> | <u>1.320.440</u> | <u>9.085.483</u> |
| Net book amount | | | | | |
| Balance at 31 March 2017 | <u>9.756.728</u> | <u>1.879.619</u> | <u>1.316.772</u> | <u>466.980</u> | <u>13.420.099</u> |
| Balance at 1 January 2017 | <u>9.931.110</u> | <u>1.988.774</u> | <u>1.364.072</u> | <u>493.667</u> | <u>13.777.623</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2017

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 2016 | 3.487.500 | 1.773.476 | 583.586 | 421.993 | 6.266.555 |
| Additions for the period | 331.110 | 159.298 | 16.564 | 46.044 | 553.016 |
| Write off for the period | - | (551.203) | (18.502) | - | (569.705) |
| Adjustment on revaluation | (75.610) | - | - | - | (75.610) |
| Balance at 31 December 2016 | <u>3.743.000</u> | <u>1.381.571</u> | <u>581.648</u> | <u>468.037</u> | <u>6.174.256</u> |
| Balance at 1 January 2017 | 3.743.000 | 1.381.571 | 581.648 | 468.037 | 6.174.256 |
| Additions for the period | - | 46.889 | 7.132 | - | 54.021 |
| Disposals for the period | - | - | - | (9.585) | (9.585) |
| Balance at 31 March 2017 | <u>3.743.000</u> | <u>1.428.460</u> | <u>588.780</u> | <u>458.452</u> | <u>6.218.692</u> |
| Depreciation | | | | | |
| Balance at 1 January 2016 | 130.500 | 1.462.425 | 479.713 | 375.655 | 2.448.293 |
| Charge | 85.944 | 126.427 | 25.056 | 15.266 | 252.693 |
| Exchange differences | - | (526.584) | (18.502) | - | (545.086) |
| Adjustment on revaluation | (202.451) | - | - | - | (202.451) |
| Balance at 31 December 2016 | <u>13.993</u> | <u>1.062.268</u> | <u>486.267</u> | <u>390.921</u> | <u>1.953.449</u> |
| Balance at 1 January 2017 | 13.993 | 1.062.268 | 486.267 | 390.921 | 1.953.449 |
| Charge | 21.254 | 30.738 | 6.081 | 4.887 | 62.960 |
| Disposals for the period | - | - | - | (9.585) | (9.585) |
| Balance at 31 March 2017 | <u>35.247</u> | <u>1.093.006</u> | <u>492.348</u> | <u>386.223</u> | <u>2.006.824</u> |
| Net book amount | | | | | |
| Balance at 31 March 2017 | <u>3.707.753</u> | <u>335.454</u> | <u>96.432</u> | <u>72.229</u> | <u>4.211.868</u> |
| Balance at 1 January 2017 | <u>3.729.007</u> | <u>319.303</u> | <u>95.381</u> | <u>77.116</u> | <u>4.220.807</u> |

Approximately every three years, or earlier if required by the conditions, reviews are made to estimate the net values of land and buildings. The revaluation is undertaken by independent professional valuers.

The revaluations were made according to the comparative 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 immovable property under consideration. These valuations were made by independent professional valuers.

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 land leasing was renewed for an additional period of 33 years and has been transferred to Logicom Public Limited. The buildings owned by the Group with an initial cost of €130.178 followed by additions of cost €29.672, were revalued on 10 May 2016, with a revaluation surplus of €96.108 and were distributed in the form of dividends to the parent company. The annual lease payment amounts to €3.210.

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

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2017

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

The subsidiary company Logicom FZE acquired land in the Free Trade Zone Area in Jebel Ali. The land is under an operating lease for 10 years from the 1 August 2007 with an option for renewal. The subsidiary also proceeded with the construction of an office building and a warehouse in the referenced 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.

On the 31st of December 2016 the Group's Management estimates that the book value of Logicom (Middle East) SAL buildings in Lebanon is not significantly different from their fair value.

