

AEONIC SECURITIES C.I.F. PLC

REPORT AND FINANCIAL STATEMENTS

Period from 1 January 2017 to 30 June 2017

AEONIC SECURITIES C.I.F. PLC

REPORT AND FINANCIAL STATEMENTS

Period from 1 January 2017 to 30 June 2017

CONTENTS

PAGE

Board of Directors and other officers	1
Management Report	2
Statement of profit or loss and other comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Cash flow statement	6
Notes to the financial statements	7 - 23

AEONIC SECURITIES C.I.F. PLC

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Alexandros Sinos Serapheim Charalampidis Panagiotis Brouskaris Stephanos Kazantzis Evangelos Drympetas Gloria Chrysafi
Company Secretary:	Gloria Chrysafi
Independent Auditors:	C&N AUDITORS LTD Certified Public Accountants 10 Yianni Kranidioti 1065 Nicosia
Registered office:	Andrea Kalvou 5 Elladio Building, Flat 201 3085, Limassol
Bankers:	Pireos Bank (Greece) Alpha Bank (Greece) Hellenic Bank Public Company Ltd Eurobank Cyprus Ltd
Registration number:	HE 304867

AEONIC SECURITIES C.I.F. PLC

MANAGEMENT REPORT

The Board of Directors presents its report and audited financial statements of the Company for the period from 1 January 2017 to 30 June 2017.

Principal activities and nature of operations of the Company

The Company is a Cyprus Investment Firm ("C.I.F") and in accordance with the license no.177/12 granted by the Cyprus Securities and Exchange Commission ("CySEC") on 4 September 2012.

The principal activities of the company comprise the provision of investment services, including reception and transmission of orders in relation to one or more financial instruments and execution of orders on behalf of clients in relation to one or more financial instruments.

In addition, the Company provides ancillary services, which comprise the safekeeping and administration of financial instruments, including custodianship and related services, advice to undertakings on capital structure, industrial strategy and related matters and advice and services related to mergers and the purchase of undertakings, foreign exchange services where these are connected to the provision of investment services, services related to underwriting, and investment services and activities as well as ancillary services where these are connected to the provision of investment or ancillary services.

Review of current position, future developments and performance of the Company's business

The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

Results and Dividends

The Company's results for the period are set out on page 3. The Board of Directors, following consideration of the availability of profits for distribution as well as the liquidity position of the Company, does not recommend the payment of a dividend and the net profit for the period is retained.

Share capital

There were no changes in the share capital of the Company during the period under review.

Board of Directors

The members of the Company's Board of Directors as at 30 June 2017 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the period from 1 January 2017 to 30 June 2017.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

By order of the Board of Directors,



Glafia Chrysafi
Secretary

Nicosia, 25 September 2017

AEONIC SECURITIES C.I.F. PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Period from 1 January 2017 to 30 June 2017

		01/01/2017-3 0/06/2017	2016
	Note	€	€
Revenue	5	391.362	737.549
Cost of sales	6	<u>(202.881)</u>	<u>(393.290)</u>
Gross profit		188.481	344.259
Other operating income	7	3.711	9.561
Selling and distribution expenses	8	(10.746)	(8.566)
Administration expenses	9	(131.338)	(308.980)
Other expenses	10	<u>(48)</u>	<u>(1.032)</u>
Operating profit		50.060	35.242
Finance costs	12	<u>(4.779)</u>	<u>(8.305)</u>
Profit before tax		45.281	26.937
Net profit for the period/year		<u>45.281</u>	<u>26.937</u>

The notes on pages 7 to 23 form an integral part of these financial statements.

AEONIC SECURITIES C.I.F. PLC

STATEMENT OF FINANCIAL POSITION

30 June 2017

	Note	2017 €	2016 €
ASSETS			
Non-current assets			
Property, plant and equipment	14	47.493	47.493
Intangible assets	15	3.415	3.415
Investments in subsidiaries	16	2.000	-
Investors Compensation Fund	19	73.056	73.056
		<u>125.964</u>	<u>123.964</u>
Current assets			
Trade and other receivables/Clients	17	4.510.825	1.444.022
Other investments (own)	18	33.480	33.480
Cash at bank and in hand	20	90.935	223.197
		<u>4.635.240</u>	<u>1.700.699</u>
Total assets		<u>4.761.204</u>	<u>1.824.663</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	21	600.000	600.000
Accumulated losses		(163.265)	(208.546)
Total equity		<u>436.735</u>	<u>391.454</u>
Current liabilities			
Trade and other payables/Clients	22	4.324.469	1.433.209
		<u>4.324.469</u>	<u>1.433.209</u>
Total equity and liabilities		<u>4.761.204</u>	<u>1.824.663</u>

On 25 September 2017 the Board of Directors of AEONIC SECURITIES C.I.F. PLC authorised these financial statements for issue.


