



**LOGICOM PUBLIC LIMITED**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Period ended 30 September 2018

# LOGICOM PUBLIC LIMITED

## INTERIM CONSOLIDATED FINANCIAL STATEMENTS Period from 1 January 2018 to 30 September 2018

<b>CONTENTS</b>	<b>PAGE</b>
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 - 6
Consolidated statement of profit or loss and other comprehensive income	7
Consolidated statement of financial position	8
Consolidated statement of changes in equity	9
Consolidated cash flow statement	10
Statement of financial position	11
Notes to the consolidated interim financial statements	12 - 34

BOARD OF DIRECTORS AND PROFESSIONAL ADVISERS**DIRECTORS**

**Takis Klerides**, Chairman (appointed on 25 October 2018)  
**Adamos K. Adamides**, Chairman (resigned on 21 June 2018)  
**Varnavas Irinarchos**, Vice Chairman and Managing Director  
**Nicos Michaelas**, Director  
**George Papaioannou**, Director  
**Anthoulis Papachristoforou**, 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**

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 Limited  
 Banque Audi SAL  
 Alpha Bank Cyprus Ltd  
 Societe Generale Bankk - Cyprus Limited  
 Standard Chartered Bank  
 Eurobank Ergasias S.A.  
 AstroBank Limited  
 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  
 Emporiki Bank S.A  
 Alternative Distribution Financing Ltd  
 Bank of Bahrain and Kuwait BSC  
 Cyprus Cooperative 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 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 2018, we confirm that to the best of our knowledge:

(a) The Interim Consolidated Financial Statements which are presented on pages 7 to 34.

(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, 8 November 2018

## 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 5,5% in relation to the corresponding period in 2017. The Turnover of the Distribution Division increased by 5,4%, mainly due to the increased sales in the European markets compared to the nine month period of 2017. The turnover of the Software and the IT & Telecommunications Solutions Division also increased by 8,6% mainly due to the new projects in the Cypriot market.
2. **The percentage of gross profit margin** remained at the same level of 7% compared to the corresponding previous period. (2018: Gross profit: €46.060.805 to Sales: €658.570.401 as described in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, 2017: Gross profit: €43.844.117 to Sales: €624.015.119 as described in the Consolidated Statement of Profit or Loss and Other Comprehensive Income).
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 €913.877 and in percentage terms 3,2%, compared to the nine month period of 2017, 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.
5. **The Profit from Operating Activities** increased by 8,1% compared to the corresponding period of 2017 and amounts to €16.935.305 compared to €15.664.561 in the nine month period of 2017, 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 increased to €5.701.431 compared to €4.269.162 during the corresponding period of 2017 and by 33,5% in percentage terms, due to the increase in the net borrowing which was mainly used for the financing of the acquisition of shares in Demetra Investment Public Limited, as mentioned in paragraph 8 below, as well as for the financing of the increased working capital due to the increase in turnover.
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 €468.718, relatively lower compared to €828.470 in the corresponding period of 2017. 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.

According to the provisions of the Revised International Accounting Standard 21, the increase in the value of the Holding Company's long term receivables (investments) to its foreign subsidiaries, due to foreign exchange differences, amounting to €324.305 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 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)*

8. References to the **Profit from associates** refer to the write off of negative goodwill of €4.583.569 and the share of profit from associate of €1.187.788 attributable to the Group for the period 15 March-30 September 2018. The negative goodwill arose from the increase of the investment in Demetra Investment Public Limited ('Demetra') through the subsidiary Logicom Services Limited. The investment in Demetra which was classified as Investments Available for Sale 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/ (loss) 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.
9. **The Profit attributable to the Company's shareholders** increased by 55,1% compared to the corresponding period of 2017, from €10.521.925 to €16.321.327, mainly due to the write off of the negative goodwill of the investment in Demetra Investment Public Limited, as well as to the share of profit for the period from this associate company.
10. **The cash and cash equivalent** compared to the Group's bank overdrafts present a credit balance of €19.433.457 at the end of the nine month period of 2018 compared to €1.981.224 at the end of 2017. **The short term loans** increased to €78.793.400 from €62.295.134. **The long term loans** increased to €31.946.540 from €17.749.332.
11. 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, Verendrya Ventures Limited, of which the Company holds 60% of its share capital, in a joint venture with a 50% share, 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.
12. During the nine month period of 2018, the Turnover and the Results from the existing operations remain at approximately the same levels, however, the increase of the shareholding in Demetra Investment Public Limited resulted in the significant increase of the Profit attributable to the Shareholders due to the write off of the Negative Goodwill of the investment in Demetra Investments Public Limited, as well as to the share of profit from this associate company as mentioned in paragraph 8 above.
13. During the nine month period of 2018 there was not any income from non-recurring or extraordinary activities above from those mentioned in paragraph 8 above.
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 risk of capital management. These risks are analysed and the procedures of monitoring them are described in note 12 to the Interim Consolidated Financial Statements.

**LOGICOM PUBLIC LIMITED****BOARD OF DIRECTORS' INTERIM REPORT****OPERATIONS OF THE COMPANY AND ITS SUBSIDIARY COMPANIES**

During the nine month period of 2018 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 prospects continue to be favorable.

Further empowerment of the competitive position of the Company is expected.

**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 Bahrain, Malta and South Africa. The Group operates through subsidiary companies in 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 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 year, that was recognised in Group's profit or loss amounts to €738.145 (Nine month period 2017 loss: €2.158.340).

**SHARE CAPITAL**

There was no change in the issued share capital of the company during the nine month period of 2018.

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 9.

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

The Board of Directors members as at 30 September 2018 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 2018 and on 8 November 2018 are presented in notes 13 and 14 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 Interim Consolidated Financial Statements.

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

1. The Interim Financial Report will not be sent to the shareholders but the Consolidated Statement of Profit or loss and Other Comprehensive Income will be published in the newspapers 'Politis' on 10/11/2018 and 'i Simerini' and 'o Phileleftheros' on 11/11/2018.
2. The whole content of the Interim Financial Report, is available, free of charge, from the Registered Office of the Company (Zenonos Sozou 3, 1st Floor, 3105 Limassol. P.O Box : 51094,3501 Limassol. Tel.: +357 25 818444, Fax: +357 25 372282, E mail: ([log@adamides.com](mailto:log@adamides.com)) and from the Head Offices of the Company (Stasinou 26, Agia Paraskevi, 2003 Strovolos, Nicosia. P.O. Box.: 23472, 1683 Nicosia. Tel.: +357 22 551000, Fax: +357 22 514294) and it is uploaded in the Company's websites ([www.logicom.net](http://www.logicom.net)) and of the Cyprus Stock Exchange([www.cse.com.cy](http://www.cse.com.cy)).

