



Secretary

04/03/2024

LOGICOM PUBLIC LIMITED

INDICATIVE RESULTS FOR THE FINANCIAL YEAR 2023

The Board of Directors of Logicom Public Limited in its meeting held on 1 March 2024, after reviewing the Preliminary non-audited Consolidated Results for the financial year ended 31 December 2023, prepares and submits Indicative Results for the reported period.

	<i>Non-audited 2023 EURO</i>	<i>Audited (restated) 2022 EURO</i>
Profit for the year after tax attributable to the shareholders of the Company	45.173.069	26.570.147

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 2022 Consolidated Financial Statements and the Interim Consolidated Financial Statements for the first quarter, first half and nine-month period of 2023.

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

	2023	2022 (restated) ¹
	€	€
Revenue	1.308.770.110	1.163.916.551
Cost of sales	(1.215.486.502)	(1.074.222.110)
Gross Profit	<u>93.283.608</u>	<u>89.694.441</u>
Other income	2.416.329	3.055.180
Other expenses	(2.860.000)	-
Expected credit losses	(817.682)	(2.154.434)
Administrative expenses	(55.095.939)	(52.195.380)
Profit from operations	<u>36.926.316</u>	<u>38.399.807</u>
Net foreign exchange profit/ (loss)	662.170	(1.668.516)
Interest receivable	547.579	579.008
Interest payable and bank charges	(14.825.029)	(8.708.292)
Net finance costs	<u>(13.615.280)</u>	<u>(9.797.800)</u>
Net share of profit from associated company after tax	26.680.671	2.548.181
Net share of (loss)/ profit from joint ventures after tax	(1.436.188)	5.782
Profit before tax	<u>48.555.519</u>	<u>31.155.970</u>
Tax	(3.970.686)	(4.531.796)
Profit for the year after tax	<u>44.584.833</u>	<u>26.624.174</u>
Profit for the year after tax attributable to:		
Company's shareholders	45.173.069	26.570.147
Non-controlling interest	(588.236)	54.027
Profit for the year after tax	<u>44.584.833</u>	<u>26.624.174</u>
Basic earnings per share (cent)	<u>60,98</u>	<u>35,87</u>
Diluted earnings per share (cent)	<u>60,98</u>	<u>35,87</u>

¹ On 1 January 2023, the associated company with Demetra Holdings Plc ('Demetra'), Hellenic Public Bank Ltd, adopting the new IFRS 17 "Insurance Contracts", which replaced IFRS 4, proceeded, according to the provisions of IFRS 17, to adjust its comparative information retrospectively from 1 January 2022. This adjustment resulted in an increase in the total equity of Hellenic Bank Group by approximately €9.2 million as at 31 December 2022, which increased from approximately €1.120,5 million to approximately €1.129,7 million. On the contrary, the Bank's group net profit for the year ended 31 December 2022 decreased by approximately €4,6 million, from €76,4 million to €71,8 million. Demetra proceeded to restate the comparative information in its own consolidated financial statements. The effect on Demetra from the above restatements was the decrease in the profit from the associated company Hellenic Bank for the year ended 31 December 2022 by approximately €501 thousands, from €4.987.205 to €4.485.851, and the increase in the total equity of Demetra on 31 December 2022 by approximately €2 million, from €277.087.650 to €279.056.196. The effect on the results of the Group derives from the decrease in the Net share of profit from associated company after tax for the year ended 31 December 2022 and amounts to €148.501 from €2.696.682 to €2.548.181 and the increase in total equity by €592 thousands from €234.516.791 to €235.108.791.

2. Turnover

The Group's turnover increased significantly by 12,4% in relation to 2022. The turnover of the Distribution Sector increased significantly by 10,7%, mainly due to the increased sales in the markets of the Gulf region and Saudi Arabia, Jordan, Cyprus and Greece, compared to 2022. The turnover of the Software and Integrated Solutions Sector increased by 41,5%, compared to 2022.

3. Gross Profit

The percentage of the gross profit margin decreased to 7,1% compared to 7,7% in 2022 (2023: Gross profit: €93.283.608 to Sales: €1.308.770.110, 2022: Gross profit: €86.694.441 to Sales: €1.163.916.551, as reported in the Consolidated Statement of Profit or Loss), mainly due to sales with lower than average gross margin.

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 decrease in other income compared with the corresponding period last year is due to the fact that in 2022, Other Income included an amount of €1.087.800 collected 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. Other Expenses

The Other Expenses relate to a claim paid under a performance guarantee amounting to €2.860.000 from a customer of the subsidiary company Newcytech Business Solutions Limited (the 'company') The company participated in the tender process for the Cyprus Electricity Authority ('EAC') project concerning smart meters (Advanced Metering Infrastructure Rollout). The project was assigned to the Company on 16/06/2023, which submitted the relevant documents, as well as, a performance bank guarantee for the amount of €2.860.000. After a dispute regarding the type of meters, EAC proceeded with the termination of the contract and claimed the payment under the performance guarantee. The company filed a lawsuit against EAC for revocation of the termination of the contract, refund of the amount of the guarantee and claim for damages caused to the company.

6. Expected credit losses

The Expected Credit Losses of the Group significantly decreased and amounted to €817.682 from €2.154.434 in 2022. The decrease is due to the fact that during the corresponding period last year, the expected credit losses recognized included an amount of €1.771.640 related to the recognition of an additional impairment provision of Cash and Cash Equivalents in 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.

7. Administrative expenses

The Administrative Expenses increased by €2.900.559 and by 5,6% in percentage terms compared to 2022, 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. The term 'Administrative Expenses' encompasses all the operating expenses of the Group, including Administrative, Distribution and Operational expenses.

8. Profit from operating activities

The Profit from Operating Activities decreased by 3,8% compared to 2022 and amounts to €36.926.316 compared to €38.399.807 in 2022, mainly due to the increase in Other Expenses and in Administrative Expenses, despite the significant increase in Turnover and the decrease in Expected credit losses. The profit from operating activities decreased in relation to the Profit Warning of the year, where it was expected to be increased, due to the inclusion of the claim paid under a performance guarantee of €2.860.000 in Other Expenses (Note 5). The term 'Operating Activities' encompasses all the activities of the Group.

9. 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 execution of the Group's operations, increased to €14.277.450 compared to €8.129.284 during 2022, and by 75,6%, 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 2022.

10. Foreign Exchange Difference

The Foreign Exchange Difference, resulting mainly 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 €662.170 (2022 loss: €1.668.516). 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 decrease in the value of the Company's long-term investments in its foreign subsidiaries, due to foreign exchange differences, amounting to €351.779, 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.

11. 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 €26.680.671 in 2023 compared to share of profit of €2.548.181 in 2022 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.

On November 1, 2023, the Group increased its participation in the share capital of Demetra to 29,92% from 29,62%. From the increase in the percentage of participation, a negative goodwill of €624.836 arose, which is included in the Share of profit from associated company after tax.

12. Share of loss from joint ventures after tax

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

13. Tax

The decrease in tax by €561.110 is mainly due to the decreased provisions for corporation tax in Group companies, compared to 2022.

14. 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 70,0% compared to 2022, from €26.570.147 to €45.173.069, mainly due to the increase in Share of profit from associated company after tax and the decrease in Expected credit losses despite the increase in Other expenses, Administrative expenses and Net borrowing costs, due to the increased interest payable, in relation to 2022.

15. Earnings per share

The diluted earnings per share increased from €0,3587 to €0,6098 and in percentage terms by 70,0%.

16. 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 and 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).

1 March 2024

By order of the Board of Directors
of Logicom Public Limited
Logicom Secretarial Services Limited