

AEONIC SECURITIES C.I.F. PLC

UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

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AEONIC SECURITIES C.I.F. PLC

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Alexandros Sinos
Panagiotis Brouskaris (appointed on 3rd July 2015)
Stephanos Kazantzis (appointed on 29 January 2015)
Serafeim Charalampidis (appointed on 1st June 2015)
Gloria Chrysafi (appointed on 3rd July 2015)
Mark Clerides (resigned on 18th January 2016)
Evangelos Drympetas (appointed on 9th February 2016)

Company Secretary:

Gloria Chrysafi (appointed on 21st January 2016)
CMK Management Ltd (resigned on 21st January 2016)

Independent Auditors:

C&N Auditors Ltd
Yianni Kranidioti 10
1065, Nicosia
Cyprus

Registered office:

Andrea Kalvou 5
Elladio Building, Flat 201
3085, Limassol

Bankers:

Piraeus Bank (Greece)
Alpha Bank (Greece)
Hellenic Bank Public Company Ltd
Eurobank Cyprus Ltd

Registration number:

HE 304867

AEONIC SECURITIES C.I.F. PLC

UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period from 1 January 2016 to 30 June 2016

	Note	2016 €
Revenue	2	358.696
Cost of sales		<u>(171.741)</u>
Gross profit		186.955
Other income	3	48
Selling and distribution expenses	4	(1.388)
Administration expenses	5	(173.722)
Other expenses	6	<u>(30)</u>
Operating profit		11.863
Finance income	8	1.717
Finance costs	8	<u>(4.895)</u>
Profit before tax		8.685
Tax	9	<u>-</u>
Net profit for the period		8.685
Other comprehensive income		<u>-</u>
Total comprehensive income for the period		<u>8.685</u>

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. 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.

The notes on pages 4 to 10 form an integral part of these financial statements.

AEONIC SECURITIES C.I.F. PLC

UNAUDITED STATEMENT OF FINANCIAL POSITION 30 June 2016

	Note	2016 €
ASSETS		
Non-current assets		
Property, plant and equipment		56.153
Intangible assets	10	7.284
Investors Compensation Fund	12	74.056
		137.493
Current assets		
Trade and other receivables	11	6.937.981
Other investments		31.801
Cash at bank and in hand	13	564.726
		7.534.508
Total assets		7.672.001
EQUITY AND LIABILITIES		
Equity		
Share capital	14	600.000
Accumulated losses		(226.793)
Total equity		373.207
Current liabilities		
Trade and other payables	15	7.298.794
		7.298.794
Total equity and liabilities		7.672.001

The notes on pages 4 to 10 form an integral part of these financial statements.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

1. Financial risk management

Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk, currency risk, compliance risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below. The primary objectives of the financial risk management are to establish risk limits and then ensure that the exposure to the risks stay within the limits.

1.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

1.2 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

1.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

1.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Euro. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

1.5 Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Compliance Officer, as well as by the monitoring controls applied by the Company.

1.6 Capital risk management

The legal and regulatory framework under which the Company operates stipulates that the Company must maintain a minimum capital adequacy ratio of 8%. The method of calculation is set up by the regulatory authority based on Interntional Basell II capital adequacy requirement directives. The Company aims to always maintain a high capital adequacy ratio well above the required minimum. The capital adequacy ratio is reported to the Company's regulatory authority on a quarterly basis.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The capital adequacy ratio for the year ended 31 December 2015 was 22.15% (2014: 29.98%)

Capital requirements are derived from credit risk, operational risk and counterparty risk considerations.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

1. Financial risk management (continued)

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

2. Revenue

	2016 €
Commissions receivable	353.696
Other income	<u>5.000</u>
	<u>358.696</u>

3. Other income

	2016 €
Sundry operating income	<u>48</u>
	<u>48</u>

4. Selling and distribution expenses

	2016 €
Motor vehicle running costs	<u>1.388</u>
	<u>1.388</u>

5. Administration expenses

	2016 €
Staff costs	84.069
Rent	4.108
Common expenses	250
Licenses and taxes	248
Electricity	1.116
Insurance	1.868
Sundry expenses	12.349
Telephone and postage	1.669
Stationery and printing	300
Subscriptions and contributions	24.603
Staff training	400
Sundry staff costs	889
Computer supplies and maintenance	1.530
Auditors' remuneration for the statutory audit of annual accounts	2.000
Accounting fees	10.663
Other professional fees	1.500
Overseas travelling	3.200
Inland travelling and accommodation	4.449
Entertaining	4.785
Other expenses	<u>13.726</u>
	<u>173.722</u>