**THE BOARD OF DIRECTORS**

8 November 2018



## LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period ended 30 September 2018

	Period ended 30 September 2018 €	Period ended 30 September 2017 €	Year ended 31 December 2017 €
	Note		
<b>Revenue</b>	658.570.401	624.015.119	865.808.647
Cost of sales	<u>(612.509.596)</u>	<u>(580.171.002)</u>	<u>(804.898.678)</u>
<b>Gross profit</b>	46.060.805	43.844.117	60.909.969
Other income	181.437	213.504	2.163.417
Administrative expenses	<u>(29.306.937)</u>	<u>(28.393.060)</u>	<u>(37.975.208)</u>
Other expenses	-	-	<u>(2.244.282)</u>
<b>Operating profit</b>	16.935.305	15.664.561	22.853.896
Net foreign exchange profit	468.718	828.470	1.051.610
Interest receivable	559.455	221.139	1.481.184
Interest payable and bank charges	<u>(6.260.886)</u>	<u>(4.490.301)</u>	<u>(7.185.218)</u>
<b>Net finance costs</b>	<u>(5.232.713)</u>	<u>(3.440.692)</u>	<u>(4.652.424)</u>
Share of profit from associates (net of taxation)	7 5.771.357	-	-
Share of profit/ (loss) of jointly controlled companies and partnership (net of taxation)	<u>90.922</u>	<u>(350.385)</u>	<u>(409.162)</u>
<b>Profit before tax</b>	17.564.871	11.873.484	17.792.310
Tax	<u>(1.196.437)</u>	<u>(1.449.410)</u>	<u>(3.164.048)</u>
<b>Profit for the period/year</b>	<u>16.368.434</u>	<u>10.424.074</u>	<u>14.628.262</u>
<b>Other comprehensive income that is not to be reclassified to profit or loss in future periods</b>			
Surplus from revaluation of land and buildings	-	-	-
Deferred taxation arising on revaluation of land and buildings	<u>126.517</u>	<u>16.422</u>	<u>168.689</u>
	126.517	16.422	168.689
<b>Other comprehensive income that is to be reclassified to profit or loss in future periods</b>			
Surplus from revaluation of available for sale investments	156.136	644.093	1.151.284
Exchange difference from translation and consolidation of financial statements from foreign operations	<u>(2.283.569)</u>	<u>(9.053.330)</u>	<u>(10.566.579)</u>
Exchange difference in relation to hedge of a net investment in a foreign operation	<u>1.201.461</u>	<u>2.979.895</u>	<u>3.069.531</u>
Other comprehensive expenses for the period/year	<u>(799.455)</u>	<u>(5.412.920)</u>	<u>(6.177.075)</u>
<b>Total comprehensive income for the period/year</b>	<u>15.568.979</u>	<u>5.011.154</u>	<u>8.451.187</u>
<b>Profit for the period/year attributable to:</b>			
Company's shareholders	16.321.327	10.521.925	15.624.710
Non-controlling interest	<u>47.107</u>	<u>(97.851)</u>	<u>(996.448)</u>
Profit for the period/year	<u>16.368.434</u>	<u>10.424.074</u>	<u>14.628.262</u>
<b>Total comprehensive income for the period/year attributable to:</b>			
Company's shareholders	15.521.872	5.109.005	9.447.635
Non-controlling interest	<u>47.107</u>	<u>(97.851)</u>	<u>(996.448)</u>
Total comprehensive income	<u>15.568.979</u>	<u>5.011.154</u>	<u>8.451.187</u>
Basic earnings per share (cent)	4 <u>22,03</u>	<u>14,20</u>	<u>21,09</u>
Diluted earnings per share (cent)	4 <u>22,03</u>	<u>14,20</u>	<u>21,09</u>

The notes on pages 12 to 34 are an integral part of these consolidated interim financial statements.

## LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITIONAs at 30 September 2018

	Note	30 September 2018 €	31 December 2017 €
<b>ASSETS</b>			
Property, plant and equipment	5	20.260.610	12.180.638
Intangible assets and goodwill		9.908.143	9.909.558
Investments in associates	7	36.170.267	-
Available-for-sale investments		119.156	6.428.220
Trade and other receivables		21.595.669	21.129.431
Deferred tax assets		<u>1.680.012</u>	<u>1.619.047</u>
<b>Total non-current assets</b>		<u>89.733.857</u>	<u>51.266.894</u>
Inventories		69.839.394	64.957.047
Trade and other receivables		193.424.141	181.643.637
Investments at fair value through profit or loss		16.448	16.448
Current tax assets		1.714.187	739.810
Cash and cash equivalents	8	<u>29.446.469</u>	<u>38.582.807</u>
<b>Total current assets</b>		<u>294.440.639</u>	<u>285.939.749</u>
<b>Total assets</b>		<u>384.174.496</u>	<u>337.206.643</u>
<b>Equity</b>			
Share capital	9	25.187.064	25.187.064
Reserves		<u>77.040.372</u>	<u>64.169.458</u>
<b>Equity attributable to shareholders of the company</b>		102.227.436	89.356.522
Non-controlling interest		<u>(2.355.556)</u>	<u>(2.402.663)</u>
<b>Total equity</b>		<u>99.871.880</u>	<u>86.953.859</u>
<b>Liabilities</b>			
Long-term loans	10	24.971.744	13.326.255
Trade and other payables		11.177.436	11.066.714
Deferred taxation		793.915	794.200
Provision for other liabilities		<u>2.156.939</u>	<u>2.139.532</u>
<b>Total non-current liabilities</b>		<u>39.100.034</u>	<u>27.326.701</u>
Trade and other payables		105.868.199	109.987.681
Bank overdrafts	10	48.879.926	40.564.031
Short term loans	10	78.793.400	62.295.134
Current portion of long-term loans	10	6.974.796	4.423.077
Promissory notes		897.172	1.781.542
Derivative financial instruments		1.547.413	2.338.169
Current tax liabilities		2.095.104	1.483.489
Provision for other liabilities		<u>146.572</u>	<u>52.960</u>
<b>Total current liabilities</b>		<u>245.202.582</u>	<u>222.926.083</u>
<b>Total liabilities</b>		<u>284.302.616</u>	<u>250.252.784</u>
<b>Total equity and liabilities</b>		<u>384.174.496</u>	<u>337.206.643</u>

The notes on pages 12 to 34 are an integral part of these consolidated interim financial statements.

