



Secretary

08/03/2023

LOGICOM PUBLIC LIMITED

INDICATIVE RESULTS FOR THE FINANCIAL YEAR 2022

The Board of Directors of Logicom Public Limited in its meeting held on 7 March 2023, after reviewing the Preliminary non-audited Consolidated Results for the financial year ended 31 December 2022, prepares and submits Indicative Results for the reported period.

	<i>Non-audited 2022 EURO</i>	<i>Audited 2021 EURO</i>
Profit for the year after tax attributable to the shareholders of the Company	26.766.375	24.745.689

EXPLANATORY STATEMENT

1. Non-audited Consolidated Statement of profit or loss

The indicative results are based on the Non-audited Consolidated Statement of profit or loss prepared on the basis of accounting principles, consistent with the International Financial Reporting Standards (IFRS), as adopted by the European Union, and the Accounting Principles applied for the preparation of the 2021 Consolidated Financial Statements and the Interim Consolidated Financial Statements for the first quarter, first half and nine-month period of 2022.

The Non-audited Consolidated Statement of Profit or Loss is as follows:

	2022	2021
	€	€
Revenue	1.165.580.018	949.209.173
Cost of sales	<u>(1.075.885.578)</u>	<u>(874.252.247)</u>
Gross Profit	89.694.440	74.956.926
Other Income	3.055.180	899.612
Expected credit losses	(2.332.972)	(75.318)
Administrative expenses	<u>(52.195.380)</u>	<u>(43.764.019)</u>
Profit from operations	<u>38.221.268</u>	<u>32.017.201</u>
Net foreign exchange loss	(1.558.396)	(1.432.559)
Interest receivable	579.007	595.992
Interest payable and bank charges	<u>(8.687.383)</u>	<u>(5.096.787)</u>
Net finance costs	(9.666.772)	(5.933.354)
Net share of profit from associated company after tax	2.697.503	1.581.313
Net share of profit from joint ventures after tax	<u>5.782</u>	<u>107.298</u>
Profit before tax	31.257.781	27.772.458
Tax	<u>(4.437.379)</u>	<u>(2.995.789)</u>
Profit for the year after tax	<u>26.820.402</u>	<u>24.776.669</u>
Profit for the year after tax attributable to:		
Company's shareholders	26.766.375	24.745.689
Non-controlling interest	<u>54.027</u>	<u>30.980</u>
Profit for the year after tax	<u>26.820.402</u>	<u>24.776.669</u>
Basic earnings per share (cent)	<u>36.13</u>	<u>33.40</u>
Diluted earnings per share (cent)	<u>36.13</u>	<u>33.40</u>

2. Turnover

The Group's turnover increased significantly by 22,8% in relation to 2021. The turnover of the Distribution Sector increased significantly by 23,7%, mainly due to the increased sales in the markets of the Gulf region and Saudi Arabia, as well as sales in the Moroccan market, compared to 2021. The turnover of the Software and Integrated Solutions Sector increased by 7,1%, compared to 2021.

3. Gross Profit

The percentage of the gross profit margin decreased to 7,7% compared to 7,9% in 2021 (2022: Gross profit: €89.694.440 to Sales: €1.165.580.018, 2021: Gross profit: €74.956.926 to Sales: €949.209.173, as reported in the Consolidated Statement of Profit or Loss), mainly due to the increase in sales of the Distribution Sector, where the gross profit margin is lower.

4. Other Income

Other Income mainly relates to contributions from suppliers for the promotion of their products and income from collaborations with third parties. The significant increase in other income during 2022 compared to 2021, is due to the collection of a compensation of €1.087.800 by the subsidiary company ICT Logicom Solutions S.A., in relation to a settlement arrangement for the termination of the contract agreement with C.A. Europe S.A.R.L.

5. Expected credit losses

The Expected Credit Losses of the Group are significantly increased and amounted to €2.332.972 from €75.318 in 2021. The increase is due to the recognition of an additional provision of impairment of Cash and Cash Equivalents amounting to €1.915.819 which derived entirely from the subsidiary company Logicom (Middle East) SAL in Lebanon, as a result of the prolonged political and economic instability that had a severe negative impact on the country. The Expected Credit Losses were recognized in the results in accordance with the provisions of IFRS9.

