



LOGICOM PUBLIC LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Period ended 31 March 2023

LOGICOM PUBLIC LIMITED

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 31 March 2023

| CONTENTS | PAGE |
|--|-------------|
| Board of Directors and Professional Advisors | 1 |
| Statement of the members of the board of directors and the officials of the Company responsible for the financial statements | 2 |
| Management Report | 3 - 6 |
| Consolidated statement of profit or loss and other comprehensive income | 7 |
| Consolidated statement of financial position | 8 |
| Consolidated statement of changes in equity | 9 |
| Consolidated cash flow statement | 10 |
| Statement of financial position | 11 |
| Notes to the consolidated interim financial statements | 12 - 54 |

BOARD OF DIRECTORS AND PROFESSIONAL ADVISERS**DIRECTORS**

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

GROUP CHIEF FINANCIAL OFFICER

Anthoulis Papachristoforou

SECRETARY

Thanasis Liasides

REGISTERED OFFICE

26 Stasinou Street, Ayia Paraskevi
 2003 Strovolos, Nicosia

MANAGEMENT OFFICE

26 Stasinou Street, Ayia Paraskevi
 2003 Strovolos, Nicosia

INDEPENDENT AUDITORS**KPMG Limited**

14 Esperidon street
 1087 Nicosia

LEGAL ADVISERS**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 S.A.
 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 (190(I)/2007) (“Law”), we the members of the Board of Directors and Anthoulis Papachristoforou, BA (Hons) FCCA, Group Financial Controller responsible for the preparation of the financial statements, of the Group and the Company Logicom Public Ltd, for the period ended 31 March 2023, we confirm that to the best of our knowledge:

(a) The Interim Consolidated Financial Statements which are presented on pages 7 to 54,

(i) were prepared in accordance with the International Financial Reporting Standard (IAS) 34 Interim Financial Statements. The Interim Consolidated Financial Statements have not been audited by the Group external auditors, 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 Interim Consolidated Financial Statements as a whole, and

b) the interim management report provides a fair view of the information provided in section 10(6) of the Law in accordance with the provisions of section 10(7)(b) of the Law.

Members of the Board of Directors:

Takis Klerides, Chairman

Varnavas Irinarchos, Vice Chairman and Managing Director

Anthoulis Papachristoforou, Deputy Managing Director

George Papaioannou

Anastasios Athanasiades

Andreas Constantinides

Christoforos Hadjikyprianou

Neoclis Nicolaou

Linus Chrysostomou

Responsible for drafting the financial statements

Anthoulis Papachristoforou (Group Chief Financial Officer)

Nicosia, 27 June 2023

LOGICOM PUBLIC LIMITED**BOARD OF DIRECTORS' INTERIM REPORT****ACCOUNTING STANDARDS FOR THE PREPARATION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The Interim Consolidated Financial Statements were prepared according to the International Accounting Standard (IAS) No. 34 Interim Financial Reporting. The Interim Consolidated Financial Statements have not been audited by the statutory Group auditors.

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

1. **The turnover** increased significantly by 20,5% in relation to the corresponding period in 2022. The Turnover of the Distribution Sector increased significantly by 21,0%, mainly due to the increased sales in the markets of the Gulf region, Saudi Arabia, Jordan and Cyprus compared to first quarter of 2022. The turnover of the Software and Integrated Solutions Sector increased significantly by 12,3%, compared with the corresponding period last year, mainly due to the undertaking of projects in the Cyprus market.
2. **The percentage of gross profit margin** decreased to 7,4% compared to 7,7% in the corresponding period of 2022 (2023: Gross profit: €24.306.001 to Sales: €326.622.142, 2022: Gross profit: €20.857.481 to Sales: €271.003.077 as reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income), mainly due to the increase in sales of the Distribution Sector during the first quarter of 2023, where the gross profit margin percentage is lower.
3. **Other Income** mainly relates to contributions from suppliers for the promotion of their products and income from collaborations with third parties. The significant increase in other income during the first quarter of 2023 compared to the corresponding period last year, is due to the increase in contributions from suppliers for promotional activities.
4. **The Group's Expected Credit Losses** are significantly increased compared to the first quarter of 2022 and amounted to €76.731 from €39.878 in the corresponding period last year. The increase is due to the recognition of an additional provision of impairment of trade receivables. The Expected Credit Losses were recognised in the results in accordance with the provisions of IFRS9.
5. The **Administration Expenses** increased by €1.441.814 and by 11,8% in percentage terms compared to the first quarter of 2022, mainly due to the increase of personnel and infrastructure expenses, as a result of the Group's expansion plan to new markets and the expansion of the range of available products. The term 'Administration Expenses' encompasses all the operating expenses of the Group, including Administrative, Distribution and Operational expenses.
6. **The Profit from Operating Activities** increased significantly by 29,4% compared to the corresponding period of 2022 and amounts to €11.122.743 compared to €8.598.714 in the first quarter of 2022, mainly due to the significant increase in Turnover, despite the decrease in Gross Profit Margin and the increase in the Administration Expenses. The term 'Operating Activities' encompasses all the activities of the Group.
7. **The Net Bank Finance Cost**, including Interest Receivable and Payable, and related Bank Charges resulting from the banking facilities used for the execution of the Group's operations, increased to €3.374.180 compared to €1.249.355 during the corresponding period of 2022 and by 170,01%, in percentage terms, due to the increased use of banking facilities used to finance the increased turnover, as well as, due to the significant increase of the borrowing rates in US Dollars and Euro, compared to the corresponding period last year.
8. **The Foreign Exchange Difference** resulting mainly from the exchange rate fluctuation between the US Dollar and the Euro, amounts to a loss of €63.919 (first quarter of 2022 loss: €738.488). It is clarified that the provisions of IFRS 9 in relation to Hedge Accounting have been adopted, with the aim to reduce the effects of the exchange rate fluctuations between the US Dollar and the Euro in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