**LOGICOM PUBLIC LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**Period ended 30 September 2018**

	Share capital	Share Premium Reserve	Revaluation Reserve	Fair Value Reserve	Difference arising on the conversion of the share capital to Euro	Hedge reserve	Statutory reserve	Translation reserve	Retained earnings	Total	Non-controlling interest	Total
	€	€	€	€	€	€	€	€	€	€	€	€
<b>Balance at 1 January 2017</b>	25.187.064	10.443.375	4.620.982	730.523	116.818	(10.507.021)	977.963	5.132.530	47.281.031	83.983.265	(1.406.215)	82.577.050
<b>Total comprehensive income</b>												
Profit for the period	-	-	-	-	-	-	-	-	10.521.925	10.521.925	(97.851)	10.424.074
Other comprehensive income	-	-	16.422	644.093	-	2.979.895	-	(9.053.330)	-	(5.412.920)	-	(5.412.920)
<b>Transactions with owners of the Company, recognized directly in equity</b>												
Proposed dividend for 2016 that was paid in 2017	-	-	-	-	-	-	-	-	(4.074.378)	(4.074.378)	-	(4.074.378)
Transfer to retained earnings	-	-	-	-	-	-	62.854	-	(62.854)	-	-	-
Revaluation reserve realised through use	-	-	(1.098)	-	-	-	-	-	1.098	-	-	-
<b>Balance at 30 September 2017</b>	<u>25.187.064</u>	<u>10.443.375</u>	<u>4.636.306</u>	<u>1.374.616</u>	<u>116.818</u>	<u>(7.527.126)</u>	<u>1.040.817</u>	<u>(3.920.800)</u>	<u>53.666.822</u>	<u>85.017.892</u>	<u>(1.504.066)</u>	<u>83.513.826</u>
<b>Balance at 1 January 2018</b>	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
<b>Total comprehensive income</b>												
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
<b>Transactions with owners of the Company, recognized directly in equity</b>												
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	-	-	-
<b>Balance at 30 September 2018</b>	<u>25.187.064</u>	<u>10.443.375</u>	<u>4.865.711</u>	<u>(454.500)</u>	<u>116.818</u>	<u>(8.638.951)</u>	<u>1.535.957</u>	<u>(3.150.480)</u>	<u>72.322.442</u>	<u>102.227.436</u>	<u>(2.355.556)</u>	<u>99.871.880</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 34 are an integral part of these consolidated interim financial statements.

## LOGICOM PUBLIC LIMITED

CONSOLIDATED CASH FLOW STATEMENT  
Period ended 30 September 2018

	Note	Period ended 30 September 2018 €	Period ended 30 September 2017 €
<b>Cash flows from operations</b>			
Profit for the period /year		16.368.434	10.424.074
Adjustments for:			
Exchange differences		1.824.518	(4.478.093)
Depreciation	5	958.162	990.311
Depreciation on leased property, plant and equipment	5	228.701	333.140
Interest payable		5.520.597	3.789.424
Interest receivable		(559.455)	(221.139)
Share of profit from associates	7	(5.771.357)	-
Share of (profit) /loss from jointly controlled companies and partnership		(90.922)	350.385
Change in fair value of derivative financial instruments		(738.145)	2.158.340
Profit from the sale of property, plant and equipment		(2.335)	(22.259)
Charge to profit or loss for provisions		151.130	-
Tax		<u>395.737</u>	<u>777.982</u>
		18.285.065	14.102.165
(Increase)/decrease in inventories		(4.882.347)	11.900.111
Increase in trade and other receivables		(12.246.742)	(4.594.824)
Decrease in trade and other payables		<u>(4.008.760)</u>	<u>(12.538.052)</u>
		(2.852.784)	8.869.400
Interest paid		(5.520.597)	(3.789.424)
Tax paid		<u>(1.559.199)</u>	<u>(1.776.916)</u>
<b>Net cash flows (used in)/from operations</b>		<u>(9.932.580)</u>	<u>3.303.060</u>
<b>Cash flows used in investing activities</b>			
Proceeds from disposal of property, plant and equipment		41.848	135.300
Payment to acquire intangible assets		-	(9.453)
Payment to acquire investments in associates		(23.933.710)	-
Decrease in provisions		(40.000)	(40.000)
Payments to acquire property, plant and equipment	5	(9.090.565)	(963.230)
Interest received		<u>559.455</u>	<u>221.139</u>
<b>Net cash flows used in investing activities</b>		<u>(32.462.972)</u>	<u>(656.244)</u>
<b>Net cash flow from financing activities</b>			
Proceeds from issue of new loans		134.308.483	78.279.496
Repayment of loans		(103.613.009)	(69.595.153)
Dividends paid		(4.815.174)	(4.074.378)
Increase in promissory notes		(884.370)	(1.192.116)
(Payments)/ proceeds from derivative financial instruments		<u>(52.611)</u>	<u>44.287</u>
<b>Net cash flows from financing activities</b>		<u>24.943.319</u>	<u>3.462.136</u>
<b>Net flow in cash and cash equivalents</b>		(17.452.233)	6.108.952
<b>Cash and cash equivalents at beginning of the period</b>		<u>(1.981.224)</u>	<u>(12.867.118)</u>
<b>Cash and cash equivalents at end of the period</b>	8	<u>(19.433.457)</u>	<u>(7.108.551)</u>

The notes on pages 12 to 34 are an integral part of these consolidated interim financial statements.