6. INVESTMENTS IN SUBSIDIARIES

The Company has the following investments in subsidiary companies:

| Company | Country of incorporation | 31 March 2017 Holding % | 31 December 2016 Holding % | Cost 31 March 2017 € | Cost 31 December 2016 € |
|--|--------------------------|-------------------------|----------------------------|----------------------|-------------------------|
| 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 | 7.759.420 | 7.759.420 |
| 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 | 100.382 | 100.382 |
| Logicom Information Technology Distribution s.r.l. | Romania | 100 | 100 | 63 | 63 |
| Logicom Services Ltd | Cyprus | 100 | 100 | 10.000 | 10.000 |
| 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 | 16.365 | 16.365 |
| | | | | <u>14.292.965</u> | <u>14.292.965</u> |

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

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 Ltd, 100% of the subsidiary in Cyprus, Netcom Ltd.

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

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.

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

Period ended 31 March 2017

6. INVESTMENTS IN SUBSIDIARIES *(continued)*

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, Enet 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.

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 subsidiary Logicom Dubai LLC 100% of Logicom Trading and Distribution LLC in Qatar, with share capital of €40.015.

On 31 March 2017, the Company made an impairment assessment of its investments by comparing the net asset value of each investment with the carrying amount. There was no indication for impairment in the value of the investments in subsidiaries, except for Logicom (Middle East) SAL and Logicom Italia srl, based on the criteria discussed above. The value of the investments in the companies Logicom (Middle East) SAL and Logicom Italia srl has not been impaired based on the calculations of the discounted cash flows of these companies for the years 2017 - 2026 divided by the weighted average capital cost that was calculated at 11%.

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 31 March 2017

6. 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 | 5.000 |
| Netcom Limited | 27/04/2000 | EUR 1,71 | 10.000 |
| Logicom (Middle East) SAL | 25/07/2000 | LBP 15.000 | 5.000 |
| 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 |

7. CASH AND CASH EQUIVALENTS**THE GROUP**

| | 31 March 2017 | 31 December 2016 |
|-----------------------------|-------------------|-------------------|
| | € | € |
| Cash in hand | 21.863 | 17.739 |
| Current accounts with banks | <u>30.914.183</u> | <u>39.248.538</u> |
| | <u>30.936.046</u> | <u>39.266.277</u> |

THE COMPANY

| | 31 March 2017 | 31 December 2016 |
|-----------------------------|------------------|------------------|
| | € | € |
| Cash in hand | 1.706 | 2.884 |
| Current accounts with banks | <u>2.912.302</u> | <u>9.504.272</u> |
| | <u>2.914.008</u> | <u>9.507.156</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 31 March 2017**7. CASH AND CASH EQUIVALENTS** *(continued)*

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

THE GROUP

| | 31 March 2017 | 31 December 2016 |
|--------------------------|---------------------|---------------------|
| | € | € |
| Cash at bank and in hand | 30.936.046 | 39.266.277 |
| Bank overdrafts (Note 9) | <u>(45.906.366)</u> | <u>(52.133.395)</u> |
| | <u>(14.970.320)</u> | <u>(12.867.118)</u> |

THE COMPANY

| | 31 March 2017 | 31 December 2016 |
|--------------------------|---------------------|---------------------|
| | € | € |
| Cash at bank and in hand | 2.914.008 | 9.507.156 |
| Bank overdrafts (Note 9) | <u>(22.858.985)</u> | <u>(30.000.235)</u> |
| | <u>(19.944.977)</u> | <u>(20.493.079)</u> |

8. SHARE CAPITAL

| | 31 March 2017 Number of shares | 31 March 2017 € | 31 December 2016 Number of shares | 31 December 2016 € |
|---------------------------------|--------------------------------------|--------------------|--|--------------------------|
| 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 31 March/31 December | <u>74.079.600</u> | <u>25.187.064</u> | <u>74.079.600</u> | <u>25.187.064</u> |

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

| | 31 March 2017 | 31 December 2016 |
|--------------------------|--------------------|---------------------|
| | € | € |
| Long-term loans | 2.861.560 | 3.793.410 |
| Short term loans | 66.033.113 | 67.114.604 |
| Bank overdrafts (Note 7) | <u>45.906.366</u> | <u>52.133.395</u> |
| | <u>114.801.039</u> | <u>123.041.409</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2017