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

6. Other expenses

	2016 €
Net loss from investment activities	30
	<u>30</u>

7. Staff costs

	2016 €
Wages and salaries	76.894
Social insurance costs and other funds	7.175
	<u>84.069</u>

8. Finance income

	2016 €
Interest income	1.452
Exchange profit	265
Finance income	<u>1.717</u>
Net foreign exchange transaction losses	(1.960)
Sundry finance expenses	(2.935)
Finance costs	<u>(4.895)</u>
Net finance costs	<u>(3.178)</u>

9. Tax

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2016 €
Profit before tax	<u>8.685</u>
Tax calculated at the applicable tax rates	1.086
Tax effect of expenses not deductible for tax purposes	10.010
Tax effect of allowances and income not subject to tax	(663)
Tax effect of tax losses brought forward	(10.433)
Tax charge	<u>-</u>

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

9. Tax (continued)

The Company's chargeable income for the period amounted to €83.467 which has been set off against tax losses brought forward. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years. As at 30 June 2016 the balance of tax losses which is available for offset against future taxable profits amounts to € 272.085.

10. Intangible assets

	Computer software €
Cost	
Additions	11.609
Balance at 30 June 2016	11.609
Amortisation	
On disposals	4.325
Balance at 30 June 2016	4.325
Net book amount	
Balance at 30 June 2016	7.284

11. Trade and other receivables

	2016 €
Trade receivables	6.922.803
Deposits and prepayments	3.200
Other receivables	359
Refundable VAT	11.619
	6.937.981

12. Investors Compensation Fund

	2016 €
Balance at 1 January	-
Additions	74.056
Balance at 30 June	74.056

13. Cash at bank and in hand

Cash balances are analysed as follows:

	2016 €
Cash at bank and in hand	22.409
Cash in clients' accounts	542.317
	564.726

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

14. Share capital

	2016 Number of shares	2016 €
Authorised		
Ordinary shares of €1,00 each	<u>1.000.000</u>	<u>1.000.000</u>
Issued and fully paid		
Balance at 1 January	<u>600.000</u>	<u>600.000</u>
Balance at 30 June	<u>600.000</u>	<u>600.000</u>

During 2015, the Company issued an additional share capital of 180,000 shares at par value €1.00.

Authorised capital

Under its Memorandum the Company fixed its share capital at 1.000.000 ordinary shares of nominal value of €1 each.

Issued capital

Upon incorporation on 19th of April 2012 the Company issued to the subscribers of its Memorandum of Association 1.000.000 ordinary shares of €1 each at par.

15. Trade and other payables

	2016 €
Trade payables	7.278.906
Social insurance and other taxes	6.409
Accruals	473
Other creditors	<u>13.006</u>
	<u>7.298.794</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

16. Operating Environment of the Company

The Cyprus economy has been adversely affected from the crisis in the Cyprus banking system in conjunction with the inability of the Republic of Cyprus to borrow from international markets. As a result, the Republic of Cyprus entered into negotiations with the European Commission, the European Central Bank and the International Monetary Fund (the "Troika"), for financial support, which resulted into an agreement and the Eurogroup decision of 25 March 2013. The decision included the restructuring of the two largest banks in Cyprus through "bail in". During 2014 the Cyprus economy contracted further with a decrease in the Gross Domestic Product.

Following the positive outcome of the reviews of Cyprus's economic programme by the European Commission, the European Central Bank and the International Monetary Fund during 2013 and 2014, the Eurogroup endorsed the disbursement of the scheduled tranches of financial assistance to Cyprus.

The uncertain economic conditions in Cyprus, the unavailability of financing, the restructuring of the banking sector through "bail in" for Laiki Bank and Bank of Cyprus, and the imposition of capital controls together with the current situation of the banking system and the continuing overall economic recession, have affected:

- The ability of the Company to obtain new borrowings or re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions
- The ability of the Company's trade and other debtors to repay the amounts due to the Company
- The ability of the Company to enter into contracts for the development of new property units
- The cash flow forecasts of the Company's management in relation to the impairment assessment for financial and non-financial assets

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

16. Operating Environment of the Company (continued)

The economic conditions described above, together with the impact of the Eurogroup decision of 25 March 2013 on Cyprus, had an adverse impact on the Company's debtors (inability to meet their obligations towards the Company), suppliers (inability to continue trading), real estate valuation, bankers (inability to provide adequate finance), and revenue (decreased demand for the Company's products or services due to decreased purchasing power of consumers).

The Company's management has assessed:

- (1) Whether any impairment allowances are deemed necessary for the Company's financial assets carried at amortised cost by considering the economic situation and outlook at the end of the reporting period. Impairment of trade receivables is determined using the "incurred loss" model required by International Accounting Standard 39 "Financial Instruments: Recognition and Measurement". This standard requires recognition of impairment losses for receivables that arose from past events and prohibits recognition of impairment losses that could arise from future events, no matter how likely those future events are.