## LOGICOM PUBLIC LIMITED

STATEMENT OF FINANCIAL POSITIONAs at 30 September 2018

	Note	30 September 2018 €	31 December 2017 €
<b>ASSETS</b>			
Property, plant and equipment	5	4.385.835	4.328.136
Investments in subsidiary companies	6	43.473.653	43.427.339
Long-term loans to subsidiary companies	17	28.247.166	27.554.737
Deferred taxation		<u>959.528</u>	<u>959.528</u>
<b>Total non-current assets</b>		<u>77.066.182</u>	<u>76.269.740</u>
Inventories		758.533	5.869.194
Trade and other receivables		16.642.397	16.775.495
Receivables from subsidiary companies	17	46.527.863	38.687.577
Investments at fair value through profit or loss		9.594	9.594
Cash and cash equivalents	8	<u>1.469.914</u>	<u>15.965.365</u>
<b>Total current assets</b>		<u>65.408.301</u>	<u>77.307.225</u>
<b>Total assets</b>		<u>142.474.483</u>	<u>153.576.965</u>
<b>Equity</b>			
Share capital	9	25.187.064	25.187.064
Reserves		<u>230.372</u>	<u>10.055.516</u>
<b>Total equity</b>		<u>25.417.436</u>	<u>35.242.580</u>
<b>Liabilities</b>			
Long-term loans	10	19.233.418	7.156.085
Deferred taxation		<u>299.551</u>	<u>299.551</u>
<b>Total non-current liabilities</b>		<u>19.532.969</u>	<u>7.455.636</u>
Trade and other payables		31.655.572	55.176.919
Bank overdrafts	10	28.279.977	24.031.913
Short term loans	10	28.725.478	23.733.890
Current portion of long-term loans	10	6.399.938	3.850.411
Promissory notes		897.172	1.781.542
Derivative financial instruments		1.562.622	2.300.767
Current tax liabilities		<u>3.319</u>	<u>3.307</u>
<b>Total current liabilities</b>		<u>97.524.078</u>	<u>110.878.749</u>
<b>Total liabilities</b>		<u>117.057.047</u>	<u>118.334.385</u>
<b>Total equity and liabilities</b>		<u>142.474.483</u>	<u>153.576.965</u>

The notes on pages 12 to 34 are an integral part of these consolidated interim financial statements.

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

Period ended 30 September 2018

**1. UNAUDITED FINANCIAL STATEMENTS**

The interim consolidated financial statements for the nine month periods ended on 30 September 2018 and 2017 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 2017. 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 2018, 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 2017**

Associates are those entities in which the Group has significant influence but no control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee.

The results, assets and liabilities of associates are incorporated in these consolidated interim financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the

**LOGICOM PUBLIC LIMITED**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2018

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

identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately on profit or loss.

Adoption of new and revised International Financial Reporting Standards (IFRS) and Interpretations

Standards and interpretations not yet effective

**IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019).**

IFRS 16 replaces existing lease guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC 15 Operating Leases - Incentives and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard- i.e. lessors continue to classify leases as finance or operating leases.

The Group has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The actual impact of adopting the standard at its effective date may change because the new accounting policy is subject to change until the Company presents its first financial statements that include the date of the initial application.

Thus far, the most significant impact identified is that the Group will recognise new assets and liabilities for its operating leases of land, buildings and warehouses. As at 30 September 2018, the Group's future minimum lease payments under non-cancellable operating leases amounted to €6 m., on an undiscounted basis. In addition, the nature of expenses related to those leases will now change because IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

**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. 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 30 September 2018

## 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 30 September 2018 €	Period ended 30 September 2017 €	30 September 2018 €	31 December 2017 €
Cyprus	59.427.974	56.079.968	81.258.848	42.699.637
Greece	74.403.451	65.283.740	537.165	504.335
United Arab Emirates	212.136.247	241.011.268	4.689.750	4.808.474
Other Foreign Countries	<u>312.602.729</u>	<u>261.640.143</u>	<u>3.248.094</u>	<u>3.254.448</u>
	<u>658.570.401</u>	<u>624.015.119</u>	<u>89.733.857</u>	<u>51.266.894</u>

Period ended 30 September 2018	European Markets Distribution Segment €	Middle East Markets Distribution Segment €	All other Segments €	Services Segments €	Intersegment transaction €	Total €
External revenue	<u>134.963.369</u>	<u>415.562.554</u>	<u>70.146.514</u>	<u>37.897.964</u>	-	<u>658.570.401</u>
Intersegment revenue	<u>65.534.146</u>	<u>105.107.308</u>	<u>397.225</u>	<u>3.193.992</u>	<u>(174.232.671)</u>	-
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	<u>406.008</u>	<u>773.607</u>	<u>240.391</u>	<u>3.263</u>	-	<u>1.423.269</u>
<b>Operating profit</b>	<u>(223.567)</u>	<u>11.111.534</u>	<u>1.534.139</u>	<u>4.464.500</u>	<u>48.699</u>	<u>16.935.305</u>
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	<u>(3.526.671)</u>	<u>(2.074.628)</u>	<u>(655.546)</u>	<u>(201.324)</u>	<u>197.283</u>	<u>(6.260.886)</u>
<b>Net finance costs</b>	<u>(3.756.661)</u>	<u>(1.993.927)</u>	<u>(433.342)</u>	<u>(123.222)</u>	<u>1.074.439</u>	<u>(5.232.713)</u>
Share of profit from associates (net of taxation)	-	-	5.771.357	-	-	5.771.357
Share of profit from jointly controlled companies and partnership	-	-	<u>90.922</u>	-	-	<u>90.922</u>
<b>Profit before tax</b>	<u>(3.980.228)</u>	<u>9.117.607</u>	<u>6.963.076</u>	<u>4.341.278</u>	<u>1.123.138</u>	<u>17.564.871</u>