9. LOANS AND BANK OVERDRAFTS *(continued)*

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

THE GROUP

| | 31 March 2017 | 31 December 2016 |
|----------------------------|-------------------------|-------------------------|
| | € | € |
| Within one year | 2.209.502 | 3.307.399 |
| Between two and five years | <u>652.058</u> | <u>486.011</u> |
| | <u><u>2.861.560</u></u> | <u><u>3.793.410</u></u> |

THE COMPANY

| | 31 March 2017 | 31 December 2016 |
|--------------------------|--------------------------|--------------------------|
| | € | € |
| Long-term loans | 2.209.502 | 3.068.295 |
| Short term loans | 25.617.809 | 27.611.076 |
| Bank overdrafts (Note 7) | <u>22.858.985</u> | <u>30.000.235</u> |
| | <u><u>50.686.296</u></u> | <u><u>60.679.606</u></u> |

Maturity of non-current borrowings:

THE COMPANY

| | 31 March 2017 | 31 December 2016 |
|-----------------|-------------------------|-------------------------|
| | € | € |
| Within one year | <u>2.209.502</u> | <u>3.068.295</u> |
| | <u><u>2.209.502</u></u> | <u><u>3.068.295</u></u> |

10. 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.

11. 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.

11.1 Credit risk

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

The Group entered into an agreement with Atradius Credit Insurance N.V. ('Insurance Company') for the 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.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2017

11. RISK MANAGEMENT *(continued)*

11.1 Credit risk (continued)

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 physical persons.

11.2 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.

11.3 Currency 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.

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

From 1 January 2010 the Group applies hedge accounting to 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 a monthly basis and to the extent the hedging is ineffective the exchange differences are recognized in the statement of comprehensive income.

On 31 March 2017 the amounts that were hedged were, USD 40.000.000 of net investment in the above foreign companies and USD 40.000.000 of bank borrowings.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2017

11. RISK MANAGEMENT *(continued)*

11.4 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 may increase but at the same time the risk for losses may 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 United Arab Emirates, reduces even further the liquidity risk.

Bank loans and overdrafts of the Group and the Company are presented in note 9.

11.5 Management of equity

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.

12. 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:

| | 31/03/2017 | 04/05/2017 |
|----------------------------------|------------|------------|
| | Fully paid | Fully paid |
| | Shares | Shares |
| | % | % |
| Adamos Adamides ¹ | 0,33 | 0,33 |
| Varnavas Irinarchos ² | 51,55 | 51,55 |
| Takis Klerides | 0,41 | 0,41 |
| Nikos Michaelas | - | - |
| George Papaioannou | 0,82 | 0,82 |
| Anthoulis Papachristoforou | 0,50 | 0,50 |
| Anastasios Athanasiades | - | - |

- The direct ownership of Mr. Adamos Adamides on 4 May 2017 is 0,32% and the indirect ownership that arises from the participation of his wife Mrs. Maro Adamidou, is 0,01%.
- The indirect ownership of Mr. Varnavas Irinarchos on 4 May 2017 of 51,55% arises from the participation of the company Edcrane Ltd.
- The direct ownership of Mr. Giorgos Papaioannou on 4 May 2017 is 0,817% and the indirect ownership that arises from the participation of his son Mr. Christos Papaioannou is 0,0034% and of his son Mr. Alexandros Papaioannou is 0,0034%.

13. SHAREHOLDERS' INTEREST

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

| | 31/03/2017 | 04/05/2017 |
|----------------------------------|------------|------------|
| | % | % |
| Varnavas Irinarchos ¹ | 51,55 | 51,55 |
| Demetra Investment Public Ltd | 10,28 | 10,28 |

- The indirect interest of Mr. Varnavas Irinarchos on 4 May 2017 is through the company Edcrane Ltd. The ultimate parent company of the Group is Takero Limited which owns 100% of Edcranes' Ltd issued shares.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2017

14. DIRECTORS' CONTRACTS

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

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

Employment contract as Managing Director of the Company for two years from 1 January 2005, with annual salary (13 months) of €93.973 which will be increasing at a proportion equal to the annual rate of inflation, as determined by the annual index on 31 January each year or at a rate equal to 4% over his last salary, whichever is higher. For 2016 the annual salary of the Managing Director was €112.760. 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 2016 the allowance for entertainment expenses amounted to €25.629.