LOGICOM PUBLIC LIMITED

BOARD OF DIRECTORS' INTERIM REPORT

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

According to the directives of the IAS21, the increase in the value of the Company's long-term investments in its foreign subsidiaries, due to foreign exchange differences, amounting to €194.546, is transferred to the Reserves until the date of liquidation, where any result will be transferred in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

9. References to the **Share of Profit from associated companies after tax** refer to the share of profit of €4.636.444 for the first quarter of 2023, compared to share of profit of €2.170.601 for the prior year's corresponding period, from the associated company Demetra Holdings Plc ('Demetra'). The financial results of Demetra include 21,33% of the results of Hellenic Bank Public Company Ltd ('Hellenic'). During 2019, Demetra increased its shareholding in Hellenic to 21,01% and evaluated, based on the provisions of the International Financial Reporting Standards, that it exercises significant influence, which recognised the investment using the equity accounting method. References to the **Share of (Loss)/ profit from joint ventures and to the (Loss)/ profit attributable to Non-controlling Interest** refer to the net (loss)/ profit of the investments in the Desalination Plants in Larnaca and Episkopi.
10. **The Profit attributable to the Company's shareholders** increased significantly by 31,8% compared to the corresponding period of 2022, from €8.315.889 to €10.960.595, mainly due to the increase in turnover and the share of profit from associated companies, despite the increase of the administration expenses, the net financing costs due to the increased interests payable, and share of loss from joint ventures versus profit, compared to the first quarter of 2022.
11. **The Group's Cash and Cash Equivalent** compared to the bank overdrafts present a debit balance of €11.840.612 at the end of the first quarter of 2023 compared to a debit balance of €29.146.094 at the end of 2022. **The short-term loans** increased to €136.451.484 from €120.625.608. **The long-term loans** decreased to €11.049.658 from €11.749.249.
12. 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 stand by mode from 1 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.
13. During the first quarter of 2023, the Turnover and the Profit from Operations are significantly increased, and in connection with the increase in the share of profit from associated companies, despite the increase of the net financing costs, due to the increase in interests payable, and the share of loss from joint ventures versus profit in the first quarter of 2022, the Profit attributable to the Shareholders is significantly increased in comparison to the corresponding period of 2022.
14. During the first quarter of 2023 there was not any income from non-recurring or extraordinary activities.
15. The economic performance measurement indicators used in the above report for the performance and position of the Group serve a better analysis and understanding of these results.
16. The results are within the estimations of the Board of Directors.

LOGICOM PUBLIC LIMITED**BOARD OF DIRECTORS' INTERIM REPORT****RISKS AND UNCERTAINTIES**

The main risks consist of credit risk, market risk which includes the interest rate risk, foreign exchange risk, and the other price market risks, liquidity risk, fair value risk and risk of capital management. These risks are analysed and the procedures of monitoring them are described in note 14 to the Interim Consolidated Financial Statements.

OPERATIONS OF THE COMPANY AND ITS SUBSIDIARY COMPANIES

During the first quarter of 2023, the Group continued the distribution of high technology products, the supply of services and integrated information technology, telecommunication and software solutions, and the participation in large infrastructure projects in the water sector, as well as participation in public companies.

FORESEEABLE DEVELOPMENT OF THE GROUP

The inflationary trends observed worldwide, the significant increase in the borrowing rates in an attempt to restrain inflation, and the observed instability in the Group's areas of operations, which continued during the first quarter of 2023, have affected the Group's and the Company's operations and have led to an increase in operating costs and borrowing costs.

During the first quarter of 2023, despite the above, the turnover is significantly increased, the Group's profitability from ordinary activities (excluding the share of profit/(loss) from associated company and joint ventures) increased compared to the corresponding period last year. Borrowing costs are increased, as a result of the significant increase of the banks' borrowing rates, but also as a result of the increased utilisation of the banking facilities to finance the increased turnover. 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 continuous effort for growth both in existing, but also in new markets, and by 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's companies.