.....
Alexandros Sinos
Director


.....
Serapheim Charalampidis
Director

The notes on pages 7 to 23 form an integral part of these financial statements.

AEONIC SECURITIES C.I.F. PLC

STATEMENT OF CHANGES IN EQUITY

Period from 1 January 2017 to 30 June 2017

	Share capital €	Accumula- t ed losses €	Total €
Balance at 1 January 2016	600.000	(235.483)	364.517
Comprehensive income			
Net profit for the year	-	26.937	26.937
Transactions with owners			
Balance at 31 December 2016	<u>600.000</u>	<u>(208.546)</u>	<u>391.454</u>
Balance at 31 December 2016/ 1 January 2017	600.000	(208.546)	391.454
Comprehensive income			
Net profit for the period	-	45.281	45.281
Balance at 30 June 2017	<u>600.000</u>	<u>(163.265)</u>	<u>436.735</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 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident 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.

The notes on pages 7 to 23 form an integral part of these financial statements.

AEONIC SECURITIES C.I.F. PLC

CASH FLOW STATEMENT

Period from 1 January 2017 to 30 June 2017

	01/01/2017-3 0/06/2017	2016
Note	€	€
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	45.281	26.937
Adjustments for:		
Depreciation of property, plant and equipment	14 -	12.450
Unrealised exchange profit	(1.918)	(1.269)
Amortisation of computer software	15 -	3.869
Interest income	7 (99)	(1.518)
Interest expense	12 47	1
	43.311	40.470
Changes in working capital:		
Increase in trade and other receivables	(3.066.803)	(136.246)
Increase in trade and other payables	2.891.260	80.464
Cash used in operations	(132.232)	(15.312)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	14 -	(19.982)
Payment for purchase of investments in subsidiaries	16 (2.000)	-
Payment for purchase of other investments	18 -	(33.480)
Interest received	99	1.518
Net cash used in investing activities	(1.901)	(51.944)
CASH FLOWS FROM FINANCING ACTIVITIES		
Unrealised exchange profit	1.918	1.269
Interest paid	(47)	(1)
Net cash generated from financing activities	1.871	1.268
Net decrease in cash and cash equivalents	(132.262)	(65.988)
Cash and cash equivalents at beginning of the period/year	223.197	289.185
Cash and cash equivalents at end of the period/year	90.935	223.197

The notes on pages 7 to 23 form an integral part of these financial statements.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2017 to 30 June 2017

1. Incorporation and principal activities

Country of incorporation

The Company AEONIC SECURITIES C.I.F. PLC (the "Company") was incorporated in Cyprus on 19th of April 2012 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. On 18th of December 2015, the Company changed from being a private limited liability company to public limited company. Its registered office is at Andrea Kalvou 5, Elladio Building, Flat 201, 3085, Limassol.

Principal activities

The Company is a Cyprus Investment Firm ("C.I.F") and in accordance with the license no.177/12 granted by the Cyprus Securities and Exchange Commission ("CySEC") on 4 September 2012.

The principal activities of the company comprise the provision of investment services, including reception and transmission of orders in relation to one or more financial instruments and execution of orders on behalf of clients in relation to one or more financial instruments.

In addition, the Company provides ancillary services, which comprise the safekeeping and administration of financial instruments, including custodianship and related services, advice to undertakings on capital structure, industrial strategy and related matters and advice and services related to mergers and the purchase of undertakings, foreign exchange services where these are connected to the provision of investment services, services related to underwriting, and investment services and activities as well as ancillary services where these are connected to the provision of investment or ancillary services.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

The Company is not required by the Cyprus Companies Law, Cap.113, to prepare consolidated financial statements because the Company and its subsidiaries constitute a medium sized group as defined by the Law and the Company does not intend to issue consolidated financial statements for the period from 1 January 2017 to 30 June 2017.

The European Union has concluded that since its 4th Directive requires parent companies to prepare separate financial statements, and since the Cyprus Companies Law, Cap. 113, requires the preparation of such financial statements in accordance with IFRS as adopted by the European Union, the provisions of International Financial Reporting Standard 10 'Consolidated Financial Statements' that require the preparation of consolidated financial statements in accordance with IFRS do not apply.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2017 to 30 June 2017

2. Significant accounting policies (continued)

Adoption of new and revised IFRSs

During the current period the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2017. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for products provided in the normal course of business, net of discounts and sales related taxes. Revenues earned by the Company are recognised on the following bases:

- **Sale of products**

Sales of products are recognised when significant risks and rewards of ownership of the products have been transferred to the customer, which is usually when the Company has sold or delivered the products to the customer, the customer has accepted the products and collectability of the related receivable is reasonably assured.