In addition, the Company provides to the Managing Director an appropriate vehicle and covers all related expenses. The contract was renewed for one year from 1 January 2017, 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

Mr. Anthoulis Papachristoforou has no employment contract with the company. In 2016 the annual salary of Mr. Papachristoforou amounted to €141.950. The remuneration of Mr. Papachristoforou for 2017 will be the same as in 2016.

15. 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 (€3.367.318) to a foreign supplier for providing a trading credit facility. This guarantee is valid from 12 August 2015 until 18 August 2017.
- (2) The Company has provided a second bank guarantee of up to USD 400.000 (€374.146) to a second foreign supplier for providing a trading credit facility. This guarantee is valid from 24 August 2015 until 18 August 2017.
- (3) The Company has provided a third bank guarantee of up to EUR 1.350.000 to a third foreign supplier for providing a trading credit facility. This guarantee was renewed on 12 July 2016 for an amount up to EUR 1.200.000 and is valid until 11 August 2017.
- (4) The Company has provided a fourth bank guarantee of up to EUR150.000 to a fourth foreign supplier for providing a trading facility. This guarantee was renewed on 12 July 2016 for an amount up to EUR 300.000 and is valid up to 11 August 2017.
- (5) The Company has provided a fifth bank guarantee of up to USD 1.200.000 (€1.122.439) to a fifth supplier for providing a trading facility. This guarantee has expired on 12 April 2017 and was renewed until 12 April 2018.
- (6) The Company has provided a sixth bank guarantee of up to USD 300.00 (€280.610) to a sixth foreign supplier for providing a trading facility. This guarantee is valid from 11 September 2016 until 17 October 2017.

LOGICOM PUBLIC LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**Period ended 31 March 2017**15. CONTINGENCIES AND LITIGATIONS** *(continued)*

- (7) The Company has provided bank guarantees of up to USD 1.000.000 (€935.366) to a seventh foreign supplier for providing a trading facility. These guarantees are valid from 11 September 2016 until 17 October 2017.
- (8) The Company has provided an eighth guarantee of up to €34.172 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 for the purpose of participating in governmental and private sector projects.

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.

16. 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 31 March 2017 | Period ended 31 March 2016 |
|--|-------------------------------|-------------------------------|
| Logicom Solutions Limited | 336.880 | 217.771 |
| Newcytech Business Solutions Ltd | 928.064 | 664.732 |
| ENET Solutions Logicom S.A. | 4.285.181 | 1.764.557 |
| Logicom Jordan LLC | 830.550 | 746.801 |
| Logicom (Middle East) SAL | - | 50.196 |
| Logicom FZE | - | 188 |
| Logicom Italia s.r.l. | 24.221 | 9.072 |
| Logicom Information Technology Distribution s.r.l. | 3.705.020 | 1.891.288 |
| Logicom Saudi Arabia LLC | - | - |
| Verendrya Ventures Ltd | <u>204</u> | <u>141.628</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 31 March 2017**16. 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 31 March 2017 | 31 December 2016 |
|-----------------------------|-------------------------------|---------------------|
| ENET Solutions Logicom S.A. | 2.396.408 | 2.430.509 |
| Logicom (Middle East) SAL | 4.467.590 | 4.531.164 |
| Logicom FZE | 2.772.987 | 2.812.447 |
| Logicom Jordan LLC | 2.858.573 | 2.899.251 |
| Verendrya Ventures Ltd | 15.986.801 | 15.831.117 |
| | <u>28.482.359</u> | <u>28.504.488</u> |

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

The long-term loan with the subsidiary company Verendrya Ventures Limited, refers to the contract for the financing of the operations of the desalination units in Larnaka and Episkopi. The loan bears an annual interest of 4,0% and has no fixed repayment date.

No impairment has been recorded for the loan with the subsidiary company Verendrya Ventures Limited 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 desalination in Limassol. 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.