The Company's management is unable to predict all developments which could have an impact on the Cyprus economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Company.

On the basis of the evaluation performed, the Company's management has concluded that no provisions or impairment charges are necessary.

The Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current business and economic environment.

17. General events

The negotiations of the Cyprus Government with the European Commission, the European Central Bank and the International Monetary Fund (the "Troika"), in order to obtain financial support, resulted in an agreement and decision of the Eurogroup on 25 March 2013 on the key elements necessary for a future macroeconomic adjustment programme which includes the provision of financial assistance to the Republic of Cyprus of up to €10 billion. The programme aims to address the exceptional economic challenges that Cyprus is facing, and to restore the viability of the financial sector, with a view to restoring sustainable economic growth and sound public finances in the coming years.

The Eurogroup decision on Cyprus includes plans for the restructuring of the financial sector and safeguards deposits below €100.000 in accordance with European Union legislation. In addition, the Cypriot authorities have reaffirmed their commitment to step up efforts in the areas of fiscal consolidation, structural reforms and privatizations.

On 12 April 2013 the Eurogroup welcomed the agreement that was reached between Cyprus and the Troika institutions regarding the macroeconomic adjustment programme for Cyprus. Subsequently all the necessary procedures for the formal approval of the Board of Directors of the European Stability Mechanism were completed, as well as the ratification by Eurozone member states. Following the completion of the above procedures, the first tranche of the financing of the Republic of Cyprus was released in line with the provisions of the Memorandum.

On 22 March 2013 legislation was enacted by the House of Representatives concerning restrictive measures in respect of transactions executed through the banking institutions operating in Cyprus. The extent and duration of the restrictive measures are decided by the Minister of Finance and the Governor of the Central Bank of Cyprus and were enforced on 28 March 2013. The temporary restrictive measures, with respect to banking and cash transactions include restrictions on cash withdrawals, the cashing of cheques and transfers of funds to other credit institutions in Cyprus and abroad. They also provide for the compulsory partial renewal of certain maturing deposits.

On 29 March 2013 the Central Bank of Cyprus issued decrees relating to Laiki Bank and Bank of Cyprus, implementing measures for these two banks under the Resolution of Credit and Other Institutions Law of 2013.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

17. General events (continued)

On the basis of the relevant decrees, Laiki Bank was placed into resolution. What remained in Laiki Bank were mainly the uninsured deposits and assets outside Cyprus. The assets of Laiki Bank in Cyprus, the insured deposits and the Eurosystem financing have been transferred to Bank of Cyprus, with compensation for the value of the net assets transferred, the issue of shares by Bank of Cyprus to Laiki Bank.

The recapitalization process for the Bank of Cyprus was completed in accordance with the relevant decrees of the Resolution Authority through "bail-in", that is through the partial conversion of uninsured deposits into shares. In addition, the holders of shares and debt instruments in Bank of Cyprus on 29 March 2013 have contributed to the recapitalization of Bank of Cyprus through the absorption of losses.

18. Related party transactions

The Company is controlled by Alexandros Sinos who owns 54.75% of the Company's shares. The remaining shareholding is owned by Christos Tzoumezis who holds 28.50%, Elias Voggelis who holds 0.75%, Michael Constantinides who holds 3%, Sergios Melaxroinos with 5%, Demetrios Maniatis with 1.67%, Constantinos Papalambros with 1.67%, Nikiforos Chr. Pasoulas with 1.67%, Nikiforos G. Pasoulas with 1.30% and Altoreo Ltd which holds 1.67% of the Company's shares.

The following transactions were carried out with related parties:

18.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	2016
	€
Directors' remuneration	11.350
	11.350

19. Contingent liabilities

The Company had no contingent liabilities as at 30 June 2016.

20. Commitments

The Company had no capital or other commitments as at 30 June 2016.

21. Events after the reporting period

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

AEONIC SECURITIES C.I.F. PLC

DETAILED INCOME STATEMENT

Period from 1 January 2016 to 30 June 2016

	2016 €
	Page
Revenue	
Commissions receivable	353.696
Sales of goods	5.000
Cost of sales	<u>(171.741)</u>
Gross profit	186.955
Other operating income	
Sundry operating income	<u>48</u>
	187.003
Operating expenses	
Administration expenses	(173.722)
Selling and distribution expenses	<u>(1.388)</u>
	11.893
Other operating expenses	
Net loss from investment activities	<u>(30)</u>
Operating profit	11.863
Finance income	1.717
Finance costs	<u>(4.895)</u>
Net profit for the period before tax	<u>8.685</u>