LOGICOM PUBLIC LIMITED

REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2022

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Year ended 31 December 2022

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We hereby certify that the report and financial statements of Logicom Public Limited for the year ended 31 December 2022 is a true copy of the report and financial statements laid ~~and deposited~~ at the General Meeting of the Company.

ADAMINCO SECRETARIAL LIMITED

....
Director
Anthoulis Papachristoforou
For Logicom Public Limited

LOGICOM PUBLIC LTD

....
Secretary
Adaminco Secretarial Limited

BOARD OF DIRECTORS AND PROFESSIONAL ADVISORS

Takis Klerides, Chairman
Varnavas Irinarchos, Vice Chairman and Managing Director
Anthoulis Papachristoforou, Deputy Managing Director
George Papaioannou, Director
Anastastios Athanasiades, Director
Andreas Constantinides, Director
Christoforos Hadjikyprianou, Director
Neoclis Nicolaou, Director (appointed on 19 May 2022)
Linos Chrysostomou, Director (appointed on 06 April 2023)

GROUP CHIEF FINANCIAL OFFICER
Anthoulis Papachristoforou

SECRETARY
Adaminco Secretarial Limited
Zenonos Sozou 3, 1st floor
3105 Limassol

REGISTERED OFFICE
Zenonos Sozou 3, 1st floor
3105 Limassol

MANAGEMENT OFFICE
26 Stasinou Street, Ayia Paraskevi
2003 Strovolos, Nicosia

INDEPENDENT AUDITORS
KPMG Limited
14 Esperidon street
1087 Nicosia

LEGAL ADVISORS
Scordis, Papapetrou & Co LLC
Zenonos Sozou 3, 1st floor
3105 Limassol

BANKERS
Hellenic Bank Public Company Limited
Bank of Cyprus Public Company Limited
Eurobank EFG
Alpha Bank Cyprus Ltd
AstroBank Limited
Societe Generale Bank - Cyprus Limited
The Cyprus Development Bank Public Company Limited
FIMBank PLC
Ancoria Bank Limited
National Bank of Greece (Cyprus) Ltd

BANKERS
National Bank of Greece S.A.
Alpha Bank S.A.
Piraeus Bank A.E.
Eurobank Ergasias S.A.
Standard Chartered Bank (UAE)
National Bank of Fujairah PSC
Mashreqbank PSC
National Bank of Kuwait SAK
Emirates NBD Bank PJSC
Standard Chartered Bank (Bahrain)
The Commercial Bank of Qatar (Q.S.C.)
Standard Chartered Bank (Qatar)
Bank of Beirut (Oman)
Vista Bank (Romania) SA
Banca Transilvania SA
Alpha Bank Romania SA
Albaraka Turk Katilim Bankasi A.S.
Turkiye Garanti Bankasi A.S.
QNB Finansbank A.S.
Arab Bank PLC Jordan
Credito Valtellinese spa
Credit Agricole
UniCredit Bank AG
Saudi British Bank
Emirates NBD (KSA)
Abu Dhabi Commercial Bank
First Abu Dhabi Bank
Bank Audi S.A.L.
Societe Generale de Banque au Liban
Banque Marocaine Pour Le Commerce et L' Industrie
Emirates NBD (Egypt)

LOGICOM PUBLIC LIMITED

STATEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE OFFICIALS OF THE COMPANY RESPONSIBLE FOR THE FINANCIAL STATEMENTS

According to the articles of the Conditions for Transparency (Movable Securities for Trading in Controlled Market) Law of 2007 as amended (‘‘Law"), we the members of the Board of Directors and Anthoulis Papachristoforou, BA (Hons) FCCA, Group Chief Financial Officer responsible for the preparation of the financial statements, of the Group and the Company Logicom Public Limited, for the year ended 31 December 2022, we confirm that to the best of our knowledge:

(a) The annual financial statements that are presented in pages 38 to 151.

(i) were prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union, and in accordance with the provisions of Article 9, section (4) of the Law, and

(ii) give a true and fair view of the assets and liabilities, of the financial position and of the profit or losses of Logicom Public Limited and the businesses that are included in the Consolidated Financial Statements as a whole, and

(b) The consolidated and separate management report gives a fair review of the developments and the performance of the business as well as the position of Logicom Public Limited and the businesses that are included in the Consolidated Financial Statements as a whole, together with a description of the main risks and uncertainties which are faced.

Members of the Board of Directors:

Takis Klerides, Chairman

Varnavas Irinarchos, Vice Chairman and Managing Director

Anthoulis Papachristoforou, Deputy Managing Directror

George Papaioannou

Anastastios Athanasiades

Andreas Constantinides

Christoforos Hadjikyprianou

Neoclis Nicolaou

Linos Chrysostomou

Responsible for the preparation of financial statements

Anthoulis Papachristoforou (Group Chief Financial Officer)

Nicosia, 21 April 2023

LOGICOM PUBLIC LIMITED

CONSOLIDATED AND SEPARATE MANAGEMENT REPORT

The Board of Directors of Logicom Public Limited (the "Company") presents to the members its consolidated and separate report together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") and the separate financial statements of the Company for the year ended 31 December 2022.

DEVELOPMENT AND PERFORMANCE OF THE GROUP'S AND COMPANY'S ACTIVITIES AND POSITION, RISKS AND UNCERTAINTIES

DEVELOPMENT AND PERFORMANCE OF THE GROUP'S AND COMPANY'S ACTIVITIES AND POSITION

The activities of the Group and the Company continue to be affected by the inflationary trends with the consequent increase in borrowing rates, as well as, the disruption of the supply chain that was initially caused by the Coronavirus pandemic (COVID-19) and afterwards by the invasion of Russia in Ukraine in February 2022. The Management has analyzed the impact of the developments on the results to the extent that it could be determined and as presented below. A relevant analysis is also presented in note 3.

The Group's turnover increased by 22,6% in relation to 2021. The turnover of the Distribution sector showed a significant increase of 23,7% mainly due to the increase in sales in the markets of the Gulf region and Saudi Arabia, as well as, the sales in the Moroccan market, compared to 2021. The turnover of the Software and Integrated Solutions Sector increased by 7,1%, compared to 2021.

The Company's Turnover increased by 18,7% in relation to 2021, mainly due to the increase of sales to third parties.

The percentage of the Group's gross profit margin decreased from 7,9% in 2021 to 7,7% in 2022, mainly due to the increase in sales in the Distribution Sector, where the gross profit margin is lower (2022: Gross profit: €89.694.441 to Sales: €1.163.916.551 and 2021: Gross profit: €74.956.926 to Sales: €949.209.173 as reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income).

The percentage of the Company's gross profit margin shows an increase from 6,0% in 2021 to 6,4% in 2022, due to the increase in sales to third parties (2022: Gross profit €6.296.286 to Sales: €98.607.194 and 2021: Gross Profit €4.971.585 to Sales: €83.052.353 as reported in the Statement of Profit and Loss and Other Comprehensive Income).

Group's Other Income increased significantly from €899.612 in 2021 to €3.055.180 in 2022 and in percentage terms by 239,6%, mainly due to a collection of an amount of €1.087.800 from the subsidiary company ICT Logicom Solutions S.A. in relation to a settlement arrangement for the termination of a contract agreement with C.A. Europe S.A.R.L.. Other income also includes income from other collaborations.

Company's Other Income decreased from €16.541.210 in 2021 to €15.280.966 in 2022 and in percentage terms by 7,6% mainly due to the decrease in the administration expenses charged to subsidiary companies in the context of applying the Group's transfer pricing policy, as well as, decrease in dividends receivable from subsidiary companies. Other Income also includes income from business relationships with third parties.

The Expected Credit Losses of the Group are significantly increased compared to 2021 and amounted to €2.154.434 from €75.318 in the corresponding period last year. The increase is due to the recognition of an additional impairment provision for Cash and Cash Equivalents of €1.771.640 during 2022 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. Expected Credit Losses include a provision for impairment of receivables amounting to €382.794 compared to €75.318 in 2021. Expected Credit Losses were recognised in the results according to the provisions of IFRS 9.

The Expected Credit Losses of the Company amounted to €154.446 (2021: €603.823) and mainly relate to provisions for expected credit losses from receivables and long-term loans from subsidiary companies that were recognised in the results according to the provisions of IFRS 9. The decrease is mainly due to the decrease in the provision for expected credit losses recognised for the subsidiary company Rehab Technologies Ltd in Saudi Arabia, in 2021.

DEVELOPMENT AND PERFORMANCE OF THE GROUP'S AND COMPANY'S ACTIVITIES AND POSITION, RISKS AND UNCERTAINTIES *(continued)*

The increase in Group's Administration Expenses by €8.431.361, and in percentage terms 19,3% compared to 2021, is 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 for 2022 and €317.545 for 2021 concerning expenditures on prevention and hygiene measures directly related to the Coronavirus pandemic (COVID-19). The term 'Administration Expenses' encompasses all the operating expenses of the Group, including Administrative, Distribution and Operational expenses.

The decrease in the Company's Administration Expenses by €239.073, and in percentage terms 2,6%, compared to 2021, is mainly due to the decrease of other professional expenses and the cost of services from third parties. Administration Expenses include an amount of €20.468 for 2022 and €117.878 for 2021 concerning expenditure on prevention and hygiene measures directly related to the Coronavirus pandemic (COVID-19).

The Group's profit from operating activities increased from €32.017.201 to €38.399.807, and in percentage terms by 19,9% compared to 2021 mainly due to the significant increase in Turnover and Other Income, despite the decrease in the Gross Profit Margin and the increase in Administration Expenses and Expected Credit Losses.

The Company's profit from operating activities increased from €11.728.799 to €12.481.806, and in percentage terms by 6,4% compared to 2021 mainly due to the increase in Turnover and the decrease in Administration Expenses and Expected Credit Losses, despite the decrease in Other Income.

The Group's financing 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 €8.129.284 compared to €4.500.795 in 2021 and in percentage terms by 80,6%, 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.

The Company's financing cost, including Interest Receivable and Payable, and related Bank Charges resulting from the bank facilities used for the execution of the Company's operations increased to €3.286.795 compared to €2.125.822 in 2021 and in percentage terms by 54,6%, 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.

The Foreign Exchange Difference, mainly resulting 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 €1.668.516, compared to a loss of €1.432.559 in 2021. 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 fluctuation between the US Dollar and the Euro in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Hedge Accounting limited the effect of exchange rate differences on Group results. Loss amounting to €3.009.631 which arose on the conversion of short-term and long-term loans was offset in the reserves with a profit of €3.009.631 that arose on the conversion of the net investments in foreign subsidiary companies.

According to the directives of the International Accounting Standard 21, the increase in the value of the Company's long-term investments in foreign subsidiaries, due to exchange differences, amounting to €589.887 is transferred to the Reserves until the date of liquidation where any result will be transferred to the Statement of Profit or Loss and Other Comprehensive Income.

References to the Group's net share of profit from associated companies after tax relate to the share of profit of €2.696.682, compared to €1.581.313 in 2021, resulting from the Group's investment in 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 recognises 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 the participation in Hellenic from 21,02% to 21,33%.

DEVELOPMENT AND PERFORMANCE OF THE GROUP'S AND COMPANY'S ACTIVITIES AND POSITION, RISKS AND UNCERTAINTIES *(continued)*

References to the Net share of profit from joint ventures after tax refer to the net profit of the investments in the Desalination Plants in Larnaca and Episkopi.

Reference to the profit attributable to Minority Interests refer to the 40% of the net profit of Verendrya Ventures Limited, that relates to the participation of Demetra Holdings Plc to its share capital.

The Group's profit before tax amounted to €31.304.471 for the year 2022 compared to €27.772.458 in 2021, which represents an increase of 12,7% in percentage terms. The increase is mainly due to the increase in Turnover and Other Income, despite the increase in Administration Expenses, Expected Credit Losses and the Net Finance Costs, due to the increased interests payable, compared to 2021.

The Company's profit before tax amounted to €8.930.944 for the year 2022 compared to €9.571.072 in 2021, which represents a decrease of 6,7% in percentage terms. The decrease is mainly due to the increased Net Finance Cost and the decrease in Other Income, despite the increase in Turnover.

The Group's taxation amounted to €4.531.796 compared to €2.995.789 in 2021. The increase is mainly due to an increased corporate tax provision in Group companies.

The Company's taxation for the year is a credit amount of €43.422 compared to a debit amount of €209.064 in 2021, mainly due to the provision of Deferred Tax calculated in the Company's tax losses in 2022, in relation to the reversal of the provision of Deferred Tax for tax losses in 2021.

The Group's earnings per share and diluted earnings per share in 2022 increased by 8,0% compared to 2021 to 36,07 cents.

The profit attributable to the Company's shareholders increased by €1.972.959 and in percentage terms by 8,0% from €24.745.689 in 2021 to €26.718.648 in 2022.

The Group's cash and cash equivalents compared to the bank overdrafts present a debit balance of €29.146.094 at the end of 2022 compared to a credit balance of €669.548 at the end of 2021. (2022: Cash and cash equivalents: €61.416.739 debit balance plus bank overdrafts: €32.270.645 credit balance, 2021: Cash and cash equivalents: €40.515.953 debit balance plus bank overdrafts: €41.185.501 credit balance). The short-term loans increased in 2022 to €120.625.608 from €72.609.182 in 2021. The long-term loans decreased in 2022 to €11.749.249 from €15.242.650 in 2021.

The Company's cash and cash equivalents compared to the bank overdrafts present a credit balance of €11.373.013 at the end of 2022 compared to €18.877.927 at the end of 2021. (2022: Cash and cash equivalents: €9.298.979 debit balance plus bank overdrafts: €20.671.992 credit balance, 2021: Cash and cash equivalents: €2.648.299 debit balance plus bank overdrafts: €21.526.226 credit balance). The short-term loans increased in 2022 to €43.999.518 from €35.838.206 in 2021. The long-term loans decreased to €6.333.542 in 2022 from €8.948.458 in 2021.

DEVELOPMENT AND PERFORMANCE OF THE GROUP'S AND COMPANY'S ACTIVITIES AND POSITION, RISKS AND UNCERTAINTIES *(continued)*

Verendrya Ventures Limited, of which the Company holds 60% of its share capital, in a joint venture with a 50% share:
- Completed the construction of the Desalination plant in Episkopi based on the agreement with the Water Development Department dated 7 August 2009. As announced, as per the agreement dated 20 July 2011 Demetra Holdings Plc, participates indirectly to the execution and operation of the desalination project in Episkopi as a result of the indirect 40% share in Verendrya Ventures Limited. The construction of the project was completed in June 2012 and the desalination unit remained in standby mode from1 July 2012 until 27 April 2014. The desalination unit started production on the 28th of April 2014. As of today, claims are pending in regards to the execution of this contract.

- On 26 January 2012, signed an agreement with the Water Development Department for the renovation and operation of the existing desalination unit in Larnaca. Demetra Holdings Plc participates indirectly in the implementation and operation of the desalination project in Larnaca with 40% share in Verendrya Ventures Limited. The renovation of the unit was completed in June 2015 and started operations on the 4th of July 2015. As of today, claims are pending in regards to the execution of this contract.

The performance of the Group and the Company is also assessed with the following financial ratios:

		Group			Company	
	Change	2022	2021	Change	2022	2021
Working capital ratio	1,73%	2,35	2,31	(17,19)%	0,53	0,64
Trade receivables		270.826.098	234.318.204		12.487.565	11.956.814
Trade debtors		*264.089.423*	*227.715.152*		*12.487.565*	*11.956.814*
Contract assets		*6.736.675*	*6.603.052*		-	-
Inventories		106.592.350	79.362.639		599.361	845.009
Trade payables		160.697.730	135.835.002		24.919.943	20.061.696
Trade payables		*150.643.871*	*126.163.917*		*24.919.943*	*20.061.696*
Contract liabilities		*10.053.859*	*9.671.085*		-	-

Working Capital Ratio ((Trade Receivables + Inventories) / Trade Payables) - The increase in the ratio for the Group is due to the significant increase of trade receivables and inventories, despite the increase in trade payables, compared to 2021. The decrease for the Company is due to the significant decrease in inventories and the increase in trade payables compared to 2021.

DEVELOPMENT AND PERFORMANCE OF THE GROUP'S AND COMPANY'S ACTIVITIES AND POSITION, RISKS AND UNCERTAINTIES *(continued)*

	Group			Company		
	Change	2022	2021	Change	2022	2021
Inventory days ratio	9,09%	36	33	(50,00)%	2	4
Inventories		106.592.350	79.362.639		599.361	845.009
Cost of sales		1.074.222.110	874.252.247		92.310.908	78.080.768

Inventory Days ((Inventories / Cost of Sales) X 365) - The increase of the Group's ratio is due to the increase in inventories compared to 2021. The decrease of the Company's ratio is due to the decrease in inventories compared to 2021.

	Group			Company		
	Change	2022	2021	Change	2022	2021
Trade receivables days ratio	(5,56)%	85	90	(17,53)%	80	97
Trade receivables		270.826.098	234.318.204		12.487.565	11.956.814
Trade debtors		*264.089.423*	*227.715.152*		*12.487.565*	*11.956.814*
Contract assets		*6.736.675*	*6.603.052*		-	-
Revenue from third parties		1.163.916.551	949.209.173		56.717.289	45.125.079
Revenue		*1.163.916.551*	*949.209.173*		*98.607.194*	*83.052.353*
Intercompany sales		-	-		*41.889.905*	*37.927.274*

Trade Receivable Days ((Trade Receivables / Turnover) X 365) - The decrease observed for the Group, as well as for the Company, is due to the significant increase in turnover and the more efficient management of trade receivables.

DEVELOPMENT AND PERFORMANCE OF THE GROUP'S AND COMPANY'S ACTIVITIES AND POSITION, RISKS AND UNCERTAINTIES *(continued)*

		Group			Company	
	Change	2022	2021	Change	2022	2021
Net Debt to Equity Ratio	(2,17)%	0,45	0,46	(9,30)%	1,17	1,29
Bank Borrowings		166.645.502	131.035.175		73.005.052	68.310.732
Loans and bank overdrafts		*164.645.502*	*129.037.333*		*71.005.052*	*66.312.890*
Promissory notes		*2.000.000*	*1.997.842*		*2.000.000*	*1.997.842*
Cash and cash equivalents		61.416.739	40.515.953		9.298.979	2.648.299
Equity		231.896.071	198.832.381		54.427.260	50.984.193

Net Debt to Equity Ratio ((Bank Borrowings - Cash and Cash Equivalents) / Equity) - For the Group the ratio shows a decrease compared to the previous year due to the significant increase in equity, despite the significant increase in working capital financed by additional net borrowing. For the Company the ratio also shows a decrease due to the increase in equity despite the increase in net borrowing.

		Group			Company	
	Change	2022	2021	Change	2022	2021
Net Debt to Profit before Tax, Depreciation, Amortisation and Interest Ratio	(3,88)%	2,48	2,58	(9,89)%	4,92	5,46
Bank Borrowings		166.645.502	131.035.175		73.005.052	68.310.732
Loans and bank overdrafts		*164.645.502*	*129.037.333*		*71.005.052*	*66.312.890*
Promissory notes		*2.000.000*	*1.997.842*		*2.000.000*	*1.997.842*
Cash and cash equivalents		61.416.739	40.515.953		9.298.979	2.648.299
Profit before Tax, Depreciation, Amortisation and Interest		42.515.636	35.055.392		12.944.266	12.022.699
Profit before tax		*31.304.471*	*27.772.458*		*8.930.944*	*9.571.072*
Depreciation and Amortization		*3.657.769*	*3.559.281*		*651.259*	*723.494*
Impairment of goodwill		*330.730*	*296.588*		-	-
Interest payable		*7.801.674*	*4.023.057*		*3.362.063*	*1.728.167*
Interest receivable		*579.008*	*595.992*		-	*34*

Net Debt to Profit before Tax, Depreciation, Amortisation and Interest ((Bank Borrowings - Cash and Cash Equivalent) / Profit before Tax, Depreciation, Amortisation and Interest) - For the Group the ratio shows a decrease compared to the previous year due to the significant increase in the profitability despite the significant increase in the net borrowing. For the Company the ratio also shows a decrease due to the increase in profitability and the decrease in net borrowings.

DEVELOPMENT AND PERFORMANCE OF THE GROUP'S AND COMPANY'S ACTIVITIES AND POSITION, RISKS AND UNCERTAINTIES *(continued)*

		Group			Company	
	Change	2022	2021	Change	2022	2021
Interest Coverage Ratio	(37,43)%	5,45	8,71	(44,68)%	3,85	6,96
Profit before Tax, Depreciation, Amortization and Interest		42.515.636	35.055.392		12.944.266	12.022.699
Profit before tax		*31.304.471*	*27.772.458*		*8.930.944*	*9.571.072*
Depreciation and Amortization		*3.657.769*	*3.559.281*		*651.259*	*723.494*
Impairment of goodwill		*330.730*	*296.588*		-	-
Interest payable		*7.801.674*	*4.023.057*		*3.362.063*	*1.728.167*
Interest receivable		*579.008*	*595.992*		-	*34*

Interest coverage ratio (Profit before Tax, Depreciation, Amortization and Interest / Interest expense) - For the Group the ratio shows a decrease compared to the previous year due to the significant increase in interest payable, as a result of the increase in borrowing rates, despite the increase in profitability. For the Company the ratio shows a significant decrease due to the significant increase in interests payable, as a result of the increase in borrowing rates.

The financial performance ratios used above, for the performance and the position of the Group, serve the best analysis and understanding of these results.

MAIN RISKS, UNCERTAINTIES AND RISK MANAGEMENT

The main risks faced by the Group and the Company are stated below and further analysed in note 36 of the consolidated and separate financial statements.

Credit risk

Credit risk is the risk of default by counter parties to transactions mainly from trade receivables of the Group and the Company. The Group and the Company ensure the application of appropriate mechanisms and ensure the maintenance of related monitoring procedures and controls over credits. Credit risk is monitored on an ongoing basis.

The Group entered into an agreement with Atradius Credit Insurance N.V. for the insurance of the credit that the Group offers to its customers. The Group has also entered into an agreement for additional insurance in addition to the credit limit provided by Atradius, with Cooper Gay S.A. The issuance of such insurance agreement is considered to be the most appropriate method for hedging against credit risk.

Market risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates and stock prices, will affect the income or value of the Group's financial instruments. The purpose of the market risk management is to manage and control the market risk exposure within acceptable parameters, while optimizing performance.

DEVELOPMENT AND PERFORMANCE OF THE GROUP'S AND COMPANY'S ACTIVITIES AND POSITION, RISKS AND UNCERTAINTIES *(continued)*

Interest rate risk

Interest rate risk is the risk of fluctuations in the value of financial instruments due to movements in market interest rates. Income and cash flows from operations of the Group and the Company are dependent on changes of market interest rates, since the Group and the Company have material assets which bear interest. The Group and the Company are exposed to interest rate risk on borrowings. Borrowing in variable interest rates exposes the Group and the Company in interest rate risk that affects cash flows. Borrowing in fixed interest rates exposes the Group and the Company in interest rate risk that affects the fair value. The management of the Group and the Company is monitoring the fluctuations of interest rates on an ongoing basis and ensures that the necessary actions are taken.

Foreign exchange risk

This risk arises from adverse movements in foreign exchange rates.

The Company and the Group are subject to foreign exchange risk on sales, purchases and loans in currencies other than the Company's and subsidiary companies functional currency, and on the long term loans to foreign subsidiaries. Management is aware of the foreign exchange risk and is applying alternative methods to hedge the risk.

The hedging of foreign exchange risk is managed by the Foreign Exchange Risk Manager together with the Group Chief Financial Officer in collaboration with the Risk Management Committee. This issue is discussed and examined at the Risk Management Committee meetings because the Group and Company are materially affected from the movements in foreign currencies against the Euro, and if necessary it is discussed and examined further at the Board of Directors meeting.

Other market price risks

The Company and the Group are exposed to financial risks arising from changes in share prices. The Company and the Group monitor the spread of their portfolio and maintain mainly long-term investments for strategic purposes, in order to mitigate their exposure to these financial risks. The Group's main investments are classified as investments at fair value through other comprehensive income.

Liquidity risk

Liquidity risk is the risk that arises when the period in which the assets can be converted to cash does not concur with the period in which the liabilities fall due. When expiry dates do not concur, the performance can increase but at the same time the risk for losses can also increase. The Group and the Company have procedures in place to minimize such losses, such as retaining sufficient amounts in cash and other highly liquid assets and retaining sufficient amounts in secured credit facilities in order to cover liabilities when they fall due.

Management estimates that the ability of the Group to receive in advance its trade receivables through the factoring agreement with recourse in Greece and Cyprus, reduces even further the liquidity risk.

Fair Value

Fair Value risk is the risk that arises when the book values of the Group's and Company's assets and liabilities are significantly different from their fair values at the reporting date.

Management believes that by valuating the financial assets and liabilities of the Group and the Company at their fair value, where this can be measured reliably, the risk is significantly limited.

DEVELOPMENT AND PERFORMANCE OF THE GROUP'S AND COMPANY'S ACTIVITIES AND POSITION, RISKS AND UNCERTAINTIES *(continued)*

Capital Management

Group's and Company's management has as a principle the maintenance of a strong capital base for the support of the credibility and trust of the investors and creditors as well as the market as a whole. Management monitors continuously the return on equity.

Operating Environment

The Group operates in Cyprus, in the geographical area of Southeast Europe, Middle East and Northern Africa with a significant presence in the wider Gulf region.

The macroeconomic prospects of the Cypriot economy are positive. As mentioned above, the Group operates in the geographical region of Southeast Europe where the economies of the countries are exiting from a prolonged period of economic recession, as well as, in the Middle East with significant presence in the wider Gulf area where political instability exists which in return creates economic instability. Lebanon is still experiencing intense political instability with a consequent prolonged and worsening economic crisis with restrictions on cash flow movements to banks and a devaluation of the domestic currency.

Russian's invasion in Ukraine resulted in the imposition of sanctions against the former and its associated legal and natural persons, both by the European Union and the USA, but also by a number of countries around the world. The consequences of the invasion and the subsequent actions led to a period of instability and a slowdown in the already tense economic climate worldwide, due to the Coronavirus (COVID-19).

The developments following the Russian-Ukrainian conflict and the Coronavirus (COVID-19) pandemic have resulted in the disruption of the supply chain and the creation of intense uncertainty in the energy sector. The consequent increases in the cost of energy and the shortages in raw materials led to the creation of prolonged inflationary trends in all sectors of the economy worldwide. Prolonged inflation has resulted in increased operating costs for businesses and the governments of most countries. Central banks proceeded with gradual increases in borrowing rates for both US Dollar (LIBOR) and the Euro (EURIBOR). Interest rates increases aimed at restraining inflation, result in a significant increase in borrowing costs.

The recent developments in the financial markets mainly in the USA and to lesser extent in Europe, caused by the inability of some banks to meet their obligations, resulted in the need for the intervention of the authorities to avoid possible financial instability.

The Group's and the Company's Management, having already managed the developments, has taken and is still taking all necessary measures to address any problems that may arise regarding the Group's operations and the management of the relevant risks in relation to the availability of products from the impact of the supply chain. Measures have also been taken to restrain operating costs, as a result of the inflation observed in the markets where the Group operates.

The Management has established policies to manage the significantly increased borrowing cost. The distribution of cash flows is closely monitored by the Management and adjustments are made where and when necessary. The increased cost of bank borrowing and, consequently, of the working capital, creates the need to readjust the pricing policy where deemed necessary.

The Management, as it is not in a position to foresee all the developments that could negatively affect the economies of the counties in which the Group operates, takes all necessary measures to deal with any problems that arise due to external factors, with a view to maintain the viability of the Group and the expansion of its operations in the current business and economic environment.

DEVELOPMENT AND PERFORMANCE OF THE GROUP'S AND COMPANY'S ACTIVITIES AND POSITION, RISKS AND UNCERTAINTIES *(continued)*

OPERATIONS OF THE COMPANY AND ITS SUBSIDIARY COMPANIES

The Group continued during the year 2022 the distribution of high technology products, the supply of services and complete information technology, telecommunication and software solutions and the participation in large infrastructure projects in the water sector, as well as its participation in public companies.

FORSEEABLE DEVELOPMENT OF THE COMPANY

The inflationary trends observed worldwide, the significant increase in borrowing rates in an attempt to restrain inflation, and the observed volatility in the Group's areas of operations in 2022 have affected the Group's and the Company's activities and have led to an increase in operating costs and borrowing costs.

During 2022, despite the unfavorable conditions, turnover is increased significantly and the Group's profitability from ordinary activities (excluding share of profit from associated companies and joint ventures) increased compared to 2021. Borrowing costs increased as a result of the increases in the interest rates.

The Management of the Group is closely monitoring the developments in order to maintain and strengthen growth prospects without affecting the viability and the strong financial position of the Group. The planning for 2023 has been formed on the basis of the continuous effort for growth both in the existing, but also in new markets, and taking advantage of the opportunities offered by the market.

RESEARCH AND DEVELOPMENT ACTIVITIES

There were no significant activities in the sector of research and development from the Group companies.

FOREIGN OPERATIONS - BRANCHES

The Group operates through subsidiary companies in United Arab Emirates, Saudi Arabia, Lebanon, Jordan, Greece, Italy, Romania, Germany, Qatar, Kuwait, Oman, Bahrain, Egypt and Morocco. The Group operates a branch in Malta.

USE OF FINANCIAL INSTRUMENTS

The derivative financial instruments of the Group and the Company relate to contracts for differences for the hedging of the fluctuations in foreign currencies. The Group and the Company's management follow a policy to minimize the risk arising from the fluctuation of foreign exchange differences, as stated in the significant accounting policies.

The profit arising from the change in the fair value of derivative financial instruments for the year that was recognised in Group's and Company's results amounted to €1.443.395 (2021: profit €2.396.254) and €1.185.870 (2021: profit €1.697.993) respectively.

SHARE CAPITAL

There was no change to the issued share capital of the Company for the year 2022.

All shares are listed and traded in the Cyprus Stock Exchange, they have the same and equal rights and have no limitations in their transfer. Detailed information in relation to the Company's share capital is presented in note 25 of the consolidated and separate financial statements.

All shares of the Company's subsidiary companies are held directly or indirectly by the Company.

COMPOSITION, SEGREGATION OF DUTIES AND REIMBURSEMENT OF THE BOARD OF DIRECTORS - SHARE CAPITAL PARTICIPATION - REELECTION

The Board of Directors members as at 31 December 2022 and as at the date of the present report are presented in page 2. Details regarding the segregation of duties and the reimbursement of the Board of Directors members are included in Part I (A and B) and II (B) of the Board of Directors Report on Corporate Governance for 2021 respectively, which is presented after this Report. Additional information is provided in the part 'Report on Corporate Governance' of the present Report. Please also refer to note 40 of the consolidated and separate financial statements.

The percentages of participation in the Company's share capital that were held directly or indirectly by the members of the Board of Directors of the Company as at 31 December 2022 and 21 April 2023 are presented in notes 38 and 39 of the consolidated and separate financial statements.

According to article 94 of the Company's articles of association George Papaioannou, Anastasios Athanasiades and Andreas Constantinides, resign and offer themselves for re-election. Linos Chrystostomou, who has been appointed by the Board of Directors on 06/04/2023, is resigning and offering himself for election by the Annual General Meeting.

The Company's subsidiary companies' Board of Directors are comprised by executive directors.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The significant events after the reporting date that have a bearing on the understanding of the consolidated and separate financial statements are presented in note 44.

PROPOSALS REGARDING PROFIT DISTRIBUTION, ABSORPTION OF LOSSES AND FORMATION OF PROVISIONS

The Board of Directors decided to propose for approval at the Annual General Meeting of the shareholders, a final dividend of €6.296.766 for 2022, which corresponds to €0,085 cent per share and in percentage terms to 23,6% of the profits for the year attributable to the Company's shareholders.

REPORT ON CORPORATE GOVERNANCE

The Board of Directors of the Company has decided on 6 March 2003 to implement all the provisions of the Corporate Governance Code ('the Code') which was issued by the Cyprus Stock Exchange (CSE) Board. The Code in force at the time of the approval of this Report is Section 3 of the RAA 21/2019 (5th edition - January 2019) which is uploaded on the CSE website.

There are no material deviations from the provisions of the Code.

The internal control and risk management systems aim to ensure the orderly operation of the Group and the adherence to the internal controls and procedures.

Through the internal control system, which is under the supervision of the Audit Committee and the contribution of the Risk Management Committee, the Company has implemented effective procedures for the composition and preparation of the financial statements, as well as for the preparation of the periodic information reporting as required for the listed companies. The main characteristics of these procedures, in addition to what has already been stated above, are:

- The Financial Statements of the Subsidiary Companies of the Group are prepared with the responsibility of the Financial Controller of each company under the supervision of the Group Chief Financial Officer.

- The Financial Statements of the Group and the Company are prepared with the responsibility of the Company's Financial Controller under the supervision of the Group Chief Financial Officer.

REPORT ON CORPORATE GOVERNANCE *(continued)*

- The announcements of the Group's results per quarter as well as the explanatory statements are prepared by the Group Chief Financial Officer and are reviewed by the Audit Committee. The relevant announcements are approved by the Board of Directors prior to their publication.

The shareholders who held, directly or indirectly, a significant interest (including indirect participation through pyramid structures or cross participations) in the Company are stated in note 39 of the consolidated and separate financial statements.

The Company's share capital is divided into ordinary shares with equal rights. There were no issued shares with preference control or voting rights.

Each Board Member is elected from the Company's shareholders general meeting or appointed from the Board of Directors. A Member who is appointed by the Board of Directors is mandatory to resign at the first annual general meeting following his appointment, where his election will be decided. In every annual general meeting one third of the oldest board members in terms of the time served on the board, retires and their reelection is decided on the annual general meeting, provided that they are available for reelection. Any member of the Board of Directors can be forced to an early retirement following a decision of the general meeting.

The Company's Articles of Association can be amended with a special resolution of the shareholders general meeting.

The Board of Directors' authority is general and it is only limited by the power given to the Company's shareholders' General Meeting either by the Law or the Company's Articles of Association. The decision for the issue of new shares, except in the case where this relates to granting of shares to the members on the proportion of the shares already held, is taken by the general meeting and in any case the current legislation is applied to any information that is relevant. The right to purchase own shares of the Company, unless otherwise permitted by law, is given to the Board of Directors from the general meeting for a specific period with a special resolution.

The composition, the terms of execution and the operation of the directive, managerial and supervision bodies as defined by the Code are stated in the Board of Directors report on the Corporate Governance.

As mentioned in Part II (A) of the Corporate Governance Report of the Members of the Board of Directors for 2022 that is presented after the present Report, a diversity policy is applied with reference to the training and specialisation of the directors in order to better meet the requirements of the Company's operating sectors. The final selection decision is made on the basis of objective criteria aimed at the composition of the Board of Directors by members with high academic training, successful professional background and a wide range of experiences, taking also into consideration that experience is an important element of perception and fair judgement. The extend and importance of these parameters, however, is assessed in parallel with the need of age renewal. In the evaluation of these criteria no discrimination should be made in regards to the gender.

The composition of the Company's Board of Directors at the period under review allows the effective performance of its duties, reflects the operation and the share structure of the Company and allows the fair and equal treatment of all the Company's shareholders, is considered to be in adherence with the above mentioned policy and is as follows:

Takis Klerides, 71 years old. He holds a business Studies Diploma of the United Kingdom, he is a member of the Association of Chartered Certified Accountants UK. He exercised the profession of Certified Accountant up to 1999. From 2003 onwards, he exercises the profession of Business Consultant specialised in the field of banking, financing and insurance activities. He served as a Minister of Finance and he was a member of The Institute of Certified Public Accountants of Cyprus board. He serves on the Board of Directors of the Company since 15 September 2003.

REPORT ON CORPORATE GOVERNANCE *(continued)*

Varnavas Irinarchos, 64 years old. Graduate of Stockholm University Business Administration school and post graduate of the same University in Computers Science. He is an entrepreneur in the sector of information technology. He serves on the Board of Directors of the Company, of which he is the founder, since 9 December 1986.

George Papaioannou, 60 years old. Graduate of Ehtniko Kapodistriako University Law School of Athens. From 1990 up to 2002 he served at the Law Office of the Republic of Cyprus, as an Attorney of the Republic with a specific interest in issues of administrative and criminal law. He took part in legal congresses and was a member of the anti-corruption committee in the Council of Europe. In 2002 he resigned from his position in the Republic's Law Office and he runs his own law firm in Nicosia, with specific interest in issues of criminal nature. He serves on the Board of Directors of the Company since 21 August 2008.

