

KARYES INVESTMENT PUBLIC COMPANY

25 September 2017

ANNOUNCEMENT

In order to facilitate investors, we wish to clarify the following with regard to the Interim Management Report further to our announcement dated 18 September 2017.

Transactions with associated persons

As required by article 10(6)(g) of the aforesaid law, transactions with associated persons in the first half of the financial year are stated in note 7 to the Condensed Interim Financial Statements for the period 1 January to 30 June 2017.

Overview of the Company's financial situation

Loss after taxation for the first half of 2017 was €21,852 compared to a loss of €28,402 in the first half of 2016. The difference is mostly due to a decrease in the Company's operating costs.

After deduction of operating and other costs, the Company's net asset value increased by 58.31% from €0.2155 on 30 June 2016 to €0.5169 on 30 June 2017.

There have been no revenues, profits or losses from non-recurring activities and/or activities other than the Company's main activities.

Prospects for 2017 will mostly depend on the course of stock exchange indices in Cyprus and abroad and the values of securities in the various stock exchanges in which the Company's portfolio is invested.

Main risks and uncertainty

(a) Systemic risk may be caused by:

- (i) Political risk from changes in the financial, tax and political landscape.
- (ii) Inflation risk – affected by a possible decrease in the real value of the investment due to increased inflation
- (iii) Re-investment risk – arising from the possibility of re-investment of funds from the sales of investments at an exchange rate other than that of the initial investment.

(b) Non-systemic risk arising from investment choices, affected by:

- (i) Credit risk – arising from possible failure of the issuer to settle its obligations relating to the distribution of dividend, capital, coupons, etc.
- (ii) Liquidity risk – arising from the ease with which an investor may liquidate its titles.
- (iii) Market risk – arising from decreases in the values of the market.
This risk is managed with the dispersion of the Company's portfolio in a broad range of investments.

Brena Services Ltd
Secretary