## LOGICOM PUBLIC LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2018

## 3. OPERATING SEGMENTS (continued)

Period ended 30 September 2017	European Markets Distribution Segment €	Middle East Markets Distribution Segment €	All other Segments €	Services Segments €	Intersegment transaction €	Total €
External revenue	116.880.957	418.310.834	53.937.877	34.885.451	-	624.015.119
Intersegment revenue	45.563.633	110.032.529	555.921	3.370.127	(159.522.210)	-
Other income	102.828	(2.009)	44.009	68.676	-	213.504
Depreciation and amortisation	269.343	475.954	124.762	120.252	-	990.311
Personnel costs	4.463.357	7.941.362	1.889.994	3.567.221	-	17.861.934
Travelling expenses	312.992	202.057	123.347	127.516	-	765.912
Provision for bad debts	87.460	17.580	(8.225)	(13.913)	-	82.902
Professional fees	760.798	215.850	118.795	276.936	-	1.372.379
Rent	231.908	652.282	216.280	205.145	-	1.305.615
Credit insurance	313.229	1.333.456	87.753	53.416	-	1.787.854
Transportation expenses	320.616	839.944	104.229	3.517	-	1.268.306
<b>Operating profit</b>	<b>217.970</b>	<b>12.049.738</b>	<b>355.752</b>	<b>4.072.988</b>	<b>(1.031.887)</b>	<b>15.664.561</b>
Net foreign exchange profit	1.821.651	114.866	412.785	361.552	(1.882.384)	828.470
Interest receivable	3.213	-	1.004	216.922	-	221.139
Interest payable and bank charges	(2.628.773)	(2.133.001)	(37.652)	(163.116)	472.241	(4.490.301)
<b>Net finance costs</b>	<b>(803.909)</b>	<b>(2.018.135)</b>	<b>376.137</b>	<b>415.358</b>	<b>(1.410.143)</b>	<b>(3.440.692)</b>
Share of loss from jointly controlled companies and partnership after taxation	-	-	(350.385)	-	-	(350.385)
<b>Profit before tax</b>	<b>(585.939)</b>	<b>10.031.603</b>	<b>381.504</b>	<b>4.488.346</b>	<b>(2.442.030)</b>	<b>11.873.484</b>

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2018**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 2018	Period ended 30 September 2017
Earnings attributable to owners (€)	<u>16.321.327</u>	<u>10.521.925</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>22,03</u>	<u>14,20</u>
Diluted weighted average number of shares	<u>74.079.600</u>	<u>74.079.600</u>
Diluted earnings per share (cent)	<u>22,03</u>	<u>14,20</u>

**THE COMPANY**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 2018	Period ended 30 September 2017
Loss attributable to owners (€)	<u>(5.009.968)</u>	<u>(3.994.111)</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>(6,76)</u>	<u>(5,39)</u>
Diluted weighted average number of shares	<u>74.079.600</u>	<u>74.079.600</u>
Diluted earnings per share (cent)	<u>(6,76)</u>	<u>(5,39)</u>

## LOGICOM PUBLIC LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2018

## 5. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Land and buildings €	Computers €	Furniture and fittings €	Motor vehicles €	Total €
<b>Acquisition cost or revaluation</b>					
<b>Balance at 1 January 2017</b>	10.184.695	6.866.809	3.718.515	1.810.584	22.580.603
Additions for the period	24.927	729.434	283.194	178.141	1.215.696
Disposals for the period	-	(462.423)	(208.925)	(299.036)	(970.384)
Exchange differences	(765.949)	(256.309)	(198.490)	(82.718)	(1.303.466)
Impairment charge	-	(100.616)	-	-	(100.616)
<b>Balance at 31 December 2017</b>	<u>9.443.673</u>	<u>6.776.895</u>	<u>3.594.294</u>	<u>1.606.971</u>	<u>21.421.833</u>
<b>Balance at 1 January 2018</b>	9.443.673	6.776.895	3.594.294	1.606.971	21.421.833
Additions for the period	8.136.026	523.205	257.670	173.664	9.090.565
Disposals for the period	(11.026)	(108.099)	(178)	(188.026)	(307.329)
Exchange differences	201.203	70.918	55.248	18.795	346.164
<b>Balance at 30 September 2018</b>	<u>17.769.876</u>	<u>7.262.919</u>	<u>3.907.034</u>	<u>1.611.404</u>	<u>30.551.233</u>
<b>Depreciation</b>					
<b>Balance at 1 January 2017</b>	253.585	4.878.035	2.354.443	1.316.917	8.802.980
Charge	361.001	855.408	355.637	169.259	1.741.305
Disposals for the period	-	(447.906)	(199.078)	(187.205)	(834.189)
Exchange differences	(31.790)	(202.780)	(104.874)	(58.397)	(397.841)
Impairment charge	-	(71.060)	-	-	(71.060)
<b>Balance at 31 December 2017</b>	<u>582.796</u>	<u>5.011.697</u>	<u>2.406.128</u>	<u>1.240.574</u>	<u>9.241.195</u>
<b>Balance at 1 January 2018</b>	582.796	5.011.697	2.406.128	1.240.574	9.241.195
Charge	264.946	565.440	229.376	127.101	1.186.863
Disposals for the period	(4.486)	(101.180)	(178)	(161.972)	(267.816)
Exchange differences	19.219	58.331	36.499	16.332	130.381
<b>Balance at 30 September 2018</b>	<u>862.475</u>	<u>5.534.288</u>	<u>2.671.825</u>	<u>1.222.035</u>	<u>10.290.623</u>
<b>Net book amount</b>					
<b>Balance at 30 September 2018</b>	<u>16.907.401</u>	<u>1.728.631</u>	<u>1.235.209</u>	<u>389.369</u>	<u>20.260.610</u>
Balance at 1 January 2018	<u>8.860.877</u>	<u>1.765.198</u>	<u>1.188.166</u>	<u>366.397</u>	<u>12.180.638</u>