Anthoulis Papachristoforou, 54 years old. He holds a Bachelor's degree in Accounting and Finance from the London South Bank University, and a degree in Business Studies from the Institute of Commercial Management from the University Bournemouth, UK, and professionally specialised in the field of finance. He is a member of the Association of Chartered Certified Accountants (ACCA) and the Institute of Certified Public Accountants of Cyprus (ICPAC). He serves on the Board of Directors since 17 November 2013.

Anastasios Athanasiades, 54 years old. He holds a Bachelor of Arts Honors Degree in Economics, Accounting, and Finance from the University of Manchester. He is a Fellow of the Institute of Chartered Accountants in England and Wales (FCA) and a member of the Institute of Certified Public Accountants of Cyprus. He exercises the profession of Certified Accountant and Tax Consultant, specializing on the issues of international tax and audit of financial statements. He served as Deputy Chairman and Deputy Government Commissioner of the Cyprus Securities and Exchange Commission. He serves on the Board of Directors of the Company since 7 December 2015.

Andreas Constantinides, 63 years old. He holds a Bachelor Degree in Economics Sciences from the University of Warwick. He is a member of the Institute of Chartered Accountants in England and Wales (ICAEW). He was a partner at PriceWaterhouseCoopers Limited in Cyprus, specialised in the fields of Consumer Markets, Information Technology and Agricultural Industry. He also served as member of the Board of Directors of the Cyprus Broadcasting Corporation (CyBC). He is a member in various Committee Councils, such as, inter alis, that of the Pancyprian Gymnasium Association (GSP), Junior and Senior School of Nicosia and the Cyprus-Austria Association. He serves on the Board of Directors of the Company since 24 February 2020.

Christoforos Hadjikyprianou, 62 years old. He holds a BSc in industrial technology and an MBA in Business Administration from the Southern Illinois University, U.S.A. He also holds a Doctorate degree (PhD) in Enrolment Management and Consumer Behaviour from Middlesex University, UK. He is the CEO and President of the Council of the European University Cyprus, and he is also a member of the executive committee Galileo Global Education. He also serves in various social and athletic committees, and he is currently Secretary General of the Cyprus University Sports Federation. He serves on the Board of Directors of the Company since 24 February 2020.

Noeclis Nicolaou, 64 years old. He holds a BA in Econometris from the University of Manchester and a Master of Business Administration (MBA) from Machester Business School. He is the founder and CEO of the company Neoconsult Ltd, which offers investment banking services mainly in the financial and shipping sectors. He has also provided services to Cyprus and international companies and organisations. He currently serves as a non-executive director of a number of Cyprus and international companies. He serves on the Board of Directors since 19 May 2022.

Linos Chrysostomou, 64 years old. He holds a degree in Civil Engineering from Middlesex University in London and a Master's degree in Management (Management Science) from Imperial College of Science and Technology in London. His career began in 1984 as a site engineer at J&P in Oman. He then worked as a real estate appraiser at Antonis Loizou & Associates. From 1988 to 1994 he served as Project Manager at the Friendly Real Esate Public Company. In addition, he served as a Director of the Technical Advisor of the State and Citizens (E.T.E.K.) from 1994 to 2008. From 2008 until now, he has been working as a Project Manager at Leptos Estates Company. He is also experienced in technical projects of renovations, additions, conversions and restorations. He serves on the Board of Directors since 6 April 2023.

REPORT ON CORPORATE GOVERNANCE *(continued)*

The Corporate Governance Report of the members of the Board of Directors for the year 2022 is presented after the present Report.

STATUTORY AUDITORS

The Group's statutory auditors, KPMG Limited, have expressed their willingness to continue in office. A resolution for re-election of the independent auditors and an authorisation to the Board of Directors for fixing their remuneration will be submitted at the Annual General Meeting.

NON-FINANCIAL STATEMENT

The Non- Financial Report of the Company and the Group will be published by the 30th of June 2023.[1]

AVAILABILITY OF THE FINANCIAL STATEMENTS

The full text of the Annual Financial Report is available, free of charge, from the Registered Office of the Company (3 Zenonos Sozou, 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 Management Offices of the Company (26 Stasinou, Ayia Paraskevi, 2003 Strovolos, Nicosia, O.O. Box: 23472, 1683 Nicosia, Tel: +357 22 551000, Fax: +357 22 514294) and is posted on the websited of the Company (www.logicom.net) and the Cyprus Stock Exchange (www.cse.com.cy).

By order of the Board of Directors,

Adaminco Secretarial Limited
Secretary

Nicosia, 21 April 2023

1. Section 113, aa 151A.(9)(b) and 151B.(9)(b)

CORPORATE GOVERNANCE REPORT OF THE MEMBERS OF THE BOARD OF DIRECTORS FOR THE YEAR 2022

I. PART ONE – The Adoption of the Corporate Governance Code

A. THE COMPANY'S RESOLUTION– The Members of the Governance Committees

On 6 March 2003, the Company's Board of Directors resolved to implement all of the provisions of the Corporate Governance Code ("the Code")[2]. Through the Code Committees, the Company also implements the provisions of the Code for all its subsidiary companies, with the exception of the provisions concerning the composition of the boards of directors, where it is deemed that their composition is more effective by Executive directors.

During 2022, and up until the drafting of this Report, the positions of the officers and members of the Code Committees have been held by the following individuals:

1. **Reference Officer** *(§ A.2.5. of the Code The Board of Directors must appoint one of the Independent, Non-Executive Directors to be the Senior Independent Director. He/she shall be available to listen to the concerns of the shareholders which have not been resolved through normal communication channels).*

   George Papaioannou (Non-Executive, Independent Director).

2. **Nomination Committee** *(§ A.4.1. of the Code – A Nomination Committee must be established to present its views to the Board of Directors on recommendations for the appointment of new Directors. The majority of the Members of this Committee must be Non-Executive Directors and its Chairman may be either the Chairman of the Board of Directors (in case he/she is Non-Executive) or a Non-Executive Director. The Chairman and the members of the Nomination Committee must be stated in the Annual Report).*

   Takis Klerides (Chairman, Non-Executive, Independent Director), Varnavas Irinarchos (Executive Director), George Papaioannou (Non-Executive, Independent Director), Anastasios Athanasiades (Non-Executive, Independent Director) and Christoforos Hadjikyprianou (Non-Executive, Independent Director).

3. **Remuneration Committee** *(§ B.1.1. of the Code –To avoid potential conflicts of interest, the Board of Directors must set up a Remuneration Committee comprising exclusively Non-Executive Directors which shall make recommendations to the Board of Directors, based on agreed terms of reference, on the framework and amount of the remuneration of the Executive Directors, determining on behalf of the Board of Directors specific remuneration packages for each Executive Director, including pension rights and any compensation payments. Companies are urged to include in the Remuneration Committee at least one member with knowledge and experience in remuneration policy.)*

   Takis Klerides (Chairman, Non-Executive, Independent Director) and Christoforos Hadjikyprianou (Non-Executive, Independent Director).

2. The present report is drafted on the basis of the Code in force at the time of the reporting period, namely Annex 3 to RAA 21/2019 (5th Edition- January 2019) which is posted on the website of CSE
http://www.cse.com.cy/CMSPages/GetFile.aspx?guid=c97d387c-f342-4620-af39-3c58684863aa

4. **Audit Committee** *(§ C.3.1. of the Code – The Board of Directors must set up an Audit Committee comprising at least two Non-Executive Directors with written terms of reference which must expressly set out their powers and duties. The members of the Committee, the majority of whom must be Independent Non-Executive Directors, including the Chairman, must be stated in the Annual Report. The Chairman of the Committee or any other Member thereof must have experience in Accounting or Audit. The Committee must meet at regular intervals, at least four times a year).*

   Anastasios Athanasiades (Chairman, Non-Executive, Independent Director), George Papaioannou (Non-Executive, Independent Director) and Andreas Constantinides (Non-Executive, Independent Director).

5. **Risk Management Committee** *(§ C.3.8. and § C.3.9 of the Code – The risk management systems are supervised by a separate Risk Management Committee which comprises Non-Executive Directors. The Risk Management Committee must meet at least once every quarter and its Chairman must report to the Board of Directors – All companies whose securities are listed in the Main Market are required to set up a Risk Management Committee […].)*

   Andreas Constantinides (Chairman, Non-Executive, Independent Director), Takis Klerides (Non-Executive, Independent Director), Anastasios Athanasiades (Non-Executive, Independent Director), George Papaioannou (Non-Executive, Independent Director) and Christoforos Hadjikyprianou (Non-Executive, Independent Director).

6. **Corporate Governance Code Compliance Officer** *(§ C.3.7. of the Code – The Board of Directors must appoint a competent executive as Corporate Governance Code Compliance Officer).*

   Demos Anastasiou.

7. **Investor Liaison Officer** *(§ D.2.4. of the Code – The Board of Directors must appoint a management executive or officer of the company as Investor Liaison Officer. The information pertaining to the company must be distributed to all shareholders fairly, timely and free of charge).*

   Demos Anastasiou.

B. TERMS OF REFERENCE

The Terms of Reference of each Officer and Committee, approved by the Board of Directors upon their recommendation, are as follows:

B.1. Terms of Reference of the Reference Officer

The Reference Officer addresses the concerns and problems of the shareholders arising from their relations with the Company which have not been resolved through other communication procedures.

B.2. Terms of Reference of the Nomination Committee

2.1. The purpose of the Committee is to assist the Board of Directors in:
- finding qualified individuals to become members of the Board of Directors,
- determining the composition of the Board of Directors and its Committees,
- monitoring the procedures for the evaluation of the efficiency of the Board of Directors, and
- developing and implementing the Company’s Corporate Governance guidelines.

2.2. For this purpose, the Committee shall have the following powers and responsibilities:

   a. Guide the search for qualified individuals to become members of the Board of Directors and select candidate directors to be proposed to the shareholders for approval at the annual general meeting. The Committee shall select candidate directors of utmost personal and professional integrity, who have demonstrated particular skill and judgment and are highly competent to work as a team, in collaboration with the other directors, in order to serve the long-term interests of the shareholders.

b. Review the composition of the committees of the Board of Directors and recommend to the Board the appointment of Directors to each committee. The Committee shall review and recommend the composition of the Committees on an annual basis and shall propose additional members to fill vacancies, if required.
c. Elaborate and propose Corporate Governance guidelines to the Board of Directors for approval. The Committee shall review these guidelines on an annual basis or more frequently if deemed necessary, and propose changes if required.
d. Elaborate and propose the annual reporting process on the work of the Board of Directors and its committees to the Board of Directors for approval. The Committee shall supervise the annual reports.
e. Review on an annual basis the remuneration and benefits of the Directors.
f. Delegate any of its responsibilities to sub-committees, as the Committee shall deem appropriate.
g. Assign investigations on candidate directors and retain external advisors, as the Committee shall deem appropriate. The Committee shall have exclusive power to approve the relevant remuneration and terms of reference.

2.3. The Committee shall have respective powers and responsibilities for the entire Group of the Company.

2.4. The Committee shall submit a report on its actions and recommendations to the Board of Directors after each meeting and shall prepare and present to the Board an annual performance report. The Committee shall review the adequacy of these terms of reference at least once a year and shall propose any changes to the Board of Directors for approval.

B.3. Terms of Reference of the Remuneration Committee

3.1. The purpose of the Committee is to have the overall responsibility arising from the obligations of the Board of Directors to control and determine the remuneration of the Company's executive officers.

3.2. In order to be able to fulfil its purpose, the Committee shall have the following powers and responsibilities:

a. Periodically review the remuneration policy of executive or managing directors on a periodic basis, including the policy on share-based remuneration and its implementation.

   Similarly, it shall assess the degree of success and fulfilment of the objectives by each officer and, based on that assessment, shall recommend to the Board of Directors their proposed remuneration, including salary, bonus, incentives, etc., and the form in which these shall be paid (Share Options, etc.)

   The amount of the remuneration must be adequate, but not excessive, to attract and retain in the service of the Company, the Chief Executive Officer and the other Executive Directors that enhance the Company's management. Part of the remuneration of the Chief Executive Officer and the other Executive Directors must be determined in such manner as to link this remuneration to the performance of both the Company and the individual concerned.

   The Committee shall request the views of the Chairman and the Chief Executive Officer on the proposals relating to the remuneration of the other Executive Directors.

   The Remuneration Committee shall not determine the remuneration of the Directors for participating in activities of the committees. This shall be determined by the Company's Board of Directors.

b. Process and revise the incentive schemes for the Company's personnel and propose to the Board of Directors schemes or changes that will encourage the personnel to make even greater effort towards fulfilling the Company's objectives.
   The incentive schemes must:
   (i) aim at the long-term increase of the performance of the incentives, in order to encourage officers and other members of personnel to remain with the Company;
   (ii) not burden the Company's profitability; and
   (iii) be compatible with the shareholders' interests.

3.3.

a. The Committee shall be able to access professional advice both within and outside the Company and take into consideration the remuneration paid in comparable companies in view of determining the remuneration of the Chief Executive Officer and other Executive Directors, with due regard to the principle of maintaining and increasing the performance of the Company and/or the area of responsibility of each officer in question and that remuneration increases must reflect a corresponding improvement in the Company's performance.
b. When determining salary increases, the Remuneration Committee must take into consideration the terms of remuneration and employment conditions at all levels of the Company, so that all members of personnel perceive the distribution by the Company of its positive results as being equitable, to the extent that this reflects their role and contribution towards improving the Company's performance.
c. The Committee must examine the compensation-related commitments (including pension contributions) arising from the employment contracts of the Chief Executive Officer and other Executive Directors, if any, in case of early termination, and pursue the inclusion of an express provision on this matter in the initial contract. The employment contracts of these Officers must not include provisions which may reasonably be considered as prohibitive in cases of acquisition or merger of the Company, nor provisions that burden the Company with any fines that may be imposed on the Directors.
d. In case the initial contract does not include an express provision on compensation-related commitments, in case of early removal, the Committee must, in accordance with the legal framework and depending on the specificities of each case, adapt its approach with the broader aim of avoiding the reward of decreased performance, applying fair treatment where the removal is not due to decreased performance and ensuring strict treatment aiming at reducing compensation in the cases of retiring Executive Directors so as to reflect the obligation of those retiring to mitigate the loss.

3.4. The Committee has respective powers and responsibilities for the entire Group of the Company.

3.5. The Committee shall prepare the Annual Remuneration Report which shall be submitted by the Board of Directors to the Company's shareholders as well as the part of the Corporate Governance Report which relates to the remuneration of the Directors, in accordance with the instructions and provisions of the Corporate Governance Code of the Cyprus Stock Exchange.

B.4. Terms of Reference of the Audit Committee

4.1. The role of the Committee is to assist the Board of Directors in supervising the quality and accuracy of the Company's financial statements, complying with legal and administrative rules, examining the professional level of the auditors, their audit work and independence, as well as the performance of the internal control. The Chairman of the Audit Committee must have experience in Accounting or Finance.

4.2. The number of the Committee's Members is determined by the Board of Directors.

4.3. The Committee's duties and responsibilities are as follows:

a. Assess the standard of internal audit, review the Company's internal financial controls and internal control systems and ensure the implementation of the provisions of the Corporate Governance Code relating to the staffing, operation and independence of the Department.
b. Review all of the Company's financial statements and overview of the financial information procedure and the submission of recommendations or suggestions for the safeguard of its integrity.
c. Make suggestions and recommendations for improving the management control.
d. Review circulars, financial reports or other information relating to the rights of the shareholders before these are forwarded to them.
e. Assume responsibility for the procedure of selection and appointment suggestion of the statutory auditors or audit firms.
f. Inform the Board of Directors about the results of the statutory audit and the explanation of the statutory audit contribution to the integrity of the financial information and the role of the Committee in this procedure.
g. Assume responsibility for the Company's relations with the statutory auditors in general, including discussions on the auditors' personnel who shall be responsible for the Company's audit.

h. Review the extent and effectiveness of the audit as well as of the independence and effectiveness of the statutory auditors or audit firms and especially the adequacy of the provision of non audit services from the statutory auditors based on the current legislation.
i. Monitor the observations/suggestions of the statutory auditors on the Company’s management, the preparation and presentation of its financial statements and the monitoring of their implementation.
j. Submit to the Board of Directors an annual report which includes:
   (i) The remuneration for auditing and advisory services paid to the Company’s Statutory Auditors by the Company and its subsidiaries
   (ii) The assignment to Auditors of advisory duties if deemed essential, either on the basis of the significance of the matter for the Company and its subsidiaries or on the basis of the remuneration to the statutory auditors.
k. Supervise the selection procedures by the Chief Financial Officer of the Accounting Policies and Accounting Estimates used in the Company’s Financial Statements.
l. Draft, with the assistance of the Corporate Governance Code Compliance Officer, the Board of Directors’ Report on Corporate Governance, to be included in the Company’s Annual Report.
m. Review the Company’s transactions referred to in paragraph A.1.2 (g) of the Corporate Governance Code in order to ensure they are carried out at arm’s length.

4.4 The Committee has respective powers and duties for the entire Group of the Company.

B.5. Terms of Reference of the Risk Management Committee

5.1. The Committee has the following objectives:

a. Form the strategy for undertaking every form of risk that corresponds to the Company’s corporate objectives and the adequacy of available resources in both technical means and personnel.
b. Verify the independence, adequacy and effectiveness of the functioning of the Risk Management Directorate of which the Committee shall have responsibility to appoint and supervise.
c. Ensure the development and ongoing effectiveness of the internal risk management system and its integration into the business decision making process with regard to any form of risk.
d. Determine the principles that must regulate the risk management in terms of identification, prediction, measurement, monitoring, control and addressing them, in accordance with the business strategy implemented at the time and adequacy of available resources.
e. Be informed on a regular basis and monitor the Company’s overall risk profile, guide the Risk Management Directorate in the implementation of the risk taking strategy and their policy management.
f. Ensure that the Company’s Board of Directors is adequately informed in relation to all issues regarding the underwriting strategy, the tolerance level and risk profile when executing its strategic and supervisory duties.

5.2. The Committee has the following powers and responsibilities:

a. To investigate any activity that falls within the scope of its operation and obtain all necessary information.

b. To appoint external, legal or other professional consultants who will be deemed necessary for the implementation of its work and to secure resources for the payment of the respective remunerations and expenses.

c. To form on an annual basis and suggest to the Board of Directors the risk undertaking strategy of the Company, to observe the implementation of the Board of Directors' relevant decisions and to suggest appropriate amendments.

d. To approve and review on an annual basis and any other time that this is required, the risk management principles and policies.

e. To obtain and review the quarterly submitted Risk Management reports relevant to the Company's total risk tolerance level and the improvement and efficiency of the risk management process, to inform the Board of Directors about the significant risks that the Company has undertaken and to observe and confirm their effective treatment.

f. To annually assess the adequacy and effectiveness of the Company's risk management policy based on the annual Risk Management report and especially its adherence to the defined risk tolerance level.

g. To formulate suggestions and recommend corrective actions to the Board of Directors, in the case where it identifies a weakness in the implementation of the strategy that has been formed for the Company's risk management or deviations on its implementation.

h. To formulate suggestions to the Board of Directors regarding any matter that falls within its purpose and duties.

i. To prepare and review a Risk Management Manual which will record:
   i. The Company's risk management policy (risk appetite/tolerance, risk capacity, risk target, actual risks),
   ii. The risks that the Company faces (credit risk, market risk, liquidity risk, operational risk),
   iii. The procedure of Risk Management (risk measurement, risk control, risk mitigation, risk monitoring and performance).

5.3. The Committee has respective powers and duties for the entire Group of the Company.

B.6. Terms of Reference of the Compliance Officer

The Compliance Officer is responsible for the implementation of the Code. In performing his duties, he may consult with the other members of the Board of Directors and obtain advice from the Company’s internal and external advisors, as the case may be. The Directors may address the Compliance Officer to ensure that their actions are in full compliance with the Code. The Directors who are informed or suspect that a breach of the Code has occurred or may occur must immediately notify the Compliance Officer.

B.7. Terms of Reference of the Investor Liaison Officer

The Investor Liaison Officer shall act in order to:

1. Ensure the ongoing and smooth communication with all the shareholders;
2. Provide the shareholders with sound and accurate information on material changes in the Company concerning its financial situation, performance, assets and their governance, in an ongoing and timely manner;
3. Encourage the shareholders to have a greater participation in the General Meetings and their business and provide them with the opportunity to express their views on various matters affecting the Company;
4. Where deemed necessary by the Board of Directors, organize meetings, workshops, seminars and lectures aimed at providing additional information to investors;
5. Ensure the Company’s presence and participation in press conferences, meetings and other activities that may be organized by the Cyprus Stock Exchange in Cyprus and abroad.

The Investor Liaison Officer must have knowledge of the Company’s financial situation and growth strategy and be updated on any significant developments in the Company.

B.8. The Corporate Governance Code applicable at any time

The Terms of Reference of the Committees and the Officers will also include all powers and responsibilities provided for in the Corporate Governance Code applicable at any time.

II. PART TWO – The Implementation of the Corporate Governance Code and the Applicable Legal Provisions on Corporate Governance

A. DIRECTORS

A.1. Board of Directors

During 2022 the Board of Directors held 12 meetings. It has also taken 11 Written Decisions according to the article 112 of the Company's Article of Association. The Board’s regular meetings were scheduled for the last Thursday of each month. The Management of the Company is informed of the meetings schedule of the Board of Directors, as well as, the agenda if this is deemed advisable. The Group Planning and Development Manager, the Director of Distribution, the Group Director of Sales, Marketing and Services and the Director of Group Operations are usually present or advisable at the meetings of the Board of Directors.

The Directors hold offices on other boards as well. Unless otherwise expressly stated, holding such offices on other boards of directors does not affect the Board of Directors’ independence.

The exclusive responsibility of the Board of Directors covers all the matters set out in provision A.1.2. of the Code.

In view of the better exercise of their duties, Directors may obtain independent, professional advice at the Company’s expense, provided they notify the Board of Directors or, in exceptional cases, the Chairman or another member of the Board of Directors. The Directors have access to the advice and services of the Company’s Secretary.

It is deemed that the judgment of the Directors is impartial and independent and is taken in the interests of the Company and, by extension, of its shareholders.

There is no specific training programme for the Directors in relation to the legislation on the Stock Exchange and the companies. They are, however, informed about the basic provisions that regulate the status and function of directors of public companies and the relevant amendments made from time to time.

The responsibilities of the Board of Directors are exercised collectively and performed with the authorization granted by the Managing Director.

The managerial staffing is considered to be the backbone of the Company’s business and the employment procedure follows rational criteria aimed at recruiting the best available candidates under the circumstances.

For management staffing purposes, the Board of Directors shall implement through the Nomination Committee of the Corporate Governance Code, a diversity policy that recognises the benefits of diversity in the composition of the Board of Directors and in particular in the diversity, training and specialisation of the directors to better meet the requirements of the Company's operating sectors. The final selection decision is made on the basis of objective criteria aimed at the composition of the Board of Directors by members with high academic training, successful professional background and a wide range of experiences while taking into consideration that experience is an important element of perception and fair judgement. The extend and importance of these parameters, however, is assessed with the need for age renewal. There is no gender discrimination in measuring these criteria.

The composition of the Board of Directors during the period under review allows the effective exercise of its responsibilities, reasonably reflects the activity and shareholding structure of the Company and allows fair and equal treatment of all its shareholders, while it is considered compatible with the provision A.1.12. of the Code as well as the mentioned diversity policy and are as follows:

Takis Klerides, 71 years old. He holds a business Studies Diploma of the United Kingdom and he is a member of the Association of Chartered Certified Accountants UK. He exercised the profession of Certified Accountant up to 1999. From 2003 onwards, he exercises the profession of Business Consultant specialised in the field of banking, financing and insurance activities. He served as a Minister of Finance and he was a member of The Institute of Certified Public Accountants of Cyprus Board. He serves on the Board of Directors of the Company since 15 September 2003.

Varnavas Irinarchos, 64 years old. Graduate of Stockholm University Business Administration school and post graduate of the same University in Computers Science. He is an entrepreneur in the sector of information technology. He serves on the Board of Directors of the Company, of which he is the founder, since 9 December 1986.

George Papaioannou, 60 years old. Graduate of Ehtniko Kapodistriako University Law School of Athens. From 1990 up to 2002 he served at the Law Office of the Republic of Cyprus, as an Attorney of the Republic with a specific interest in issues of administrative and criminal law. He took part in legal congresses and was a member of the anti-corruption committee in the Council of Europe. In 2002 he resigned from his position in the Republic's Law Office and he runs his own law firm in Nicosia, with specific interest in issues of criminal nature. He serves on the Board of Directors of the Company since 21 August 2008.

Anthoulis Papachristoforou, 54 years old. He holds a Bachelor's degree in Accounting and Finance from the London South Bank University, and a degree in Business Studies from the Institute of Commercial Management in Bournemouth, UK, and professionally specialised in the field of finance. He is a member of the Association of Chartered Certified Accountants (ACCA) and the Institute of Certified Public Accountants of Cyprus (ICPAC). He serves on the Board of Directors since 17 November 2013.

Anastasios Athanasiades, 54 years old. He holds a Bachelor of Arts Honors Degree in Economics, Accounting, and Finance from the University of Manchester. He is a Fellow Member of the Institute of Chartered Accountants in England and Wales (FCA) and a member of the Institute of Certified Public Accountants of Cyprus. He exercises the profession of Certified Accountant and Tax Consultant, specializing on the issues of international tax and audit of Financial Statements. He served as Deputy Chairman and Deputy Government Commissioner of the Cyprus Securities and Exchange Commission. He serves on the Board of Directors of the Company since 7 December 2015.

Andreas Constantinides, 63 years old. He holds a Bachelor Degree in Economics Sciences from the University of Warwick. He is a member of the Institute of Chartered Accountants in England and Wales (ICAEW). He was a partner at PriceWaterhouseCoopers Limited in Cyprus, specialised in the fields of Consumer Markets, Information Technology and Agricultural Industry. He also served as member of the Board of Directors of the Cyprus Broadcasting Corporation (CyBC). He is a member in various Committee Councils, such as, inter alis, that of the Pancyprian Gymnasium Association (GSP), Junior and Senior School of Nicosia and the Cyprus-Austria Association. He serves on the Board of Directors of the Company since 24 February 2020.

Christoforos Hadjikyprianou, 62 years old. He holds a BSc in industrial technology and an MBA in Business Administration from the Southern Illinois University, U.S.A. He also holds a Doctorate degree (PhD) in Enrolment Management and Consumer Behaviour from Middlesex University, UK. He is the CEO and President of the Council of the European University Cyprus and he is also a member of the executive committee Galileo Global Education. He also serves in various social and athletic committees and he is currently Secretary General of the Cyprus University Sports Federation. He serves on the Board of Directors of the Company since 24 February 2020.

Noeclis Nicolaou, 63 years old. He holds a BA in Econometrics from the University of Manchester and a Master of Business Administration (MBA) from Machester Business School. He is the founder and CEO of the company Neoconsult Ltd, which offers investment banking services mainly in the financial and shipping sectors. He has also provided services to Cyprus and international companies and organisations. He currently serves as a non-executive director of a number of Cyprus and international companies. He serves on the Board of Directors since 19 May 2022.

Linos Chrysostomou, 64 years old. He holds a degree in Civil Engineering from Middlesex University in London and a Master's degree in Management (Management Science) from Imperial College of Science and Technology in London. His career began in 1984 as a site engineer at J&P in Oman. He then worked as a real estate appraiser at Antonis Loizou & Associates. From 1988 to 1994 he served as Project Manager at the Friendly Real Esate Public Company. In addition, he served as a Director of the Technical Advisor of the State and Citizens (E.T.E.K.) from 1994 to 2008. From 2008 until now, he has been working as a Project Manager at Leptos Estates Company. He is also experienced in technical projects of renovations, additions, conversions and restorations. He serves on the Board of Directors since 6 April 2023.

A.2. Balance in the Board of Directors

The Board of Directors comprises of nine members, Takis Klerides (Chairman of the Board of Directors), Varnavas Irinarchos, George Papaioannou, Anthoulis Papachristoforou, Anastasios Athanasiades, Andreas Constantinides, Christoforos Hadjikyprianou, Neoclis Nicolaou (from 19/05/2022) and Linos Chrysostomou (from 06/04/2023).

Takis Klerides, George Papaioannou, Anastasios Athanasiades, Andreas Constantinides, Christoforos Hadjikyprianou, Neoclis Nicolaou and Linos Chrysostomou are Non-Executive Directors.

Based on the criteria of the Code, amongst the Non-Executive Directors, Anastasios Athanasiades, Andreas Constantinides, Christofors Hadjikyprianou, Neoclis Nicolaou and Linos Chrysostomou are Independent Directors. On 15/09/2012 Takis Klerides and on 21/08/2017 George Papaioannou completed nine years of service on the Board of Directors and according to provision A.2.3.(h) of the Code, following that date they ought to have been considered as Non-Independent. However, the Board of Directors is of the opinion that their personality, scientific knowledge, professional experience and background, on the one hand, and proven objectivity and impartiality in the exercise of their duties as Directors of the Company on the other, as well as the absence of any interconnection with the Management or the Main Shareholders and of any direct or indirect conflict of interest with the interests of the Company and its shareholders, confirm and guarantee that their independence is not affected. For the reasons stated above, the Board of Directors considered them to be Independent Directors.

Chief Executive Officer is the Vice-Chairman and Managing Director Varnavas Irinarchos and Deputy Chief Executive and Managing Director Anthoulis Papachristoforou. Anthoulis Papachristoforou is also the Group’s Chief Financial Officer.

Based on the above, during the period under review, out of the eight members of the Board of Directors, excluding the Chairman, six are Independent Directors and two are Executive Directors.

Independent Directors have confirmed their independence in accordance with the criteria laid down in provision A.2.3. of the Code.

There have been no issues between the Shareholders and the Company and no reports have been made to the Compliance Officer to resolve any such issues.

A.3. Provision of Information

The Board of Directors has been regularly informed about the Company’s financial situation and prospects. Directors are notified of the items to be discussed prior to the meetings.

The businesses of the Board of Directors are held on the basis of the agenda which is drafted following liaison between the Chairman, the Vice-President and Managing Director and the other members of the Board and forwarded to the Secretary at least three days prior to the date set for the meeting, except in urgent cases. In addition to the issues on the agenda, at its meetings the Board of Directors also addresses issues raised by the Directors after the drafting of the agenda.

The minutes of each meeting are prepared and forwarded to the members of the Board of Directors prior to the date of the next meeting and, upon approval, are signed by all Directors present at the meeting in question.

A.4. Appointments to the Board of Directors

The composition of the Nomination Committee is set out in Part I.A.2. of this Report. The majority of the Members of the Nomination Committee are Non-Executive Directors (including the Chairman). The Terms of Reference of the Nomination Committee are set out in Part I under B.2., with reference also to paragraph 1.B.8..

A.5. Re-election

According to article 94 of the Company's Articles of Association, at every Annual General Meeting 1/3 of the members of the Board of Directors (or the nearest percentage thereof) retires by rotation. Moreover, according to Provision A.5 of the Code, Directors are required to resign […] at least every three years […] but may offer themselves for re-election. According to Order A.5.2. of the Code all Directors must be subject to re-election by shareholders at the earliest opportunity after their appointment and subsequently to re-election, at intervals not exceeding three years.

According to the provision mentioned above, the members of the Board of Directors retiring by rotation at the Annual General Meeting of 2023 are George Papaioannou, Anastasios Athanasiades and Andreas Constantinides who offer themselves for re-election. Linos Chrysostomou, having been appointed by the Board of Directors on 06/04/2023, is resigning and offering himself for re-election at the Annual General Meeting.

George Papaioannou was born in Nicosia in 1962. He is a graduate of Ethniko Kapodistriako University Law School of Athens. He distinguished himself in his academic studies and excelled in the entrance exams of the profession of law. From 1990 to 2002 he served in the Law Office of the Republic of Cyprus with a special interest in administrative and criminal law. He participated in legal conferences and was a member of the Council of Europe on combating corruption. In 2002 he resigned from the Law Office of the Republic of Cyprus and since then he runs his own law firm in Nicosia.

Anastasios Athanasiades was born on 16/03/1969. He holds a Bachelor of Arts Honour Degree in Economics, Accounting and Finance from the University of Manchester, in United Kingdom in 1991. He worked in Cyprus as a Director of Audit at Coopers and Lybrand from 1994 to 1996 and from 1996 to 2000 in the public sector(Treasury of the Republic of Cyprus) as Head of Internal of the Ministry of the Republic of Cyprus. In 2000 he was appointed by the Council of Ministers as Deputy Chairman and as Deputy Government Commissioner in the Cyprus Securities and Exchange Commission, a position he held until 2001. Since then he is working on the Audit of the Financial Statements. He is a member of the Institute of Certified Public Accountants of Cyprus and Fellow of the of the Institute of Chartered Accountants in England and Wales. He specialises in the audit of financial statements and international tax matters.

Andreas Constantinides was born on 30/11/1959. He holds a Bachelor Degree in Economics Sciences from the University of Warwick. He is a member of the Institute of Chartered Accountants in England and Wales (ICAEW). He was a partner at PriceWaterhouseCoopers Limited in Cyprus, specialised in the fields of Consumer Markets, Information Technology and Agricultural Industry with significant and active participation in the markets of Eastern Europe, Hungary, Ukraine, etc. He was also Chairman of the Supervisory Body of PriceWaterhouseCoopers Limited. He also served as member of the Board of Directors of the Cyprus Broadcasting Corporation (CyBC). In 2019, he founded the consulting and administrative services company Avantium Corporate Services Ltd. Mr. Andreas Constantinides is a member of various Committee Councils, such as, inter alis, that of the Pancyprian Gymnasium Association (GSP), Junior and Senior School of Nicosia and the Cyprus Austria Association.

Linos Chrysostomou was born on 08/08/1958. He studied in Middlesex University in London from where he holds a degree in Civil Engineering. He then attended postgraduate studies at Imperial College of Science and Technology in London from where he obtained a postgraduate degree in Management Science. His professional career began in 1984 as a site engineer in J&P in Oman. He then worked as a real estate appraiser at Antonis Loizou & Associates. From 1988 to 1994 he served as Project Manager at the Friendly Real Estate Public Company. In addition, he served as a Director of the Technical Advisor of the State and Citizens (E.T.E.K.) from 1994 to 2008. From 2008 until now, he has been working as a Project Manager at Leptos Estates Company. He is also experienced in technical projects of renovations, additions, conversions and restorations.

Except as stated above, no member of the Board has been elected or re-elected for a period exceeding three years.

B. REMUNERATION OF DIRECTORS

B.1. Procedure

The composition of the Remuneration Committee is set out in Part I.A.3 of this Report. The Members of the Committee are Non-Executive Directors and have no business or other relationship that could materially affect the performance of their duties. All the members of the Remuneration Committee are Independent Directors. Due to his long-standing experience with a business consulting firm, the Chairman of the Remuneration Committee has knowledge and experience in remuneration policy issues. The Terms of Reference of the Remuneration Committee are set out in Part I.B.3 with reference also to paragraph I.B.8.

B.2. The level and composition of the remuneration – Remuneration Policy - Remuneration Report

During the year under review, it was not deemed necessary to use the services of a consultant on market standards for remuneration systems.

The Company's policy on the remuneration of its Executive directors recognises the necessity of the determination of remuneration of which the level and composition will be able to allow the attraction, retention and motivation of Executive directors which fulfil the required criteria, academic qualifications, knowledge and experience. Consists in correlating remuneration to individual performance and the Company's overall progress and the competitive comparison against other businesses of similar operations and comparable size.

Not any factor exists in the composition of the Executive directors' remuneration which consists wholly of non-variable factors without any predetermined or quantifiable performance criteria.

There is no annual bonus scheme and other benefits to the Executive directors, except the bestowal of a car or the reimbursement of maintenance and running expenses of a private car and except as mentioned below in paragraph B.3..

There are no retirement or early retirement plans or option plans or share-option plans to the benefit of Executive directors.

The report of the Remuneration Committee has been approved by the Board of Directors and is submitted to the shareholders of the Company for approval as part of this Annual Report.

The amount and the composition of the remuneration of the Executive Board of Directors are listed in Part II.B.3.