Balances with subsidiary companies

| | 31 March 2017 € | 31 December 2016 € |
|--|--------------------|-----------------------|
| Logicom (Overseas) Limited | (358.116) | (386.230) |
| Netcom Limited | 89.710 | 89.710 |
| Logicom Solutions Limited | 5.905.503 | 5.823.806 |
| Logicom Services Ltd | 19.010.138 | 19.011.535 |
| ENET Solutions Logicom S.A. | 3.094.691 | (1.311.446) |
| Newcytech Business Solutions Ltd | 1.108.444 | 699.393 |
| ICT Logicom Solutions SA | (280.785) | (504.035) |
| Logicom Jordan LLC | 2.391.329 | 2.296.441 |
| Logicom (Middle East) SAL | 192.979 | 424.755 |
| Logicom FZE | (4.131.023) | 13.196.985 |
| Logicom Italia s.r.l. | 7.981.119 | 6.964.478 |
| Logicom IT Distribution Limited | 82.429 | 86.265 |
| Logicom Saudi Arabia LLC | 17.407.749 | 25.515.298 |
| Logicom Information Technology Distribution s.r.l. | 9.287.848 | 8.822.844 |
| Logicom Distribution Germany GmbH | (498.691) | (525.231) |
| | <u>61.283.324</u> | <u>80.204.568</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 31 March 2017**16. RELATED PARTY TRANSACTIONS (continued)****Balances with jointly controlled companies**

| | 31 March 2017 € | 31 December 2016 € |
|-----------------------------|--------------------|--------------------------|
| M.N. Larnaca Water Co Ltd | 35 | 1.860 |
| M.N. Limassol Water Co. Ltd | <u>302</u> | <u>2.790</u> |
| | <u>337</u> | <u>4.650</u> |

The balances with the jointly controlled companies relate to the financing of the construction, maintenance and operation of the desalination plants in Cyprus. The ability of the Company to recover the amounts receivable depends on the operating environment that the Company operates in.

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

Sales

| | Period ended 31 March 2017 € | Period ended 31 March 2016 € |
|---|------------------------------------|------------------------------------|
| Logicom Public Limited | 86.518 | 211.909 |
| Logicom Jordan LLC | 445.842 | 503.750 |
| Logicom (Middle East) SAL | 888.942 | 1.112.827 |
| Logicom Dubai LLC | 29.442.722 | 31.649.327 |
| Logicom IT Distribution Limited | - | 43.283 |
| Logicom Saudi Arabia LLC | 2.885.546 | 2.675.967 |
| Logicom Kuwait for Computer Company W.L.L | 2.868.836 | 4.521.770 |
| Logicom Trading & Distribution LLC | 2.146.161 | 1.477.802 |
| Logicom Solutions Limited | - | 790 |
| Logicom LLC | <u>322.369</u> | <u>-</u> |

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

Sales

| | Period ended 31 March 2017 € | Period ended 31 March 2016 € |
|------------------------|------------------------------------|------------------------------------|
| Logicom Public Limited | - | 1.402 |
| Logicom Jordan LLC | - | 331 |
| Logicom FZE | <u>37.153</u> | <u>8.476</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 31 March 2017**16. RELATED PARTY TRANSACTIONS** *(continued)*

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

Sales

| | Period ended 31 March 2017 € | Period ended 31 March 2016 € |
|---------------------------|------------------------------------|------------------------------------|
| Logicom (Middle East) SAL | - | 320 |
| Enet Solutions LLC | - | 155 |
| Logicom FZE | <u>110</u> | <u>-</u> |

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

Sales

| | Period ended 31 March 2017 € | Period ended 31 March 2016 € |
|--|------------------------------------|------------------------------------|
| Logicom Public Limited | 2.039.748 | 1.288.745 |
| ICT Logicom Solutions SA | 1.315 | 25.059 |
| Logicom Italia s.r.l. | 979 | 121 |
| Logicom IT Distribution Limited | 2.727.451 | 1.280.345 |
| Logicom Information Technology Distribution s.r.l. | 185.996 | 405.441 |
| Logicom Solutions Limited | <u>99</u> | <u>-</u> |