## LOGICOM PUBLIC LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2018

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

THE COMPANY	Land and buildings €	Computers €	Furniture and fittings €	Motor vehicles €	Total €
<b>Acquisition cost or revaluation</b>					
<b>Balance at 1 January 2017</b>	3.743.000	1.381.571	581.648	468.037	6.174.256
Additions for the period	-	278.582	36.774	117.566	432.922
Disposals for the period	-	(1.537)	-	(129.524)	(131.061)
<b>Balance at 31 December 2017</b>	<u>3.743.000</u>	<u>1.658.616</u>	<u>618.422</u>	<u>456.079</u>	<u>6.476.117</u>
<b>Balance at 1 January 2018</b>	3.743.000	1.658.616	618.422	456.079	6.476.117
Additions for the period	-	201.157	8.295	132.001	341.453
Disposals for the period	-	-	-	(12.617)	(12.617)
<b>Balance at 30 September 2018</b>	<u>3.743.000</u>	<u>1.859.773</u>	<u>626.717</u>	<u>575.463</u>	<u>6.804.953</u>
<b>Depreciation</b>					
<b>Balance at 1 January 2017</b>	13.993	1.062.268	486.267	390.921	1.953.449
Charge	98.093	149.046	26.084	28.920	302.143
Disposals for the period	-	(92)	-	(107.519)	(107.611)
<b>Balance at 31 December 2017</b>	<u>112.086</u>	<u>1.211.222</u>	<u>512.351</u>	<u>312.322</u>	<u>2.147.981</u>
<b>Balance at 1 January 2018</b>	112.086	1.211.222	512.351	312.322	2.147.981
Charge	73.542	142.891	20.852	46.469	283.754
Disposals for the period	-	-	-	(12.617)	(12.617)
<b>Balance at 30 September 2018</b>	<u>185.628</u>	<u>1.354.113</u>	<u>533.203</u>	<u>346.174</u>	<u>2.419.118</u>
<b>Net book amount</b>					
<b>Balance at 30 September 2018</b>	<u>3.557.372</u>	<u>505.660</u>	<u>93.514</u>	<u>229.289</u>	<u>4.385.835</u>
Balance at 1 January 2018	<u>3.630.914</u>	<u>447.394</u>	<u>106.071</u>	<u>143.757</u>	<u>4.328.136</u>

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

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. These valuations were prepared 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 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 annual lease expense 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 30 September 2018

**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 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.

**6. INVESTMENTS IN SUBSIDIARIES**

The Company has the following investments in subsidiary companies:

Company	Country of incorporation	30 September 2018 Holding %	31 December 2017 Holding %	Cost 30 September 2018 €	Cost 31 December 2017 €
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	9.510.441	9.510.441
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	63	63
Logicom Trading & Distribution LLC	Qatar			46.314	-
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>43.473.653</u>	<u>43.427.339</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, the 60% of the subsidiary Netcom Ltd in Cyprus.

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.

**LOGICOM PUBLIC LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Period ended 30 September 2018****6. INVESTMENTS IN SUBSIDIARIES (continued)**

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.

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.

As at 30 September 2018, 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 (Middle East) SAL and Logicom Italia SRL. The value of the investments in the companies Logicom (Middle East) SAL and Logicom Italia SRL were not impaired based on the calculation of the expected future cash flows of these companies for the years 2018-2020 divided by the weighted average cost of capital that was calculated at 11% and based on the fact that the discounted future cash flows exceed the value of these investments. The value of the investment in Cadmus Tech Points S.A.L and Rehab Technologies Ltd was fully impaired in 2017.

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 2018

**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	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

**7. INVESTMENTS IN ASSOCIATES****THE GROUP**

	2018 €	2017 €
Demetra Investment Public Limited	<u>36.170.267</u>	-
	<u>36.170.267</u>	-
		Demetra Investment Public Limited 2018 €
Balance at 1 January		-
Transfer from Investments available-for-sale		10.048.909
Additions		20.350.001
Share of profit from associates (net of taxation)		<u>5.771.357</u>
Balance at 30 September		<u>36.170.267</u>

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2018**7. INVESTMENTS IN ASSOCIATES** *(continued)*

The share of profit from associates net of taxation is analysed as follows:

	Period ended 30 September 2018 €	Period ended 30 September 2017 €
Negative goodwill write-off	4.583.569	-
Share of profit	<u>1.187.788</u>	<u>-</u>
	<u><u>5.771.357</u></u>	<u><u>-</u></u>

The negative goodwill arose from the increase of the investment in Demetra Investment Public Limited ('Demetra') through the subsidiary Logicom Services Limited. The investment in Demetra which was classified as Investments Available for Sale 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.

**8. CASH AND CASH EQUIVALENTS****THE GROUP**

	30 September 2018 €	31 December 2017 €
Cash in hand	37.242	51.446
Current accounts with banks	<u>29.409.227</u>	<u>38.531.361</u>
	<u><u>29.446.469</u></u>	<u><u>38.582.807</u></u>

**THE COMPANY**

	30 September 2018 €	31 December 2017 €
Cash in hand	4.553	3.397
Current accounts with banks	<u>1.465.361</u>	<u>15.961.968</u>
	<u><u>1.469.914</u></u>	<u><u>15.965.365</u></u>



## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2018**8. CASH AND CASH EQUIVALENTS** *(continued)*

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

**THE GROUP**

	30 September 2018 €	31 December 2017 €
Cash at bank and in hand	29.446.469	38.582.807
Bank overdrafts (Note 10)	<u>(48.879.926)</u>	<u>(40.564.031)</u>
	<u>(19.433.457)</u>	<u>(1.981.224)</u>

**THE COMPANY**

	30 September 2018 €	31 December 2017 €
Cash at bank and in hand	1.469.914	15.965.365
Bank overdrafts (Note 10)	<u>(28.279.977)</u>	<u>(24.031.913)</u>
	<u>(26.810.063)</u>	<u>(8.066.548)</u>

**9. SHARE CAPITAL**

	30 September 2018 Number of shares	30 September 2018 €	31 December 2017 Number of shares	31 December 2017 €
<b>Authorised</b>				
Ordinary shares of €0,34 each	<u>100.000.000</u>	<u>34.000.000</u>	<u>100.000.000</u>	<u>34.000.000</u>
<b>Issued and fully paid</b>				
Balance at 1 January	<u>74.079.600</u>	<u>25.187.064</u>	<u>74.079.600</u>	<u>25.187.064</u>
Balance at 30 September	<u>74.079.600</u>	<u>25.187.064</u>	<u>74.079.600</u>	<u>25.187.064</u>

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

	30 September 2018 €	31 December 2017 €
Long-term loans	31.946.540	17.749.332
Short term loans	78.793.400	62.295.134
Bank overdrafts (Note 8)	<u>48.879.926</u>	<u>40.564.031</u>
	<u>159.619.866</u>	<u>120.608.497</u>

**LOGICOM PUBLIC LIMITED**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2018

**10. LOANS AND BANK OVERDRAFTS** *(continued)*

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

**THE GROUP**

	30 September 2018	31 December 2017
	€	€
Within one year	7.136.958	4.423.077
Between two and five years	<u>24.971.744</u>	<u>13.326.255</u>
	<u>32.108.702</u>	<u>17.749.332</u>

**THE COMPANY**

	30 September 2018	31 December 2017
	€	€
Long-term loans	25.633.356	11.006.496
Short term loans	28.725.478	23.733.890
Bank overdrafts (Note 8)	<u>28.279.977</u>	<u>24.031.913</u>
	<u>82.638.811</u>	<u>58.772.299</u>

Maturity of non-current borrowings:

**THE COMPANY**

	30 September 2018	31 December 2017
	€	€
Within one year	6.399.938	3.850.411
Between two and five years	<u>19.233.418</u>	<u>7.156.085</u>
	<u>25.633.356</u>	<u>11.006.496</u>

**11. 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.

**12. RISK MANAGEMENT**

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

*12.1 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.