B.3. Notification

The remuneration and other benefits of the Executive directors in 2022 were as follows:

Varnavas Irinarchos, Managing Director- €175.900 (Salary €150.000 plus Entertainment Expenses €25.000). He is provided with a car and the relevant running and maintenance costs are also covered, amounting to €23.027 including depreciation, in the period under review. His employment contract was renewed and is valid from 01/01/2023 until 31/12/2023 with a salary of €150.000 plus entertainment expenses of €25.000 plus running and maintenance costs of a car.

Anthoulis Papachristoforou, Deputy Managing Director- €271.000 (Salary €197.000 plus Entertainment Expenses €24.000 plus Bonus €50.000 - the bonus was granted based on the evaluation of the results of the Group for the year 2021). He is provided with a car and the relevant running and maintenance costs amounting to €27.153, including the depreciation, in the period under review are covered.

The Executive directors have the right to participate in the Share Option or other Bonus Schemes, if and where applicable to the Company's regular personnel, but are not remunerated for their participation in the Board of Directors and in the committees of the Board of Directors. In 2022 there were no Share Option Schemes in force.

The amount and the composition of the remuneration of the Non-Executive Directors is determined in the General Meeting. It is recognised, in one hand, that the remuneration of Non-Executive Directors should not include rights to purchase share or other information related to the Company's performance and, on the other hand, that it should reasonably reflect the time commitment, requirements and responsibilities of their role, without however, its composition being able to influence the independence of the Non-Executive Independent Directors.

The remuneration of the Non-Executive Directors for their participation in the Board of Directors which were determined with the decision taken by the Annual General Meeting in 2021 are the following: Chairman annual lump sum amount of €25.000 plus €500 per participation at the meetings of the Board of Directors and Non-Executive Directors annual lump sum amount of €7.000 plus €400 per participation at the meetings of the Board of Directors. The chairman of the Audit Committee and the Risk Management Committee are remunerated with an additional annual lump sum amount of €2.000. and €1.000 respectively.

The remuneration of the Non-Executive Directors for their participation in the Committee of the Corporate Governance Code, unless otherwise decided by the Board of Directors, is equal to the remuneration for the participation in the meetings of the Board of Directors.

The total remuneration received by the Chairman and the Non-Executive Directors during 2022, referring to the period from 01/01/2022 until 31/12/2022, are as follows: Takis Klerides (Chairman) €36.000, George Papaioannou €18.600, Anastasios Athanasiades €19.400, Christoforos Hadjikyprianou €15.800, Andreas Constantinides €16.400 and Neoclis Nicolaou €8.526 for the period from 19/05/2022 to 31/12/2022.

No remuneration is paid for the participation of members of the Company's Board of Directors in the boards of directors of its subsidiary companies.

The Independent Non-Executive Directors do not receive and did not receive any reimbursement from the Company except from their remuneration as members of the Board of Directors within the twelve months preceding their appointment, as this was approved with a decision of the Annual General Meeting of 2021.

C. RESPONSIBILITY AND INTERNAL AUDIT – RISK MANAGEMENT

C.1. Financial Statements

The notifications, reports and statements of the Company, reflect the true picture of the Board of Directors data and estimates at the material time. Notifications are issued where required under statutory obligations and where deemed advisable in order to provide shareholders and investors in general with timely information.

The Company intends to continue to operate as a going concern for the next 12 months.

C.2. Internal Control and Risk Management Systems

The Audit Committee ensures that the Company maintains a sufficient Internal Audit System to guarantee the maximum possible protection of the Shareholders' investments and the Company's assets. The Audit Committee inspects the Internal Audit Systems through the Company's Internal Audit Department and provides assurances to the Board of Directors that their effectiveness is satisfactory.

The internal control services are carried out by the Internal Audit Department, headed by Mr. Rovertos Giousellis, Certified Internal Auditor, member of the Association of Chartered Certified Accountants (ACCA) and the Institution of Certified Public Accountants of Cyprus (ICPAC).

The Company's statutory auditors do not provide internal audit services.

The audit by the Internal Audit Department of the Internal Audit and Risk Management Systems is carried out on a sample basis in accordance with the International Standards of Internal Audit and covers audits of the financial and operating systems, as well as, compliance and management systems that threat the achievement of the Company's objectives.

The Internal Audit Department helps the Group to achieve its objectives by applying a systematic and disciplined methodology in the assessment and improvement of the Risk Management Systems and Internal Control Systems and in the implementation of the Corporate Governance Code by each company.

The Board of Directors has not been informed of any violation of the Laws and Regulations governing the operation of the Cyprus Stock Exchange and the Cyprus Securities and Exchange Commission.

No loans or guarantees have been granted to any Directors (or to any person associated with the same within the first degree or to their spouses or to companies in which they hold more than 20% of the voting rights) of the Company or the Company's subsidiaries either by the Company itself or its subsidiaries or by a company associated with the Company and, with the exception of normal business practice, there are no amounts receivable from a Director or any person associated therewith as stated above.

C.3. Audit Committee, Statutory Auditors and Compliance with the Code – Risk Management Committee

The Audit Committee comprises three members and its composition is set out in Part I.A.4 of this Report. The Chairman and two members of the Audit Committee are Non-Executive, Independent Directors and have no business or any other relationship that could materially affect the exercise of their duties. The Terms of Reference of the Audit Committee are set out in Part I.B.4 with additional reference in paragraph I.B.8.. The Chairman of the audit Committee has experience in Accounting and Audit and is a Qualified Accountant/Auditor. The members of the Committee, as a whole, have sufficient experience in the area in which the Company operates.

In 2022, the Audit Committee held 10[3] meetings and, as per its Terms of Reference, examined, amongst other issues, the issues related to the services of the statutory Auditors, which have been found to be adequate, including their remuneration, which it considers reasonable. The relevant report has been submitted to the Board of Directors.

The statutory auditors and the entities belonging to the same group as the statutory auditors of the company do not provide to the Company any other services which as statutory auditors are not allowed to provide. The statutory auditors provide non-audit services to the Company, which are permitted by the relevant legislation, and certify in writing that they do affect their objectivity and independence.

The accounting policies and accounting estimates followed are deemed to be satisfactory. The Company has adopted the International Financial Reporting Standards in relation to its business.

There have been no material transactions of the Company or its subsidiaries or associated companies, of any kind, in which the Chief Executive Officer, any senior management executive, secretary, auditor or major shareholder of the Company holding directly or indirectly more than 5% of the Company's issued share capital or voting rights, has any material interest, either directly or indirectly.

It is hereby confirmed that the Company has complied with the provisions of the Code.

This Report was drafted with the assistance of the Compliance Officer.

Risk Management Committee

The Risk Management Committee comprises five members who are Non-Executive Directors. Its composition is set out in Part I.A.5 of this Report. The Committee's Terms of Reference are set out in Part I.B.5 with additional reference in paragraph I.B.8.

The Risk Management Committee has perused, approved and adopted a Risk Management Manual, prepared by the Company's Internal Auditor, which records in detail, the categories of risks encountered by the Company and the Management's policy and procedures for addressing these risks.

3. On 20/01/2022, 01/03/2022, 29/03/2022, 11/04/2022, 28/04/2022, 14/06/2022, 22/09/2022, 29/09/2022, 22/11/2022 and 02/12/2022.

In 2022, the Risk Management Committee held 4 meetings. At the quarterly meetings of the Committee, the Management presented the results of the methods and processes of managing the risks based on the Manual and the Committee confirmed the ongoing effectiveness of the internal risk management system and its continuous development across the range of the Company’s operations. The Chairman of the Committee informed the Board of Directors accordingly.

D. RELATIONSHIP WITH SHAREHOLDERS

D.1. Constructive use of the Annual General Meeting

The Annual General Meeting was convened and held in accordance with legal and regulatory provisions as well as with the provisions of the Corporate Governance Code.

The procedures followed at the general meetings permit, challenge and support the participation of the shareholders in the discussion of the issues on the agenda and the adoption of relevant resolutions. The shareholders are provided with satisfactory evidence and adequate time is provided for investigation and additional explanations in relation to the issues concerning extraordinary business at the annual general meetings or issues relating to the agenda of an extraordinary general meeting. Prior to and after concluding the business of the general meetings, opportunities are provided for communication and discussion amongst the shareholders and the members of the Board of Directors and the other officers and management executives of the Company.

D.2. Equal Treatment of Shareholders

The entire authorized and issued share capital is divided into ordinary shares and there are no shareholders holding any titles with varied rights in relation to the exercise of voting rights or participation in the Company's profits. During voting, every shareholder is entitled to one vote for every share held.

Participation in the general meeting by proxy requires authorizations for which relevant forms are proposed and attached to the invitation.

The invitations are sent out within the deadlines determined by the Companies Law.

Provided they represent an adequate number of shares (5%), shareholders may propose issues to be discussed at the general meetings of the shareholders in accordance with the procedures established by the Companies Law.

The members of the Board of Directors and management executives are aware of their obligations, subject to their ongoing obligations for immediate announcement, to communicate information to the Board of Directors and to the shareholders through the Company's annual report and the accounts, relating to any material own interest which may arise from Company's transactions that fall within their duties, as well as any other conflicts of interest with those of the Company or its associated companies arising in the performance of their duties.

The information concerning the Company is provided to all shareholders fairly, promptly and free of charge.

The Company has a website providing information on important developments in the Company's operations, including the announcements made to the Stock Exchange, and allows visitors to personally contact the Investor Liaison Officer.

The Company's announcements and reports provide prompt and accurate information on the material changes concerning the Group and its business, including issues relating to the Company's financial statements, the objectives and activities, as amended, the main shareholders and voting rights, material foreseeable risks, material issues concerning employees (upgrading and restructuring of personnel) and the shareholders, governance structure and policies and the Company's extraordinary transactions.

Nicosia, 21 April 2023

By order of the Board of Directors,

Adaminco Secretarial Limited
Secretary of Logicom Public Limited

Independent Auditors’ report

To the Members of Logicom Public Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Logicom Public Limited (the ''Company'') and its subsidiaries (the ''Group'') and the separate financial statements of Logicom Public Limited (the ''Company''), which are presented on pages 38 to 151 and comprise the consolidated statement of financial position and statement of financial position of the Company as at 31 December 2022, and the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated financial position of the Group and the Company as at 31 December 2022, and of its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS-EU”) and the requirements of the Cyprus Companies Law, Cap. 113, as amended from time to time (the “Companies Law, Cap. 113”).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (''ISAs''). Our responsibilities under those standards are further described in the ''Auditor’s responsibilities for the audit of the consolidated and separate financial statements''' section of our report. We remained independent of the Group and the Company throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (Including International Independence Standards) (''IESBA Code'') together with the ethical requirements in Cyprus that are relevant to our audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters including the most significant risks of substantive inaccuracies, including assessed risk of material misstatements due to fraud

Key audit matters are those matters that, in our professional judgement were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of trade receivables and contract assets for the Group and trade and other receivables for the Company. Refer to note 23 to the consolidated and the separate financial statements	
Key audit matter	**How the matter was addressed in our audit**
As at 31 December 2022, the trade receivables and contract assets of the Group amounted to €270.826.098 and the trade and other receivables of the Company amounted to €22.582.572. The significance of these balances for the Group and the Company and taking into account the general financial and political environment in the countries where the Group operates, creates a risk as to the recovery of these balances, and the uncertainty, the use of assumptions and judgements that accompany the assessment of provisions for bad debts, caused the valuation of these balances to be one of the key audit matters.	Our audit procedures included amongst others, the following: — Assessment of the design and implementation of the controls in relation to the credit insurance on the Group's customers; — Review of subsequent to the year-end cash receipts; —Assessment of the reasonableness of the assumptions and information, taken into account in the calculation of the provision for doubtful debts, such as the age of the balances, the characteristics of the customers, the extent of insurance coverage and whether the amounts have been recovered post year end. —Independent assessment of the expected credit losses (ECL) calculation prepared by the Management, using our own internal model.

Valuation of inventories for the Group Refer to note 22 to the consolidated and separate financial statements.	
The key audit matter	**How the matter was addressed in our audit**
As at 31 December 2022 the stock of the Group amounted to € 106.592.350. Considering that the activities of the companies of the Group include the distribution of high-tech products and the fact that this specific industry is characterized by rapid developments and changes, there is a risk that the inventories held at year end may be slow moving or impaired. The uncertainty relating to the valuation of inventory caused this risk to be one of the key audit matters.	Our audit procedures included amongst others, the following: —Evaluating the process applied by the and Group to estimate the provision for impairment. — Assessment of the amount of provision for impairment taking into account the characteristics of the country in which the inventories are held, the age and type of inventories, their marketability as well as the Group's ability for stock rotation and price protection. — Comparison of the cost of the inventories with their net realizable value.

Amount payable and share of results from related company for the Group and amount payable from subsidiary company for the Company Refer to notes 19,23 and 42 to the consolidated and separate financial statements	
The key audit matter	**How the matter was addressed in our audit**
As at 31 December 2022 the amount payable and share of results from related company for the Group amount to €23.742.843 and €5.782 respectively and amount payable from subsidiary for the Company amount to €18.449.714 The Group and the Company have significant receivable balances from M.N. Larnaca Desalination Co. Limited and M.N. Limassol Water Co. Ltd (the "desalination companies"), through its subsidiary Verendrya Ventures Limited.	Our audit procedures included amongst others, the following: —Assessment of the reasonableness of the assumptions used to determine the value of the significant assets of the desalination company, in comparison with statistical and other data, and consequently the share of the result recognized in Group. —Review of the expected discounted cash flows of the subsidiary company Verendrya Ventures Limited which

The share of the results and the impairment of the amount due by the desalination company which were recognized during the year have been determined on the basis of assumptions and estimates that involve inherent uncertainty in the calculation of the expected discounted cash flows in relation to the desalination projects. The subject matter is one of the key issues that the Board of Directors has exercised significant judgment and therefore is one of the key audit matters.	consists of the expected discounted cashflows of the desalination company in Larnaca as well as those of the company that has undertaken the similar project of the desalination unit in Limassol to determine a possible impairment on the amount payable by Verendrya Ventures Limited to the Company;

Other information

The Board of Directors is responsible for the other information. The other information comprises the Management Report and Consolidated Management Report and the Corporate Governance Report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as required by the Companies Law, Cap.113.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed in relation to other information obtained prior to the date of the auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

With regards to the Management Report and Consolidated Management Report and Corporate Governance Report, our report is presented in the ''*Report on other legal and regulatory requirements*'' section.

Responsibilities of the Board of Directors and those charged with governance for the consolidated and separate financial statements

The Board of Directors is responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS-EU and the requirements of the Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Board of Directors is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to either liquidate the Group or the Company or to cease operations, or there is no realistic alternative but to do so.

The Board of Directors and those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditors' responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves true and fair view.

Obtain sufficient appropriate audit evidence regarding the financial information of the business activities of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Report on other Regulatory and Legal Requirements

Other regulatory requirements

Pursuant to the requirements of Article 10(2) of European Union (EU) Regulation 537/2014 we provide the following information in our Independent Auditors' Report, which is required in addition to the requirements of ISAs.

Date of appointment and period of engagement

We were appointed auditors of the Company since its incorporation in 1986 by the General Meeting of the Company's members to audit the consolidated financial statements of the Group for the year ended 31 December 2022. Our total uninterrupted period of engagement, having been renewed annually by shareholders' resolution is 35 years covering all periods from 31.12.1986 to 31.12.2022.

Consistency of the Additional Report to the Audit Committee

We confirm that our audit opinion on the consolidated financial statements expressed in this report is consistent with the additional report presented to the Audit Committee of the Company, which is dated 21 April 2023.

Provision of Non-audit Services

We have not provided any prohibited NAS referred to in Article 5 of EU Regulation 537/2014 as applied by Section 72 of the Auditors Law of 2017, L.53(I)2017, as amended from time to time (''Law L53(I)/2017'').

Other legal requirements:

Pursuant to the additional requirements of law L.53(I)/2017, and based on the work undertaken in the course of our audit, we report the following:

• In our opinion, the Management Report and Consolidated Management Report, the preparation of which is the responsibility of the Board of Directors, has been prepared in accordance with the requirements of the Companies Law, Cap 113, and the information given is consistent with the consolidated and separate financial statements.

• In the light of the knowledge and understanding of the of the business and the Group's environment obtained in the course of the audit, we have not identified material misstatements in the Management Report and Consolidated Management Report.

• In our opinion, based on the work undertaken in the course of our audit, the information included in the corporate governance statement in accordance with the requirements of subparagraphs (iv) and (v) of paragraph 2(a) of Article 151 of the Companies Law, Cap. 113, and which is included as a specific section of Management Report and Consolidated Management Report, have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap, 113, and is consistent with the consolidated and separate financial statements.

Report on other legal and regulatory requirements

European Single Electronic Format

We have examined the digital files of the European Single Electronic Format (ESEF) of Logicom Public Limited for the year ended 31 December 2022 comprising an XHTML file which includes the consolidated financial statements for the year then ended and XBRL files with the marking up carried out by the entity of the consolidated statement of financial position as at 31 December 2022, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and all disclosures made in the consolidated financial statements or made by cross-reference therein to other parts of the annual financial report for the year ended 31 December 2022 that correspond to the elements in Table 1 of Annex II of the EU Delegated Regulation 2019/815 of 17 December 2018 of the European Commission, as amended from time to time (the "ESEF Regulation") (the "digital files").

The Board of Directors of Logicom Public Limited is responsible for preparing and submitting the consolidated financial statements for the year ended 31 December 2022 in accordance with the requirements set out in the EU Delegated Regulation 2019/815 of 17 December 2018 of the European Commission. (the "ESEF Regulation").

Our responsibility is to examine the digital files prepared by the Board of Directors of Logicom Public Limited. According to the Audit Guidelines issued by the Institute of Certified Public Accountants of Cyprus (the "Audit Guidelines"), we are required to plan and perform our audit procedures in order to examine whether the content of the consolidated financial statements included in the digital files correspond to the consolidated financial statements we have audited, and whether the format and marking up included in the digital files have been prepared in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital files examined correspond to the consolidated financial statements, and the consolidated financial statements included in the digital files, are presented and marked-up, in all material respects, in accordance with the requirements of the ESEF Regulation.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Article 10(1) of the EU Regulation 537/2014 and Section 69 of Law L.53(I)/2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditors' report is Michael M. Antoniades.

Michael M. Antoniades, FCA
Certified Public Accountant and Registered Auditor
for and on behalf of
KPMG Limited
Certified Public Accountants and Registered Auditors
14 Esperidon street
1087 Nicosia
Cyprus
21 April 2023

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 31 December 2022

	Note	2022 €	2021 €
Revenue	6	1.163.916.551	949.209.173
Cost of sales	7	(1.074.222.110)	(874.252.247)
Gross profit		89.694.441	74.956.926
Other income	8	3.055.180	899.612
Expected credit losses	36.1	(2.154.434)	(75.318)
Administrative expenses	9	(52.195.380)	(43.764.019)
Profit from operations		38.399.807	32.017.201
Net foreign exchange loss		(1.668.516)	(1.432.559)
Interest receivable		579.008	595.992
Interest payable and bank charges		(8.708.292)	(5.096.787)
Net finance costs	10	(9.797.800)	(5.933.354)
Net share of profit from associated companies after tax	19	2.696.682	1.581.313
Net share of profit from joint ventures after tax	19	5.782	107.298
Profit before tax		31.304.471	27.772.458
Tax	11	(4.531.796)	(2.995.789)
Profit for the year after tax		26.772.675	24.776.669
Other comprehensive income that will not be reclassified to profit or loss in future periods			
Surplus from revaluation of land and buildings	14	1.752.467	-
Increase from revaluation of investments at fair value through other comprehensive income	17	8.045.607	912.931
Deferred taxation arising from revaluation of land and buildings	34	(45.167)	3.309
Adjustment on remeasurement of obligation	28	527.428	595.970
Share of profit from associated company	19	245.788	101.065
Deferred taxation arising from the remeasurement of obligation	34	(3.028)	(48.679)
		10.523.095	1.564.596
Other comprehensive income that will be reclassified to profit or loss in future periods			
Exchange difference from translation and consolidation of financial statements from foreign operations	10	5.646.268	7.579.741
Exchange difference in relation to hedge of a net investment in a foreign operation	10	(3.009.631)	(2.633.110)
Share of loss from associated company	19	(526.739)	(315.888)
		2.109.898	4.630.743
Other comprehensive income for the year after tax		12.632.993	6.195.339
Total comprehensive income for the year after tax		39.405.668	30.972.008
Profit for the year after tax attributable to:			
Company's shareholders		26.718.648	24.745.689
Non-controlling interest	26	54.027	30.980
Profit for the year after tax		26.772.675	24.776.669
Total comprehensive income for the year after tax attributable to:			
Company's shareholders		39.351.641	30.941.028
Non-controlling interest	26	54.027	30.980
Total comprehensive income		39.405.668	30.972.008
Basic earnings per share (cent)	13	36,07	33,40
Diluted earnings per share (cent)	13	36,07	33,40

The notes on pages 46 to 151 form an integral part of these consolidated and separate financial statements.

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

	Note	2022 €	2021 €
Assets			
Property, plant and equipment	14	23.808.383	22.246.895
Right-of-use assets	15	5.262.268	4.896.969
Intangible assets and goodwill	16	8.119.403	8.697.465
Investments in associated companies and joint ventures	19	82.502.127	80.144.277
Investments at fair value through other comprehensive income	17	19.770.774	11.725.167
Trade and other receivables	23	24.298.062	24.174.092
Deferred taxation	34	1.271.560	1.179.784
Total non-current assets		165.032.577	153.064.649
Inventories	22	106.592.350	79.362.639
Trade and other receivables	23	283.688.485	241.847.813
Other investments	20	19.006	14.943
Current tax assets	30	96.835	529.879
Cash and cash equivalents	24	61.416.739	40.515.953
Total current assets		451.813.415	362.271.227
Total assets		616.845.992	515.335.876
Equity			
Share capital	25	25.187.064	25.187.064
Reserves	26	209.329.727	176.240.064
Equity attributable to shareholders of the company		234.516.791	201.427.128
Non-controlling interest	26	(2.620.720)	(2.594.747)
Total equity		231.896.071	198.832.381
Liabilities			
Long-term loans	31	8.661.334	11.509.386
Obligations under finance leases	32	4.266.280	3.831.093
Trade and other payables	29	12.080.840	11.863.763
Deferred taxation	34	533.868	462.236
Provisions for other liabilities and termination of employment	27,28	2.593.343	2.746.538
Total non-current liabilities		28.135.665	30.413.016
Trade and other payables	29	194.871.909	162.633.316
Bank overdrafts	31	32.270.645	41.185.501
Short term loans	31	120.625.608	72.609.182
Current portion of long-term loans	31	3.087.915	3.733.264
Obligations under finance leases	32	1.206.241	1.157.660
Promissory notes	33	2.000.000	1.997.842
Derivative financial instruments	21	320.832	421.946
Current tax liabilities	30	2.224.409	2.205.164
Provisions for other liabilities and termination of employment	27,28	206.697	146.604
Total current liabilities		356.814.256	286.090.479
Total liabilities		384.949.921	316.503.495
Total equity and liabilities		616.845.992	515.335.876

The consolidated financial statements were approved by the Board of Directors of Logicom Public Limited on 21 April 2023.

....	....
Varnavas Irinarchos	Anthoulis Papachristoforou
Vice Chairman and Managing Director	Group Chief Financial Officer/ Director

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2022

	Share capital €	Share Premium Reserve €	Revaluation Reserve €	Difference arising on the conversion the share capital to Euro €	Hedge reserve €	Statutory reserve €	Translation reserve €	Retained earnings €	Total €	Non-controlling interest €	Total €
Balance at 1 January 2021	25.187.064	10.443.375	6.385.240	116.818	(6.681.882)	2.774.277	(9.437.395)	147.943.302	176.730.799	(2.497.363)	174.233.436
Total comprehensive income											
Profit for the year	-	-	-	-	-	-	-	24.745.689	24.745.689	30.980	24.776.669
Other comprehensive income	-	-	3.309	-	(2.633.110)	-	7.579.741	1.245.399	6.195.339	-	6.195.339
Transactions with owners, recognized directly in equity											
Proposed dividend for 2019 that was paid in 2020 (note 12)	-	-	-	-	-	-	-	(5.926.368)	(5.926.368)	-	(5.926.368)
Share of other transactions with owners from an associated company (note 19)	-	-	-	-	-	-	-	(446.695)	(446.695)	-	(446.695)
Other movements											
Transfer	-	-	-	-	-	75.361	-	53.003	128.364	(128.364)	-
Balance at 1 January 2022	25.187.064	10.443.375	6.388.549	116.818	(9.314.992)	2.849.638	(1.857.654)	167.614.330	201.427.128	(2.594.747)	198.832.381
Total comprehensive income											
Profit for the year	-	-	-	-	-	-	-	26.718.648	26.718.648	54.027	26.772.675
Other comprehensive income	-	-	1.707.300	-	(3.009.631)	-	5.646.268	8.289.056	12.632.993	-	12.632.993
Transactions with owners, recognized directly in equity											
Proposed dividend for 2021 that was paid in 2022 (note 12)	-	-	-	-	-	-	-	(5.926.368)	(5.926.368)	(80.000)	(6.006.368)
Share of other transactions with owners from an associated company (note 19)	-	-	-	-	-	-	-	(335.610)	(335.610)	-	(335.610)
Other movements											
Transfer	-	-	-	-	-	150.607	-	(150.607)	-	-	-
Balance at 31 December 2022	25.187.064	10.443.375	8.095.849	116.818	(12.324.623)	3.000.245	3.788.614	196.209.449	234.516.791	(2.620.720)	231.896.071

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31st of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31st of December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, from 2019 (deemed dividend distribution of year 2017 profits), the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution rate of 2,65% (31.12.2019 1,70%), when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

Retained earnings is the only reserve that is available for distribution.

The notes on pages 46 to 151 form an integral part of these consolidated and separate financial statements.

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 December 2022

	Note	2022 €	2021 €
Cash flows from/(used in) operations			
Profit for the year after tax		26.772.675	24.776.669
Adjustments for:			
Exchange differences		(994.462)	7.878.076
Depreciation	14	1.395.187	1.452.732
Depreciation on leased property, plant and equipment	14	226.411	218.710
Depreciation on right-of-use assets	15	1.766.288	1.635.688
Interest payable		7.801.674	4.023.057
Interest receivable	10	(579.008)	(595.992)
Change in fair value of derivative financial instruments		(101.114)	(2.311.149)
Share of profit from joint ventures after tax	19	(5.782)	(107.298)
Share of profit from associated companies after tax	19	(2.696.682)	(1.581.313)
Expected credit losses	36.1	2.154.434	75.318
Provision recognised for the decrease in the value of inventories	22	366.381	(13.255)
Profit on revaluation of investments at fair value through profit and loss	8	(4.063)	(2.062)
Profit from the disposal of property, plant and equipment	8	(17.238)	(18.533)
Amortisation of intangible assets	16	269.883	252.151
Impairment of goodwill	16	330.730	296.588
Charge to profit or loss for provisions	28	637.205	562.165
Tax	11	4.531.796	2.995.789
		41.854.315	39.537.341
Increase in inventories		(27.596.092)	(28.302.393)
Increase in trade and other receivables		(42.347.436)	(51.010.433)
Increase in trade and other payables		32.455.670	21.099.354
Proceeds from promissory notes		2.158	58.815
Benefits paid for termination of employment		(448.459)	(581.507)
		3.920.156	(19.198.823)
Taxation paid		(4.123.934)	(2.132.743)
Net cash flow used in operations		(203.778)	(21.331.566)
Cash flows (used in)/from investing activities			
Payments to acquire investments at fair value through other comprehensive income	17	-	(3.826.276)
Proceeds from disposal of property, plant and equipment		30.623	137.918
Payments to acquire intangible assets	16	(21.708)	(158.775)
Payments to acquire property, plant and equipment	14	(1.144.341)	(1.617.154)
Interest received	10	579.008	595.992
Net cash flow used in investing activities		(556.418)	(4.868.295)
Cash flows from/(used in) financing activities			
Proceeds from issue of new loans	31	223.904.288	131.511.049
Repayment of loans	31	(179.381.263)	(111.275.984)
Repayments of obligations under finance leases	32	(1.780.886)	(1.721.782)
Interest paid		(7.492.570)	(3.751.106)
Dividends paid	12	(5.926.368)	(5.926.368)
Net cash flow from financing activities		29.323.201	8.835.809
Net change in cash and cash equivalents		28.563.005	(17.364.052)
Cash and cash equivalents at beginning of the year		(669.548)	19.617.545
Effect of exchange rate fluctuations on cash and cash equivalents held		1.252.637	(2.923.041)
Cash and cash equivalents at end of the year	24	29.146.094	(669.548)

The notes on pages 46 to 151 form an integral part of these consolidated and separate financial statements.

LOGICOM PUBLIC LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 31 December 2022

	Note	2022 €	2021 €
Revenue	6	98.607.194	83.052.353
Cost of sales	7	(92.310.908)	(78.080.768)
Gross profit		6.296.286	4.971.585
Other income	8	15.280.966	16.541.210
Expected credit losses	36.1	(154.446)	(603.823)
Administrative expenses	9	(8.941.000)	(9.180.073)
Profit from operations		12.481.806	11.728.899
Net foreign exchange loss		(264.067)	(32.005)
Interest receivable		-	34
Interest payable and bank charges		(3.286.795)	(2.125.856)
Net finance costs	10	(3.550.862)	(2.157.827)
Profit before tax		8.930.944	9.571.072
Tax	11	43.422	(209.064)
Profit for the year after tax		8.974.366	9.362.008
Other comprehensive income that will not be reclassified to profit or loss in future periods			
Surplus from revaluation of land and buildings	14	440.236	-
Deferred taxation arising from revaluation of land and buildings	34	(45.167)	3.309
Other comprehensive income for the year after tax		395.069	3.309
Total comprehensive income for the year after tax		9.369.435	9.365.317

The notes on pages 46 to 151 form an integral part of these consolidated and separate financial statements.

LOGICOM PUBLIC LIMITED

STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

	Note	2022 €	2021 €
Assets			
Property, plant and equipment	14	4.452.843	4.299.511
Right-of-use assets	15	256.767	383.451
Investments in subsidiary companies	18	53.331.217	53.331.217
Long-term loans to subsidiary companies	42	28.471.132	27.562.770
Deferred taxation	34	146.757	91.760
Total non-current assets		86.658.716	85.668.709
Inventories	22	599.361	845.009
Trade and other receivables	23	22.591.907	21.380.880
Receivables from subsidiary companies	42	65.433.709	56.723.716
Other investments	20	6.758	6.758
Current tax assets	30	661	-
Cash and cash equivalents	24	9.298.979	2.648.299
Total current assets		97.931.375	81.604.662
Total assets		184.590.091	167.273.371
Equity			
Share capital	25	25.187.064	25.187.064
Reserves	26	29.240.196	25.797.129
Total equity		54.427.260	50.984.193
Liabilities			
Long-term loans	31	4.267.585	6.230.046
Obligations under finance leases	32	142.462	278.808
Deferred taxation	34	499.215	462.236
Total non-current liabilities		4.909.262	6.971.090
Trade and other payables	29	27.848.205	22.852.659
Payables to own subsidiaries	42	27.897.107	23.513.950
Bank overdrafts	31	20.671.992	21.526.226
Short term loans	31	43.999.518	35.838.206
Current portion of long-term loans	31	2.065.957	2.718.412
Obligations under finance leases	32	137.556	129.378
Promissory notes	33	2.000.000	1.997.842
Derivative financial instruments	21	633.234	738.388
Current tax liabilities	30	-	3.027
Total current liabilities		125.253.569	109.318.088
Total liabilities		130.162.831	116.289.178
Total equity and liabilities		184.590.091	167.273.371

The financial statements were approved by the Board of Directors of Logicom Public Limited on 21 April 2023.

....	....
Varnavas Irinarchos	Anthoulis Papachristoforou
Vice Chairman and Managing Director	Group Chief Financial Officer / Director

LOGICOM PUBLIC LIMITED

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2022

	Note	Share capital €	Share Premium Reserve €	Revaluation Reserve €	Difference arising on the conversion the share capital to Euro €	Retained earnings €	Total €
Balance at 1 January 2021		25.187.064	10.443.375	2.307.788	116.818	9.490.199	47.545.244
Total comprehensive income							
Profit for the year		-	-	-	-	9.362.008	9.362.008
Other comprehensive income for the year		-	-	3.309	-	-	3.309
Transactions with owners, recognized directly in equity							
Proposed dividend for 2020 that was paid in 2021	12	-	-	-	-	(5.926.368)	(5.926.368)
Balance at 1 January 2022		25.187.064	10.443.375	2.311.097	116.818	12.925.839	50.984.193
Total comprehensive income							
Profit for the year		-	-	-	-	8.974.366	8.974.366
Other comprehensive income for the year		-	-	395.069	-	-	395.069
Transactions with owners, recognized directly in equity							
Proposed dividend for 2021 that was paid in 2022	12	-	-	-	-	(5.926.368)	(5.926.368)
Balance at 31 December 2022		25.187.064	10.443.375	2.706.166	116.818	15.973.837	54.427.260

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31st of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31st of December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, from 2019 (deemed dividend distribution of year 2017 profits), the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution rate of 2,65% (31.12.2019 1,70%), when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

Retained earnings is the only reserve that is available for distribution.

The notes on pages 46 to 151 form an integral part of these consolidated and separate financial statements.

LOGICOM PUBLIC LIMITED

STATEMENT OF CASH FLOWS
Year ended 31 December 2022

	Note	2022 €	2021 €
Cash flows from/(used in) operations			
Profit for the year after tax		8.974.366	9.362.008
Adjustments for:			
Depreciation	14	524.575	600.970
Change in derivative financial instruments	21	(105.154)	(1.612.887)
Depreciation on right-of-use assets	15	126.684	122.524
Profit from the disposal of property, plant and equipment	8	(9.360)	(1.234)
Expected credit losses	36.1	154.446	603.823
Dividends receivable	8	(10.620.469)	(11.058.408)
Interest receivable	10	-	(34)
Interest payable	10	3.362.063	1.728.167
Taxation	11	(43.422)	209.064
		2.363.729	(46.007)
Decrease in inventories		245.648	143.726
Increase in trade and other receivables		(1.205.107)	(3.267.700)
Increase in loans with subsidiary companies		(1.040.717)	(1.213.853)
Increase in receivables from related companies		(8.738.004)	(6.586.426)
Increase/(decrease) in trade and other payables		4.995.546	(1.322.012)
Increase in payables to own subsidiaries		4.383.157	2.855.925
Increase in promissory notes		2.158	58.815
		1.006.410	(9.377.532)
Taxation paid		(22.495)	(24.189)
Net cash flow from/(used in) operations		983.915	(9.401.721)
Cash flows from/(used in) investing activities			
Payments to acquire property, plant and equipment	14	(240.022)	(437.261)
Proceeds from disposal of property, plant and equipment		11.711	99.564
Interest received	10	-	34
Dividends received	8	10.620.469	11.058.408
Net cash flow from investing activities		10.392.158	10.720.745
Cash flows from/(used in) financing activities			
Proceeds from issue of new loans	31	82.191.109	55.737.363
Repayment of loans	31	(76.644.713)	(49.645.014)
Repayments of obligations under finance leases	32	(139.800)	(133.520)
Interest paid		(3.351.387)	(1.714.101)
Dividends paid	12	(5.926.368)	(5.926.368)
Net cash flow used in financing activities		(3.871.159)	(1.681.640)
Net change in cash and cash equivalents		7.504.914	(362.616)
Cash and cash equivalents at beginning of the year		(18.877.927)	(18.515.311)
Cash and cash equivalents at end of the year	24	(11.373.013)	(18.877.927)

The notes on pages 46 to 151 form an integral part of these consolidated and separate financial statements.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2022

1. STATUS AND PRINCIPAL ACTIVITY

Logicom Public Limited (the "Company") was incorporated in Cyprus on 9 December 1986 as a private company with limited liability. The Company is tax resident in Cyprus (domiciled). The principal activities of the Company are the distribution of high technology products and the provision of finance to its subsidiaries. On 23 July 1999 the Company became public in accordance with the provisions of the Cyprus Companies Law and on 4 January 2000 commenced trading of its shares in the Cyprus Stock Exchange.