- **Rendering of services**

Sales of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

- **Income from investments in securities**

Dividend from investments in securities is recognised when the right to receive payment is established. Withheld taxes are transferred to profit or loss. Interest from investments in securities is recognised on an accruals basis.

Profits or losses from the sale of investments in securities represent the difference between the net proceeds and the carrying amount of the investments sold and is transferred to profit or loss.

The difference between the fair value of investments at fair value through profit or loss as at 30 June 2017 and the mid cost price represents unrealised gains and losses and is included in profit or loss in the period in which it arises. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in profit or loss as fair value gains or losses on investments, taking into account any amounts charged or credited to profit or loss in previous periods.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2017 to 30 June 2017

2. Significant accounting policies (continued)

Revenue recognition (continued)

- **Commission income**

Commission income is recognised when the right to receive payment is established.

- **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method.

Employee benefits

The Company and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) **Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Motor vehicles	20
Furniture, fixtures and office equipment	10
Computer Software	33,33

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2017 to 30 June 2017

2. Significant accounting policies (continued)

Property, plant and equipment (continued)

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2017 to 30 June 2017

2. Significant accounting policies (continued)

Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, not exceeding a period of three years. Amortisation commences when the computer software is available for use.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2017 to 30 June 2017

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets

(1) Classification

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

(2) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on trade-date which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in profit or loss in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss when the Company's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, while translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as gains and losses on available-for-sale financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Company's right to receive payments is established.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets the cumulative loss which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in profit or loss.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2017 to 30 June 2017

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

For financial assets measured at amortised cost, if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available for sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available for sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2017 to 30 June 2017

2. Significant accounting policies (continued)

Share capital

Ordinary shares are classified as equity.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3. Financial risk management objectives and policies

Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk, currency 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:

3.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its non-current borrowings. 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.

3.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company does not provide margin accounts or offers any form of credit to its clients and especially for large accounts, the BoD has decided to employ the Delivery Versus Payment method (DVP) thus eliminating credit or counterparty risk.

3.3 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.

3.4 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.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2017 to 30 June 2017

3. Financial risk management objectives and policies (continued)

3.5 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 International 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 2016 was 34,66% (2015: 22.15%)

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

4. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Fair value of financial assets**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets available for sale has been estimated based on the fair value of these individual assets.

- **Impairment of investments in subsidiaries**

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

AEONIC SECURITIES C.F.P. S.A.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2017 to 30 June 2017

7. Other operating income

	01/01/2017-3 0/06/2017	2016
	€	€
Interest income	99	1.518
Exchange profit	3.269	1.345
Net profit from investment activities	239	-
Sundry operating income	104	6.698
	<u>3.711</u>	<u>9.561</u>

Interest income is analysed as follows:

	01/01/2017-3 0/06/2017	2016
	€	€
Bank deposits	99	1.518
	<u>99</u>	<u>1.518</u>

8. Selling and distribution expenses

	01/01/2017-3 0/06/2017	2016
	€	€
Motor vehicle running costs	-	970
Inland travelling	10.746	7.596
	<u>10.746</u>	<u>8.566</u>

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2017 to 30 June 2017

9. Administration expenses

	01/01/2017-3 0/06/2017	2016
	€	€
Staff costs	66.160	149.241
Rent	4.305	8.308
Common expenses	250	500
Licenses and taxes	406	3.315
Municipality taxes	-	1.144
Annual levy	-	350
Electricity	1.027	2.800
Water supply and cleaning	27	103
Insurance	2.025	1.868
Repairs and maintenance	-	434
Sundry expenses	14.092	6.984
Telephone and postage	1.683	5.401
Stationery and printing	216	1.840
Subscriptions and contributions	20.965	42.910
Staff training	600	3.883
Computer supplies and maintenance	1.530	3.216
Auditors' remuneration	-	2.975
Accounting fees	1.200	11.863
Other professional fees	1.750	6.000
Inland travelling and accommodation	4.361	9.397
Entertaining	7.429	11.049
Motor vehicle running costs	809	1.829
Other expenses	2.503	15.251
Consulting fees	-	2.000
Amortisation of computer software	-	3.869
Depreciation	-	12.450
	<u>131.338</u>	<u>308.980</u>