**LOGICOM PUBLIC LIMITED**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2018

**12. RISK MANAGEMENT** *(continued)*

*12.1 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.

*12.2 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.

*12.3 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

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 from January 1, 2010 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 comprehensive income.

On 30 September 2018 the amounts that were hedged were, USD 40.000.000 of net investment in the above foreign companies and USD 40.000.000 of bank borrowings.

**LOGICOM PUBLIC LIMITED**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2018

**12. RISK MANAGEMENT** *(continued)*

**12.4** 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 Greece reduces even further the liquidity risk.

Bank loans and overdrafts of the Group and the Company are presented in note 10.

**12.5** 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.

**13. 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:

	30/09/2018 Fully paid Shares %	08/11/2018 Fully paid Shares %
Adamos Adamides <sup>1</sup>	0,33	0,33
Varnavas Irinarchos <sup>2</sup>	51,55	51,55
Takis Klerides	0,46	0,46
Nikos Michaelas	-	-
George Papaioannou <sup>3</sup>	0,95	0,95
Anthoulis Papachristoforou	0,50	0,50
Anastasios Athanasiades	0,05	0,05

1. The direct ownership of Mr. Adamos Adamides on 8 November 2018 is 0,32% and the indirect ownership that arises from the participation of his wife Mrs. Maro Adamidou, is 0,01%.

2. The indirect ownership of Mr. Varnavas Irinarchos on 8 November 2018 of 51,55% arises from the participation of the company Edcrane Ltd.

3. The direct ownership of Mr. Giorgou Papaioannou on 8 November 2018 is 0,945% 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%.

**14. SHAREHOLDERS' INTEREST**

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

	30/09/2018 %	08/11/2018 %
Varnavas Irinarchos <sup>1</sup>	51,55	51,55
Demetra Investment Public Ltd	10,28	10,28

1. The direct or indirect interest of Mr. Varnavas Irinarchos on 8 November 2018 is through the company Edcrane Ltd. The ultimate parent company of the Group is Takero Limited which holds 100% of Edcrane's Ltd shares.

**LOGICOM PUBLIC LIMITED**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2018

**15. 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 2017 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 2017 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 2018, 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 2017 the annual salary of Mr. Anthoulis Papachristoforou amounted to €151.800 and the allowance for entertainment expenses amounted to €24.000. The remuneration of Mr. Anthoulis Papachristoforou for 2018 will be the same as 2017.

**16. 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 (€3.180.774) to a foreign supplier for providing a trading credit facility. This guarantee is valid from 19 August 2018 until 18 August 2019.
- (2) The Company has provided a second bank guarantee of up to USD 400.000 (€353.419) to a second foreign supplier for providing a trading credit facility. This guarantee is valid from 19 August 2018 until 18 August 2019.
- (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 2018 until 11 August 2019.
- (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 2018 until 11 August 2019.
- (5) The Company has provided a fifth bank guarantee of up to USD 1.000.000 (€883.548) to a fifth supplier for providing a trading facility. This guarantee is valid from 13 April 2018 until 12 April 2019.
- (6) The Company has provided a sixth bank guarantee of up to USD 300.00 (€265.064) to a sixth foreign supplier for providing a trading facility. This guarantee is valid from 12 September 2018 until 11 September 2019.
- (7) The Company has provided bank guarantees of up to USD 500.000 (€441.774) to a seventh foreign supplier for providing a trading facility. These guarantees are valid from 12 September 2018 until 11 September 2019.

**LOGICOM PUBLIC LIMITED**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2018

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

- (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 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.

**17. 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 2018	Period ended 30 September 2017
	€	€
Logicom Solutions Limited	1.745.323	1.373.818
Newcytech Business Solutions Ltd	2.794.583	2.234.187
ENET Solutions Logicom S.A.	24.712.880	12.947.356
Logicom Jordan LLC	3.559.014	3.100.941
Logicom (Middle East) SAL	964.726	88.534
Logicom FZE	8.100	26.795
Logicom Italia s.r.l.	35.164	35.691
Logicom Information Technology Distribution s.r.l.	9.967.251	9.042.188
Verendrya Ventures Ltd	-	472.241
Logicom Saudi Arabia LLC	<u>67</u>	<u>-</u>

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2018**17. 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 2018	31 December 2017
	€	€
ENET Solutions Logicom S.A.	2.213.200	2.136.246
Logicom (Middle East) SAL	4.126.037	3.982.573
Logicom FZE	2.560.988	2.471.942
Logicom Jordan LLC	2.640.031	2.548.236
Verendrya Ventures Ltd	<u>16.706.910</u>	<u>16.415.740</u>
	<u><u>28.247.166</u></u>	<u><u>27.554.737</u></u>

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

The long-term loan with the subsidiary company Verendrya Ventures Limited, relates to a contract for the financing of the operations of the desalination units in Larnaka and Episkopi. The loan bears an annual interest of 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 STATEMENTSPeriod ended 30 September 2018**17. RELATED PARTY TRANSACTIONS** *(continued)***Balances with subsidiary companies**

	30 September 2018	31 December 2017
	€	€
	Debit/ (Credit)	Debit/ (Credit)
Logicom (Overseas) Limited	(332.381)	(317.777)
Netcom Limited	120.642	92.202
Logicom Solutions Limited	(791.633)	2.817.687
Logicom Services Ltd	15.108.464	(5.719.040)
ENET Solutions Logicom S.A.	(717.998)	1.016.860
Newcytech Business Solutions Ltd	764.903	468.886
ICT Logicom Solutions SA	(194.815)	(201.675)
Logicom Jordan LLC	(2.630.405)	1.519.800
Logicom (Middle East) SAL	(2.009.612)	(353.726)
Logicom FZE	(10.331.777)	(9.175.318)
Logicom Italia s.r.l.	5.930.374	6.343.927
Logicom IT Distribution Limited	8.726.719	3.812.265
Logicom Saudi Arabia LLC	20.367.293	31.288.216
Logicom Information Technology Distribution s.r.l.	14.129.088	9.201.324
Logicom Distribution Germany GmbH	(490.594)	(620.914)
Logicom Dubai LLC	(47.982)	-
Najada Holdings Limited	(1.072.423)	(1.571.423)
Verendrya Ventures Ltd	-	86.283
	<u>46.527.863</u>	<u>38.687.577</u>

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

**Balances with jointly controlled companies**

	30 September 2018	31 December 2017
	€	€
M.N. Larnaca Water Co Ltd	-	29
M.N. Limassol Water Co. Ltd	-	221
	<u>-</u>	<u>250</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.



## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2018**17. RELATED PARTY TRANSACTIONS** *(continued)*

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

**Sales**

	Period ended 30 September 2018	Period ended 30 September 2017
	€	€
Logicom Public Limited	183.779	218.665
Logicom Jordan LLC	1.036.696	976.669
Logicom (Middle East) SAL	2.527.476	2.342.076
Logicom Dubai LLC	82.491.094	84.818.516
Logicom Saudi Arabia LLC	9.242.972	8.875.524
Logicom Kuwait for Computer Company W.L.L	5.904.958	6.135.810
Logicom Trading & Distribution LLC	3.255.809	6.017.707
Logicom LLC	406.481	561.137
Logicom IT Distribution Limited	<u>1.951</u>	<u>-</u>

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

**Sales**

	Period ended 30 September 2018	Period ended 30 September 2017
	€	€
Logicom Public Limited	1.759	2.983
Logicom FZE	<u>135.339</u>	<u>146.839</u>

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

**Sales**

	Period ended 30 September 2018	Period ended 30 September 2017
	€	€
Logicom FZE	-	105
Logicom LLC	<u>-</u>	<u>129</u>

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

**Sales**

	Period ended 30 September 2018	Period ended 30 September 2017
	€	€
Logicom FZE	<u>-</u>	<u>34.718</u>

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2018**17. RELATED PARTY TRANSACTIONS** *(continued)*

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

**Sales**

	Period ended 30 September 2018	Period ended 30 September 2017
	€	€
Logicom Public Limited	-	6.816.361
ICT Logicom Solutions SA	44.347	11.000
Logicom Italia s.r.l.	792	1.187
Logicom IT Distribution Limited	14.628.852	8.788.782
Logicom Information Technology Distribution s.r.l.	715.510	504.179
Logicom Solutions Limited	<u>6.187.128</u>	<u>99</u>

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

**Sales**

	Period ended 30 September 2018	Period ended 30 September 2017
	€	€
Logicom Public Limited	97.083	519.092
Newcytech Business Solutions Ltd	539.017	428.837
ICT Logicom Solutions SA	<u>1.892.089</u>	<u>1.988.787</u>

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

**Sales**

	Period ended 30 September 2018	Period ended 30 September 2017
	€	€
ENET Solutions Logicom S.A.	453	1.487
Logicom Public Limited	<u>-</u>	<u>690</u>

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

**Sales**

	Period ended 30 September 2018	Period ended 30 September 2017
	€	€
Logicom Public Limited	90.314	2.005
ENET Solutions Logicom S.A.	73.752	97.868
Logicom Italia s.r.l.	-	2.724
Logicom Solutions Limited	<u>1.823</u>	<u>341</u>

## LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 30 September 2018**17. RELATED PARTY TRANSACTIONS** *(continued)*

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

**Sales**

	Period ended 30 September 2018	Period ended 30 September 2017
	€	€
Logicom FZE	21.379	24.142
Logicom (Middle East) SAL	4.117	9.027
Logicom Solutions Limited	-	790
ENET Solutions Logicom S.A.	<u>5.913</u>	<u>-</u>

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

**Sales**

	Period ended 30 September 2018	Period ended 30 September 2017
	€	€
Logicom Public Limited	5.859	2.614
Logicom Solutions Limited	356.095	255.384
Newcytech Distribution Ltd	<u>122.100</u>	<u>-</u>

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

**Sales**

	Period ended 30 September 2018	Period ended 30 September 2017
	€	€
ENET Solutions Logicom S.A.	<u>94.239</u>	<u>268.532</u>

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

**Sales**

	Period ended 30 September 2018	Period ended 30 September 2017
	€	€
Logicom Solutions Limited	181.750	124.620
Logicom Information Technology Distribution s.r.l.	<u>-</u>	<u>9.876</u>

**LOGICOM PUBLIC LIMITED**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 30 September 2018

**17. RELATED PARTY TRANSACTIONS** *(continued)*

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

**Sales**

	Period ended 30 September 2018	Period ended 30 September 2017
	€	€
Logicom Italia s.r.l.	<u>169.571</u>	<u>112.546</u>

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

**Balances with related companies**

	Period ended 30 September 2018	31 December 2017
	€	€
	Debit/ (Credit)	Debit/ (Credit)
Logicom (Overseas) Limited	332.381	317.777
Netcom Limited	(120.642)	(92.202)
Logicom Solutions Limited	791.633	(2.817.687)
Logicom Services Ltd	(15.108.464)	5.719.040
Newcytech Business Solutions Ltd	(764.903)	(1.016.860)
ENET Solutions Logicom S.A.	(1.495.202)	(2.605.132)
ICT Logicom Solutions SA	194.815	201.675
Logicom Jordan LLC	(9.626)	(4.068.036)
Logicom (Middle East) SAL	(2.116.425)	(3.628.847)
Logicom FZE	7.770.789	6.703.376
Logicom Italia s.r.l.	(5.930.374)	(6.343.927)
Logicom IT Distribution Limited	(8.726.719)	(3.812.265)
Logicom Saudi Arabia LLC	(20.367.293)	(31.288.216)
Logicom Information Technology Distribution s.r.l.	(14.129.088)	(9.201.324)
Logicom Distribution Germany GmbH	490.594	620.914
Logicom Dubai LLC	47.982	-
Najada Holdings Limited	1.072.423	1.571.423
Verendrya Ventures Ltd	<u>(16.706.910)</u>	<u>(16.502.023)</u>

**18. 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.