These separate and consolidated financial statements include the Company and its subsidiaries ("the Group").

The address of the registered office of the Company is the following:
Zenonos Sozou 3
1st floor
3105 Limassol

The address of the management office of the Company is the following:
Stasinou 26
Ayia Paraskevi
2003 Strovolos
Nicosia

On 1 January 1999, Logicom Public Limited acquired the whole share capital of Logicom (Overseas) Limited of €17.100. The principal activity of Logicom (Overseas) Limited is the distribution of high technology products and the assembly of computers. The company remained dormant during 2022.

On 1 January 2000, Logicom Public Limited acquired the whole share capital of SOLATHERM ELECTRO - TELECOMS “SET” Limited, of €5.135 which was renamed to ENET Solutions Limited on 11 January 2001. The principal activity of ENET Solutions Limited is the supply of solutions and services for networks and telecommunications. The company ENET Solutions Limited was renamed to Logicom Solutions Limited on 30 January 2009. The operations of the companies DAP Noesis Business Solutions Ltd and Netvision Ltd were transferred to Logicom Solutions Ltd in January 2009. On 1 January 2015, the operations of the subsidiary company Inteli-scape Ltd was transferred to Logicom Solutions Ltd. The share capital of Logicom Solutions Ltd was transferred to Logicom Services Ltd for €2.398.056 on 31 December 2011.

On 27 April 2000, Netcom Limited was incorporated in Cyprus with a share capital of €17.086, which is wholly owned by Logicom Public Limited. The principal activity of Netcom Limited is the execution of infrastructure projects, such as the construction of a desalination plant in Episkopi Limassol and the renovation and operation of a desalination plant in Larnaca. On 20 July 2010 the whole share capital of Netcom Limited was acquired by Verendrya Ventures Limited. The company remained dormant during 2022.

On 25 July 2000, Logicom (Middle East) SAL was incorporated in Lebanon, with a share capital of LBP 75.000.000 which is wholly owned by Logicom Public Limited. The principal activity of Logicom (Middle East) SAL is the distribution of high technology products.

On 21 February 2001, ENET Solutions Logicom S.A. was incorporated in Greece with a share capital of €601.083, which is wholly owned by Logicom Public Limited. The principal activity of ENET Solutions Logicom S.A. is the distribution of high technology products.

On 7 August 2001, Logicom Jordan LLC was incorporated in Jordan, with a share capital of JOD 50.000, which is wholly owned by Logicom Public Limited. The principal activity of Logicom Jordan LLC is the distribution of high technology products.

On 3 October 2001, Logicom FZE was incorporated in the United Arab Emirates, with a share capital of AED 1.000.000, which is wholly owned by Logicom Public Limited. The principal activity of Logicom FZE is the distribution of high technology products.

1. STATUS AND PRINCIPAL ACTIVITY *(continued)*

On 7 November 2001, Logicom Dubai LLC was incorporated in the United Arab Emirates, with a share capital of AED 300.000, which is wholly owned, directly and indirectly, by Logicom Public Limited. The principal activity of Logicom Dubai LLC is the distribution of high technology products.

On 14 June 2005, Logicom Italia s.r.l. was incorporated in Italy, with a share capital of €10.000, which is wholly owned by Logicom Public Limited. The principal activity of Logicom Italia s.r.l. is the distribution of high technology products. On 5 May 2014 there was an increase in the share capital of Logicom Italia s.r.l to €200.000 which is wholly owned by Logicom Public Ltd.

On 1 December 2005, Logicom IT Distribution Ltd was incorporated in Turkey, with a share capital of 5.000 Turkish liras, which is owned evenly by subsidiary companies ENET Solutions Logicom S.A. and Logicom FZE. On 30 March 2007 there was an increase in the share capital of Logicom IT Distribution Ltd to 140.000 Turkish liras, which is owned by 40 % from Enet Solutions Logicom S.A. and by 60% from Logicom FZE. On 27 December 2007 there was a further increase in the share capital of Logicom IT Distribution Ltd to 1.540.000 Turkish liras which is owned by 4% from Enet Solutions Logicom S.A. and by 96% from Logicom FZE. The principal activity of Logicom IT Distribution Ltd is the distribution of high technology products. During 2019, Logicom IT Distribution Ltd ceased operations and since then remains dormant.

On 1 August 2006, Rehab Technologies Ltd was incorporated in Saudi Arabia, with a share capital of SAR 500.000 which is held by a trustee on behalf of Logicom Public Ltd. Logicom Public Ltd has full control of the operations of Rehab Technologies Ltd through a contractual agreement. The principal activity of Rehab Technologies Ltd is the distribution of high technology products. The activities of Rehab Technologies Ltd were transferred to Logicom Saudi Arabia LLC on 8 June 2010 and the company has since remained dormant.

On 19 March 2007, Logicom Information Technology Distribution S.R.L. was incorporated in Romania with a share capital of 200 Romanian Lei, which is wholly owned by Logicom Public Limited. During the year 2018 there was an increase in the share capital of the company to 10.250.000 Romanian Lei. The principal activity of Logicom Information Technology Distribution S.R.L. is the distribution of high technology products.

On 12 April 2007, Logicom Bulgaria EOOD was incorporated in Bulgaria, with a share capital of 20.000 Bulgarian Lev, which is wholly owned by Logicom Public Limited. The principal activity of Logicom Bulgaria EOOD is the distribution of high technology products. During 2022, the company remained dormant.

On 30 January 2008, Verendrya Ventures Limited was incorporated in Cyprus, with a share capital of EUR1.000 which belongs to Logicom Public Limited and to Demetra Holdings Plc by 60% and 40% respectively. The principal activity of Verendrya Ventrures Limited is the execution of projects relating to the construction of desalination units.

On 6 May 2009, Logicom Services Limited was incorporated in Cyprus, with a share capital of €10.000, which is wholly owned by Logicom Public Limited. The principal activity of Logicom Services Limited is the holding of investments.

On 28 July 2009, the Group acquired, through its subsidiary Logicom Services Limited, the 36,77% of the company Newcytech Business Solutions Limited. The main activity of Newcytech Business Solutions Limited is the provision of complete IT solutions. On 30 October 2009 Logicom Services Limited acquired the 100% of the share capital of Newcytech Business Solutions Limited amounting to €756.776.

With the acquisition of Newcytech Business Solutions Limited the Group acquired also the 100% of the company Newcytech Distribution Ltd with share capital of €8.550. The main activity of Newcytech Distribution Ltd is the import and wholesale of computers in the local market. The share capital of Newcytech Distribution Ltd was transferred to Logicom Services Limited on 30 June 2010.

1. STATUS AND PRINCIPAL ACTIVITY *(continued)*

On 16 August 2009, Enet Solutions LLC was incorporated through the subsidiary company Logicom Services Limited, in the United Arab Emirates, with a share capital of AED300.000. The main activity of Enet Solutions LLC is the provision of complete IT solutions. During 2022, the company was dissolved.

On 29 September 2009, Logicom Saudi Arabia LLC was incorporated in Saudi Arabia, with a share capital of SAR 26.800.000 which is owned by 75% from Logicom FZE and by 25% from a trustee on behalf of Logicom Public Limited. Logicom Public Limited has contractually the full control of the operations of Rehab Technologies Ltd. The principal activity of Logicom Saudi Arabia LLC is the distribution of high technology products.

On 3 November 2009, ICT Logicom Solutions SA was incorporated in Greece, through the subsidiary company Logicom Services Limited, with a share capital of €100.000. The principal activity of ICT Logicom Solutions SA is the provision of complete IT solutions.

On 7 December 2009, CUC Cyprus Utilities Company Limited was incorporated in Cyprus, with share capital of €1.000, which is wholly owned by Verendrya Ventures Limited. The principal activity of CUC Cyprus Utilities Company Limited is the execution and operation of infrastructure projects. During 2022, the company remained dormant.

On 29 September 2010, Logicom Distribution Germany Gmbh was incorporated in Germany, with a share capital of €27.000 which is wholly owned by Logicom Public Limited. The principal activity of Logicom Distribution Germany Gmbh is the distribution of high technology products.

On 7 April 2010, M.N. E.P.C. Water Co. was incorporated in Cyprus with a partners' share of €10.000 which is owned by 50% from the Group's company Veredrya Ventures Ltd, through its subsidiary Netcom Ltd. M.N. E.P.C. Water Co. undertook the construction of Episkopi desalination plant on behalf of M.N. Limassol Water Co. Ltd. During the year the partnership remained dormant.

On 4 November 2010, M.N. Limassol Water Co. Limited was incorporated in Cyprus with a share capital of €10.000 which is composed of 5.000 shares Class A and 5.000 shares Class B. The Group's company Verendrya Ventures Limited, through its subsidiary Netcom Ltd holds 2.500 shares Class A and 2.495 shares Class B. M.N. Limassol Water Co. Limited was assigned the construction and operation of Episkopi Desalination plant.

On 7 August 2012, M.N. Larnaca Desalination Co. Limited was incorporated in Cyprus with a share capital of €10.000 which is composed of 5.000 shares Class A and 5.000 shares Class B. The Group's company Verendrya Ventures Ltd, through its subsidiary Netcom Ltd holds 2.500 shares Class A and 2.495 shares Class B. M.N. Larnaca Desalination Co. Limited was assigned the renovation and operation of Larnaca Desalination plant.

On 2 September 2012, Logicom LLC was incorporated in Oman with a share capital of USD 51.800 which is owned by 99% by the subsidiary company Logicom FZE and by 1% by the subsidiary Logicom Dubai LLC. The principal activity of Logicom LLC is the distribution of high technology products.

On 1 October 2013, Cadmus Tech Points S.A.L. was incorporated in Lebanon with a share capital of LBP 30.000.000 which is wholly owned by Logicom Public Limited. The principal activity of Cadmus Tech Points S.A.L. is the distribution of high technology products. During the year, the company remained dormant.

On 23 March 2014, Logicom Trading and Distribution LLC was incorporated in Qatar with a share capital of QAR 200.000 which is owned by 49% by Logicom Public Limited and by 51% by a trustee on behalf of Logicom Public Limited. The principal activity of Logicom Trading and Distribution LLC is the distribution of high technology products.

1. STATUS AND PRINCIPAL ACTIVITY *(continued)*

On 1 June 2014, Logicom Kuwait for Computer Company W.L.L. was incorporated in Kuwait with a share capital of KD 20.000 which is owned by 49% by the subsidiary company Logicom FZE and by 51% by a trustee on behalf of Logicom Public Limited. The principal activity of Logicom Kuwait for Computer Company W.L.L. is the distribution of high technology products.

On 23 May 2017, the Group acquired the company Najada Holdings Limited in Cyprus, with a share capital of €100, which is wholly owned by Logicom Public Limited. The principal activity of Najada Holdings Limited is the purchase and holding of immovable property.

On 6 September 2018, Logicom Bahrain W.L.L. was incorporated in Bahrain, with a share capital of BD 5.000 which is owned by 49% by the subsidiary Logicom FZE and by 51% by a trustee on behalf of Logicom Public Limited. The principal activity of Logicom Bahrain W.L.L. is the distribution of high technology products.

On 7 November 2019, Logicom Egypt LLC was incorporated in Egypt, with a share capital of EGP 1.000 which is owned by 95% by the subsidiary company Logicom FZE and by 5% by the subsidiary Logicom (Overseas) Limited. The principal activity of Logicom Egypt LLC is the trading and distribution of high technology products.

On 2 September 2020, Logicom Distribution Egypt LLC was incorporated in Egypt, with share capital of EGP 2.000.000 which is owned by 51% by the subsidiary company Logicom Egypt LLC and by 49% by the subsidiary Logicom FZE. The principal activity of Logicom Distribution Egypt LLC is the trading and distribution of high technology products.

On 27 July 2021, Elogicomnet Morocco Distribution SARL was incorporated in Morocco, with share capital of MAD 70.000, which is owned by 99,99% by the subsidiary company Logicom FZE and by 0,01% by Logicom (Overseas) Limited. The principal activity of Elogicomnet Morocco Distribution SARL is the trading and distribution of high technology products.

2. BASIS OF PREPARATION

Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113 and the requirements of the Stocks and Cyprus Stock Exchange laws and regulations and the Transparency (securities admitted to trading on a regulated market) Law.

The consolidated and separate financial statements of the Company were approved by the Board of Directors on 21 April 2023.

Basis of presentation

The consolidated and separate financial statements have been prepared under the historical cost convention, except for the land and buildings, investments at fair value through profit or loss and available for sale investments which are stated at their fair value. The methods used to measure the fair values are analysed further below and in note 36.5.

Going concern

The already tense economic environment due to the Coronavirus pandemic (COVID-19) was further affected by the Russia's invasion to Ukraine and the sanctions that followed against Russia and many natural and legal persons. The Group adapted and updated its policies for the acceptance of partners and ensure its full compliance with all applicable compliance standards and carries out ongoing audits across its range of partners. Despite the disfavors that exist, the Group has achieved an increase in Turnover and net profitability.

Taking into account the sound capital position and the availability of cash and cash equivalent at 31 December 2022 of the Group and the Company, the Management has assessed that both the Group and the Company have the

2. BASIS OF PREPARATION *(continued)*

capacity to continue as a going concern and therefore have prepared the Consolidated and Separate Financial Statements on this basis.

On 31 December 2022, the Group's current assets exceeded its current liability by €95 million. The 2023 budget which is improved compared to 2022, as well as, the estimates for the coming years, the perspectives of the Group and the planned development, and the available for use limit of bank overdrafts amounting to €122 million, were taken into consideration by the Board of Directors in their assessment of whether the Group has the capacity to continue as a going concern. In this assessment, the Board of Directors also took into account the distribution of the bank facilities held by the Group in the various assets and the possibility of their repayment.

On 31 December 2022, the Company's current liabilities exceeded its current assets by €27 million. The budget for 2023 is improved compared to 2022, as well as, the estimates for the coming years. The perspectives of the Company and the planned development, as well as, the available for use limit of bank overdrafts amounting to €17 million as at 31 December 2022, were taken into consideration by the Board of Directors in their assessment of whether the Company can continue as a going concern. The Board of Directors also took into account the distribution of bank facilities held by the Company in the various assets, and the possibility of their repayment.

Functional and presentation currency
The consolidated and separate financial statements are presented in Euro (€) which is the functional currency of the Company.

Estimates and judgments
The preparation of the consolidated and separate financial statements in conformity with the IFRSs as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements

Information about judgements in applying accounting policies that have significant effects on the amounts recognised in the consolidated and separate financial statements are included in the following notes:
- Note 15 – Right-of-use assets
- Note 19 – Equity - accounted investees

Assumptions and estimates

Information about assumptions and estimates that have a significant risk of resulting in a material adjustment to the values of the assets and liabilities within the next financial year are included in the following notes:
- Note 16 – Measurement of the recoverable amount of goodwill
- Note 18 – Recoverability of investments in subsidiary companies
- Note 19, 43 – Impairment of investments in associated companies and joint ventures
- Note 22 – Measurement of provision for slow moving stock
- Note 23, 36 – Measurement of provision for expected credit losses for trade receivables and contract assets: main assumptions for the determination of the weighted average loss rate
- Note 28 - Provisions for termination of employment
- Note 34 - Recognition of deferred taxation: Utilisation of tax losses
- Note 35 - Important assumptions on the probability and magnitude of a resource outflow
- Note 42 - Recoverability of receivables from subsidiary companies

2. BASIS OF PREPARATION *(continued)*

Estimates and judgments (continued)
Fair value calculation: A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The levels have been determined as follows:

- Level 1: investments measured at fair value using quoted prices in active markets.
- Level 2: investments measured at fair value based on valuation models in which all significant inputs that affect significantly the fair value are based on observable market data.
- Level 3: investments measured at fair value based on valuation models in which all significant inputs that affect significantly the fair value are not based on observable market data.

The Group has established procedures for monitoring changes in the fair values of monetary assets and liabilities as well as other assets and liabilities. The methods of estimating the fair value as well as analyzing the fair values of the Group and the Company are presented in note 36.5.

3. IMPACT OF THE CORONAVIRUS PANDEMIC (COVID-19) AND THE RUSSIAN INVASION IN UKRAINE ON THE FINANCIAL STATEMENTS

Russian's invasion in Ukraine resulted in the imposition of sanctions against the former and its associated legal and natural persons, both by the European Union and the USA, but also by a number of countries around the world. The consequences of the invasion and the subsequent actions led to a period of instability and a slowdown in the already tense economic climate worldwide, due to the Coronavirus (COVID-19).

The Group assessed the main effects of the aforementioned on its financial statements and activities, as follows:

The Turnover increased by 22,6% compared to 2021. The percentage of increase in the absence of the above cannot be accurately determined. The impact of the supply chain, with shortages in production but also delays in deliveries created shortages in product availability. In addition, the financial instability in the countries in which the Group operates limited the execution of large projects.

The Administration Expenses include an amount of €115.890 from expenditures on prevention and hygiene measures directly related to the Coronavirus pandemic (COVID-19). The Management, in the context of actions taken to reduce the impact of the pandemic, proceeded to actions to reduce operating costs.

The financing cost is increased, mainly due to the significant increase in borrowing rates. Borrowing rates have increased in an effort by central banks to restrain inflation created mainly by the developments of Russia and the energy sector.

No substantial adjustments were made to contracts recognised as right-of-use assets as a result of the developments.

No discrepancies in the fair value of assets due to Coronavirus pandemic (COVID-19) or the invasion of Russia to Ukraine have been identified.

4. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently to all periods presented in the consolidated and separate financial statements of the Company, and have been applied consistently by all Group entities, unless mentioned otherwise (Note 28).

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Adoption of new and revised IFRSs and Interpretations as adopted by the European Union (EU)
From 1 January 2022, the Group has adopted all the changes to International Financial Reporting Standards (IFRS) as adopted by the European Union ('EU') that are relevant to its operations. This adoption did not have a material effect on the financial statements of the Company.

The following Standards, Amendments to Standards and Interpretations have been issued by International Accounting Standards Board ("IASB") but are not yet effective for annual periods beginning on 1 January 2022. Those which may be relevant to the Company are set out below. The Group and the Company do not intend to adopt the following new IFRSs, Amendments in IFRSs and Interpretations before the date of validity.

(i) Standards and Interpretations adopted by the EU

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendments): Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023)
The amendments to IAS 8 are issued to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both: (1) selecting a measurement technique (estimation or valuation technique), and (2) choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.
The Group does not expect any significant impact on the consolidated and separate financial statements from the implementation of the amendments.

IAS 1 Presentation of Financial Statements (Amendments) and IFRS Practice Statement 2 Making Materiality Judgements: Disclosure of Accounting Policies (effective for annual periods beginning on or after 1 January 2023)
The amendments to IAS 1 and the update to IFRS Practice Statement 2 aim to help companies on the application of materiality to the disclosure of accounting policies. The key amendments to IAS 1 include: (1) requiring companies to disclose their material accounting policies rather than their significant accounting policies, (2) clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed, and (3) clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements. The amendments to IFRS Practice Statement 2 are to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material i.e. "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements".
The Group does not expect any significant impact on the consolidated and separate financial statements from the implementation of the amendments.

IAS 12 Income Taxes (Amendments): Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023)
Targeted amendments to IAS 12 clarify how companies should account for deferred tax on certain transactions (e.g. leases and decommissioning provisions). The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.
The Group does not expect any significant impact on the consolidated and separate financial statements from the implementation of the amendments.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(ii) Standards and Interpretations not yet adopted by the EU

IAS 1 Presentation of Financial Statements (Amendments): Classification of Liabilities as Current or Non-current and Non-current Liabilities with covenants (effective for annual periods beginning on or after 1 January 2024)

In 2020, the IASB has amended IAS 1 to promote consistency in application and clarify the requirements on determining if a liability is current or non-current. Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. Similar to existing requirements in IAS 1, the classification of liabilities is unaffected by management's intentions or expectations about whether the company will exercise its right to defer settlement or will choose to settle early.

On 31 October 2022 the IASB issued further amendments to IAS 1 i.e. Non-current liabilities with covenants. The new amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period. The amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

The amendments also clarify how a company classifies a liability that can be settled in its own shares (e.g. convertible debt). When a liability includes a counterparty conversion option that involves a transfer of the company's own equity instruments, the conversion option is recognised as either equity or a liability separately from the host liability under IAS 32 Financial Instruments: Presentation. The IASB has now clarified that when a company classifies the host liability as current or non-current, it can ignore only those conversion options that are recognised as equity. Companies may have interpreted the existing IAS 1 requirements differently when classifying convertible debt. Therefore, convertible debt may become current.

The Group at this stage evaluates the effect of the amendments in the consolidated and separate financial statements.

IFRS 16 Leases (Amendments): Lease Liability in Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024)

The IASB has issued amendments to IFRS 16 Leases, which add to requirements explaining how a company accounts for a sale and leaseback after the date of the transaction. A sale and leaseback is a transaction for which a company sells an asset and leases that same asset back for a period of time from the new owner. IFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place. However, IFRS 16 had not specified how to measure the transaction when reporting after that date. The amendments issued in September 2022 impact how a seller-lessee accounts for variable lease payments that arise in a sale and leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale and leaseback transactions entered into since 2019.

The amendments confirm the following: (1) On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale and leaseback transaction. (2) After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

The Group at this stage evaluates the effect of the amendments in the consolidated and separate financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(ii) Standards and Interpretations not yet adopted by the EU (continued)

IFRS 10 Consolidated Financial Statements (Amendments) and IAS 28 Investments in Associates and Joint Ventures (Amendments): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date postponed indefinitely; early adoption continues to be permitted)
The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (as defined in IFRS 3). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business. In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.
The Group at this stage evaluates the effect of the amendments in the consolidated and separate financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of consolidation

Business combinations
Business combinations are accounted using the 'acquisition method' when control is transferred to the Group. The cost of an acquisition is measured as the total consideration which is transferred at the fair values on the date of acquisition and the amount of non-controlling interests in the acquired company. For each business combination the Group decides whether it will measure the non-controlling interests in the acquired company in fair value or in proportion of the share of identifiable assets of the acquired company. When the acquisition cost exceeds the share of the Group in the identifiable net assets acquired, the difference is recognised as goodwill in the consolidated statement of financial position. In the case where the share of the Group in the identifiable net assets acquired exceeds the acquisition cost (i.e. negative goodwill), the difference is recognised directly in the consolidated income statement at the year of acquisition. Expenses related to the acquisition are recognised as they occur and they are included in other operating expenses.

When the Group acquires a company, it evaluates the financial assets and liabilities undertaken in regards to their classification and predetermination based on the terms of the contract, the economic circumstances and the relevant terms at the date of acquisition.

Subsidiary companies
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
The financial statements of the subsidiary companies acquired or disposed during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date that control commences until the date that control ceases to exist
Adjustments were made in the financial statements of the subsidiaries, where was considered necessary, in order to align their accounting policies with the accounting policies applied by the Group.
In the separate financial statements of the Company, the investments in subsidiary companies are presented at cost. In the event where the value of one investment is estimated to be permanently impaired, the deficit is transferred to the results.

Non-controlling interest
Non-controlling interest relates to the portion of profit or loss and the net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Group. Profits or losses attributable to the Non- controlling interest are disclosed in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss for the period. Non-controlling interest is presented in the consolidated statement of financial position in equity, separately from equity attributable to equity holders of the parent company.

Contingent consideration
Any contingent consideration is recognized initially at fair value at the acquisition date. If the contingent consideration is classified as equity it should not be remeasured and its subsequent settlement must be accounted for within equity. If the contingent consideration is classified as an asset or a liability, any changes in its fair value should be recognized in profit or loss.

Equity accounted investees
Investments in associated companies relate to all entities, in which the Group exercises significant influence, but not control or joint control, and are in general accompanied with a share between 20% and 50% in the voting rights. Entities under common control relate to entities in which the Group exercises joint control based on contractual arrangement that provides for the unanimous consent of the parties exercising control over the strategic financial and operating decisions.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of consolidation (continued)

Investments in joint ventures and entities under common control are accounted for using the equity method. Investments which are accounted for using the equity method, which includes transaction costs, are recognised initially at cost. After the recognition, the consolidated financial statements include the share of profit/(loss) from the investments in associated companies and joint ventures until the date on which the Group ceases to exercise significant influence or joint control.

When Group's share of losses exceeds the share of investments recognised under the equity method, the carrying amount of investments, including any long-term share which is part of the investment is eliminated and no additional losses are recognized, except to the degree that the Group has an obligation or has made payments on behalf of its investment.

Elimination of transactions on consolidation
Intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions are eliminated. Unrealised gains arising from transactions within investments in associated companies and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Investments in subsidiary companies
Investments in subsidiary companies are stated in the parent company's books at cost less adjustments for any permanent impairment in the value of the investments. Any adjustments that arise are recorded in profit or loss.

Investments in associates
Associates are those entities in which the Group has significant influence but no control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee.

In these consolidated financial statements, interests in associates are accounted for using the equity method. Under the equity method, an investment in an associate is initially recognised at cost, which includes transaction costs, and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate, until the date on which significant influence ceases. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in consolidated profit or loss.

Revenue

Under IFRS15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control - at a point in time or over time - requires judgment.

The Group bases its estimates on historic results, taking into consideration the type of the customer, the type of the transaction and the specific features of each contract. In order to estimate the possibility of receiving a consideration, the Group examines only the ability and the intention of the customer to give the consideration when it falls due.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue (continued)

The sales, the cost or the level of completion estimates are reconsidered in cases of changes in conditions. Any increases or decreases in the estimates arising, are reflected in the statement of profit or loss during the period in which the circumstances that led to the reconsideration are made known to the management.

Identification of performance obligations

The Group assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

Sale of goods

Sales of goods are recognised at the point in time when the Company satisfies its performance obligation by transferring control over the promised goods to the customer, which is usually when the goods are delivered to the customer, risk of obsolescence and loss have been transferred to the customer and the customer has accepted the goods.

Sale of services

Revenue from rendering of services is recognised over time while the Company satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the completion of the milestones set in the contract that approximate the percentage of completion of the contract. When there is no milestones basis in the contract, the basis used is the actual labour hours spent relative to the total expected labour hours.

The Company provides business services for design, development, implementation, administration and support on Information Technology and Communications solutions, mainly with fixed price contracts. Revenue from rendering of services is recognised in the accounting period in which the services are provided. Revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. Certain contracts include multiple deliverables, such as the sale of computers and related installation services. However, the installation is simple, does not include consolidation service and can be executed by a different party. Therefore, it is accounted as a separate installation obligation. When the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the independent sale prices. Where these are not directly observable, they are estimated based on the expected cost plus margin. If the contracts include the installation of equipment, the revenue for the products is recognised at a moment in time during the delivery of the equipment, the legal title has been transferred and the customer has accepted the equipment.

Revenue, cost or level of completion estimations are revised in case of change in conditions. Any increases or decreases in the estimated income or expenses that may follow are reflected in the results during the period in which the circumstances that led to the revision become known from the management. At the end of the year, all the significant contracts are evaluated. If the services offered by the Company exceed the payments made up to date, a contract asset is recognised. If the payments exceed the offered services, an obligation is recognised. If the contract includes an hourly payment, revenue is recognised for the amount that the Company is entitled to receive. The customers are invoiced on a monthly basis and the amount is paid when invoiced.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue (continued)

Deferred income

Deferred income consists of sales of services based on contracts, and relates to services that were incurred in the period after the year end. Deferred income is included in trade and other payables.

Cost of sales

Cost of sales is presented after the deduction of rebates from suppliers and provisions for slow moving stock. Trade suppliers usually provide discounts (“rebates”) to the Company and its subsidiaries.

Rebates are usually issued in the form of credit notes and can relate to specific discounts for specified order, to specific item for a period of time or could form a discount in the form of a permanent diminution in value for specific items in stock.

A supplier could also set targets to Group companies and if these are met then rebates could be generated in the form of credit notes.

Other income

Other income includes dividend income, commissions receivable, profit from disposal of property, plant and equipment, profit from revaluation of shares, marketing funds and other sundry income. Other income is recognised when it is considered as receivable. The income from dividend is recognized at the date the right to receive payment is established from the Group.

Finance income and finance costs

The Group's finance income and finance costs include interest income, interest expense, the foreign currency gain or loss on financial assets and financial liabilities and hedge ineffectiveness recognised in profit or loss.

Interest income or expense is recognised using the effective interest method. The ‘effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

-the gross carrying amount of the financial asset; or

-the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Property, plant and equipment

Items of property, plant and equipment are stated at cost, which includes the capitalised borrowing cost, less accumulated depreciation and accumulated impairment losses except in the case of land and buildings which are stated at fair value. Cost includes expenditure that is directly attributable to the acquisition of the asset. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss as ’Other income/expense’. When revalued assets are sold, the relating amounts included in the revaluation reserve are transferred to the retained earnings.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property, plant and equipment (continued)

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful economic lives, as follows:

	%
Buildings	4-5
Furniture and fittings	10
Computers	20-33,3
Motor vehicles	20

Land is not depreciated.

Depreciation is calculated on a daily basis from the date of acquisition of the property, plant and equipment, and up to the date of their disposal.

Depreciation methods, estimated useful economic lives and estimated residual values of all property, plant and equipment are reviewed at the reporting date of the accounts.

Revaluation and provision for impairment of parts of property, plant and equipment

Approximately every three years, or earlier if necessary, assessments are performed to estimate the net values of land and buildings. If it is determined that the net recoverable amount of a part is significantly lower than its net value as it appears in the books of the Company and this difference is considered to be permanent, then the book value is reduced to the net recoverable amount. The revaluation is made by professional independent valuers.

Inventories

Inventories are stated at cost which includes the cost of purchase, transportation costs to the warehouse and freight charges, less any provision for a decrease in the inventory value. The cost of inventories is assigned by using the first-in-first-out method. In calculating the provision for decrease in the value of inventories, the cost is compared to the net realisable value. In the case where the net realisable value is lower than the cost, a provision for the decrease in the value of inventories is recognised.

The net realisable value is the estimated selling price in which the inventories can be sold in the ordinary course of business, less costs to sell.

Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments (continued)

ii. Classification and subsequent measurement

Financial assets
On initial recognition, a financial asset is classified as measured at:
- amortised cost
- FVOCI - debt investment
- FVOCI - equity investment
- or FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment
The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:
- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:
– contingent events that would change the amount or timing of cash flows;
– terms that may adjust the contractual coupon rate, including variable-rate features;
– prepayment and extension features; and
– terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Financial assets - Subsequent measurement and gains and losses:

Financial assets at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.
The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments (continued)

iv. Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position, when the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting
The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments (continued)

v. Derivative financial instruments and hedge accounting (continued)

Net investment hedges
When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

Impairment

i. Non-derivative financial assets

Financial instruments and contract assets
The Group recognises loss allowances for ECLs on:
- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:
- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- financial asset is more than 90 days past initial recognition.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment (continued)

i. Non-derivative financial assets (continued)

The maximum period considered when estimating ECLs is the maximum contractual period over the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- non-derivative financial assetsd including hedge accounting;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For trade receivables, the Group has a policy of writing off the gross carrying amount only when there are legal assurances that the Group have exercised all its legal rights and the financial assets cannot be recovered or the Group has entered in to an agreement for partial settlement of the financial asset and the remaining amount can be written off.

ii. Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. Goodwill is tested annually for impairment.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment (continued)

ii. Non-financial assets (continued)

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Measurement at fair value

Fair value is the amount that could be recovered from the sale of an asset or paid to transfer a liability in a current transaction between participants in the principal or, failing this, in the most advantageous market in which the Group has access at the measurement date. The fair value of the liability reflects the risk of a failure.

The Group measures the fair value of an element using the values presented in an active market where these are available. A market is considered active if the transactions for the asset or liability are presented with sufficient frequency and volume to provide values on a continuous basis.

If there is no quoted price in an active market, the Group uses valuation techniques that maximize the use of data in the markets and minimize the use of unobservable inputs. The valuation technique used incorporates all the main parameters that market participants would consider in pricing a transaction. The best evidence of fair value of a financial instrument on initial recognition is normally the transaction price, which is the fair value of the consideration paid or received.

Based on the Group's judgment on whether the fair value on the initial recognition differs from the transaction price and the fair value is not established by the quoted market price in an active market for similar assets or liabilities, and it is not based on a valuation technique that uses only data extracted from the markets then, the financial asset is measured initially at fair value, adjusted so that the difference between the fair value at initial recognition and transaction value is presented as deferred income / expense. Then, the difference is recognised to the profit or loss throughout the life of the instrument using appropriate apportionment methodology, but not later than when the valuation is entirely supported by data extracted exclusively from the markets or the transaction has been completed.

If an asset or a liability measured at fair value has a bid price and an ask price, the Group measures its assets at bid price and liabilities at an ask price.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment (continued)

ii. Non-financial assets (continued)

The Group recognises transfers between levels of the fair value hierarchy at the end of reporting period in which the change occurs.

Cash and cash equivalents

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

Trade and other payables

Trade and other payables are initially recognized at fair value plus any attributable transaction costs and subsequently these are stated at amortized cost using the effective interest method less any impairment losses.

Interest bearing borrowings

Borrowings are recorded initially at the proceeds received net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Promissory notes

Promissory notes comprise of Company's and Group's liabilities towards financial institutions that undertake the financing of invoices issued from certain suppliers. The financing of invoices by the subject financial institutions decreases the vendors' liabilities and is recognised as borrowings. The promissory notes bear discounting cost which is recognised in finance expenses.

Taxation

Taxation comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of the year, and any adjustment to tax payable in respect of previous year. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Taxation (continued)

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Long-term loans representing part of the Group's investment in foreign subsidiaries

All foreign exchange differences arising from long-term loans are recognised in other comprehensive income in the financial statements of the Group and are transferred to the consolidated profit and loss at the time of the sale of the subsidiary.

All foreign exchange differences arising from long-term loans are recognised in the profit or loss of the year in which they occur in the financial statements of the parent company.

Deferred taxation resulting from net foreign exchange differences from long-term loans is transferred to other comprehensive income.

Non-derivative financial instruments, including hedge accounting

On initial designation of the non-derivative financial instruments as the hedging instruments, the Group formally records the relationship between hedge items and hedging instruments, including the risk management objectives and strategy used for assessing hedging and the methods used to evaluate the effectiveness of hedging.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Non-derivative financial instruments, including hedge accounting (continued)

The Group makes an assessment, both at the inception of the hedge, as well as, on ongoing basis of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in fair value or cash flows of the respective hedge items attributable to the hedged risk, and whether the actual results of each hedge are within a range between 80 and 125 percent.

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated using the exchange rates enacted at the date of the transaction at the respective functional currency of each company of the Group.

Monetary assets and liabilities denominated in foreign currencies at the end of the year are translated into the functional currency at the exchange rate ruling at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non- monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:
- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and,
- qualifying cash flow hedges to the extent that the hedges are effective.

Foreign subsidiaries

The assets and liabilities of foreign subsidiaries including goodwill and fair value adjustments arising on acquisition, are translated into euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into euro at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

Intangible assets and goodwill
Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.
Expenditure on research activities is recognised in profit or loss as incurred.
Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.
Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.
Software development and licensing costs for the use and distribution of computer software are capitalized and amortised in profit or loss on a straight-line basis over their useful economic lives.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Intangible assets and goodwill (continued)
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.
Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.
Goodwill is not amortised, tested for impairment on an annual basis.
The estimated useful lives for current and comparative periods are as follows:

Development costs	5 years
License fees	2 years
Distribution rights	5 years

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

Operating segments
Operating segments relate to components of the Group which may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about the allocation of resources to each segment and assess its performance.

Leases
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after 1 January 2019.

i. The Group and the Company as lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration of the contract to each lease component on the basis of its relative stand alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Leases (continued)

- fixed payments, including in-substance fixed payments;

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.
The Group presents separately in the statement of financial position the right-of-use assets that do not meet the definition of investment property and lease liability.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. The Group and the Company as lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.
If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income/revenue'.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event and it's probable that an outflow of economic benefits will be required to settle the obligation and the amount of the liability to be reliably measured. Provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The release of the discount is recognised as financing expense.

Warranties

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities. There is no provision for the warranties provided by the Group on the computer components and the computers, because all the computer components and the computers carry warranties from the suppliers equal to the warranties given.

Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The Group’s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group’s net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Employee benefits (continued)

Termination benefits
Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are pre-settled.

Deferred expenditure
Deferred expenditure are the expenses that consist of purchases of services based on contracts, and relates to services that were incurred in the period after the year end. Deferred expenditure is included in trade and other receivables.