10. Other expenses

	01/01/2017-3 0/06/2017	2016
	€	€
Net loss from operating activities	48	32
Net loss from insurance received	-	1.000
	<u>48</u>	<u>1.032</u>

11. Staff costs

	01/01/2017-3 0/06/2017	2016
	€	€
Salaries	59.460	135.001
Social security costs	5.562	11.696
Social cohesion fund	1.138	2.544
	<u>66.160</u>	<u>149.241</u>

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2017 to 30 June 2017

12. Finance costs

	01/01/2017-3 0/06/2017 €	2016 €
Net foreign exchange losses	1.730	2.228
Interest expense	47	1
Sundry finance expenses	<u>3.002</u>	<u>6.076</u>
	<u>4.779</u>	<u>8.305</u>

13. Tax

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

	01/01/2017-3 0/06/2017 €	2016 €
Profit before tax	<u>45.281</u>	<u>26.937</u>
Tax calculated at the applicable tax rates	5.660	3.367
Tax effect of expenses not deductible for tax purposes	656	3.924
Tax effect of allowances and income not subject to tax	(42)	(569)
Tax effect of tax losses brought forward	<u>(6.274)</u>	<u>(6.722)</u>
Tax charge	<u>-</u>	<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 17%.

The Company's chargeable income for the period amounted to €50.188 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.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2017 to 30 June 2017

16. Investments in subsidiaries

	2017	2016
	€	€
Balance at 1 January	-	-
Additions	2.000	-
Balance at 30 June/31 December	2.000	-

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Holding %	2017 €
Aeonic Investments Ltd	Cyprus	Investment Activities	100	2.000
				2.000

17. Trade and other receivables

	2017	2016
	€	€
Trade receivables	4.488.825	1.427.780
Deposits and prepayments	3.200	3.435
Other receivables	4.229	2.289
Refundable VAT	14.571	10.518
	4.510.825	1.444.022

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

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the financial statements.

On the date that these financial statements are issued, the company has executed but not yet cleared transactions amounted to €2,437,197 that involved a series of debt instruments sale orders by an institutional client with custodian account held in Eurobank Cyprus. These transactions are due to be cleared on the 4th of July. The company has employed the DVP (Delivery vs Payment) method for large transactions thus eliminating credit or counterparty risk. The above amount would have been deducted from trade and other receivables account and trade and other payables account accordingly providing a true and fair view of the financial accounts.

18. Other investments

	2017	2016
	€	€
Balance at 1 January	33.480	-
Additions	-	33.480
Balance at 30 June/31 December	33.480	33.480

19. Investors Compensation Fund

	2017	2016
	€	€
Balance at 1 January	73.056	73.056
Balance at 30 June/31 December	73.056	73.056

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2017 to 30 June 2017

20. Cash at bank and in hand

Cash balances are analysed as follows

	2017	2016
	€	€
Cash at bank and in hand	<u>90.935</u>	<u>223.197</u>
	<u>90.935</u>	<u>223.197</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements.

21. Share capital

	2017	2017	2016	2016
	Number of shares	€	Number of shares	€
Authorised				
Ordinary shares of €1 each	<u>1.000.000</u>	<u>1.000.000</u>	1.000.000	1.000.000
Issued and fully paid				
Balance at 1 January	<u>600.000</u>	<u>600.000</u>	600.000	600.000
Balance at 30 June/31 December	<u>600.000</u>	<u>600.000</u>	600.000	600.000

22. Trade and other payables

	2017	2016
	€	€
Trade payables	4.316.933	1.393.749
Social insurance and other taxes	2.343	3.022
Accruals	4	4.254
Other creditors	<u>5.189</u>	<u>32.184</u>
	<u>4.324.469</u>	<u>1.433.209</u>

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

On the date that these financial statements are issued, the company has executed but not yet cleared transactions amounted to €2,437,197 that involved a series of debt instruments sale orders by an institutional client with custodian account held in Eurobank Cyprus. These transactions are due to be cleared on the 4th of July. The company has employed the DVP (Delivery vs Payment) method for large transactions thus eliminating credit or counterparty risk. The above amount would have been deducted from trade and other receivables account and trade and other payables account accordingly providing a true and fair view of the financial accounts.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2017 to 30 June 2017