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

Sales

| | Period ended 31 March 2017 € | Period ended 31 March 2016 € |
|----------------------------------|------------------------------------|------------------------------------|
| Logicom Public Limited | 306.992 | 201.684 |
| Newcytech Business Solutions Ltd | 85.853 | 25.804 |
| ICT Logicom Solutions SA | <u>1.256.633</u> | <u>179.044</u> |

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

Sales

| | Period ended 31 March 2017 € | Period ended 31 March 2016 € |
|-----------------------------|------------------------------------|------------------------------------|
| Logicom Public Limited | - | 115.684 |
| ENET Solutions Logicom S.A. | <u>7.803</u> | <u>5.363</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 31 March 2017**16. RELATED PARTY TRANSACTIONS** *(continued)*

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

Sales

| | Period ended 31 March 2017 € | Period ended 31 March 2016 € |
|-----------------------------|------------------------------------|------------------------------------|
| Logicom Public Limited | 244 | 1.807 |
| ENET Solutions Logicom S.A. | <u>53.321</u> | <u>6.757</u> |

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

Sales

| | Period ended 31 March 2017 € | Period ended 31 March 2016 € |
|-----------------------------|------------------------------------|------------------------------------|
| ENET Solutions Logicom S.A. | - | 5.582 |
| Logicom Jordan LLC | - | 8.574 |
| Logicom FZE | 36.338 | 34.249 |
| Logicom Solutions Limited | <u>826</u> | <u>-</u> |

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

Sales

| | Period ended 31 March 2017 € | Period ended 31 March 2016 € |
|----------------------------|------------------------------------|------------------------------------|
| Logicom Public Limited | 13.271 | 246 |
| Logicom Solutions Limited | 30.018 | 50.692 |
| Newcytech Distribution Ltd | <u>-</u> | <u>17.958</u> |

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

Sales

| | Period ended 31 March 2017 € | Period ended 31 March 2016 € |
|-----------------------------|------------------------------------|------------------------------------|
| ENET Solutions Logicom S.A. | 280.287 | 657.439 |
| Logicom FZE | <u>-</u> | <u>58.672</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2017

16. RELATED PARTY TRANSACTIONS *(continued)*

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

Sales

| | Period ended 31 March 2017 € | Period ended 31 March 2016 € |
|--|------------------------------------|------------------------------------|
| Logicom Solutions Limited | 4.398 | - |
| Logicom Information Technology Distribution s.r.l. | <u>9.876</u> | <u>-</u> |

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

Sales

| | Period ended 31 March 2017 € | Period ended 31 March 2016 € |
|-----------------------|------------------------------------|------------------------------------|
| Logicom Italia s.r.l. | <u>34.929</u> | <u>31.511</u> |

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

Balances with related companies

| | Period ended 31 March 2017 € | 31 December 2016 € |
|--|------------------------------------|--------------------------|
| | Debit/ (Credit) | Debit/ (Credit) |
| Logicom (Overseas) Limited | 358.116 | 386.230 |
| Netcom Limited | (89.710) | (89.710) |
| Logicom Solutions Limited | (5.905.503) | (5.823.806) |
| Logicom Services Ltd | (19.010.138) | (19.011.535) |
| Newcytech Business Solutions Ltd | (1.108.444) | (699.393) |
| ENET Solutions Logicom S.A. | (5.491.099) | (1.119.063) |
| ICT Logicom Solutions SA | 280.785 | 504.035 |
| Logicom Jordan LLC | (5.249.902) | (5.195.692) |
| Logicom (Middle East) SAL | (4.660.569) | (4.955.919) |
| Logicom FZE | 1.358.036 | (16.009.432) |
| Logicom Italia s.r.l. | (7.981.119) | (6.964.478) |
| Logicom IT Distribution Limited | (82.429) | (86.265) |
| Logicom Saudi Arabia LLC | (17.407.749) | (25.515.298) |
| Logicom Information Technology Distribution s.r.l. | (9.287.848) | (8.822.944) |
| Logicom Distribution Germany GmbH | 498.691 | 525.231 |
| Verendrya Ventures Ltd | <u>(15.986.801)</u> | <u>(15.831.117)</u> |

17. EVENTS AFTER THE REPORTING PERIOD

There were no material events after the reporting period, which have a bearing on the understanding of the consolidated and separate financial statements.