Earnings per share
The Company presents basic and diluted earnings per share that corresponds to the shareholders. The basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of issued shares outstanding during the year. The diluted earnings per share are calculated by adjusting the profit attributable to the shareholders of the Company and the weighted average number of issued shares.

Events after the reporting date
Assets and liabilities are adjusted for events that occurred during the period from the year end to the date of approval of the financial statements by the Board of Directors, when these events provide additional information for the valuation of amounts relating to events existing at the year end or imply that the going concern concept in relation to part or the whole of the Group is not appropriate.

Share capital
(i) Ordinary shares
Ordinary shares issued and fully paid are classified as share capital. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(ii) Dividends
Dividends are recognised as a liability in the year they are declared, according to IAS 10.

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

5. OPERATING SEGMENTS

The Group can be divided into two important segments, the distribution segment and the services segment. The distribution segment that mainly operates in the distribution of high technology products is divided in three main geographical segments as described below. The services segment operates mainly in the provision of solutions and services for networks and telecommunications and the provision of solutions and services for software to customers in Cyprus and abroad. The following summary describes the operations in each of the Group's reportable segments:

- European markets distribution segment - This segment operates mainly in the distribution of high technology products in Cyprus, Greece, Italy and Malta.
- UAE and Saudi Arabia distribution segment - This segment operates mainly in the distribution of high technology products in United Arab Emirates and Saudi Arabia.

5. OPERATING SEGMENTS *(continued)*

- Other markets distribution segment - This segment operates mainly in the distribution of high technology products in countries that the Group operates in other than the countries mentioned above.
- Services segment - This segment operates mainly in the provision of software solutions and integrated IT solutions to customers in Cyprus and abroad.

The companies of the Group buy and sell goods and services according to their needs from other group companies. The transactions are made in the context of commercial practices related to intra-group transactions in the relevant sections of operations.
Logicom Public Limited and Logicom FZE charge its subsidiary companies with a fee for administration services and financing cost.

Information regarding the results of each reportable segment is presented below. The information is used for the preparation of the consolidated and separate financial statements. The performance is evaluated based on the profit after taxation of each segment, as presented in the management reports which are examined by the Board of Directors. The profit of each segment is used for the evaluation of the performance since the management believes that the below information is the most appropriate for the evaluation of the results of all segments that are reported. The accounting policies of the operating segments are presented in note 4.

Revenue and total non-current assets are allocated between Cyprus, Greece, UAE and other foreign countries as follows:

	Revenue		Total non-current assets	
	2022	2021	2022	2021
	€	€	€	€
Cyprus	120.125.254	103.659.340	154.041.406	142.642.918
Greece	114.170.395	131.103.726	1.239.859	1.397.110
United Arab Emirates	313.054.916	264.837.500	6.693.726	5.171.957
Other foreign countries	616.565.986	449.608.607	3.057.586	3.852.664
	1.163.916.551	949.209.173	165.032.577	153.064.649

Major Customer

Revenue from one customer of the Group's European Markets Distribution Segment represents approximately €20.000.900 (2021: €25.400.000 European markets distribution segment) of the Group's total revenue.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2022

5. OPERATING SEGMENTS *(continued)*

2022	European Markets Distribution Segment €	Middle East Markets Distribution Segment €	All other Segments €	Services Segment €	Transactions between Operating Segments €	Total €
Revenue from sale of products	216.338.907	762.287.847	119.275.727	41.889.315	-	1.139.791.796
Revenue from rendering of services	-	-	-	24.124.755	-	24.124.755
Revenue from third parties	216.338.907	762.287.847	119.275.727	66.014.070	-	1.163.916.551
Intersegment revenue	53.466.417	166.700.283	2.950.616	3.167.587	(226.284.903)	-
Other income	15.260.268	9.332.855	245.328	5.668.277	(27.451.548)	3.055.180
Depreciation and amortisation	988.768	1.227.462	725.385	489.743	-	3.431.358
Impairment of goodwill	-	-	-	330.730	-	330.730
Personnel costs	8.664.506	16.676.158	3.348.916	5.716.413	-	34.405.993
Travelling expenses	517.655	226.990	41.158	83.384	-	869.187
Provision for doubtful debts	122.630	510.685	2.699.980	22.365	(1.201.226)	2.154.434
Professional fees	1.169.207	1.216.343	252.811	391.055	(212.044)	2.817.372
Rent	45.779	311.435	94.519	19.456	(14.653)	456.536
Credit insurance	333.024	1.405.185	147.520	83.697	(371.166)	1.598.260
Transportation expenses	493.896	1.335.809	260.037	13.913	(9.337)	2.094.318
Profit/(loss) from operations	15.211.041	30.233.877	(469.957)	10.632.336	(17.207.490)	38.399.807
Net foreign exchange loss	(592.842)	(592.487)	(2.318.942)	(503.896)	2.339.651	(1.668.516)
Interest receivable	312	2.385.980	533.954	44.742	(2.385.980)	579.008
Interest payable and bank charges	(3.953.421)	(6.369.986)	(2.200.381)	(270.900)	4.086.396	(8.708.292)
Net finance expenses	(4.545.951)	(4.576.493)	(3.985.369)	(730.054)	4.040.067	(9.797.800)
Net share of profit from associated companies and joint ventures after tax	-	-	5.782	2.696.682	-	2.702.464
Profit/(loss) before tax	10.665.090	25.657.384	(4.449.544)	12.598.964	(13.167.423)	31.304.471
Tax	(607.883)	(2.887.880)	(218.926)	(817.107)	-	(4.531.796)
Profit/(loss) after tax	10.057.207	22.769.504	(4.668.470)	11.781.857	(13.167.423)	26.772.675
Acquisition of property, plant and equipment	300.332	258.042	247.225	338.742	-	1.144.341
Acquisition of right-of-use assets	58.522	1.289.605	363.889	185.113	-	1.897.129
Total assets	250.044.864	375.678.926	89.695.778	168.164.792	(266.738.368)	616.845.992
Total liabilities	177.207.123	254.169.333	95.209.700	65.089.327	(206.725.562)	384.949.921
Net investment assets in associated companies and joint ventures	-	-	428.766	82.073.361	-	82.502.127

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Year ended 31 December 2022

5. OPERATING SEGMENTS *(continued)*

2021	European Markets Distribution Segment €	Middle East Markets Distribution Segment €	All other Segments €	Services Segment €	Transactions between Operating Segments €	Total €
Revenue from sale of products	217.281.360	571.755.305	98.553.451	52.772.145	-	940.362.261
Revenue from rendering of services	-	-	-	8.846.912	-	8.846.912
Revenue from third parties	217.281.360	571.755.305	98.553.451	61.619.057	-	949.209.173
Intersegment revenue	46.774.430	141.143.843	3.275.974	2.575.745	(193.769.992)	-
Other income	16.542.551	5.313.604	579.352	5.441.926	(26.977.821)	899.612
Depreciation and amortisation	1.065.666	1.112.405	678.243	484.258	-	3.340.572
Impairment of goodwill	-	-	-	296.588	-	296.588
Personnel costs	8.221.879	12.206.087	2.816.451	5.464.320	(710.166)	27.998.571
Travelling expenses	346.258	104.943	30.909	31.844	-	513.954
Provision for doubtful debts	620.783	106.598	(61.451)	972	(591.583)	75.319
Professional fees	1.570.743	991.031	370.575	458.522	(577.206)	2.813.665
Rent	3.504	193.100	76.717	23.638	-	296.959
Credit insurance	386.762	1.065.102	90.578	65.655	(254.796)	1.353.301
Transportation expenses	468.126	1.064.501	161.871	13.690	-	1.708.188
Profit from operations	15.834.980	22.080.148	1.896.366	9.215.732	(17.010.025)	32.017.201
Net foreign exchange loss	(1.779.005)	(16.421)	(1.451.866)	(142.532)	1.957.265	(1.432.559)
Interest receivable	32.357	914.507	502.380	61.255	(914.507)	595.992
Interest payable and bank charges	(2.788.146)	(2.404.133)	(1.349.883)	(386.070)	1.831.445	(5.096.787)
Net finance expenses	(4.534.794)	(1.506.047)	(2.299.369)	(467.347)	2.874.203	(5.933.354)
Net share of profit from associated companies and joint ventures after tax	-	-	107.298	1.581.313	-	1.688.611
Profit/(loss) before tax	11.300.186	20.574.101	(295.705)	10.329.698	(14.135.822)	27.772.458
Tax	(566.688)	(1.744.117)	(127.007)	(557.977)	-	(2.995.789)
Profit/(loss) after tax	10.733.498	18.829.984	(422.712)	9.771.721	(14.135.822)	24.776.669
Acquisition of property, plant and equipment	506.145	255.655	403.120	452.234	-	1.617.154
Acquisition of right-of-use assets	52.441	633.445	444.586	57.642	-	1.188.114
Total assets	321.923.109	272.981.050	87.497.781	149.057.752	(316.123.816)	515.335.876
Total liabilities	253.645.614	170.933.937	88.732.141	58.271.852	(255.080.049)	316.503.495
Net investment assets in associated companies and joint ventures	-	-	151.037	79.993.240	-	80.144.277

6. REVENUE

THE GROUP

	2022 €	2021 €
Sales of products	1.139.791.796	940.362.261
Rendering of services	24.124.755	8.846.912
	1.163.916.551	949.209.173

THE COMPANY

	2022 €	2021 €
Sales of products	96.901.901	82.136.886
Interest receivable from subsidiary companies (Note 42)	1.705.293	915.467
	98.607.194	83.052.353

7. COST OF SALES

	THE GROUP		THE COMPANY	
	2022 €	2021 €	2022 €	2021 €
Cost of goods sold	1.070.587.474	871.069.222	92.310.908	78.080.768
Staff salaries	2.784.675	2.644.749	-	-
Social insurance	173.741	157.544	-	-
Other personnel costs	83.428	175.277	-	-
Provision of impairment of inventories/ (Net reversal of provision) (Note 22)	366.381	(13.255)	-	-
Depreciation on right-of-use assets	226.411	218.710	-	-
	1.074.222.110	874.252.247	92.310.908	78.080.768

8. OTHER INCOME

THE GROUP

	2022	2021
	€	€
Profit from the disposal of property, plant and equipment	17.238	18.533
Profit from revaluation of investments at fair value through profit or loss (Note 20)	4.063	2.062
Sundry operating income	3.033.879	879.017
	3.055.180	899.612

During 2022, the Group's Other Income includes an amount of €1.087.800 which relates to a collection from the subsidiary company ICT Logicom Solutions S.A. in relation to a settlement arrangement for the termination of a contract agreement with C.A. Europe S.A.R.L.

THE COMPANY

	2022	2021
	€	€
Profit from the disposal of property, plant and equipment	9.360	1.234
Dividends receivable (Note 42)	10.620.469	11.058.408
Administration services (Note 42)	4.533.803	5.351.333
Sundry operating income	117.334	130.235
	15.280.966	16.541.210

The sundry operating income for the Group and the Company mainly includes contributions from vendors for the promotion of their products.

9. ADMINISTRATIVE EXPENSES

THE GROUP

(a) Personnel expenses

	2022 €	2021 €
Staff salaries	30.722.259	25.043.999
Directors’ fees - Executive directors	446.900	447.200
Social insurance	2.597.889	2.204.355
Other personnel costs	1.740	(259.147)
Expenses related to defined benefits plan (Note 28)	637.205	562.165
	34.405.993	27.998.572

The average number of employees during the year was 873 (2021:817).

(b) Other administrative expenses

	2022 €	2021 €
Depreciation	1.395.187	1.452.733
Depreciation Right-of-use assets	1.766.289	1.635.687
Amortisation of research and development	269.883	252.151
Impairment of goodwill	330.730	296.588
Directors’ fees - Non-executive directors	114.726	156.366
Rent	456.536	296.959
Common expenses	75.100	64.179
Taxes and licenses	233.067	154.980
Electricity and water	486.553	316.591
Cleaning	197.409	160.057
Insurance	2.353.697	2.010.182
Repairs and maintenance	239.342	337.259
Telephone and postage	771.452	674.821
Printing and stationery	88.985	66.369
Subscriptions and donations	367.132	422.622
Staff training expenses	113.045	84.535
Other staff expenses	881.742	847.782
Computer hardware maintenance expenses	313.885	337.699
Auditors' remuneration for the statutory audit of annual accounts	376.091	314.045
Legal fees	349.916	501.033
Other professional fees (Subnote 1)	1.710.441	1.440.875
Advertising	520.021	383.574
Traveling	869.187	513.954
Entertainment	315.844	229.109
Motor vehicles expenses	432.520	387.445
Transportation expenses	2.094.318	1.708.188
Services from third parties	266.843	401.346
Other expenses	399.446	318.318
	17.789.387	15.765.447
Total administrative expenses	52.195.380	43.764.019

9. ADMINISTRATIVE EXPENSES *(continued)*

THE COMPANY

(a) Personnel expenses

	2022 €	2021 €
Staff salaries	4.803.533	4.696.965
Directors' fees - Executive directors	446.900	447.200
Social insurance	606.342	590.295
Other personnel costs	19.425	13.785
Other payroll expenses charged to subsidiaries (Note 42)	(610.754)	(727.226)
	5.265.446	5.021.019

The average number of employees during the year was 103 (2021:104).

(b) Other administrative expenses

	2022 €	2021 €
Depreciation	524.575	600.970
Depreciation Right-of-use assets	126.684	122.524
Directors' fees – Non-executives directors	114.726	156.366
Common expenses	2.550	3.132
Taxes and licenses	6.526	15.444
Electricity and water	137.894	76.730
Cleaning	26.945	20.120
Insurance	156.886	188.205
Repairs and maintenance	73.979	143.413
Telephone and postage	162.819	172.289
Printing and stationery	8.688	7.988
Subscriptions and donations	245.885	338.642
Staff training expenses	29.761	32.350
Other staff expenses	161.343	156.505
Computer hardware maintenance expenses	206.890	210.702
Auditors' remuneration for the statutory audit of annual accounts	75.204	63.550
Legal fees	59.540	54.551
Other professional fees	324.369	599.748
Advertising	236.367	219.553
Traveling	378.814	244.746
Entertainment	36.356	34.455
Motor vehicles expenses	69.941	69.849
Transportation expenses	241.230	220.928
Services from third parties	236.512	371.021
Other expenses	31.070	35.273
	3.675.554	4.159.054
Total administrative expenses	8.941.000	9.180.073

9. ADMINISTRATIVE EXPENSES *(continued)*

As a result of the pandemic, the administrative expenses of the Group have increased by €115.890 (2021: €317.545) from expenditures on prevention and hygiene measures, and by €20.468 (2021: €117.818) for the Company. These expenses are mainly included in the accounts Other staff expenses and Cleaning expenses.

Subnote 1
The Group's other professional fees that are presented above include fees amounting to €9.080 (2021: €16.670) for non-audit services provided by the audit firm of the Company.

The Company's other professional fees that are presented above include fees amounting to €9.080 (2021: €16.670) for non-audit services provided by the statutory audit firm of the Company.

10. NET FINANCE EXPENSES

THE GROUP

	2022	2021
	€	€
Finance income		
Interest receivable	579.008	595.992
Income from swap points	272.020	-
Net foreign exchange profit on derivative financial instruments	1.443.395	2.396.254
	2.294.423	2.992.246
Finance expenses		
Bank charges	(1.178.638)	(777.416)
Costs from swap points	-	(296.314)
Interest payable	(7.492.570)	(3.751.106)
Interest on other obligations	(76.601)	(67.503)
Interest on leases	(232.503)	(204.448)
Net foreign exchange loss	(3.111.911)	(3.828.813)
	(12.092.223)	(8.925.600)
Net finance expenses	(9.797.800)	(5.933.354)
Net finance expenses recognized in other comprehensive income that are to be reclassified to profit or loss in future periods		
Exchange difference from translation and consolidation of financial statements from foreign operations	5.646.268	7.579.741
Exchange difference in relation to hedge of net investment in a foreign operation	(3.009.631)	(2.633.110)
	2.636.637	4.946.631

LOGICOM PUBLIC LIMITED

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10. NET FINANCE EXPENSES *(continued)*

THE COMPANY

	2022	2021
	€	€
Finance income		
Interest receivable	-	34
Net foreign exchange profit on derivative financial instruments	1.185.870	1.697.993
Income from swap points	260.937	-
	1.446.807	1.698.027
Finance expenses		
Bank charges	(185.669)	(207.163)
Costs from swap points	-	(190.526)
Interest payable	(3.351.387)	(1.714.101)
Interest on leases	(10.676)	(14.066)
Net foreign exchange loss	(1.449.937)	(1.729.998)
	(4.997.669)	(3.855.854)
Net finance expenses	(3.550.862)	(2.157.827)

11. TAXATION

THE GROUP

	2022	2021
	€	€
Corporation tax - current year	3.954.355	3.245.029
Corporation tax- adjustment for prior years	(27.500)	(99.986)
Special defense contribution	(3.264)	18.055
Other taxes	652.632	290.016
Deferred tax - credit (Note 34)	(44.427)	(457.325)
	4.531.796	2.995.789

11. TAXATION *(continued)*

The subsidiary companies of the Group are taxed in the countries in which they operate as follows:

Company	Country	Tax rate 2022 %	Tax rate 2021 %
Logicom (Overseas) Limited	Cyprus	12,5	12,5
Logicom Solutions Limited	Cyprus	12,5	12,5
Netcom Limited	Cyprus	12,5	12,5
CUC Cyprus Utilities Company Limited	Cyprus	12,5	12,5
Najada Holdings Limited	Cyprus	12,5	12,5
Logicom (Middle East) SAL	Lebanon	17	17
ENET Solutions - Logicom S.A.	Greece	22	24
Logicom FZE	United Arab Emirates	0	0
Logicom Dubai LLC	United Arab Emirates	0	0
Logicom Jordan LLC	Jordan	20	20
Logicom Italia s.r.l.	Italy	25	24
Logicom IT Distribution Limited	Turkey	23	22
Rehab Technologies Limited	Saudi Arabia	20	20
Logicom Bulgaria EOOD	Bulgaria	10	10
Logicom Information Technology Distribution s.r.l.	Romania	16	16
Verendrya Ventures Ltd	Cyprus	12,5	12,5
Logicom Services Ltd	Cyprus	12,5	12,5
ICT Logicom Solutions SA	Greece	22	24
Logicom Saudi Arabia LLC	Saudi Arabia	20	20
Newcytech Business Solutions Ltd	Cyprus	12,5	12,5
Newcytech Distribution Ltd	Cyprus	12,5	12,5
Logicom Distribution Germany GmbH	Germany	30	30
Logicom LLC	Oman	15	15
Logicom Kuwait for Computer Company W.L.L	Kuwait	15	15
Logicom Trading & Distribution LLC	Qatar	10	10
Cadmus Tech Points S.A.L	Lebanon	17	17
Logicom Bahrain WLL	Bahrain	0	0
Logicom Egypt LLC	Egypt	22,5	22,5
Logicom Distribution Egypt LLC	Egypt	22,5	22,5
Elogicomnet Morocco Distribution SARL	Morocco	0	0

The tax rates for companies based in Morocco range from 10% to 31% depending on the amount of net taxable income. However, the subsidiary company Elogicomnet Morocco Distribution SARL is exempt from corporate tax liability for 3 years.

THE COMPANY

	2022 €	2021 €
Special defense contribution	(3.264)	10
Other taxes	23.027	24.275
Deferred tax - (credit)/charge (Note 34)	(63.185)	184.779
	(43.422)	209.064

The Company is subject to corporation tax at 12,5% on all of its profits.

11. TAXATION *(continued)*

Reconciliation of taxation with the taxation based on accounting profit

THE GROUP

	2022 €	2021 €
Profit before tax	31.304.471	27.772.458
Effective tax rate	16,90%	12,98%
Tax for the year based on accounting profit	5.290.456	3.604.865
Tax effect for:		
Depreciation	251.484	348.865
Capital allowances	(184.618)	(184.149)
Income not allowed in computation of taxable income	(2.265.691)	(1.369.285)
Expenses not allowed in computation of taxable income	862.724	844.732
Special defense contribution	(3.264)	18.056
Other taxes	652.632	290.016
Deferred tax	(44.427)	(457.325)
Adjustment for prior years	(27.500)	(99.986)
	4.531.796	2.995.789

Reconciliation of taxation with the taxation based on accounting profit

THE COMPANY

	2022 €	2021 €
Profit before tax	8.930.944	9.571.072
Effective tax rate	12,50%	12,50%
Tax for the year based on accounting profit	1.116.368	1.196.384
Tax effect for:		
Depreciation	65.572	75.121
Capital allowances	(45.426)	(42.497)
Income not allowed in computation of taxable income	(1.479.319)	(1.611.399)
Expenses not allowed in computation of taxable income	342.805	382.391
Special defense contribution	(3.264)	10
Other taxes	23.027	24.275
Deferred tax	(63.185)	184.779
	(43.422)	209.064

Deferred taxation recognized in other comprehensive income

THE GROUP

	2022 €	2021 €
Revaluation of land and buildings	(45.167)	3.309
Adjustment on remeasurement of obligation	(3.028)	(48.679)
	(48.195)	(45.370)

11. TAXATION *(continued)*

THE COMPANY

	2022 €	2021 €
Revaluation of land and buildings	(45.167)	3.309
	(45.167)	3.309

12. DIVIDENDS

	2022 €	2021 €
Dividends paid	5.926.368	5.926.368
	5.926.368	5.926.368

During the year a final dividend for 2021 of €5.926.368 was paid. This corresponds to €0,080 cent per share. In accordance with IAS 10, dividends are recognised in the year in which they are declared.

The proposed final dividend for 2022 amounting to €6.296.766, corresponds to €0,085 cent per share and in accordance with IAS 10, it will be recognized during 2023, the year in which it will be declared.

13. EARNINGS PER SHARE

THE GROUP

Basic and diluted earnings per share
The calculation of basic and diluted earnings per share is based on the profit attributable to the shareholders of the parent Company, the weighted average number of issued shares and the weighted average number of issued shares during the year as follows:

	2022	2021
Earnings attributable to shareholders (€)	26.718.648	24.745.689
Weighted average number of issued shares during the year	74.079.600	74.079.600
Basic earnings per share (cent)	36,07	33,40
Diluted weighted average number of shares	74.079.600	74.079.600
Diluted earnings per share (cent)	36,07	33,40

14. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	Land and buildings	Computers	Furniture and fittings	Motor vehicles	Total
	€	€	€	€	€
Cost or revaluation					
2021					
Balance as at 1 January 2021	19.292.839	7.845.672	3.259.406	1.706.864	32.104.781
Additions for the year	288.158	924.934	180.861	223.201	1.617.154
Disposals and write offs for the year	(197.879)	(515.089)	(61.072)	(62.816)	(836.856)
Exchange differences	367.254	175.851	114.644	54.305	712.054
Balance as at 31 December 2021	19.750.372	8.431.368	3.493.839	1.921.554	33.597.133
2022					
Balance as at 1 January 2022	19.750.372	8.431.368	3.493.839	1.921.554	33.597.133
Additions for the year	235.847	638.817	138.212	131.465	1.144.341
Disposals and write offs for the year	-	(211.611)	(39.719)	(134.223)	(385.553)
Adjustment on revaluation	818.715	-	-	-	818.715
Exchange differences	283.997	140.715	93.067	47.362	565.141
Balance as at 31 December 2022	21.088.931	8.999.289	3.685.399	1.966.158	35.739.777
Depreciation					
2021					
Balance as at 1 January 2021	704.374	5.560.576	2.593.027	1.192.919	10.050.896
Charge for the year	395.650	839.589	250.097	186.106	1.671.442
Write offs of the year	(197.879)	(412.139)	(44.978)	(62.475)	(717.471)
Exchange differences	54.719	155.274	94.160	41.218	345.371
Balance as at 31 December 2021	956.864	6.143.300	2.892.306	1.357.768	11.350.238
2022					
Balance as at 1 January 2022	956.864	6.143.300	2.892.306	1.357.768	11.350.238
Charge for the year	401.583	815.470	208.642	195.903	1.621.598
Disposals and write offs for the year	-	(198.285)	(39.660)	(134.223)	(372.168)
Adjustment on revaluation	(933.752)	-	-	-	(933.752)
Exchange differences	35.783	118.718	77.265	33.712	265.478
Balance as at 31 December 2022	460.478	6.879.203	3.138.553	1.453.160	11.931.394
Net book value					
Balance as at 31 December 2021	18.793.508	2.288.068	601.533	563.786	22.246.895
Balance as at 31 December 2022	20.628.453	2.120.086	546.846	512.998	23.808.383

LOGICOM PUBLIC LIMITED

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Year ended 31 December 2022

14. PROPERTY, PLANT AND EQUIPMENT *(continued)*

THE COMPANY	Land and buildings	Computers	Furniture and fittings	Motor vehicles	Total
	€	€	€	€	€
Cost or revaluation					
2021					
Balance as at 1 January 2021	3.443.904	2.353.796	303.039	485.982	6.586.721
Additions for the year	5.000	298.563	34.783	98.915	437.261
Disposals and write offs of the year	-	(112.971)	-	(13.000)	(125.971)
Balance as at 31 December 2021	3.448.904	2.539.388	337.822	571.897	6.898.011
2022					
Balance as at 1 January 2022	3.448.904	2.539.388	337.822	571.897	6.898.011
Additions for the year	-	150.029	10.179	79.814	240.022
Disposals and write offs for the year	-	(4.236)	-	(40.937)	(45.173)
Adjustment on revaluation	92.351	-	-	-	92.351
Balance as at 31 December 2022	3.541.255	2.685.181	348.001	610.774	7.185.211
Depreciation					
2021					
Balance as at 1 January 2021	68.633	1.386.694	210.477	359.367	2.025.171
Charge for the year	142.224	361.046	20.898	76.802	600.970
Disposals and write offs of the year	-	(14.641)	-	(13.000)	(27.641)
Balance as at 31 December 2021	210.857	1.733.099	231.375	423.169	2.598.500
2022					
Balance as at 1 January 2022	210.857	1.733.099	231.375	423.169	2.598.500
Charge for the year	142.413	293.507	20.154	68.501	524.575
Disposals and write offs for the year	-	(1.885)	-	(40.937)	(42.822)
Adjustment on revaluation	(347.885)	-	-	-	(347.885)
Balance as at 31 December 2022	5.385	2.024.721	251.529	450.733	2.732.368
Net book value					
Balance as at 31 December 2021	3.238.047	806.289	106.447	148.728	4.299.511
Balance as at 31 December 2022	3.535.870	660.460	96.472	160.041	4.452.843

On 31 December 2022 the Group through independent professional appraisers proceeded to a revaluation of land and buildings as follows:

		Surplus/ (Deficit)
		€
Logicom Public Ltd	Land and buildings	440.236
Najada Holdings Ltd	Land	225.000
Logicom FZE	Buildings	1.062.112
Logicom Jordan LLC	Land and buildings	25.119
		1.752.467

14. PROPERTY, PLANT AND EQUIPMENT *(continued)*

If land and buildings were recognised under historic cost, these would have been as follows:

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	€	€	€	€
Cost	15.071.821	14.835.974	1.504.486	1.504.486
Depreciation	(3.329.112)	(3.066.013)	(1.038.667)	(993.262)
	11.742.709	11.769.961	465.819	511.224

The value of the land which is not depreciated is as follows:

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	€	€	€	€
Balance as at 31 December	8.494.365	8.494.365	369.365	369.365

Approximately every three years, or earlier if required, revaluations are prepared to estimate the fair values of land and buildings.

The revaluations were made on the basis of the comparative method of estimation for the calculation of the market value, using the cost of construction method for the market value of the building under examination as well as the prospects of the properties under examination. Revaluations were made by independent professional valuers.

On 9 February 2018, the company Najada Holdings Limited, a subsidiary company of Logicom Public Limited, acquired all the interests of the immovable property Parcel 1878 Sheet/Plan 30/06E2, area 16 decares and 147 sq.m, at Strovolos Municipality in Nicosia ('The Property'). The purchase price amounted to €8.125.000. The decision for the acquisition of the Property was taken taking into consideration the present and future premises needs of the Group as well as the opportunities for its commercial development and exploitation.

On 31 December 2022, the property was revalued with a revaluation surplus of €225.000.

On land and buildings, borrowing costs of €651.812 as well as professional and legal costs of €849.082 for the design and licensing of the building under construction of Najada Holdings Limited, have been capitalised. In 2022, amounts of €146.966 have been capitalised in relation to borrowing costs and €26.377 in relation to professional and legal costs (2021: borrowing costs: €154.965, professional and legal costs: €75.162). The cost of the building under construction is not depreciated.

The land and buildings of Logicom Public Limited were revalued on 31 December 2022 and the surplus from revaluation amounted to €440.236.

The subsidiary company Logicom FZE acquired land in the Free Trade Zone Area in Jebel Ali. The land is leased under an operating lease for 10 years from the 1 August 2007 with an option for renewal, which was exercised for another 10 years. During the year, the subsidiary proceeded with the construction of an office building and a warehouse in the land. The annual lease payment is €154.090. The land and buildings were revalued on 31 December 2022 and the revaluation loss amounted to €1.062.112.

The land and buildings of Logicom Jordan LLC were revalued on 31 December 2022 and the revaluation surplus amounted to €25.119.

The provision for deferred taxation arising from the revaluation of land and buildings is presented in note 34.

The mortgage on land and buildings of the Group and the Company are presented in note 31.

14. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Land and buildings are classified as Level 3, in the calculation of their fair value, where the valuation technique is performed by independent qualified appraisers using a variety of valuation methods and assumptions based mainly on the market situation at each valuation date as stated in note 36.5.

The main property of the Group included in the Land and Buildings category are presented below:

Type of property	**Assessment method**	**Non-observable data**	**Data fluctuation range**	2022 €	2021 €
Land and buildings	Comparative method	Sale price per sq.m.	€670/sq.m.- €3.536/sq.m.	2.921.371	2.636.047
Land	Comparative method	Sale price per sq.m.	€680- €1.450/sq.m.	614.500	602.000
Land	Comparative method and development method	Sale price per sq.m.	€355/sq.m.- €1.160/sq.m.	10.450.000	10.225.000
Buildings	Cost price	Capitalised borrowing costs and professional costs		1.500.894	1.327.550
Land and buildings	Comparative method	Sale price per sq.m.	JOD 270/sq.m. - 728/sq.m.	862.474	793.695
Buildings	Comparative method	Transfer price per sq.m.	USD 530 (€496)/sq.m.	4.186.783	3.121.363

Data Sensitivity: The fair value will increase / (decrease) if the sale or transfer price per sq.m. increase / (decrease).

The remaining properties included in Land and Buildings have been valued from independent professional appraisers in the country in which they are located during the period ended 31 December 2022. This category includes improvements and additions to rental properties for which no assessment has been made.

15. RIGHT-OF-USE ASSETS

THE GROUP	Right of use land	Right of use buildings and warehouse	Right of use motor vehicles	Total
	€	€	€	€
Acquisition cost				
2021				
Balance as at 1 January 2021	1.765.435	5.660.343	545.600	7.971.378
Additions for the year	-	1.007.984	180.130	1.188.114
Write offs for the year	-	(563.210)	(141.985)	(705.195)
Exchange differences	151.208	93.682	3.421	248.311
Balance as at 31 December 2021	1.916.643	6.198.799	587.166	8.702.608
2022				
Balance as at 1 January 2022	1.916.643	6.198.799	587.166	8.702.608
Additions for the year	460.311	1.210.275	226.543	1.897.129
Write offs for the year	-	(929.902)	(75.620)	(1.005.522)
Exchange differences	118.599	98.801	1.149	218.549
Balance as at 31 December 2022	2.495.553	6.577.973	739.238	9.812.764
Depreciation				
2021				
Balance as at 1 January 2021	176.544	2.350.523	250.778	2.777.845
Charge	91.773	1.411.934	131.981	1.635.688
Write offs for the year	-	(563.210)	(141.903)	(705.113)
Exchange differences	19.179	78.372	(332)	97.219
Balance as at 31 December 2021	287.496	3.277.619	240.524	3.805.639
2022				
Balance as at 1 January 2022	287.496	3.277.619	240.524	3.805.639
Charge	105.492	1.489.560	171.236	1.766.288
Write offs for the year	-	(1.016.622)	(75.620)	(1.092.242)
Exchange differences	16.446	54.645	(280)	70.811
Balance as at 31 December 2022	409.434	3.805.202	335.860	4.550.496
Net book value				
Balance as at 31 December 2021	1.629.147	2.921.180	346.642	4.896.969
Balance as at 31 December 2022	2.086.119	2.772.771	403.378	5.262.268

15. RIGHT-OF-USE ASSETS *(continued)*

THE COMPANY	Right of use buildings and warehouse €
Acquisition cost	
2021	
Balance as at 1 January 2021	703.475
Additions for the year	36.986
Balance as at 31 December 2021	740.461
2022	
Balance as at 1 January 2022	740.461
Additions for the year	-
Balance as at 31 December 2022	740.461
Depreciation	
2021	
Balance as at 1 January 2021	234.486
Charge	122.524
Balance as at 31 December 2021	357.010
2022	
Balance as at 1 January 2022	357.010
Charge	126.684
Balance as at 31 December 2022	483.694
Net book value	
Balance as at 31 December 2021	383.451
Balance as at 31 December 2022	256.767

The Group and the Company used prior knowledge to determine the lease period. The average borrowing cost applied, at recognition, for Europe is 3,17% for land, warehouse and buildings and 3,5% for motor vehicles and for the Middle East is 5,44% for land, warehouse and buildings and 2,95% for motor vehicle. The average borrowing cost applied for the new leases recognised during the year is: for Europe 3,30% for land, warehouse and buildings, 5,60% for motor vehicles and for the Middle East 6,91% for land, warehouse and buildings and 2,78% for motor vehicles.

There were no significant changes in the lease contracts as a result of the Coronavirus pandemic (COVID-19), to the extent that they affect the value of the right-of-use assets, obligations under finance leases and related depreciation.

16. INTANGIBLE ASSETS AND GOODWILL

THE GROUP	Development costs €	Goodwill €	Distribution rights €	Total €
Cost				
2021				
Balance as at 1 January 2021	242.294	9.035.367	1.192.899	10.470.560
Additions	158.775	-	-	158.775
Exchange differences	-	-	(19.451)	(19.451)
Impairment for the year	-	(296.588)	-	(296.588)
Balance as at 31 December 2021	401.069	8.738.779	1.173.448	10.313.296
2022				
Balance as at 1 January 2022	401.069	8.738.779	1.173.448	10.313.296
Additions	21.708	-	-	21.708
Impairment for the year	-	(330.730)	-	(330.730)
Balance as at 31 December 2022	422.777	8.408.049	1.173.448	10.004.274
Amortisation				
2021				
Balance as at 1 January 2021	7.884	653.169	715.606	1.376.659
Amortisation for the the year	16.216	-	235.935	252.151
Exchange differences	-	-	(12.979)	(12.979)
Balance as at 31 December 2021	24.100	653.169	938.562	1.615.831
2022				
Balance as at 1 January 2022	24.100	653.169	938.562	1.615.831
Amortisation for the year	34.154	-	235.729	269.883
Exchange differences	-	-	(843)	(843)
Balance as at 31 December 2022	58.254	653.169	1.173.448	1.884.871
Net book value				
Balance as at 31 December 2021	376.969	8.085.610	234.886	8.697.465
Balance as at 31 December 2022	364.523	7.754.880	-	8.119.403

Goodwill

For the purpose of the impairment testing, each subsidiary company is considered as a separate cash generating unit. The impairment was recognised prior to the application of the revised IAS 38.

16. INTANGIBLE ASSETS AND GOODWILL *(continued)*

Logicom Solutions Ltd
Goodwill amounting to €2.343.488 arose on the acquisition of the subsidiary company Logicom Solutions Ltd on 1 January 2000 which also includes the take over of Inteli-scape Limited as an economic unit. The management estimates that there is no need for goodwill impairment on the basis that the recoverable amount exceeds the carrying amount of goodwill. The recoverable amount is equal to the value in use that is estimated as the current value of the expected future cash flows for a period of 3 years and the company's terminal value. For the determination of the terminal value the expected cash flows up to 2025 were used divided by the difference between the weighted average cost of capital and the growth rate. The weighted average cost of capital was calculated at 9,0% and the growth rate to perpetuity to 2%.