6. Administrative expenses

The Administration Expenses increased by €8.431.361 and by 19,3% in percentage terms compared to 2021, mainly due to the increase of personnel and infrastructure expenses, as a result of the Group's expansion plan to new markets and the expansion of the range of available products. Administration expenses include an amount of €115.890 concerning expenditures on prevention and hygiene measures directly related to the Coronavirus pandemic (COVID-19) (2021: €317.545). The term 'Administration Expenses' encompasses all the operating expenses of the Group, including Administrative, Distribution and Operational expenses.

7. Profit from operating activities

The Profit from Operating Activities increased significantly by 19,4% compared to 2021 and amounts to €38.221.268 compared to €32.017.201 in 2021, mainly due to the significant increase in Turnover, despite the decrease in Gross Profit Margin and the increase in the Administration Expenses. The term 'Operating Activities' encompasses all the activities of the Group.

8. Net Bank Finance Cost

The Net Bank Finance Cost, including Interest Receivable and Payable, and related Bank Charges resulting from the banking facilities used for the Group's operations, increased to €8.108.376 compared to €4.500.795 during 2021, and by 80,02%, in percentage terms, due to the increased use of banking facilities used to finance the increased turnover, as well as, due to the significant increase of the borrowing rates in US Dollars and Euro, compared to 2021.

9. Foreign Exchange Difference

The Foreign Exchange Difference, resulting mainly from the exchange rate fluctuation between the US Dollar and the Euro, had a negative impact on the Group's Results amounting to a loss of €1.558.396 (2021 loss: €1.432.559). It is clarified that the provisions of IFRS 9 in relation to Hedge Accounting have been adopted, with the aim to reduce the effects of the exchange rate fluctuations between the US Dollar and the Euro in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

According to the directives of the IAS21 (International Accounting Standard), the increase in the value of the Company's long-term investments in its foreign subsidiaries, due to foreign exchange differences, amounting to €589.887, is transferred to the Reserves until the date of liquidation, where any result will be transferred in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

10. Share of Profit from associated company after tax

References to the Share of Profit from associated company after tax relate to the share of profit of €2.697.503 in 2022 compared to share of profit of €1.581.313 in 2021 from the associated company Demetra Holdings Plc ('Demetra'). The financial results of Demetra include 21,33% of the results of Hellenic Bank Public Company Ltd ('Hellenic'). During 2019, Demetra increased its shareholding in Hellenic to 21,01% and evaluated, based on the provisions of the International Financial Reporting Standards, that it exercises significant influence, which recognized the investment using the equity accounting method.

It is noted that the results of Demetra for 2022 include an amount of €2.104.764 related to negative goodwill resulting from the increase in its participation in Hellenic from 21,02% to 21,33%.

11. Share of profit from joint ventures after tax

References to the Share of Profit from joint ventures after tax and to the Profit attributable to Non-controlling Interest refer to the net profit after tax of the investments in the Desalination Plants in Larnaca and Episkopi.

12. Tax

The increase in tax by €1.441.590 is mainly due to the increased provisions for corporation tax in Group companies.

13. Profit for the year after tax attributable to Company's shareholders

The Profit for the year after tax attributable to the Company's shareholders increased by 8,2% compared to 2021, from €24.745.689 to €26.766.375, mainly due to the increase in turnover and other income, despite the increase of the administration expenses, the expected credit losses and the net financing costs due to the increased interest payable, in relation to 2021.

14. Earnings per share

The diluted earnings per share increased from €0,3340 to €0,3613 and in percentage terms by 8,2%.

15. Distribution (circulation) and posting (website uploading) of copies of the Indicative Results and the Explanatory Statement

The Indicative Results and the Explanatory Statement will not be sent to the shareholders of the Company.

The full text of the Indicative Results and the Explanatory Statement is distributed/circulated, 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) 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 websites of the Company (www.logicom.net) and of the Cyprus Stock Exchange (www.cse.com.cy).

7 March 2023

By order of the Board of Directors
of Logicom Public Limited
Adaminco Secretarial Limited, Secretary