23. Operating Environment of the Company

Following a long and relatively deep economic recession, the Cyprus economy began to record positive growth in 2015 which accelerated during 2016. The restrictive measures and capital controls which were in place since March 2013 were lifted in April 2015 and on the back of the strength of the economy's performance and the strong implementation of required measures and reforms, Cyprus exited its economic adjustment programme in March 2016. In recognition of the progress achieved on the fiscal front and the economic recovery, as well as the enactment of the foreclosure and insolvency framework, the international credit rating agencies have proceeded with a number of upgrades of the credit ratings for the Cypriot sovereign, and although the rating continues to be 'non-investment grade', the Cyprus government has regained access to the capital markets. The outlook for the Cyprus economy over the medium term remains positive, however, there are downside risks to the growth projections emanating from the high levels of non performing exposures, uncertainties in the property markets, as well as potential deterioration in the external environment for Cyprus, including continuation of the recession in Russia in conditions of protracted declines in oil prices; weaker than expected growth in the euro area as a result of worsening global economic conditions; slower growth in the UK with a weakening of the pound as a result of uncertainty regarding the result of the Brexit referendum; and political uncertainty in Europe in view of Brexit and the refugee crisis.

This operating environment may have a significant impact on the Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company's operations. However, the future effects of the current economic situation are difficult to predict and management's current expectations and estimates could differ from actual results.

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 smooth conduct of its operations in the current business and economic environment.

24. Contingent liabilities

The Company had no contingent liabilities as at 30 June 2017.

25. Commitments

The Company had no capital or other commitments as at 30 June 2017.

26. Supplementary Information

For the provision of a true and fair view of the financial position of the company, the Board of Directors has decided to maintain all cash held by clients, off balance sheet. As a result, the trade and other receivables represent only the non-cash, invested positions of clients' assets. For comparability purposes, the balances of the previous comparative year have been amended accordingly, as shown in the Statement of Financial Position.

27. 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.

Significant events that occurred after the end of the reporting period are described in note 23 to the financial statements.

AEONIC SECURITIES C.I.F. PLC

DETAILED INCOME STATEMENT

Period from 1 January 2017 to 30 June 2017

	Page	01/01/2017-3 0/06/2017 €	2016 €
Revenue			
Commissions receivable		391.362	732.549
Sales of goods		-	5.000
Cost of sales		(202.881)	(393.290)
Gross profit		188.481	344.259
Other operating income			
Bank interest		99	1.518
Unrealised foreign exchange profit		3.269	1.345
Sundry operating income		104	6.698
Net profit from investment activities		239	-
		192.192	353.820
Operating expenses			
Administration expenses	25	(131.338)	(308.980)
Selling and distribution expenses	25	(10.746)	(8.566)
		50.108	36.274
Other operating expenses			
Net loss from operating activities		(48)	(32)
Net loss from insurance received		-	(1.000)
		50.060	35.242
Operating profit		50.060	35.242
Finance costs		(4.779)	(8.305)
Net profit for the period/year before tax		45.281	26.937

AEONIC SECURITIES C.I.F. PLC

OPERATING EXPENSES

Period from 1 January 2017 to 30 June 2017

	01/01/2017-3 0/06/2017 €	2016 €
Administration expenses		
Directors' remuneration	1.200	98.715
Staff salaries	58.260	36.286
Social insurance	5.562	11.696
Social cohesion fund	1.138	2.544
Rent	4.305	8.308
Common expenses	250	500
Licenses and taxes	406	3.315
Municipality taxes	-	1.144
Annual levy	-	350
Electricity	1.027	2.800
Water supply and cleaning	27	103
Insurance	2.025	1.868
Repairs and maintenance	-	434
Sundry expenses	14.092	6.984
Telephone and postage	1.683	5.401
Stationery and printing	216	1.840
Subscriptions and contributions	20.965	42.910
Staff training	600	3.883
Computer supplies and maintenance	1.530	3.216
Auditors' remuneration	-	2.975
Accounting fees	1.200	11.863
Other professional fees	1.750	6.000
Inland travelling and accommodation	4.361	9.397
Entertaining	7.429	11.049
Motor vehicle running costs	809	1.829
Other expenses	2.503	15.251
Consulting fees	-	2.000
Amortisation of computer software	-	3.869
Depreciation	-	12.450
	131.338	308.980

	01/01/2017-3 0/06/2017 €	2016 €
Selling and distribution expenses		
Motor vehicle running costs	-	970
Inland travelling	10.746	7.596
	10.746	8.566

AEONIC SECURITIES C.I.F. PLC

FINANCE COSTS

Period from 1 January 2017 to 30 June 2017

	01/01/2017-3 0/06/2017 €	2016 €
Finance costs		
Interest expense		
Bank overdraft interest	47	1
Sundry finance expenses		
Bank charges	3.002	6.076
Net foreign exchange losses		
Realised foreign exchange loss	379	2.152
Unrealised foreign exchange loss	<u>1.351</u>	<u>76</u>
	<u>4.779</u>	<u>8.305</u>