The amount of goodwill as at 31 December 2022 is €2.343.488 (2021: €2.343.488).

Newcytech Business Solutions Limited
Goodwill amounting to €7.535.670 arose on the acquisition of the subsidiary company Newcytech Business Solutions Limited ("Newcytech") on 30 October 2009. Goodwill includes an amount of €1.213.107 that was recognised from acquisitions of activities, equipment and inventories made by Newcytech prior to the acquisition.

Management estimates that there is no need for impairment of the goodwill, that arose on the acquisition of Newcytech, on the basis that the recoverable amount exceeds the carrying amount of goodwill. The recoverable amount equals the value in use that is calculated as the present value of the estimated expected future cash flows for a period of 3 years and the terminal value of the company. For the determination of the terminal value the cash flows up to 2025 were used divided with the difference of the weighted average cost of capital and the growth rate. The weighted average cost of capital was calculated to 9,0% and the growth rate to perpetuity to 2%.

During the year Newcytech recognised impairment of the goodwill, that was maintained in the Statement of Financial Position, amounting to €330.730. The indicated amount of goodwill arising from the acquisition of Newcytech Business Solutions on 31 December 2022 including the goodwill in the Statement of Financial Position of Newcytech, is €5.411.392 (2021: €5.742.122).

The main assumptions that were used in calculating the present value of the estimated future cash flows as assessed and evaluated by the Management are:

Discount rate
The discount rate is calculated at the same level as the weighted average cost of capital of the Group. For the calculation the Credit Default Swaps (CDS), the financing cost after the deduction of tax, the purchase interest rate and the degree of influence of the Company from market changes were taken into account.

Growth rate for terminal value
The rate is calculated based on previous experience of the company's growth rate and the Company's segments of operations, and by also taking into account the ongoing technological development, expertise and experience of the company. The rate is compared with the growth rate of the Gross Domestic Product of Cyprus, the country in which the company is operating.

Estimated future inflows
The future inflows from the above subsidiaries have been calculated based on the growth rates of the companies in the last years as well as based on the business development plans of the companies:

- The budget for 2023 shows a decrease of 4,6% in the turnover of Logicom Solutions Ltd and 13,0% increase in the turnover of Newcytech Business Solutions Ltd, taking into consideration the projects that the companies expect to perform during the year as well as their planned development.
- The growth for 2024 is estimated to be at positive rates at the level of 3% for Logicom Solutions Ltd and 5% for Newcytech Business Solutions Ltd and 3% and 3% increase is also foreseen for 2024 respectively.

16. INTANGIBLE ASSETS AND GOODWILL *(continued)*

- The growth after 2025 is expected to be within the expectations of the Management based on growth data for the country and segment of operations of the Company.

Management does not consider that there will be a considerable change in the above main assumptions that will affect the recoverable amount of goodwill so that it will be lower than the carrying amount.

Development/licensing costs

The development costs relate to the costs of designing and developing the e-commerce portal of the distribution sector.

Distribution rights

Costs relating to the distribution of products are capitalised and amortised in profit or loss with equal annual charges over the expected useful economic life for 5 years.

The distribution rights of €1.246.623 arose from the acquisition of the business of Gemini SP S.R.L. in Romania on 5 December 2017, a distributor of high technology products. The distribution rights which relate to the contracts with Hewlett Packard Enterprise N.V., Hewlett Packard Europe N.V. and Dell Distribution (EMEA) Ltd, are capitalised and then amortised to profit or loss.

The consideration transferred was calculated at the date of the acquisition at fair value of €1.480.874 out of which €99.650 referred to a contingent consideration. Its stated value is mentioned in Note 27.

The distribution rights' stated amount as at 31 December 2022 is €0 (2021: €234.886).

17. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2022 €	2021 €
Balance at **1 January**	11.725.167	6.985.960
Additions	-	3.826.276
Revaluation transferred to equity	8.045.607	912.931
Balance at 31 December	19.770.774	11.725.167

The investments at fair value through other comprehensive income at 31.12.2022 and 31.12.2021 relate to an investment of the subsidiary Logicom Services Limited in Hellenic Bank Public Limited. The investment is valued based on its market value at the reporting date. The market value of the shares in Hellenic Bank Public Limited held by the Group on 31 December 2022, amount to €23.477.794 on 19 April 2023.

18. INVESTMENTS IN SUBSIDIARY COMPANIES

The Company has the following investments in subsidiary companies:

Company	Country of incorporation	2022 Holding %	2021 Holding %	2022 €	2021 €
Logicom (Overseas) Limited	Cyprus	100	100	-	-
Logicom (Middle East) SAL	Lebanon	100	100	-	-
ENET Solutions - Logicom S.A.	Greece	100	100	1.205.400	1.205.400
Logicom FZE	United Arab Emirates	100	100	18.693.825	18.693.825
Logicom Trading & Distribution LLC	Qatar	100	100	46.313	46.313
Logicom Jordan LLC	Jordan	100	100	78.372	78.372
Logicom Italia s.r.l.	Italy	100	100	3.569.544	3.569.544
Rehab Technologies Limited	Saudi Arabia	100	100	-	-
Logicom Information Technology Distribution s.r.l.	Romania	100	100	2.200.063	2.200.063
Logicom Bulgaria EOOD	Bulgaria	100	100	-	-
Logicom Services Ltd	Cyprus	100	100	24.010.000	24.010.000
Verendrya Ventures Ltd	Cyprus	60	60	600	600
Logicom Distribution Germany GmbH	Germany	100	100	27.000	27.000
Cadmus Tech Points S.A.L	Lebanon	100	100	-	-
Najada Holdings Limited	Cyprus	100	100	3.500.100	3.500.100
				53.331.217	53.331.217

The value of the investments as listed above consists of the share capital and the contribution from the parent company to its subsidiaries.

The Company owns indirectly, through the subsidiary company Logicom Services Limited, the 100% of Logicom Solutions Ltd in Cyprus with share capital of €11.115.

The Company owns indirectly, through the subsidiary companies Enet Solutions Logicom S.A. and Logicom FZE, the 100% of Logicom IT Distribution Ltd in Turkey with share capital of €8.713.606.

The Company owns indirectly, through the subsidiary company Verendrya Ventures Limited, the 60% of the subsidiary Netcom Limited in Cyprus with share capital €17.100.

The Company owns indirectly, through the subsidiary company Verendrya Ventures Limited, the 60% of the subsidiary CUC Cyprus Utilities Company Limited in Cyprus with share capital €1.000.

The Company owns indirectly, through the subsidiary company Logicom FZE, the 100% of the subsidiary Logicom Saudi Arabia LLC in Saudi Arabia with share capital of €4.960.896.

The Company owns indirectly, through the subsidiary company Logicom FZE, the 100% of the subsidiary Logicom Dubai LLC in United Arab Emirates, with share capital of €92.129.

The Company owns indirectly, through the subsidiary company Logicom Services Limited, the 100% of Newcytech Business Solutions Limited in Cyprus with share capital of €756.776.

The Company owns indirectly, through the subsidiary company Logicom Services Limited, the 100% of Newcytech Distribution Limited in Cyprus with share capital of €8.550.

18. INVESTMENTS IN SUBSIDIARY COMPANIES *(continued)*

The Company owns indirectly, through the subsidiary company Logicom Services Limited, the 100% of the subsidiary Enet Solutions LLC in the United Arab Emirates with share capital of €56.589. The company, which was dormant, has been dissolved during 2022.

The Company owns indirectly, through the subsidiary company Logicom Services Limited, the 100% of the subsidiary ICT Logicom Solutions SA in Greece, with share capital of €100.000.

The Company owns indirectly, through the subsidiaries Logicom FZE and Logicom Dubai LLC, the 100% of Logicom LLC in Oman, with share capital of €41.086.

The Company owns indirectly, through its subsidiary Logicom FZE, the 100% of Logicom Kuwait for Computer Company WLL in Kuwait, with share capital of €50.997.

The Company owns indirectly, through its subsidiary Logicom FZE, the 100% of Logicom Bahrain W.L.L. in Bahrain, with share capital of €11.383.

The Company owns indirectly through its subsidiaries Logicom FZE and Logicom (Overseas) Limited the 100% of Logicom Egypt LLC in Egypt, with share capital of €56.

The Company owns indirectly through its subsidiaries Logicom FZE and Logicom Egypt LLC the 100% of Logicom Distribution Egypt LLC in Egypt, with share capital of €107.541.

The Company owns indirectly through its subsidiaries Logicom FZE and Logicom (Overseas) Limited the 100% of Elogicomnet Morocco Distribution SARL in Morocco, with share capital of €6.763.

As at 31 December 2022, the Company made an impairment assessment on the value of the investments in subsidiary companies by comparing the net asset value of each investment with the carrying amount as stated in the Company's books. There was no indication for impairment in the value of the investments in subsidiaries, except for Logicom Information Technology Distribution s.r.l and Logicom Italia s.r.l, according to the comparison mentioned above. The value of the investments in the companies Logicom Information Technology Distribution s.r.l. and Logicom Italia srl were not impaired based on the calculation of the expected future cash flows of these companies for the years 2023-2025 divided by the weighted average cost of capital that was calculated at 9,0%, with growth rate to perpetuity of 2% and based on the fact that the discounted future cash flows exceed the value of these investments. Impairments on the values of the investments are presented in the Statement of Profit or Loss.

18. INVESTMENTS IN SUBSIDIARY COMPANIES *(continued)*

The following table presents the dates of acquisition, the nominal values and the number of shares of the main subsidiary companies:

Company	Date of acquisition/ incorporation	Nominal Value	Number of shares
Logicom (Overseas) Limited	01/01/1999	EUR 1,71	10.000
Logicom Solutions Limited	01/01/1999	EUR 1,71	6.500
Netcom Limited	27/04/2000	EUR 1,71	10.000
Logicom (Middle East) SAL	25/07/2000	LBP 15.000	20.000
ENET Solutions - Logicom S.A.	21/02/2001	EUR 2,94	410.000
Logicom Jordan LLC	07/08/2001	JOD 1	50.000
Logicom FZE	03/10/2001	AED 1 m.	1
Logicom Dubai LLC	07/11/2001	AED 100	3.000
Logicom Italia s.r.l.	14/06/2005	EUR 10.000	1
Logicom IT Distribution Limited	01/12/2005	YTL 25	920.000
Rehab Technologies Limited	01/08/2006	SAR 500	1.000
Logicom Information Technology Distribution s.r.l.	19/03/2007	RON 200	1
Logicom Bulgaria EOOD	12/04/2007	BGN 20.000	1
Verendrya Ventures Ltd	30/01/2009	EUR 1	1.000
Logicom Services Ltd	06/05/2009	EUR 1	10.000
ICT Logicom Solutions SA	03/11/2009	EUR 1	100.000
Logicom Saudi Arabia LLC	29/09/2009	SAR 10	2.680.000
Newcytech Business Solutions Ltd	30/10/2009	EUR 1,71	442.559
Newcytech Distribution Ltd	30/10/2009	EUR 1,71	5.000
Logicom Distribution Germany GmbH	29/09/2010	EUR 1	25.000
CUC Cyprus Utilities Company Limited	11/09/2018	EUR 1	1.000
Logicom LLC	02/09/2012	OMR 1	20.000
Cadmus Tech Points S.A.L	01/10/2013	LBP10.000	3.000
Logicom Kuwait for Computer Company W.L.L	13/03/2014	KWD200	100
Logicom Trading & Distribution LLC	23/03/2014	QAR1.000	200
Najada Holdings Limited	23/05/2017	EUR 1	100
Logicom Bahrain WLL	06/09/2018	BD50	100
Logicom Egypt LLC	07/11/2019	LE10	100
Logicom Distribution Egypt LLC	02/09/2020	LE10	200.000
Elogicomnet Morocco Distribution SARL	27/07/2021	MAD10	70.000

19. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

The Group participates in the consortium M.N Limassol Water Co. Limited and M.N. E.P.C Water Co. (partnership) with 50% holding through its subsidiary company Verendrya Ventures Limited. The above consortiums have undertaken the construction and operation of the desalination plant in Episkopi.

During 2012, the Group has also acquired a 50% holding through its subsidiary company Verendrya Ventures Limited, in the joint venture M.N Larnaca Desalination Co. Limited for the renovation and operation of the existing desalination unit in Larnaca.

On 15 March 2018, the Group increased its total shareholding held in Demetra Holdings Plc to 29,62%, resulting in having significant influence.

The Group recognizes the above investments using the equity method.

19. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES *(continued)*

THE GROUP

	2022 €	2021 €
M.N. Limassol Water Co. Ltd	428.766	151.037
M.N. E.P.C Water Co.	-	-
M.N. Larnaca Desalination Co. Ltd	-	-
Demetra Holdings Plc	82.073.361	79.993.240
	82.502.127	80.144.277

	M.N. Larnaca Desalination Co. Ltd €	M.N. E.P.C Water Co. €	M.N. Limassol Water Co. Ltd €	Demetra Holdings Plc €	Total €
Balance at 1 January 2021	-	-	349.218	79.073.445	79.422.663
Dividend	-	-	(219.560)	-	(219.560)
Reclassification of loss from investments in joint ventures after tax	243.377	(16.056)			227.321
Share of (loss)/profit from investments in joint ventures after tax	(243.377)	16.056	334.619	-	107.298
Remeasurement	-	-	(313.240)	-	(313.240)
Net share of profit from associated companies after tax	-	-	-	1.581.313	1.581.313
Share of loss through other comprehensive income	-	-	-	(214.823)	(214.823)
Share of other transactions with owners	-	-	-	(446.695)	(446.695)
Balance at 31 December 2021	-	-	151.037	79.993.240	80.144.277

	M.N. Larnaca Desalination Co. Ltd €	M.N. E.P.C Water Co. €	M.N. Limassol Water Co. Ltd €	Demetra Holdings Plc €	Total €
Balance at 1 January 2022	-	-	151.037	79.993.240	80.144.277
Dividend	-	-	(79.840)	-	(79.840)
Reclassification of loss from investments in joint ventures after tax	350.316	1.471			351.787
Share of (loss)/profit from investments in joint ventures after tax	(350.316)	(1.471)	357.569	-	5.782
Net share of profit from associated companies after tax	-	-	-	2.696.682	2.696.682
Share of loss through other comprehensive income	-	-	-	(280.951)	(280.951)
Share of other transactions with owners	-	-	-	(335.610)	(335.610)
Balance at 31 December 2022	-	-	428.766	82.073.361	82.502.127

19. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES *(continued)*

The profit that resulted from M.N. Limassol Water Co. Limited of €357.569 (2021: €334.619) was debited to the amount of investment in Verendrya Ventures Limited in M.N. Limassol Water Co. Limited.
The loss that resulted from M.N. Larnaca Desalination Co. Ltd of €350.316 (2021: €243.377) was credited to the loan granted from Verendrya Ventures Limited to M.N. Larnaca Desalination Co. Ltd.
The loss that resulted from M.N.E.P.C. Water Co. of €1.471 (2021: profit €516.056) was debited to the loan granted from Verendrya Ventures Limited to M.N. Limassol Water Co. Limited.

According to the Bank Loan Agreement between M.N. Limassol Water Co. Ltd and Hellenic Bank Public Limited, a restriction with regards to the dividend distribution exists if any of the below applies:

- Based on the instructions issued by the Water Development Department, the production of the desalinated water is restricted below the minimum quantities as specified in the contract.
- The Water Development Department instructs the company to operate in a stand-by mode.
- The economic position or the future cash flows of M.N. Limassol Water Co. Limited are not in a position to warrant the distribution of dividends.

Regarding the investment in the desalination unit of Larnaca, M.N. Larnaca Desalination Co's Limited management has prepared its financial statements for the year ended 31 December 2022 using estimates, assumptions and evidence that include the legal opinion in relation to the validity of claims in favor and against the company and an opinion from its consultants in respect of the level of compensation that the company is expected to be entitled to. Judgement has also been applied in the allocation of the expected compensation in the financial model of the company between financial and intangible asset. In accordance with the provisions of the paragraph 92 of IAS 37 'Provisions, contingent liabilities and contingent assets' no further information is disclosed in relation to the subject matter on the grounds that it may prejudice the position of the company in a dispute with other parties.

The production of the desalination plants M.N. Limassol Water Co. and M.N. Larnaca Desalination Co. may fluctuate according to the instructions of the Water Development Department.

The recognition of investment in M.N. Larnaca Desalination Co. Ltd during 2018, arose from the decrease of the conventional interest of the loan receivable to 0% from 4,5% and in consequence the fair value of the rejected cash flows discounted at the effective interest was recognised as increase in the investment.

The adjustment of €313.240, recognised in 2021, relates to an amount resulted from the initial application of IFRS 9 "Financial Instruments" in M.N. Limassol Water Co. and was not recognised by Verendrya Ventures Limited in previous years.

19. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES *(continued)*

Significant total amounts of investments accounted for using the equity method:

2022	M.N. Larnaca Desalination Co. Limited	M.N. E.P.C. Water Co.	M.N. Limassol Water Co. Limited	Total
Percentage	50%	50%	50%	
Reporting date	31/12/2022	31/12/2022	31/12/2022	
	€	€	€	€
Non-current assets	16.444.285	-	27.821.830	44.266.115
Cash and cash equivalents	1.599.699	-	293.035	1.892.734
Current assets	8.654.215	-	8.978.769	17.632.984
Total assets	26.698.199	-	37.093.634	63.791.833
Current liabilities	(2.404.594)	-	(3.714.099)	(6.118.693)
Short-term borrowing	(1.625.000)	-	(3.126.000)	(4.751.000)
Long-term loans	(36.017.228)	-	(29.397.187)	(65.414.415)
Total liabilities	(40.046.822)	-	(36.237.286)	(76.284.108)
Net assets	(13.348.623)	-	856.348	(12.492.275)
Revenue	16.977.883	455	10.171.125	27.149.463
Interest receivable	764.352	-	2.131.914	2.896.266
Expenses	(18.357.582)	-	(9.794.624)	(28.152.206)
Depreciation and amortisation	(84.135)	(3.396)	(425.427)	(512.958)
Interest payable	(1.149)	-	(1.273.430)	(1.274.579)
Tax	-	-	(94.420)	(94.420)
(Loss)/profit	(700.631)	(2.941)	715.138	11.566
Group's share in net assets	(6.674.312)	-	428.174	(6.246.138)
Group's share in (loss)/profit	(350.316)	(1.471)	357.569	5.782

19. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES *(continued)*

2021	M.N. Larnaca Desalination Co. Limited	M.N. E.P.C. Water Co.	M.N. Limassol Water Co. Limited	Total
Percentage	50%	50%	50%	
Reporting date	31/12/2021	31/12/2021	31/12/2021	
	€	€	€	€
Non-current assets	17.110.705	-	30.197.583	47.308.288
Cash and cash equivalents	484.399	736	727.578	1.212.713
Current assets	6.472.210	3.208	8.204.096	14.679.514
Total assets	24.067.314	3.944	39.129.257	63.200.515
Current liabilities	(1.473.085)	(1.000)	(3.615.302)	(5.089.387)
Short-term borrowing	(35.242.228)	-	(3.126.000)	(38.368.228)
Long-term loans	-	-	(32.086.758)	(32.086.758)
Total liabilities	(36.715.313)	(1.000)	(38.828.060)	(75.544.373)
Net assets	(12.647.999)	2.944	301.197	(12.343.858)
Revenue	9.658.734	38.959	4.962.501	14.660.194
Interest receivable	789.039	-	2.270.804	3.059.843
Expenses	(10.848.511)	-	(4.651.816)	(15.500.327)
Depreciation and amortisation	(85.533)	(6.848)	(529.751)	(622.132)
Interest payable	(483)	-	(1.303.981)	(1.304.464)
Tax	-	-	(78.519)	(78.519)
(Loss)/profit	(486.754)	32.111	669.238	214.595
Group's share in net assets	(6.324.000)	1.472	150.599	(6.171.929)
Group's share in (loss)/profit	(243.377)	16.056	334.619	107.298

The balances and transactions between the joint ventures are presented in note 43.

The Group holds 59.232.100 shares corresponding to 29,62% of the total share capital of Demetra Holdings Plc and exercises significant influence.

19. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES *(continued)*

Percentage	2022	2021
Reporting date	29,62%	29,62%
	€	€
Non-current assets	255.406.365	249.158.077
Cash and cash equivalents	761.303	917.223
Current assets	31.398.540	32.552.304
Total assets	287.566.208	282.627.604
Current liabilities	(3.520.946)	(3.700.538)
Short-term borrowing	(1.840.528)	(1.838.302)
Long-term loans	(5.111.753)	(7.023.808)
Total liabilities	(10.473.227)	(12.562.648)
Net assets	277.092.981	270.064.956
Revenue	11.525.425	9.363.002
Interest receivable	218.282	203.697
Expenses	(2.218.356)	(3.743.939)
Depreciation and amortisation	-	(64.063)
Interest payable	(315.324)	(359.262)
Tax	(105.766)	(60.770)
Profit	9.104.261	5.338.665
Group's share in net assets	82.074.941	79.993.240
Group's share in profit for the year	2.696.682	1.581.313

The balances and transactions between the joint ventures are presented in note 43.

The market value of the investment in Demetra Holdings Plc at the reporting date amounted to €27.957.551 (2021: €23.455.912) and on 19 April 2023 amounts to €30.800.692.

20. OTHER INVESTMENTS

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	€	€	€	€
Balance at 1 January	14.943	12.881	6.758	6.758
Change in fair value	4.063	2.062	-	-
Balance at 31 December	19.006	14.943	6.758	6.758

THE GROUP

	2022	2021
	€	€
Shares at fair value through profit or loss	13.880	9.817
Other investments	5.126	5.126
	19.006	14.943

20. OTHER INVESTMENTS *(continued)*

THE COMPANY

	2022	2021
	€	€
Shares at fair value through profit or loss	1.632	1.632
Other investments	5.126	5.126
	6.758	6.758

On 19 April 2023, the value of the shares traded in the CSE was €15.813.

The investments at fair value through profit or loss relate to investments in public companies and are presented in fair value. The other investments relate to the Company's participation in recycling companies and are presented in cost price.

The Management estimates that the fair value of other investments is not significantly different from their listed value on 31.12.2022.

21. DERIVATIVE FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	€	€	€	€
Derivative financial instruments- liabilities	320.832	421.946	633.234	738.388

The derivative financial instruments of the Group and the Company refer to contracts of exchange of foreign currency for the hedging of the fluctuations in foreign currencies. The Group and the Company's management follow a policy to minimize the risk arising from the fluctuation of foreign exchange differences, as stated in the significant accounting policies.

The profit from the change in fair value of derivative financial instruments for the year, that was recognised in Group's and Company's results amounted to €1.443.395 (2021: €2.396.254) and €1.185.870 (2021: €1.697.993) respectively.

The exposure of the Group and the Company to foreign exchange risk is presented in note 36.2.2 of the consolidated and separate financial statements.

22. INVENTORIES

THE GROUP

	2022 €	2021 €
Net value of inventories at 31 December	106.592.350	79.362.639

During the year inventories of €1.070.587.473 (2021: €871.069.222) were recognised in the cost of sales.

THE COMPANY

	2022 €	2021 €
Net value of inventories at 31 December	599.361	845.009

During the year inventories of €92.310.908 (2021: €78.080.768) were recognised in cost of sales.

Inventories consist of finished goods for sale. Inventories are stated net of any provision for slow moving stock determined as obsolete and which it is possible that they cannot be sold.

Movement in provision for slow moving stocks:

THE GROUP

	2022 €	2021 €
Balance at 1 January	1.590.663	1.513.201
Provision recognised for the decrease in the value of inventories	389.501	12.571
Reversal of provision	(23.120)	(25.826)
Exchange differences	65.602	90.717
Balance at 31 December	2.022.646	1.590.663

THE COMPANY

	2022 €	2021 €
Balance at 1 January	4.065	4.065
Balance at 31 December	4.065	4.065

For the determination of the provision for slow moving stock, the characteristics of the country in which the inventories are held, the age and the type of inventories, their marketability as well as the Group's option for stock returns and price protection from the vendors, were taken into consideration.

23. TRADE AND OTHER RECEIVABLES

THE GROUP

	2022	2021
	€	€
Trade receivables	264.089.423	227.715.152
Other receivables	5.230.096	3.989.347
Prepayments	8.187.510	4.359.612
Receivables from joint ventures (Note 43)	23.742.843	23.354.742
Contract asset	6.736.675	6.603.052
	307.986.547	266.021.905
Non-current receivables		
Receivables from joint ventures (Note 43)	23.742.843	23.354.742
Trade debtors	555.219	819.350
	24.298.062	24.174.092
Current receivables	283.688.485	241.847.813
	307.986.547	266.021.905

THE COMPANY

	2022	2021
	€	€
Trade receivables	12.487.565	11.956.814
Other receivables	10.095.007	9.414.727
Prepayments	9.335	9.339
	22.591.907	21.380.880

Trade and other receivables are stated net of any provision for doubtful debts. The provision for doubtful debts amounted to €3.861.151 (2021: €3.218.509) for the Group and to €116.819 (2021: €123.065) for the Company (Note 36.1).

There was no amount of trade debtors of Logicom FZE and Logicom Dubai LLC in the United Arab Emirates that has been settled through factoring agreement without recourse.

The Group has recognized a loss of €382.794 (2021: €65.840) for the impairment of its trade receivables during the year ended 31 December 2022. The loss has been included separately in the Statement of Profit or Loss and Other Comprehensive Income.

Part of the trade receivables of Logicom Public Ltd in Cyprus and Malta and the subsidiary companies Enet Solutions Logicom S.A. in Greece and Logicom FZE in United Arab Emirates have been settled through the factoring agreement with recourse. The total amount of trade receivables that were settled as at 31 December amounted to €18.326.057 (2021: €18.375.296).

The Company's other receivables mainly include trade receivable balances of the subsidiary company Logicom FZE that were settled through the factoring agreement with recourse.

The risks in relation to trade and other receivables as well as the information relevant to the provision for doubtful debts are presented in note 36.1.

24. CASH AND CASH EQUIVALENTS

THE GROUP

	2022	2021
	€	€
Cash in hand	115.870	60.174
Current accounts with banks	65.241.074	42.624.344
	65.356.944	42.684.518
Expected credit losses (Note 36.1)	(3.940.205)	(2.168.565)
	61.416.739	40.515.953

The expected credit losses relate to a provision for impairment of cash and cash equivalents 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 impact on the country as well as cash flow restrictions.

THE COMPANY

	2022	2021
	€	€
Cash in hand	105.709	50.171
Current accounts with banks	9.193.270	2.598.128
	9.298.979	2.648.299

The deposit interest rates for 2022 amounts to 0% - 1,0% per annum (2021: 0% - 1,0%).

For cash flow statement purposes, cash and cash equivalents include:

THE GROUP

	2022	2021
	€	€
Cash at bank and in hand	61.416.739	40.515.953
Bank overdrafts (Note 31)	(32.270.645)	(41.185.501)
	29.146.094	(669.548)

THE COMPANY

	2022	2021
	€	€
Cash at bank and in hand	9.298.979	2.648.299
Bank overdrafts (Note 31)	(20.671.992)	(21.526.226)
	(11.373.013)	(18.877.927)

25. SHARE CAPITAL

	2022 Number of shares	2022 €	2021 Number of shares	2021 €
Authorised				
Ordinary shares of €0,34 each	100.000.000	34.000.000	100.000.000	34.000.000
Issued and fully paid				
Balance at 1 January	74.079.600	25.187.064	74.079.600	25.187.064
Balance at 31 December	74.079.600	25.187.064	74.079.600	25.187.064

All the shares are listed and traded in the Cyprus Stock Exchange, they have the same and equal rights and have no limitations in their transfer.

LOGICOM PUBLIC LIMITED

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Year ended 31 December 2022

26. RESERVES

THE GROUP

	Difference arising on the conversion the share capital to Euro €	Share Premium €	Retained earnings €	Revaluation Reserve €	Translation reserve €	Hedge reserve €	Statutory reserve €	Total €	Non-controlling interest €	Total €
Balance at 1 January 2021	116.818	10.443.375	147.943.302	6.385.240	(9.437.395)	(6.681.882)	2.774.277	151.543.735	(2.497.363)	149.046.372
Profit for the year	-	-	24.745.689	-	-	-	-	24.745.689	30.980	24.776.669
Exchange differences in relation to foreign operations	-	-	-	-	7.579.741	(2.633.110)	-	4.946.631	-	4.946.631
Deferred tax on revaluation of land and buildings (note 34)	-	-	-	3.309	-	-	-	3.309	-	3.309
Surplus arising from the revaluation of investments at fair value through other comprehensive income	-	-	912.931	-	-	-	-	912.931	-	912.931
Adjustment from remeasurement of obligation (note 28)	-	-	595.970	-	-	-	-	595.970	-	595.970
Deferred tax from the administrative expenses (note 34)	-	-	(48.679)	-	-	-	-	(48.679)	-	(48.679)
Share of loss from associated company	-	-	(214.823)	-	-	-	-	(214.823)	-	(214.823)
Total comprehensive income	-	-	25.991.088	3.309	7.579.741	(2.633.110)	-	30.941.028	30.980	30.972.008
Proposed dividend for 2020 that was paid in 2021 (note 12)	-	-	(5.926.368)	-	-	-	-	(5.926.368)	-	(5.926.368)
Transfer	-	-	53.003	-	-	-	75.361	128.364	(128.364)	-
Share of other transactions with owners from associated company (note19)	-	-	(446.695)	-	-	-	-	(446.695)	-	(446.695)
	-	-	(6.320.060)	-	-	-	75.361	(6.244.699)	(128.364)	(6.373.063)
Balance at 31 December 2021	116.818	10.443.375	167.614.330	6.388.549	(1.857.654)	(9.314.992)	2.849.638	176.240.064	(2.594.747)	173.645.317

26. RESERVES *(continued)*

THE GROUP

	Difference arising on the conversion the share capital to Euro	Share Premium	Retained earnings	Revaluation Reserve	Translation reserve	Hedge reserve	Statutory reserve	Total	Non-controlling interest	Total
	€	€	€	€	€	€	€	€	€	€
Balance at 1 January 2022	116.818	10.443.375	167.614.330	6.388.549	(1.857.654)	(9.314.992)	2.849.638	176.240.064	(2.594.747)	173.645.317
Profit for the year	-	-	26.718.648	-	-	-	-	26.718.648	54.027	26.772.675
Exchange differences in relation to foreign operations	-	-	-	-	5.646.268	(3.009.631)	-	2.636.637	-	2.636.637
Surplus on revaluation of land and buildings	-	-	-	1.752.467	-	-	-	1.752.467	-	1.752.467
Deferred tax on revaluation of land and buildings (note 34)	-	-	-	(45.167)	-	-	-	(45.167)	-	(45.167)
Surplus arising from the revaluation of investments at fair value through other comprehensive income	-	-	8.045.607	-	-	-	-	8.045.607	-	8.045.607
Adjustment from remeasurement of obligation (note 28)	-	-	527.428	-	-	-	-	527.428	-	527.428
Deferred tax from administrative expenses (note 34)	-	-	(3.028)	-	-	-	-	(3.028)	-	(3.028)
Share of loss from associated company	-	-	(280.951)	-	-	-	-	(280.951)	-	(280.951)
Total comprehensive income	-	-	35.007.704	1.707.300	5.646.268	(3.009.631)	-	39.351.641	54.027	39.405.668
Proposed dividend for 2021 that was paid in 2022 (note 12)	-	-	(5.926.368)	-	-	-	-	(5.926.368)	(80.000)	(6.006.368)
Transfer	-	-	(150.607)	-	-	-	150.607	-	-	-
Share of other transactions with owners from associated company (note 19)	-	-	(335.610)	-	-	-	-	(335.610)	-	(335.610)
	-	-	(6.412.585)	-	-	-	150.607	(6.261.978)	(80.000)	(6.341.978)
Balance at 31 December 2022	116.818	10.443.375	196.209.449	8.095.849	3.788.614	(12.324.623)	3.000.245	209.329.727	(2.620.720)	206.709.007

LOGICOM PUBLIC LIMITED

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26. RESERVES *(continued)*

THE COMPANY

	Difference arising on the conversion the share capital to Euro €	Share Premium €	Retained earnings €	Revaluation Reserve €	Total €
Balance at 1 January 2021	116.818	10.443.375	9.490.199	2.307.788	22.358.180
Profit for the year	-	-	9.362.008	-	9.362.008
Proposed dividend for 2020 that was paid in 2021 (note 12)	-	-	(5.926.368)	-	(5.926.368)
Deferred taxation realised on revaluation	-	-	-	3.309	3.309
Balance at 1 January 2022	116.818	10.443.375	12.925.839	2.311.097	25.797.129
Profit for the year	-	-	8.974.366	-	8.974.366
Surplus on revaluation of land and buildings (note 14)	-	-	-	440.236	440.236
Deferred tax on revaluation of land and buildings (note 34)	-	-	-	(45.167)	(45.167)
Total comprehensive income	-	-	8.974.366	395.069	9.369.435
Proposed dividend for 2021 that was paid in 2022 (note 12)	-	-	(5.926.368)	-	(5.926.368)
	-	-	(5.926.368)	-	(5.926.368)
Balance at 31 December 2022	116.818	10.443.375	15.973.837	2.706.166	29.240.196

Retained earnings

Retained earnings include accumulated profits or losses of the Company.

Share premium

Share premium consists of amounts incurred from the issue of shares at prices higher than the nominal value.

Reserve arising from the change of the nominal value of the shares

Reserve arising from the change of the nominal value of the shares consists of the difference arising from the change of the nominal value of the shares, following the adoption of the Euro as the official currency of the Republic of Cyprus.

Revaluation reserve

Revaluation reserve consists of the accumulated amounts of revaluations of land and buildings and the deferred taxation arising from the revaluations.

Fair value reserve

Fair value reserve consists of the accumulated amounts of revaluations of the available for sale investments recognised at their fair value.

26. RESERVES *(continued)*

Translation Reserve

Translation reserve consists of the accumulated exchange differences that arise on the translation of the equity of the foreign subsidiary companies and the exchange differences that arise from the long-term loans of the parent company to the foreign subsidiary companies.

Exchange differences that arise from the long-term loans to foreign subsidiary companies are transferred to other comprehensive income and presented in the translation reserve in the financial statements of the Group. Exchange differences are transferred to profit and loss on the disposal of the subsidiary company. Deferred taxation arising from net exchange differences from the translation of the long-term loans is transferred to other comprehensive income and is presented in the translation reserve.

Exchange differences arising from long-term loans to foreign subsidiary companies are recognised in profit and loss in the year they are incurred and are recognised in the financial statements of the parent Company.

Hedging Reserve

Hedging Reserve consists of the accumulated amounts of the hedging of the net investment in foreign subsidiary companies with the Group's liabilities at a foreign currency.

Statutory reserve in Group subsidiary companies

This reserve consists of amounts transferred every year from retained earnings, according to the statutory requirements applicable in certain countries.

Non-controlling interests

The significant non-controlling interest from the subsidiaries of the Group are analysed in the table below before the adjustments for the transactions within the Group:

VERENDRYA VENTURES LIMITED	2022 €	2021 €
Non-controlling interest	40%	40%
Non-current assets	24.171.609	22.088.619
Current assets	18.688	1.435.848
Non-current liabilities	(30.123.446)	(29.627.165)
Current liabilities	(618.650)	(384.169)
Net assets	(6.551.799)	(6.486.867)
Net assets related to non-controlling interest	(2.620.720)	(2.594.747)
Revenue	-	-
Profit	135.068	77.451
Other comprehensive income	-	-
Total comprehensive income	135.068	77.451
Profit attributable to non-controlling interest	54.027	30.980
Other comprehensive income attributable to non-controlling interest	-	-
Cash flows from operating activities	-	-
Cash flows from investing activities	-	-
Cash flow from financing activities (dividend paid to non-controlling interest: zero)	-	-
Net increase/(decrease) in cash and cash equivalents	-	-

27. PROVISIONS FOR OTHER LIABILITIES

THE GROUP	Contingencies from the acquisition of operations
	€
Balance at 1 January 2021	95.356
Exchange differences	(1.555)
Balance at 1 January 2022	93.801
Exchange differences	(10)
Balance at 31 December 2022	93.791

Contingencies from acquisition of operations
The contingencies from the acquisition of operations refer to:
Amount of €93.791 (2021: €93.801) refers to a balance payable to Gemini SP S.r.l. relating to the acquisition of business from the Group's subsidiary company Logicom IT Distribution S.r.l (note 16). The amount is payable provided that no liabilities occur that will burden Logicom IT Distribution S.r.l. and so long as Gemini SP S.R.L and its owners do not undertake competitive operations to those acquired by Logicom IT DIstribution S.r.l. This amount was settled as a lump sum payment on 4 January 2023.

The amounts included in the consolidated statement of financial position include the following:

	THE GROUP	
	2022	2021
	€	€
Provisions to be used after more than twelve months	-	-
Provisions to be used within twelve months	93.791	93.801

28. PROVISION FOR EMPLOYEES END OF SERVICE BENEFITS

	THE GROUP	
	2022	2021
	€	€
Balance at 1 January	2.799.341	3.173.475
Charged to profit or loss	736.494	591.830
Experience adjustments	308.226	(154.309)
Financial assumptions	(835.654)	(434.485)
Demographic assumptions	-	(7.176)
Payments during the year	(448.459)	(581.507)
Exchange differences	146.301	211.513
Balance at 31 December	2.706.249	2.799.341

28. PROVISION FOR EMPLOYEES END OF SERVICE BENEFITS *(continued)*

The amounts included in the consolidated statement of financial position include the following:

	THE GROUP	
	2022	2021
	€	€
Provisions to be used after more than twelve months	2.593.343	2.746.538
Provisions to be used within twelve months	112.906	52.803
	2.706.249	2.799.341

	THE GROUP	
	2022	2021
	€	€
Net defined benefit liability	2.706.249	2.799.341
Total employee benefit liability	2.706.249	2.799.341

THE GROUP	Defined benefit obligation	
	2022	2021
	€	€
Balance at 1 January	2.799.341	3.173.475
Included in profit or loss		
Current service cost	637.205	562.165
Settlement, curtailment, termination cost	22.687	(37.838)
Interest cost	76.601	67.503
	736.493	591.830
Included in OCI		
Remeasurement (profit)/loss:		
Actuarial loss arising from:		
Remeasurement of obligation due to change in accounting treatment	-	(278.518)
Demographic assumptions	-	(7.176)
Financial assumptions	(835.654)	(155.967)
Experience adjustments	308.226	(154.309)
	(527.428)	(595.970)
Other		
Contributions paid by the employer	(30.054)	(45.499)
Benefits paid	(418.404)	(536.008)
	(448.458)	(581.507)
Effect of movements in exchange rates	146.301	211.513
Balance at 31 December	2.706.249	2.799.341

28. PROVISION FOR EMPLOYEES END OF SERVICE BENEFITS *(continued)*

	THE GROUP	
	2022	2021
Actuarial assumptions	%	%
Discount rate	4,87	2,57
Future salary growth	3,03	2,85
Duration of defined benefit obligation (in years)	12,18	14,12

THE GROUP	2022	2021	2022	2021
Sensitivity analysis:	%	%	%	%
0,5% movement	Increase		Decrease	
Discount rate	(5,6)	(6,5)	6,2	7,2
Future salary growth	6,0	7,0	(5,5)	(6,3)

The Group contributes to a defined benefit retirement plan in subsidiary companies on the basis of the local legislation. The contributions refer to the subsidiary companies in Greece, Italy, Lebanon, Kuwait, Oman, Qatar, and Bahrain however, the significant amounts relate to the subsidiary companies in United Arab Emirates and Saudi Arabia.

It is noted that, as far as the methodology for the return of the defined benefit in Greece is concerned, there was a change in 2021 in relation to the methodology that has been applied in previous actuarial analysis and is based on the opinion of the Interpretations Committee of the International Financial Reporting Standards ("IFRIC") published in December 2020 and adopted by the International Accounting Standards Board (IASB) in May 2021.

Methodology applies for IAS 19 disclosures in previous periods

Based on the methodology applied in previous actuarial studies, the defined benefit obligation was calculated for each employee based on the maximum of:
- benefit of the employee based on the calculation of their service in the company up to the valuation date, and
- retirement benefit ratio (with maximum accrued benefit of 16 years.

Therefore, the accrued service benefit is reimbursed from the date of commencement of the employee's employment until the completion of the maximum accrued estimated, regardless of the years remaining for their retirement.

Methodology applied based on the opinion of the International Financial Reporting Standards Interpretations Committee (IFRIC)

According to the methodology based on the opinion of the International Financial Reporting Standards Interpretation Committee (IFRIC), the accrued benefit is attributed based on the remaining years of service. Service performance will commence when the employee has completed 16 years of service (the maximum number of years accrued for most employees) upon retirement and on a pro rata basis based on the remaining years of service. Specifically:

For employees where the maximum accrued benefit is limited to 16 years of service with the company (e.g. for employees with less than 16 years of service on 12 November 2012), the benefit begins to accrue 16 years before retirement. The defined benefit obligation is set to zero for employees who fall into this category.
For employees with more than 16 years of service, as of 12 November 2012, the calculation is adjusted to allow for a longer period during which the maximum accrued benefit will be completed. Therefore, the benefit accumulation may start for a period exceeding the 16 years remaining util retirement. For each employee, the maximum period where the benefit is accumulated is determined separately (with a maximum duration of 28 years).

28. PROVISION FOR EMPLOYEES END OF SERVICE BENEFITS *(continued)*

The above change in accounting treatment was not implemented for previous years as the amounts are not material.

29. TRADE AND OTHER PAYABLES

THE GROUP

	2022 €	2021 €
Trade payables	150.643.871	126.163.917
Contract liabilities	10.053.859	9.671.085
Accrued expenses	11.695.496	9.626.297
Other payables and loans payable to associated companies	28.103.012	24.094.867
Deferred income	6.456.511	4.940.913
	206.952.749	174.497.079
Non-current payables		
Loans payable to associated companies (Note 43)	12.075.283	11.842.141
Other payables	5.557	21.622
	12.080.840	11.863.763
Current payables	194.871.909	162.633.316
	206.952.749	174.497.079

The loans payable to associated companies in the non-current liabilities relate to a loan balance between the subsidiary company Verendrya Ventures Limited and Demetra Holdings Plc in relation to the latter's participation in the desalination plants in Episkopi and Larnaca.

THE COMPANY

	2022 €	2021 €
Trade payables	24.919.943	20.061.696
Accrued expenses	742.745	1.185.566
Other payables	2.185.517	1.605.397
	27.848.205	22.852.659

The risks in relation to trade and other payables are presented in note 36.

30. CURRENT TAX ASSETS AND LIABILITIES

THE GROUP

	2022 €	2021 €
Current tax assets	96.835	529.879
Current tax liabilities	2.224.409	2.205.164

THE COMPANY

	2022 €	2021 €
Current tax assets	661	-
Current tax liabilities	-	3.027

31. LOANS AND BANK OVERDRAFTS

THE GROUP

	2022 €	2021 €
Long-term loans	11.749.249	15.242.650
Short term loans	120.625.608	72.609.182
Bank overdrafts (Note 24)	32.270.645	41.185.501
	164.645.502	129.037.333

The long-term loans of the Group are repayable as follows:

THE GROUP

	2022 €	2021 €
Within one year	3.087.915	3.733.264
Between two and five years	8.661.334	11.509.386
	11.749.249	15.242.650

THE COMPANY

	2022 €	2021 €
Long-term loans	6.333.542	8.948.458
Short term loans	43.999.518	35.838.206
Bank overdrafts (Note 24)	20.671.992	21.526.226
	71.005.052	66.312.890

The long-term loans of the Company are repayable as follows:

THE COMPANY

	2022 €	2021 €
Within one year	2.065.957	2.718.412
Between two and five years	4.267.585	6.230.046
	6.333.542	8.948.458

The long term loans of the Group and the Company consist of:

Loan in Euro repayable in fourteen years, with 168 equal monthly instalments of €47.901. The interest rate is equal to 6 month EURIBOR + 3,15% annually and the first instalment was paid on 27 July 2017.

Loan in Euro repayable in eight years, with 32 equal quarterly instalments of €516.488. The interest rate is equal to 3 month EURIBOR + 3,25% annually and the first instalment was paid on 13 June 2018.

Loan in Euro repayable in five years, in 60 equal monthly instalments of €19.768 plus interest. The interest rate is equal to 3 month EURIBOR +3% annually and the first instalment was paid in January 2020.

Loan in Euro repayable in four years, in 16 equal quarterly instalments of €57.841. The interest rate is equal to 3 month EURIBOR +1,30% annually and the first instalment was paid on 05 January 2022.

31. LOANS AND BANK OVERDRAFTS *(continued)*

The weighted average cost of borrowing and bank overdrafts and the interest rate are analysed below:

The weighted average cost of the bank overdraft is 4,06% annually (2021: 2,73%). The bank overdrafts are repayable on demand by the respective banks.

The interest rate of short-term loans is equal to 3 month USD LIBOR plus 2,00% - 2,80% annually (2021: 3 month USD LIBOR plus 2,50% - 2,80% annually). Short-term loans are repayable within three months from the day that they are signed.

Undrawn balance of the bank overdrafts:

The undrawn balance of the bank overdrafts of the Group at 31 December 2022 amounted to €122 million (2021: €128 million) and of the Company to €17 million (2021: €22 million).

31. LOANS AND BANK OVERDRAFTS *(continued)*

Reconciliation of liabilities arising from financing activities:

THE GROUP	Bank loans €	Bank overdrafts €	Retained Earnings €	Total €
Balance at 1 January 2021	**67.616.767**	**36.026.311**	**147.943.302**	**251.586.380**
Changes from financing cash flows:				
Proceeds from borrowings	131.511.049	-	-	131.511.049
Repayment of principal	(111.275.984)	-	-	(111.275.984)
Dividends paid	-	-	(5.926.368)	(5.926.368)
Repayment of interest	(3.129.789)	(411.062)	-	(3.540.851)
Total changes from financing cash flows	**17.105.276**	**(411.062)**	**(5.926.368)**	**10.767.846**
The effect of changes in foreign exchange rates	**-**	**-**	**-**	**-**
Other changes:				
Interest payable	3.129.789	411.062	-	3.540.851
Changes in the bank overdrafts	-	5.159.190	-	5.159.190
Total liability-related other changes	**3.129.789**	**5.570.252**	**-**	**8.700.041**
Total equity-related other changes	**-**	**-**	**25.597.396**	**25.597.396**
Balance at 1 January 2022	**87.851.832**	**41.185.501**	**167.614.330**	**296.651.663**
Changes from financing cash flows:				
Proceeds from borrowings	223.904.288	-	-	223.904.288
Repayment of principal	(179.381.263)	-	-	(179.381.263)
Dividends paid	-	-	(5.926.368)	(5.926.368)
Repayment of interest	(6.645.836)	(638.848)	-	(7.284.684)
Total changes from financing cash flows	**37.877.189**	**(638.848)**	**(5.926.368)**	**31.311.973**
The effect of changes in foreign exchange rates	**-**	**-**	**-**	**-**
Other changes:				
Interest payable	6.645.836	638.848	-	7.284.684
Changes in the bank overdrafts	-	(8.914.856)	-	(8.914.856)
Total liability-related other changes	**6.645.836**	**(8.276.008)**	**-**	**(1.630.172)**
Total equity-related other changes	**-**	**-**	**34.521.487**	**34.521.487**
Balance at 31 December 2022	**132.374.857**	**32.270.645**	**196.209.449**	**360.854.951**

31. LOANS AND BANK OVERDRAFTS *(continued)*

THE COMPANY	Bank loans €	Bank overdrafts €	Retained Earnings €	Total €
Balance at 1 January 2021	**38.694.315**	**22.710.003**	**9.490.198**	**70.894.516**
Changes from financing cash flows:				
Proceeds from borrowings	55.737.363	-	-	55.737.363
Repayment of principal	(49.645.014)	-	-	(49.645.014)
Dividends paid	-	-	(5.926.368)	(5.926.368)
Repayment of interest	(1.334.460)	(379.641)	-	(1.714.101)
Total changes from financing cash flows	**4.757.889**	**(379.641)**	**(5.926.368)**	**(1.548.120)**
The effect of changes in foreign exchange rates	**-**	**-**	**-**	**-**
Other changes:				
Interest payable	1.334.460	379.641	-	1.714.101
Changes in the bank overdrafts	-	(1.183.777)	-	(1.183.777)
Total liability-related other changes	**1.334.460**	**(804.136)**	**-**	**530.324**
Total equity-related other changes	**-**	**-**	**9.362.009**	**9.362.009**
Balance at 1 January 2022	**44.786.664**	**21.526.226**	**12.925.839**	**79.238.729**
Changes from financing cash flows:				
Proceeds from borrowings	82.191.109	-	-	82.191.109
Repayment of principal	(76.644.713)	-	-	(76.644.713)
Dividends paid	-	-	(5.926.368)	(5.926.368)
Repayment of interest	(2.726.047)	(625.341)	-	(3.351.388)
Total changes from financing cash flows	**2.820.349**	**(625.341)**	**(5.926.368)**	**(3.731.360)**
The effect of changes in foreign exchange rates	**-**	**-**	**-**	**-**
Other changes:				
Interest payable	2.726.047	625.341	-	3.351.388
Changes in the bank overdrafts	-	(854.234)	-	(854.234)
Total liability-related other changes	**2.726.047**	**(228.893)**	**-**	**2.497.154**
Total equity-related other changes	**-**	**-**	**8.974.366**	**8.974.366**
Balance at 31 December 2022	**50.333.060**	**20.671.992**	**15.973.837**	**86.978.889**

31. LOANS AND BANK OVERDRAFTS *(continued)*

The banking facilities are secured by:

1. The guarantee of Logicom Solutions Ltd for \$6.600.000, \$12.000.000, €22.266.000 and €494.500.
2. First mortgage with registration number Y1858/99 amounts to €598.010, second mortgage with registration number Y3404/99 amounts to €256.290 and third mortgage with registration number Y3405/99 amounts to €170.860 on building with registration number N1664 at Ayia Paraskevi owned by Logicom Public Limited.
3. First mortgage with registration number Y1953/99 dated 9 March 1999 for plot with registration number N1665 in Nicosia (Ayia Paraskevi area, Strovolos) for €133.270, owned by Logicom Public Limited.
4. Second mortgage with registration number Y5753/00 dated 21 July 2000 on plot with registration number N1665 in Nicosia (Ayia Paraskevi area, Strovolos) for €136.688 , owned by Logicom Public Limited.
5. First mortgage with registration number Y791/18 dated 16 February 2018 on plot with registration number 10/2003 in Nicosia (Apostolos Varnavas area - Agios Makarios (Strovolos municipality)) for €6.500.000 owned by the company Najada Holdings Limited.
6. Assignment of receivables of Logicom Public Ltd for the amount of \$12.000.000 and €2.400.000.
7. Corporate guarantee of Logicom Public Limited with no amount restriction.
8. Corporate guarantee of Logicom Public Limited of \$20.000.000, \$40.000.000, €1.500.000, €1.500.000, AED 65.000.000, \$16.000.000, €6.103.000, \$500.000, \$2.000.000, €9.000.000, \$5.000.000, €216.000, €5.200.000, €2.200.000, €3.000.000, €1.210.000, €9.670.062, €59.000, €356.500, €495.000 and €22.266.000.
9. Fire safety guarantee of €2.218.900.
10. Pledge of Demetra Holdings Plc listed securities owned by Logicom Services Limited.

32. OBLIGATIONS UNDER FINANCE LEASES

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	€	€	€	€
Balance at 1 January	4.988.753	5.259.032	408.186	490.654
Additions	1.968.499	960.685	956	36.986
Repayments	(1.780.886)	(1.721.782)	(139.800)	(133.520)
Interest	232.503	204.448	10.676	14.066
Exchange differences	63.652	286.370	-	-
Balance at 31 December	5.472.521	4.988.753	280.018	408.186

THE GROUP	The present value of minimum lease payments	
	2022	2021
	€	€
Not later than 1 year	1.206.241	1.157.660
Later than 1 year and not later than 5 years	2.190.500	2.128.028
Later than 5 years	2.075.780	1.703.065
	5.472.521	4.988.753
Present value of finance lease liabilities	5.472.521	4.988.753

THE COMPANY	The present value of minimum lease payments	
	2022	2021
	€	€
Not later than 1 year	137.556	129.378
Later than 1 year and not later than 5 years	142.462	278.808
	280.018	408.186
Present value of finance lease liabilities	280.018	408.186

The Group leases land, warehouses, buildings and vehicles under leases. The average lease term is 44 months. For the year ended 31 December 2022, the average effective borrowing rate for the European markets was 3,30% for the leases of land, buildings and warehouses and 5,60% for the leases of vehicles. For Middle East markets the average effective borrowing rate was 6,91% for the leases of land, buildings and warehouses and 2,78% for the leases of vehicles. Interest rates are fixed at the contract date, and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All lease obligations are denominated in Euro.

The fair values of lease obligations approximate to their carrying amounts on the reporting date.

The Group's obligations under leases are secured for the lessors' by title to the leased assets.

33. PROMISSORY NOTES

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	€	€	€	€
Liabilities	2.000.000	1.997.842	2.000.000	1.997.842

The Company has signed an agreement, with FIMBank Plc, for the financing of invoices issued from certain suppliers, with a limit of €2,0m (2021: €2,0m). The Company uses this facility to settle the invoices issued by foreign vendors.

The exposure of the Group and the Company to liquidity risk is presented in note 36 of the consolidated and separate financial statements.

34. DEFERRED TAX

Liabilities/Assets of deferred taxation

	Liabilities 2022 €	Assets 2022 €	Transfer to Reserves €	Transfer to Statement of Comprehensive Income €	Exchange difference €	Liabilities 2021 €	Assets 2021 €
THE GROUP							
Deferred taxation arising from:							
Temporary differences arising from differences between depreciation and capital allowances	(14.721)	56.306	-	33.922	63	(22.909)	30.509
Temporary differences arising from loss for the year	-	517.377	-	201.689	(741)	-	316.429
Revaluation of land and buildings	(484.494)	-	(45.167)	-	-	(439.327)	-
Temporary differences arising from administrative expenses	(11.623)	697.877	(3.028)	(69.625)	24.587	-	734.320
Temporary differences arising from unrealised exchange difference	(23.030)	-	-	(121.559)	-	-	98.526
	(533.868)	1.271.560	(48.195)	44.427	23.909	(462.236)	1.179.784
THE COMPANY							
Deferred taxation arising from:							
Temporary differences arising from differences between depreciation and capital allowances	(14.721)	-	-	8.188	-	(22.909)	-
Temporary differences arising from loss for the year	-	146.757	-	54.997	-	-	91.760
Revaluation of land and buildings	(484.494)	-	(45.167)	-	-	(439.327)	-
	(499.215)	146.757	(45.167)	63.185	-	(462.236)	91.760

Deferred tax assets and liabilities are offset if there is a legal enforceable right to offset current tax assets and liabilities and when the deferred taxes relate to the same tax authority.

Deferred tax asset recognised relates to unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of the year and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax asset mainly relates to the Company's and subsidiary companies tax losses in Romania, as well as, from temporary differences arising from the administration expenses of the subsidiary companies in Greece, Saudi Arabia, Jordan, Oman and Romania. The Companies are expected to generate tax profits in the coming years based on the overall tax planning prepared in relation to their operations. Deferred tax on tax losses is considered recoverable.

35. CONTINGENCIES AND LITIGATIONS

The most important guarantees are as follows:

(1) The Company has provided a bank guarantee of up to USD 4.400.000 (€4.125.258) to a foreign supplier for providing a trading credit facility. This guarantee is valid from 18 August 2022 until 18 August 2023.

(2) The Company has provided a second bank guarantee of up to USD 400.000 (€375.023) to a second foreign supplier for providing a trading credit facility. This guarantee is valid from 18 August 2022 until 18 August 2023.

(3) The Company has provided a third bank guarantee of up to €1.200.000 to a third foreign supplier for providing a trading credit facility. This guarantee is valid from 11 August 2022 until 11 August 2023.

(4) The Company has provided a fourth bank guarantee of up to €450.000 to a fourth foreign supplier for providing a trading credit facility. This guarantee is valid from 11 August 2022 until 11 August 2023.

(5) The Company has provided a fifth bank guarantee of up to USD 800.000 (€750.047) to a fifth foreign supplier for providing a trading credit facility. This guarantee is valid from 15 April 2023 until 15 April 2024.

(6) The Company has provided a sixth bank guarantee of up to USD 3.000.000 (€2.812.676) to a sixth foreign supplier for providing a trading credit facility. This guarantee was expired on 15 April 2023 and has been renewed until 15 April 2024.

(7) The Company has provided a seventh bank guarantee of up to USD 300.000 (€281.268) to a seventh foreign supplier for providing a trading credit facility. This guarantee was valid from 25 April 2021 until 25 April 2022. This guarantee was not renewed.

(8) The Company has provided an eighth bank guarantee of up to USD 150.000 (€140.634) to an eighth foreign supplier for providing a trading credit facility. This guarantee was expired on 15 April 2023 and has been renewed until 15 April 2024.

(9) Companies of the group have provided bank guarantees in order to participate to government projects and private sector projects.

(10) Verendrya Ventures Ltd committed not to request repayment of the loan receivable from M.N. Larnaca Desalination Co. Ltd for the following 12 months or until it becomes possible without affecting the company's ability to continue to operate as a going concern.

(11) The Company committed to provide financial and other assistance to Verendrya Ventures Ltd, to the extent of its participation in the company, which will enable it to continue its activities and meets its obligation as they fall due. As part of the financial assistance provided, the Company has also committed not to claim repayment of the amounts due from Verendrya Ventures Ltd, until the company has the necessary liquidity.

In December 2018, the subsidiary company Logicom Saudi Arabia LLC in Saudi Arabia ("the company"), received notice of Zakat and Income tax assessments from the General Authority of Zakat and Tax (“GAZT”) relating to the years 2010 - 2014. The total claim is additional tax and Zakat of €2,4m (SAR10,3 m), plus additional penalties to be computed when the tax is settled. In February 2019 the company has filed an objection in response to the claim and in September 2019 received a negative response. In November 2019 the Company contacted the General Secretariat of Tax Affairs ('GSTC') and expects a response on this matter.

In October 2020 the General Secretariat of Tax Affairs ('GSTC') asked the company to resubmit its position in writing, which the company did. The General Secretariat of Tax Affairs ('GSTC') should have submitted its assessment, however, the company has not received any response on the matter.
As there was a tax amnesty, to avoid fines and other charges, the Company paid the corporate tax on 31 March 2021 in protest. At the moment the company considers that it is possible to recover the amount and for this reason did not recognise any provision. In May 2021, The General Secretariat of Tax Affairs ("GSTC") issued a decision in favor of the company, accepting most of its positions. Both the company and the General Authority of Zakat and Tax have appealed but a date has not yet been set by the appeals committee of the tax authorities, it is expected that there will be a determination of the examination date in the second half of the year 2023. At this time the company considers that it is possible to recover the amount and for this reason did not proceed with a forecast.

The company has submitted the Zakat and Income tax forms up to 2020 and is expecting the assessment of the local authorities.

35. CONTINGENCIES AND LITIGATIONS *(continued)*

Apart from the tax liabilities that have already been accounted for in the consolidated and separate financial statements, based on the existing information, it is possible that additional tax liabilities may arise during the examination of the tax and other affairs of the companies of the Group.

36. RISK MANAGEMENT

The main financial assets held by the Group and the Company are cash and cash equivalents, investments and trade and other receivables. The main financial liabilities of the Group and the Company are bank overdrafts and loans and trade and other payables. The Group and the Company took all necessary actions during the year to reconsider, review and strengthen the internal management policies, procedures and strategy, where necessary, to reflect and address the unforeseen adverse effects of the Coronavirus pandemic (COVID-19). The Management of the Group and the Company and in particular the Risk Management Committee monitor the risks to which the Company and the Group are exposed by their financial assets and liabilities and take the appropriate measures. These risks are analysed below:

36.1 Credit risk

Credit risk is the risk of default by counter parties to transactions mainly from trade receivables of the Group and the Company. The Group and the Company ensure the application of appropriate mechanisms and ensure the maintenance of related monitoring procedures and controls over credits. Credit risk is monitored on an ongoing basis.

The Group entered into an agreement with Atradius Credit Insurance N.V. ('Insurance Company') for the credit insurance that the Group offers to its customers. The issuance of such insurance agreement is considered to be the most appropriate method for hedging against credit risk. The insurance company was evaluated in January 2022 by the rating agency Moody's as A2 with stable prospects. The Group also signed an agreement in March 2020 for additional insurance beyond the credit limits provided by Atradius with Cooper Gay SA. (representative of Lloyd's Insurance Company S.A.).

The insurance agreements for the trade receivables and the procedures required under these agreements, have significantly improved the monitoring and control of trade receivables, mainly in the approval of credit limits, which is done in cooperation with the credit insurance company as the latest has the resources for a better evaluation of the credibility of each debtor. It should be noted that the credit insurance covers all trade receivables other than governmental or semi-governmental organizations as well as natural persons.

The carrying value of investments represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date of the consolidated and separate financial statements was:

THE GROUP

	2022	2021
	€	€
Receivables from joint ventures	23.742.843	23.354.742
Trade and other receivables	276.056.194	238.307.551
Cash and cash equivalents	61.300.869	40.455.779
	361.099.906	302.118.072

36. RISK MANAGEMENT *(continued)*

36.1 Credit risk (continued)

THE COMPANY

	2022	2021
	€	€
Long-term loans to subsidiary companies	28.471.132	27.562.770
Trade and other receivables	22.582.572	21.371.541
Cash and cash equivalents	9.193.270	2.598.128
Balances with subsidiary companies	65.433.709	56.723.716
	125.680.683	108.256.155

Cash and cash equivalents

The Group held cash and cash equivalents amounting to €65.241.074 (2021: €42.624.344), which represent the maximum credit risk exposure, after trade and other receivables from whom any risk has been limited as explained above. Cash and cash equivalents are deposited in banks and financial institutions, which are valuated according to Moody's rating as shown below:

THE GROUP

31 December 2022	Number of banks	Balance	Expected credit losses	Net balance
		€		€
A1	6	18.322.883	-	18.322.883
A2	1	10.403.192	-	10.403.192
A3	3	1.266.604	-	1.266.604
Aa3	2	338.213	-	338.213
B1	1	1.067.351	-	1.067.351
B2	2	1.110.096	-	1.110.096
B3	4	1.582.444	-	1.582.444
Ba1	1	1.931.486	-	1.931.486
Ba2	7	19.718.696	-	19.718.696
Ba3	4	266.218	-	266.218
Baa1	2	2.221.906	-	2.221.906
Baa3	1	55.580	-	55.580
Unrated	9	6.956.405	(3.940.205)	3.016.200
Total	43	65.241.074	(3.940.205)	61.300.869

36. RISK MANAGEMENT *(continued)*

36.1 Credit risk (continued)

The Group's maximum exposure to credit risk of the Group by geographic region, is as follows:

2022	Europe €	Middle East €	Total €
Cash and cash equivalents	24.626.844	36.674.025	61.300.869
Receivables from joint ventures	23.742.843	-	23.742.843
Trade and other receivables	96.869.204	172.450.315	269.319.519
Contract asset	6.736.675	-	6.736.675
	151.975.566	209.124.340	361.099.906

2021	Europe €	Middle East €	Total €
Cash and cash equivalents	17.190.327	23.265.452	40.455.779
Receivables from joint ventures	23.354.742	-	23.354.742
Trade and other receivables	97.897.491	133.807.008	231.704.499
Contract asset	6.603.052	-	6.603.052
	145.045.612	157.072.460	302.118.072

The maximum exposure to credit risk of the Group, for trade receivables by geographic region, is as follows:

THE GROUP

	2022 €	2021 €
Europe	85.116.291	87.967.930
Middle East	178.973.132	139.747.222
	264.089.423	227.715.152

THE COMPANY

	2022 €	2021 €
Europe	12.487.565	11.956.814
	12.487.565	11.956.814

In accordance to the above analysis, 32% of the Group's trade receivables (2021: 39%) originates from Europe and 68% (2021: 61%) of the Group's trade receivables originates from the Middle East.

The ageing of the remaining trade receivables which are not impaired is as follows:

THE GROUP

	2022 €	2021 €
0 until 90 days	251.481.633	218.740.502
91 until 180 days	8.294.901	4.852.611
more than 180 days	4.312.889	4.122.039
	264.089.423	227.715.152

36. RISK MANAGEMENT *(continued)*

36.1 Credit risk (continued)

THE COMPANY

	2022 €	2021 €
0 until 90 days	12.247.515	11.289.468
91 until 180 days	234.626	110.433
more than 180 days	5.424	556.913
	12.487.565	11.956.814

The ageing of the balances, the characteristics of the customers and the countries in which the Group operates were taken into account in determining the provision for doubtful debts.

The provision for doubtful debts for the year shows an increase compared to the corresponding provision in 2021. The Management of the Group estimates that the credit insurance of the trade receivables has significantly decrease the risk for doubtful debtors.

The ageing of the receivable from subsidiary companies in the Company's books is presented as follows:

THE COMPANY

	2022 €	2021 €
0 until 180 days	65.433.709	56.723.716
more than 180 days	28.471.132	27.562.770
	93.904.841	84.286.486

The expected credit losses recognised during the year are analysed as follows:

THE GROUP

	2022 €	2021 €
Trade receivables	539.865	66.748
Loans payable to associated companies and joint ventures	(157.071)	(908)
Cash and cash equivalents (Note 24)	1.771.640	9.478
At 31 December	2.154.434	75.318

THE COMPANY

	2022 €	2021 €
Trade receivables	(5.920)	12.239
Long-term loans to subsidiary companies	132.355	41.698
Impairment of receivables from subsidiary companies (Note 42)	27.703	606.657
Receivables from subsidiary companies	308	(56.771)
At 31 December	154.446	603.823

36. RISK MANAGEMENT *(continued)*

36.1 Credit risk (continued)

The provision for doubtful debts is analysed as follows:

THE GROUP

	Trade receivables €	Loans receivable from joint ventures €	Total €
Balance at 1 January 2021	2.973.480	433.816	3.407.296
Expected credit losses	(125.159)	908	(124.251)
Provision for doubtful debts	191.907	-	191.907
Exchange differences	178.281	-	178.281
Balance at 1 January 2022	3.218.509	434.724	3.653.233
Expected credit losses	93.433	(158.252)	(64.819)
Provision for doubtful debts	393.478	-	393.478
Exchange differences	155.731	-	155.731
Balance at 31 December 2022	3.861.151	276.472	4.137.623

THE COMPANY

	Trade receivables €	Long-term loans to subsidiary companies €	Receivables from subsidiary companies €	Total €
Balance at 1 January 2021	115.869	1.953.335	226.343	2.295.547
Expected credit losses	7.196	41.699	(56.771)	(7.876)
Balance at 1 January 2022	123.065	1.995.034	169.572	2.287.671
Expected credit losses	(6.246)	132.355	308	126.417
Balance at 31 December 2022	116.819	2.127.389	169.880	2.414.088

36. RISK MANAGEMENT *(continued)*

36.1 Credit risk (continued)

The Group estimates that the fair value of other receivables is not significantly different from their carrying value as recognised in the financial statements, as the average repayment period of other receivables is less than 6 months.

The Group estimates expected credit losses for trade receivables using a provision matrix based on each company's ageing reports. The Group calculates the average credit loss rates using the roll rate method, in the probability that a trade receivable will gradually move to the default of the repayment obligation until the write-off. The average credit loss rates ae calculated separately for each company of the Group in order to have common geographical and macroeconomic data in each grouping. The Group, depending on the differentiation of its customer base, uses the appropriate groupings, i.e. by country/geographical region. The average credit loss rates are adjusted based on the macroeconomic position of each company of the Group.

Expected credit losses on contract assets are calculated on the basis of the internal assessment of the creditworthiness of each customer. Expected credit losses on contract assets have not been recognised, as no substantial amounts have been incurred.

The probability of default as well as the assumptions and estimations for credit losses in the case of default is estimated, for loans to subsidiaries or associated companies. The significant increase of the credit risk is also estimated on the basis of the decrease in the credibility of the counterparty's country as this is measured by the credit rating institution Moody's.

The total expected credit losses are presented below:

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	€	€	€	€
Specific provision for bad debts	3.076.893	2.527.683	115.208	115.208
Expected credit losses	784.258	690.826	1.611	7.857
	3.861.151	3.218.509	116.819	123.065

When there is a breach of payment terms by a specific trade debtor, the Group assesses the recoverability of each balance based on the creditworthiness of each debtor. The assessment takes into consideration the coverage and the percentage of coverage by the credit insurance company, the financial position of the debtor and any guarantees that have been received by the company. In case that the recovery of an amount is deemed remote, then the Management recognises a specific provision for bad debts.

36. RISK MANAGEMENT *(continued)*

36.1 Credit risk (continued)

The following table provides information about the exposure to credit risk and expected credit losses for trade.

THE GROUP

	Weighted-average loss rate 2022 %	Gross carrying amount 2022 €	Impairment loss allowance 2022 €	Weighted-average loss rate 2021 %	Gross carrying amount 2021 €	Impairment loss allowance 2021 €
Balances not impaired	0,0307	210.189.815	64.596	0,0301	200.133.408	60.205
1 to 90 days	0,3142	42.407.640	133.247	0,3915	25.225.776	98.764
91 to 180 days	2,1541	6.969.342	150.128	6,3086	1.268.828	80.046
More than 180 days	5,2039	8.383.776	436.287	14,6090	3.092.678	451.810
		267.950.573	784.258		229.720.690	690.825

THE COMPANY

	Weighted-average loss rate 2022 %	Gross carrying amount 2022 €	Impairment loss allowance 2022 €	Weighted-average loss rate 2021 %	Gross carrying amount 2021 €	Impairment loss allowance 2021 €
Balances not impaired	0,0060	10.899.060	659	0,0437	11.031.268	4.816
1 to 90 days	0,0173	1.685.372	291	0,2700	1.061.839	2.884
91 to 180 days	1,6057	18.247	293	-	(42.325)	-
More than 180 days	21,5962	1.704	368	0,5400	29.097	157
		12.604.383	1.611		12.079.879	7.857

36.2 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's revenue or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

36.2.1 Interest rate risk

Interest rate risk is the risk of fluctuations in the value of financial instruments due to movements in market interest rates. Income and cash flows from operations of the Group and the Company are dependent on changes of market interest rates, since the Group and the Company have material assets which bear interest. The Group and the Company are exposed to interest rate risk on borrowings. Borrowing in variable interest rates exposes the Group and the Company in interest rate risk that affects cash flows. Borrowing in fixed interest rates exposes the Group and the Company in interest rate risk that affects the fair value. The management of the Group and the Company and more specifically the Risk Management Committee is monitoring the fluctuations of interest rates on an ongoing basis and ensures that the necessary actions are taken.

The interest rates and repayment dates applicable for loans and bank facilities are stated in note 31.

36. RISK MANAGEMENT *(continued)*

36.2.1 Interest rate risk (continued)

Sensitivity analysis on interest rates

A possible increase of the interest rates by 1% in relation to the weighted average interest rates of the year, would have decrease the profit for the year. The analysis below assumes that all other parameters remain constant:

THE GROUP

	2022 €	2021 €
Long-term loans	(117.492)	(152.427)
Short term loans	(1.206.256)	(726.092)
Bank overdrafts	(322.706)	(411.855)
Promissory notes	(20.000)	(19.978)
Cash and cash equivalents	614.157	405.160
	(1.052.297)	(905.192)

THE COMPANY

	2022 €	2021 €
Long-term loans	(63.335)	(89.485)
Short term loans	(439.995)	(358.382)
Bank overdrafts	(206.720)	(215.262)
Promissory notes	(20.000)	(19.978)
Cash and cash equivalents	92.990	26.483
	(637.060)	(656.624)

A possible decrease of the interest rates by the same percentage would have an equal but opposite effect on the profit for the year.

36.2.2 Foreign exchange risk

This risk arises from adverse movements in foreign exchange rates.

The Company and the Group are subject to foreign exchange risk on sales, purchases and loans in currencies other than the Company's and subsidiary companies' functional currency, and on the long-term loans to foreign subsidiaries. Management is aware of foreign exchange risk and is examining alternative methods to hedge the risk.

The hedging of foreign exchange risk is managed by the Foreign Exchange Risk Manager together with the Group Chief Financial Officer in collaboration with the Risk Management Committee. This issue is discussed and examined in the meetings of the Risk Management Committee as the Group and the Company are materially affected from the movements in foreign currencies against the Euro, and if necessary discussed and examined further in the meeting of the Board of Directors.

Until today, the hedging methods that have been used against foreign exchange risk are the following:

1. Natural Hedging. The Company maintains to the maximum extent, assets (investments in foreign subsidiaries) and liabilities (bank overdrafts, short and long-term loans) at the same currency, mainly the United States Dollars (USD). In this way any gain or loss in assets is hedged by the corresponding loss or gain in liabilities.
2. The percentage of sales in foreign currency on total turnover is approximately the same with the percentage of bank borrowings in foreign currency in relation to the total borrowings of the Group.
3. The bank borrowings are usually made in the currency that the suppliers invoice the Company.
4. In cases of projects were the total cost of completion of the project is known from the time of the validation of the tender, then forward contracts are used, for the period required to complete the project and for the specific amount in foreign currency that the Company will be invoiced.

36. RISK MANAGEMENT *(continued)*

36.2.2 Foreign exchange risk (continued)

5. In addition, the Company enters into forward exchange contracts based on turnover at regular intervals e.g. weekly, for covering the payments to suppliers based on the credit period that they give to the Company. In this way the purchase of foreign currency for payments to suppliers in future periods is secured with the receipts from trade receivables.

Hedging of net investment in foreign operation

The Group applies hedge accounting to decrease foreign exchange risk.

Specifically, the equity and long-term loans that are part of the net investment in subsidiary companies Logicom FZE, Logicom Dubai LLC, Logicom Jordan LLC and Logicom Saudi Arabia LLC, where the functional currency is the USD are hedged with the bank borrowings of the Group in USD. Hedging is determined on a quarterly basis and the amount is adjusted accordingly. The hedge effectiveness is assessed on a monthly basis and to the extent the hedging is ineffective, the exchange differences are recognized in statement of profit or loss and other comprehensive income.

As at 31 December 2022 the amounts that were hedged were USD 60.000.000 of net investment in the above foreign companies and USD 60.000.000 of bank borrowings.

The carrying value of financial assets and liabilities of the Group denominated in foreign currency as at the date of the consolidated and separate financial statements is as follows:

THE GROUP

	USD	
	2022	2021
	€	€
Trade and other receivables	6.103.924	10.169.287
Cash and cash equivalents	1.705.503	2.439.733
Trade and other payables	(54.732.543)	(46.152.176)
Short term loans	(59.027.983)	(40.854.101)
Bank overdrafts	(19.455.214)	(17.858.390)
	(125.406.313)	(92.255.647)

THE COMPANY

	USD	
	2022	2021
	€	€
Trade and other receivables	1.476.641	637.817
Cash and cash equivalents	133.508	65.333
Trade and other payables	(9.512.054)	(7.961.569)
Short term loans	(43.999.518)	(35.838.206)
Bank overdrafts	(19.455.214)	(17.858.390)
Balances with subsidiary companies	47.474.123	30.490.534
	(23.882.514)	(30.464.481)

The following foreign exchange rates were used in the preparation of the consolidated and separate financial statements:

36. RISK MANAGEMENT *(continued)*

36.2.2 Foreign exchange risk (continued)

	Average Rate		Rate as at reporting date	
	2022	2021	2022	2021
	€	€	€	€
USD 1	0,9497	0,8455	0,9376	0,8829

Sensitivity analysis on fluctuations of foreign exchange rates

A possible strengthening of the Euro against the US Dollar and the other currencies by 10% as at 31 December 2022 would have increased/decreased respectively the profit for the year and the shareholders' funds. The analysis below assumes that all other parameters and mainly interest rates remain constant:

THE GROUP

	Effect on the shareholders funds		Effect on profit or loss	
	2022	2021	2022	2021
	€	€	€	€
USD	5.788.792	5.515.165	11.182.344	7.647.946

THE COMPANY

	Effect on the shareholders funds		Effect on profit or loss	
	2022	2021	2022	2021
	€	€	€	€
USD	2.388.251	3.046.448	2.388.251	3.046.448

A possible weakening of the Euro against the above currencies by 10% would have equal but opposite effect, if all other parameters remain constant.

36.3 Other marker price risks

The Company and the Group are exposed to financial risks arising from changes in share prices. The Company and the Group monitor the spread of their portfolio and maintain long-term investments for strategic purposes, in order to mitigate their exposure to these financial risks. The Group's main investments are classified as investments at fair value through other comprehensive income.

36.4 Liquidity risk

Liquidity risk is the risk that arises when the expiry date of assets and liabilities does not concur. When expiries do not concur, the performance can increase but at the same time the risk for losses can also increase. The Group has procedures in place to minimize such losses, such as retaining sufficient amounts in cash and other highly liquid assets and retaining sufficient amounts in secured credit facilities in order to cover liabilities when they fall due.

The Management estimates that the ability of the Group to receive in advance its trade receivables through the factoring agreement with recourse in Cyprus and Greece, reduces even further the liquidity risk.

Bank loans and overdrafts of the Group and the Company are presented in note 31.

The expected cash outflows based on the information included in the consolidated and separate financial statements are presented below:

36. RISK MANAGEMENT *(continued)*

36.4 Liquidity risk (continued)

THE GROUP

Liquidity Risk	Cash outflows arising from contractual liabilities					
	Balance	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
	€	€	€	€	€	€
31 December 2022						
Long-term loans	11.749.249	1.541.581	1.546.333	3.101.175	4.155.606	1.404.554
Short term loans	120.625.608	120.625.608	-	-	-	-
Trade and other payables	206.952.749	194.871.369	-	-	5.557	12.075.823
Bank overdrafts	32.270.645	32.270.645	-	-	-	-
Provision for other liabilities	93.791	93.791	-	-	-	-
Promissory notes	2.000.000	2.000.000	-	-	-	-
Obligations under finance leases	5.472.521	556.751	649.490	1.014.790	1.175.710	2.075.780
	379.164.563	351.959.745	2.195.823	4.115.965	5.336.873	15.556.157
31 December 2021						
Long-term loans	15.242.650	1.865.478	1.867.785	3.229.258	6.439.496	1.840.633
Short term loans	72.609.182	72.609.182	-	-	-	-
Trade and other payables	174.497.079	162.633.317	-	17.115	4.507	11.842.141
Bank overdrafts	41.185.501	41.185.501	-	-	-	-
Provision for other liabilities	93.801	93.801	-	-	-	-
Promissory notes	1.997.842	1.997.842	-	-	-	-
Obligations under finance leases	4.988.753	550.267	607.393	903.820	1.224.208	1.703.065
	310.614.808	280.935.388	2.475.178	4.150.193	7.668.211	15.385.839

LOGICOM PUBLIC LIMITED

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36. RISK MANAGEMENT *(continued)*

36.4 Liquidity risk (continued)

THE COMPANY

Liquidity Risk		Cash outflows arising from contractual liabilities				
	Balance	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
	€	€	€	€	€	€
31 December 2022						
Long-term loans	6.333.542	1.032.980	1.032.977	2.065.953	2.201.632	-
Short term loans	43.999.518	43.999.518	-	-	-	-
Trade and other payables	27.848.205	27.848.205	-	-	-	-
Bank overdrafts	20.671.992	20.671.992	-	-	-	-
Promissory notes	2.000.000	2.000.000	-	-	-	-
Obligations under finance leases	280.018	68.020	69.536	142.462	-	-
Balances with subsidiary companies	27.897.107	27.897.107	-	-	-	-
	129.030.382	123.517.822	1.102.513	2.208.415	2.201.632	-
31 December 2021						
Long-term loans	8.948.458	1.359.208	1.359.204	2.204.890	4.025.156	-
Short term loans	35.838.206	35.838.206	-	-	-	-
Trade and other payables	22.852.659	22.852.659	-	-	-	-
Bank overdrafts	21.526.226	21.526.226	-	-	-	-
Promissory notes	1.997.842	1.997.842	-	-	-	-
Obligations under finance leases	408.186	63.956	65.422	137.556	141.252	-
Balances with subsidiary companies	23.513.950	23.513.950	-	-	-	-
	115.085.527	107.152.047	1.424.626	2.342.446	4.166.408	-

36. RISK MANAGEMENT *(continued)*

36.5 Fair Value

Items of the assets and liabilities of the Group and the Company, as these are classified in amortised cost or fair value, are presented below:

Assets and liabilities in amortised cost:

THE GROUP

	2022 €	2021 €
Trade and other receivables	307.986.547	266.021.905
Cash and cash equivalents	61.416.739	40.515.953
Long-term loans	(11.749.249)	(15.242.650)
Short term loans	(120.625.608)	(72.609.182)
Bank overdrafts	(32.270.645)	(41.185.501)
Provisions for other liabilities	(93.791)	(93.801)
Trade and other payables	(206.952.749)	(174.497.080)
Promissory notes	(2.000.000)	(1.997.842)
	(4.288.756)	911.802

THE COMPANY

	2022 €	2021 €
Long-term loans to subsidiary companies	28.471.132	27.562.770
Balances with subsidiary companies	65.433.709	33.209.766
Trade and other receivables	22.591.907	21.380.880
Cash and cash equivalents	9.298.979	2.648.299
Long-term loans	(6.333.542)	(8.948.458)
Short term loans	(43.999.518)	(35.838.206)
Bank overdrafts	(20.671.992)	(21.526.226)
Trade and other payables	(27.848.205)	(22.852.659)
Promissory notes	(2.000.000)	(1.997.842)
	24.942.470	(6.361.676)

The fair values of the financial assets and liabilities of the Group and the Company are approximately the same as the amounts reported in the consolidated and separate financial statements at the end of year.

36. RISK MANAGEMENT *(continued)*

36.5 Fair Value (continued)

Assets and liabilities at fair value:

THE GROUP

	2022 €	2021 €
Other investments	19.006	14.943
Investments at fair value through other comprehensive income	19.770.774	11.725.167
Land and buildings	20.628.453	18.793.508
Derivative financial instruments	(320.832)	(421.946)
	40.097.401	30.111.672

THE COMPANY

	2022 €	2021 €
Other investments	6.758	6.758
Land and buildings	3.535.871	3.261.782
Derivative financial instruments	(633.234)	(738.388)
	2.909.395	2.530.152

The table below analyses financial assets carried at fair value, based on the valuation method used to determine their value. The different levels have been defined as follows:

- Level 1: investments measured at fair value using quoted prices in active markets.
- Level 2: investments measured at fair value based on valuation models in which all significant inputs that affect significantly the fair value are based on observable market data.
- Level 3: investments measured at fair value based on valuation models in which all significant inputs that affect significantly the fair value are not based on observable market data.

THE GROUP

31 December 2022	Level 1 €	Level 2 €	Level 3 €	Total €
Other investments	13.880	-	5.126	19.006
Investments at fair value through other comprehensive income	19.770.774	-	-	19.770.774
Land and buildings	-	-	20.628.453	20.628.453
Derivative financial instruments	-	(320.832)	-	(320.832)
	19.784.654	(320.832)	20.633.579	40.097.401

36. RISK MANAGEMENT *(continued)*

36.5 Fair Value (continued)

31 December 2021	Level 1	Level 2	Level 3	Total
	€	€	€	€
Other investments	9.817	-	5.126	14.943
Investments at fair value through other comprehensive income	11.725.167	-	-	11.725.167
Land and buildings	-	-	18.793.508	18.793.508
Derivative financial instruments	-	(421.946)	-	(421.946)
	11.734.984	(421.946)	18.798.634	30.111.672

During 2022 there were no transfers between the three levels reported above.

The fair value of other investments including public companies, as well as, investments at fair value through other comprehensive income is based on market prices at the reporting date.

The determination of the fair value of the land and buildings is made with the assistance of independent qualified appraisers using various valuation methods and assumptions which are mainly based on market conditions at each valuation date.

The fair value of derivative financial instruments is determined by the exchange rates of foreign currencies as provided by the European Central Bank at the reporting date. The Company enters into derivate contracts for the purchase of foreign exchange at pre-specified prices for future delivery in order to reduce foreign exchange risk, using derivative financial instruments such as fixed forward contracts, flexible forward contracts and open-ended contracts.

THE COMPANY

31 December 2022	Level 1	Level 2	Level 3	Total
	€	€	€	€
Other investments	1.632	-	5.126	6.758
Land and buildings	-	-	3.535.871	3.535.871
Derivative financial instruments	-	(633.234)	-	(633.234)
	1.632	(633.234)	3.540.997	2.909.395

31 December 2021	Level 1	Level 2	Level 3	Total
	€	€	€	€
Other investments	1.632	-	5.126	6.758
Land and buildings	-	-	3.261.782	3.261.782
Derivative financial instruments	-	(738.388)	-	(738.388)
	1.632	(738.388)	3.266.908	2.530.152

36. RISK MANAGEMENT *(continued)*

36.6 Capital Management

The Group's and the Company's management has as a principle the maintenance of a strong capital base for the support of the credibility and trust of the investors and creditors as well as the market as a whole. Management monitors continuously the return on equity.

In order to maintain or change the share capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings minus cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debt.

The gearing ratio is as follows:

	THE GROUP		THE COMPANY	
	2022	2021	2022	2021
	€	€	€	€
Total borrowings (Note 31,34)	166.645.502	131.035.175	73.005.052	68.310.732
Less: Cash and cash equivalents (Note 24)	(61.416.739)	(40.515.953)	(9.298.979)	(2.648.299)
Net debt	**105.228.763**	**90.519.222**	**63.706.073**	**65.662.433**
Total equity	**231.896.071**	**198.832.381**	**54.427.260**	**50.984.193**
Gearing ratio	0,45	0,46	1,17	1,29

37. OPERATING ENVIRONMENT OF THE GROUP

The Group operates in Cyprus, in the geographical area of Southeast Europe, Middle East and the Northern Africa with significant presence in the wider area of the Gulf.

In the Gulf region, political instability has been observed in recent years, resulting in economic instability. Despite the current situation, the Group has managed to expand its presence in the region. Lebanon is still experiencing intense political instability with a consequent prolonged economic crisis with restrictions in the movement of cash in banks and a devaluation of the domestic currency.

The Greek economy has now entered into a phase of recovery and the economic environment is improved. The Group has managed to maintain and strengthen its presence in the country without any particular problems.

The Cyprus economy has been in a continuous growth in the recent years, with the exception of 2020, when a deficit of 5% of GDP was observed sue to Coronavirus pandemic (COVID-19).

Russian's invasion in Ukraine resulted in the imposition of sanctions against the former and its associated legal and natural persons, both by the European Union and the USA, but also by a number of countries around the world. The consequences of the invasion and the subsequent actions led to a period of instability and a slowdown in the already tense economic climate worldwide, due to the Coronavirus (COVID-19).

The developments following the Russian-Ukrainian conflict and the Coronavirus (COVID-19) pandemic have resulted in the disruption of the supply chain and the creation of intense uncertainty in the energy sector. The consequent increases in the cost of energy and the shortages in raw materials led to the creation of prolonged inflationary trends in all sectors of the economy worldwide. Prolonged inflation has resulted in increased operating costs for businesses and the governments of most countries. Central banks proceeded with gradual increases in borrowing rates for both US Dollar (LIBOR) and the Euro (EURIBOR). Interest rates increases aimed at restraining inflation, result in a significant increase in borrowing costs.

37. OPERATING ENVIRONMENT OF THE GROUP *(continued)*

The recent developments in the financial markets mainly in the USA and to a lesser extent in Europe, caused by the inability of some banks to meet their obligations, resulted in the need for the intervention of the authorities to avoid possible financial instability.

The Group's and the Company's Management, having already managed the developments, has taken and is still taking all necessary measures to address any problems that may arise regarding the Group's operations and the management of the relevant risks in relation to the availability of products from the impact of the supply chain. Measures have also been taken to restrain operating costs, as a result of the inflation observed in the markets where the Group operates.

The Management has established policies to manage the significantly increased borrowing cost. The distribution of cash flows is closely monitored by Management and adjustments are made where and when necessary. The increased cost of bank borrowing and, consequently, of the working capital, creates the need to readjust the pricing policy where deemed necessary.

The Management, as it is not in a position to foresee all the developments that could negatively affect the economies of the counties in which the Group operates, takes all necessary measures to deal with any problems that arise due to external factors, with a view to maintain the viability of the Group and the expansion of its operations in the current business and economic environment.

38. DIRECTORS' INTEREST

The percentage of the share capital of the Company that was held by each member of the Board of Directors, directly or indirectly, is as follows:

	31/12/2022 Fully paid Shares %	21/04/2023 Fully paid Shares %
Varnavas Irinarchos[1]	51,55	51,55
Takis Klerides[2]	0,55	0,55
George Papaioannou[3]	1,09	1,09
Anthoulis Papachristoforou	0,76	0,76
Anastasios Athanasiades	0,07	0,07
Andreas Constantinides	-	-
Christoforos Hadjikyprianou	-	-
Neoclis Nicolaou	-	-
Linos Chrysostomou	-	-

1. The indirect ownership of Mr. Varnavas Irinarchos as at 21 April 2023 of 51,55% arises from the participation of the company Edcrane Ltd.

2. The direct ownership of Mr. Takis Klerides as at 21 April 2023 is 0,28% and the indirect ownership which arises from the participation of his daughter Mrs. Pamela Klerides, is 0,27%.

3. The direct ownership of Mr. George Papaioannou as at 21 April 2023 is 1,08% and his indirect ownership that arises from the participation of his sons Mr. Christos Papaioannou is 0,0034% and Mr. Alexandros Papaioannou is 0,0034%.

39. SHAREHOLDERS' INTEREST

The shareholders who held, directly or indirectly, more than 5% of the share capital of the Company were as follows:

	31/12/2022 %	21/04/2023 %
Varnavas Irinarchos[1]	51,55	51,55
Demetra Holdings Plc	10,28	10,28

1. The indirect ownership of Mr. Varnavas Irinarchos as at 21 April 2023 arises through the company Edcrane Ltd. The ultimate parent company of the Group is Takero Limited which holds 100% of Edcrane's Ltd shares.

40. DIRECTORS' CONTRACTS

No important contract exists or existed at the end of the financial year and at the date of issuing the financial statements in which the members of management, their spouses or their underage children have or had direct or indirect significant interest, except from the employment contracts of Mr. Varnavas Irinarchos and Mr. Anthoulis Papachristoforou.

(1) Contract of Mr. Varnavas Irinarchos, Managing Director

Employment contract as Managing Director of the Company for two years from 1 January 2005, with annual salary (13 months) of €93.973 which will be increasing at a proportion equal to the annual rate of inflation, as determined by the annual index on 31 January each year or at a rate equal to 4% over his last salary, whichever is higher. For 2022 the annual salary of the Managing Director was €150.000. The Company will also pay annually (12 months) for entertainment expenses an amount of €25.000, that will be increasing in every following annual period at a proportion equal to the rate of inflation, as determined by the annual index on 31 January each year or at a rate equal to 4%, whichever is higher. For 2022 the allowance for entertainment expenses amounted to €25.900.

In addition, the Company provides to the Director an appropriate vehicle and covers all related expenses.

The contract was renewed for one year from 1 January 2023, with an annual salary (13 months) of €150.000. The Company will also pay annually (12 months), for entertainment expenses the amount of €25.000.

Mr. Varnavas Irinarchos is committed not to form, assist or take part in any way in the incorporation of a company or business, which performs operations similar or competitive to the operations of the Company during his employment and for at least five years after his departure from the Company. Mr. Varnavas Irinarchos accepts that this constraint is by no means in contrast with the general principle of Restraint of Trade, and that it is considered reasonable as the employee benefited from the bonus issue of shares during the listing of the Company in the CSE.

(2) Contract of Mr. Anthoulis Papachristoforou, Group Chief Financial Officer

In 2022 the annual salary of Mr. Anthoulis Papachristoforou amounted to €197.000, plus bonus of €50.000 and the allowance for entertainment expenses amounted to €24.000. The remuneration of Mr. Anthoulis Papachristoforou for 2023 will be the same as 2022. The Company provides to the Director an appropriate vehicle and covers all related expenses.

41. REMUNERATION OF NON EXECUTIVE DIRECTORS

The remuneration of non-executive directors is analysed as follows:

	2022 €	2021 €
Takis Klerides	36.000	51.705
George Papaioannou	18.600	26.658
Anastasios Athanasiades	19.400	29.474
Christoforos Hadjikyprianou	15.800	23.058
Andreas Constantinides	16.400	25.471
Neoclis Nicolaou	8.526	-
	114.726	156.366

The remuneration of the non-executive directors for 2021 relate to the period from 04/08/2020 to 31/12/2021.

42. RELATED PARTY TRANSACTIONS

The companies of the Group buy and sell goods and services according to their needs from other Group companies. Transactions are made in the context of commercial practices related to intragroup transactions in the relevant operating activities.
Logicom Public Limited and Logicom FZE charge their subsidiary companies with a fee for administration services and financing cost.

Transactions and balances between Group companies:

The impairments made by Logicom Public Limited in relation to balances and investments in subsidiaries were as follows:

	2022 €	2021 €
Impairment of subsidiaries balances (Note 36.1)		
Enet Solutions LLC	27.703	102.071
Rehab Technologies Limited	-	504.586
	27.703	606.657

LOGICOM PUBLIC LIMITED

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42. RELATED PARTY TRANSACTIONS *(continued)*

The amounts charged by Logicom Public Limited to its subsidiary companies for administration services were as follows:

Administration services

	2022 €	2021 €
Logicom Solutions Limited	140.387	209.888
Newcytech Business Solutions Ltd	174.219	270.135
ENET Solutions - Logicom S.A.	499.447	669.994
Logicom Saudi Arabia LLC	1.143.440	1.212.791
Logicom FZE	1.871.840	2.056.228
ICT Logicom Solutions SA	35.393	49.618
Logicom Information Technology Distribution s.r.l.	339.458	448.286
Logicom Jordan LLC	185.025	221.790
Logicom Italia s.r.l.	144.594	212.603
	4.533.803	5.351.333

The amounts charged by Logicom Public Ltd to its subsidiary companies for interest were as follows:

Interest

	2022 €	2021 €
Logicom Saudi Arabia LLC	513.962	91.390
Logicom Information Technology Distribution s.r.l.	747.300	414.500
Logicom Italia s.r.l.	133.175	85.050
Logicom Jordan LLC	-	19.017
Verendrya Ventures Ltd	310.856	305.510
	1.705.293	915.467

The sales made by Logicom Public Ltd to its subsidiary companies were as follows:

Sales

	2022 €	2021 €
Logicom Solutions Limited	2.524.585	4.590.010
Newcytech Business Solutions Ltd	5.382.856	4.777.888
ENET Solutions - Logicom S.A.	20.695.047	16.029.208
Logicom Jordan LLC	5.136.426	3.379.858
Logicom (Middle East) SAL	54.756	2.564
Logicom FZE	4.526	76.303
Logicom Italia s.r.l.	14.937	18.523
Logicom Information Technology Distribution s.r.l.	6.642.992	8.363.126
Logicom Saudi Arabia LLC	695	3.192
ICT Logicom Solutions SA	-	12.275
Elogicomnet Morocco Distribution SARL	(9.093)	60.352
Logicom Distribution Egypt LLC	47.743	1.272

42. RELATED PARTY TRANSACTIONS *(continued)*

The balances between Logicom Public Ltd and its subsidiary companies in the books of the parent company were as follows:

Long-term loans to subsidiary companies:

	2022	2021
	€	€
ENET Solutions - Logicom S.A.	2.402.025	2.262.052
Logicom (Middle East) SAL	4.478.061	4.217.111
Logicom FZE	2.779.486	2.617.517
Logicom Jordan LLC	2.865.273	2.698.305
Verendrya Ventures Ltd	18.073.675	17.762.819
	30.598.520	29.557.804
Expected credit losses	(2.127.388)	(1.995.034)
	28.471.132	27.562.770

There is no written agreement between the parent and the subsidiary companies, regarding the long-term loans receivable from the subsidiary companies. The loans bear no interest and there is no fixed repayment date. The loans are recognised according to the provisions of IAS 21.

The long-term loan with the subsidiary company Verendrya Ventures Limited, relates to a contract for the financing of the operations of the desalination units in Larnaka and Episkopi. The loan bears an annual interest of 1,75% (2021: 1,75%) and has no fixed repayment date.

Taking into consideration the expected future cash flows of the subsidiary company, which consists of the expected future cash flows of the desalination company in Larnaca as well as those of the company that has undertaken the same project of the desalination unit in Limassol no impairment has been recognised for the loan with the subsidiary company Verendrya Ventures Limited. The determination of the expected future cash flows is based on estimates, judgements and assumptions that were applied by the management of Verendrya Ventures Limited (Note 19).

42. RELATED PARTY TRANSACTIONS *(continued)*

Receivable balances with subsidiary companies

		2022	2021
		€	€
	Nature	Debit	Debit
Netcom Limited	Other	131.608	128.054
Logicom Solutions Limited	Trade	4.126.180	-
Logicom Services Ltd	Financing	26.602.125	27.354.222
Newcytech Business Solutions Ltd	Trade	-	345.024
ENET Solutions - Logicom S.A.	Trade	2.916.505	4.189.025
Logicom Italia s.r.l.	Trade/Financing	2.542.625	4.868.957
Logicom Saudi Arabia LLC	Trade/Financing	5.547.704	628.129
Logicom Information Technology Distribution s.r.l.	Trade/Financing	20.137.709	17.245.467
Logicom Distribution Egypt LLC	Other	56.027	-
Najada Holdings Limited	Financing	2.435.767	1.827.655
Verendrya Ventures Ltd	Financing	376.039	243.259
Elogicomnet Morocco Distribution SARL	Other	731.300	63.496
		65.603.589	56.893.288
Expected credit losses from subsidiary companies		(169.880)	(169.572)
		65.433.709	56.723.716

Payable balances with subsidiary companies

		2022	2021
		€	€
	Nature	Credit	Credit
Logicom (Overseas) Limited	Other	327.259	282.217
Logicom Solutions Limited	Trade	-	822.127
Newcytech Business Solutions Ltd	Trade	318.304	-
ICT Logicom Solutions SA	Other	86.063	117.046
Logicom Jordan LLC	Trade	2.581.483	2.089.668
Logicom (Middle East) SAL	Trade/Financing	981.441	585.293
Logicom FZE	Trade/Financing	22.900.118	18.997.267
Logicom Distribution Germany GmbH	Other	702.439	620.332
		27.897.107	23.513.950

The above balances are repayable according to the nature of each transaction.

42. RELATED PARTY TRANSACTIONS *(continued)*

Balances with associated companies

	2022	2021
	€	€
	Debit/ (Credit)	Debit/ (Credit)
M.N. E.P.C Water Co.	(350)	(350)
M.N. Larnaca Desalination Co Ltd	(18.726)	(18.357)
M.N. Limassol Water Co. Ltd	(24.734)	(16.204)
	(43.810)	(34.911)

The sales made by Logicom FZE to Group companies were as follows:

Sales

	2022	2021
	€	€
Logicom Public Limited	5.065	14.144
Logicom Jordan LLC	891.442	1.579.756
Logicom (Middle East) SAL	77.695	264.828
Logicom Dubai LLC	108.178.620	94.413.417
ENET Solutions - Logicom S.A.	-	3.425
Logicom Bahrain WLL	3.380.289	3.432.211
Logicom Information Technology Distribution s.r.l.	-	1.740
Logicom Saudi Arabia LLC	4.312.405	7.710.640
Logicom Kuwait for Computer Company W.L.L	15.216.189	9.514.772
Logicom Distribution Egypt LLC	14.026	-
Logicom Trading & Distribution LLC	16.095.913	9.303.700
Logicom LLC	16.990.402	13.488.879

The amounts charged by Logicom FZE to Group companies for administration services were as follows:

Administration services

	2022	2021
	€	€
Logicom Public Limited	1.791.550	901.646
Logicom Dubai LLC	1.971.818	1.337.511
Logicom Kuwait for Computer Company W.L.L	844.908	679.496
Logicom Trading & Distribution LLC	1.055.242	746.216
Logicom LLC	416.766	327.318
Elogicomnet Morocco Distribution SARL	49.069	-
Enet Solutions LLC	-	43.514
Logicom Saudi Arabia LLC	-	14.505
	6.129.353	4.050.206

42. RELATED PARTY TRANSACTIONS *(continued)*

The amounts charged by Logicom FZE to Group companies for interest were as follows:

Interest

	2022 €	2021 €
Logicom Dubai LLC	843.846	347.709
Logicom Kuwait for Computer Company W.L.L	425.488	214.979
Logicom LLC	308.910	148.276
Logicom Trading & Distribution LLC	405.466	108.012
Logicom Saudi Arabia LLC	20.908	49.426
Elogicomnet Morocco Distribution SARL	307.358	-
Logicom Jordan LLC	74.004	46.106
	2.385.980	914.508

The sales made by Logicom Jordan LLC to Group companies were as follows:

Sales

	2022 €	2021 €
Logicom FZE	6.905	-
Logicom (Middle East) SAL	5.924	-

The sales made by ENET Solutions - Logicom S.A. to Group companies were as follows:

Sales

	2022 €	2021 €
Logicom Public Limited	8.588.479	7.358.978
ICT Logicom Solutions SA	85.748	51.206
Logicom Italia s.r.l.	45.051	194.839
Logicom Information Technology Distribution s.r.l.	1.152.376	716.523
Logicom FZE	977.980	-
Logicom Solutions Limited	1.769	56.327
Logicom LLC	418.635	261.892

The sales made by Logicom Solutions Ltd to Group companies were as follows:

Sales

	2022 €	2021 €
Logicom Public Limited	31.469	30.149
Newcytech Business Solutions Ltd	781.251	165.226
ICT Logicom Solutions SA	1.793.060	1.898.443

42. RELATED PARTY TRANSACTIONS *(continued)*

The sales made by Logicom (Middle East) SAL to Group companies were as follows:

Sales

	2022 €	2021 €
Logicom FZE	-	125.611

The sales made by Logicom IT Distribution s.r.l. to Group companies were as follows:

Sales

	2022 €	2021 €
Logicom Public Limited	-	115
ENET Solutions - Logicom S.A.	290.989	215.646
Logicom Italia s.r.l.	2.646.798	2.934.601

The sales made by Logicom Saudi Arabia LLC to Group companies were as follows:

Sales

	2022 €	2021 €
Logicom FZE	1.344.821	491.669
Logicom Public Limited	3.657	2.716

The sales made by Newcytech Business Solutions Limited to Group companies were as follows:

Sales

	2022 €	2021 €
Logicom Public Limited	13.934	86.640
Logicom Solutions Limited	377.778	235.816
Newcytech Distribution Ltd	148.716	121.937

The sales made by Logicom Italia SRL to Group companies were as follows:

Sales

	2022 €	2021 €
ENET Solutions - Logicom S.A.	67.570	13.455
Elogicomnet Morocco Distribution SARL	1.103	-
Logicom Public Limited	705	-

42. RELATED PARTY TRANSACTIONS *(continued)*

The sales made by ICT Logicom Solutions S.A. to Group companies were as follows:

Sales

	2022 €	2021 €
Logicom Solutions Limited	21.379	37.533

The sales made by Logicom Distribution Germany Gmbh to Group companies were as follows:

Sales

	2022 €	2021 €
Logicom Italia s.r.l.	213.920	169.053

The sales made by Logicom Kuwait Computer Company Limited WLL to Group companies were as follows:

Sales

	2022 €	2021 €
Logicom Trading & Distribution LLC	-	200.142
Logicom Bahrain WLL	-	24.868
Logicom LLC	47.621	22.195

The sales made by Logicom Bahrain WLL to Group companies were as follows:

Sales

	2022 €	2021 €
Logicom LLC	4.755	534.770
Logicom Trading & Distribution LLC	116.024	-
Logicom Kuwait for Computer Company W.L.L	11.616	-

The sales made by Logicom LLC to Group companies were as follows:

Sales

	2022 €	2021 €
Logicom FZE	-	988
Logicom Bahrain WLL	-	112.575

42. RELATED PARTY TRANSACTIONS *(continued)*

The balances between Group companies and the parent Company are presented below:

	Nature	2022 € Debit/ (Credit)	2021 € Debit/ (Credit)
Logicom (Overseas) Limited	Other	327.259	282.218
Netcom Limited	Other	(131.608)	(128.054)
Logicom Solutions Limited	Trade	(4.126.180)	822.127
Logicom Services Ltd	Financing	(26.602.125)	(27.354.222)
Newcytech Business Solutions Ltd	Trade	318.304	(345.024)
ENET Solutions - Logicom S.A.	Trade/Financing	(5.318.530)	(6.451.077)
ICT Logicom Solutions SA	Other	86.063	117.046
Logicom Jordan LLC	Trade/Financing	(283.790)	(608.637)
Logicom (Middle East) SAL	Trade/Financing	(3.496.620)	(3.631.818)
Logicom FZE	Trade/Financing	20.120.632	16.379.750
Logicom Italia s.r.l.	Trade/Financing	(2.542.625)	(4.868.957)
Logicom Saudi Arabia LLC	Trade/Financing	(5.547.704)	(628.129)
Logicom Information Technology Distribution s.r.l.	Trade/Financing	(20.137.709)	(17.245.467)
Logicom Distribution Egypt LLC	Other	(56.027)	-
Logicom Distribution Germany GmbH	Other	702.439	620.332
Najada Holdings Limited	Financing	(2.435.767)	(1.827.655)
Verendrya Ventures Ltd	Financing	(18.449.714)	(18.006.078)
Elogicomnet Morocco Distribution SARL	Other	(731.300)	(63.496)

During the year the companies of the Group paid dividends to the Company, as follow:

Dividend

	2022 €	2021 €
Logicom FZE	7.500.469	7.058.408
Verendrya Ventures Ltd	120.000	-
Logicom Services Ltd	3.000.000	4.000.000
	10.620.469	11.058.408

Transactions and balances between related parties:

There were no significant transactions and balances with related parties, including the Directors, during the year ended 31 December 2022.

43. BALANCES WITH ASSOCIATED COMPANIES AND JOINT VENTURES

The balances with the joint ventures, relate to the financing of the construction, maintenance, renovation and operation of the desalination plants in Cyprus through its subsidiary company Verendrya Ventures Limited.

BALANCES WITH ASSOCIATED COMPANIES AND JOINT VENTURES *(continued)*

The balances with jointly ventures were as follows:

Balances with joint ventures

	2022	2021
	€	€
	Debit	Debit
M.N. Larnaca Desalination Co Limited	11.049.607	10.199.922
M.N. Limassol Water Co. Limited	12.969.708	13.589.544
	24.019.315	23.789.466
Expected credit losses	(276.472)	(434.724)
	23.742.843	23.354.742

The amounts receivable from joint ventures are presented after the deduction of the accumulated impairments and loss in addition to the value of the investment. The net value of the balances as at 31 December 2022 is considered recoverable based on the expected discounted future cash flows from these companies. As mentioned in note 19, for the calculation of the expected future cash flows of the M.N. Larnaca Desalination Co. Ltd estimates, assumptions, judgements and evidence which include the legal opinion in relation to the validity of claims in favor and against the company and an opinion from its consultants in respect of the level of compensation that the company is expected to be entitled to, have been made. The Group considers that there were no evidence for impairment of the amount receivable from joint venture M.N. Limassol Water Co..

The loan with M.N. Limassol Water Co. Ltd is non-current, bearing interest of 4,5% per annum and does not have a specified repayment date. The M.N. Larnaca Desalination Co. Ltd is non-current, interest free and has no specified repayment date.

Interest receivable for 2022 amounts to €501.796 (2021: €501.441) and is included in note 10.

The balances with the associated companies, relate to a loan that the subsidiary Verendrya Ventures Limited entered into with Demetra Holdings Plc in relation to the latter's participation in the desalination plants in Episkopi and Larnaca.

The balances with associated companies were as follows:

Balances with associated companies

	2022	2021
	€	€
	Credit	Credit
Demetra Holdings Plc	12.075.283	11.842.141

The long-term loan of the subsidiary company Verendrya Ventures Limited, with Demetra Holdings Plc, relates to the financing of the desalination projects in Larnaca and Limassol. The loan bears an interest rate of 1,75% (2021: 1,75%) per annum and does not have a specified repayment date.

44. EVENTS AFTER THE REPORTING PERIOD

There were no other significant events after the reporting date that have a bearing on the understanding of the consolidated and separate financial statements.

BALANCES WITH ASSOCIATED COMPANIES AND JOINT VENTURES *(continued)*