RELATED PARTIES TRANSACTIONS AND BALANCES

The related parties' transactions and balances are analysed in the notes 19 and 20.

LOGICOM PUBLIC LIMITED**BOARD OF DIRECTORS' INTERIM REPORT****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 foreign exchange hedging products to hedge the risk of fluctuations in foreign currencies. The Group's and the Company's management follow a policy to minimize the risk arising from the fluctuation in foreign exchange rates, as stated in the significant accounting policies.

The loss arising from the change in the fair value of derivative financial instruments for the period, that was recognised in the Group's results amounted to €578.671 (first quarter of 2022, profit: €284.929).

SHARE CAPITAL

There was no change in the issued share capital of the company during the first quarter of 2023.

All shares are listed and traded in the Cyprus Stock Exchange, 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 11.

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

The members of the Board of Directors as at 31 March 2023 and at the date of the present report are presented on page 2.

The percentages of participation in the Company's share capital that was held directly or indirectly by the members of the Board of Directors of the Company on 31 March 2023 and on 27 June 2023 are presented in notes 15 and 16 to the Interim Consolidated Financial Statements.

The remuneration of the executive directors is presented in note 17 to the Interim Consolidated Financial Statements.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The significant events after the reporting date that have a bearing on the understanding of the Interim Consolidated Financial Statements are presented in note 21.

PUBLICATION

1. The Interim Financial Report will not be sent to the shareholders, but the Consolidated Statement of Profit or loss and Other Comprehensive Income will be published in the newspapers 'Politis' on 29/06/2023 and 'o Phileleftheros' on 30/06/2023.
2. The whole content of the Interim Financial Report, is available, free of charge, from the Registered Office of the Company (Stasinou 26, Ayia Paraskevi, 2003 Strovolos, Nicosia. Tel.: +357 22 551000, Fax: +357 22 514295, e-mail: info@logicom.net) and it is uploaded in the Company's websites (www.logicom.net) and of the Cyprus Stock Exchange(www.cse.com.cy).

THE BOARD OF DIRECTORS

27 June 2023

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period ended 31 March 2023

| | Note | Period ended 31 March 2023 € | Period ended 31 March 2022 € | Year ended 31 December 2022 € |
|--|------|------------------------------------|------------------------------------|-------------------------------------|
| Revenue | | 326.622.142 | 271.003.077 | 1.163.916.551 |
| Cost of sales | | (302.316.141) | (250.145.596) | (1.074.222.110) |
| Gross profit | | 24.306.001 | 20.857.481 | 89.694.441 |
| Other income | | 591.229 | 37.053 | 3.055.180 |
| Expected credit losses | 14.1 | (76.731) | (39.877) | (2.154.434) |
| Administrative expenses | | (13.697.756) | (12.255.942) | (52.195.380) |
| Profit from operations | | 11.122.743 | 8.598.715 | 38.399.807 |
| Net foreign exchange loss | | (63.919) | (738.488) | (1.668.516) |
| Interest receivable | | 142.883 | 133.149 | 579.008 |
| Interest payable and bank charges | | (3.517.063) | (1.382.504) | (8.708.292) |
| Net finance costs | | (3.438.099) | (1.987.843) | (9.797.800) |
| Net share of profit from associated companies after tax | 9 | 4.636.444 | 2.170.601 | 2.696.682 |
| Net share of (loss)/profit from joint ventures after tax | 9 | (646.573) | 229.321 | 5.782 |
| Profit before tax | | 11.674.515 | 9.010.794 | 31.304.471 |
| Tax | | (976.169) | (605.493) | (4.531.796) |
| Profit for the period/year | | 10.698.346 | 8.405.301 | 26.772.675 |
| Other comprehensive income that will not be reclassified to profit or loss in future periods | | | | |
| Surplus from revaluation of land and buildings | | - | - | 1.752.467 |
| Increase/ (decrease) from revaluation of investments at fair value through other comprehensive income | | 1.922.159 | (1.675.024) | 8.045.607 |
| Deferred taxation arising from revaluation of land and buildings | | (11.292) | 827 | (45.167) |
| Adjustment on remeasurement of obligation | | - | - | 527.428 |
| Share of profit/(loss) from associated company | 9 | 36.771 | (173.709) | 245.788 |
| Deferred taxation arising from the remeasurement of obligation | | - | - | (3.028) |
| | | 1.947.638 | (1.847.906) | 10.523.095 |
| 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 | | (4.196.988) | 1.853.596 | 5.646.268 |
| Exchange difference in relation to hedge of a net investment in a foreign operation | | 720.735 | (805.298) | (3.009.631) |
| Share of profit/(loss) from associated company | 9 | 2.337 | 8.966 | (526.739) |
| | | (3.473.916) | 1.057.264 | 2.109.898 |
| Other comprehensive income for the period/year | | (1.526.278) | (790.642) | 12.632.993 |
| Total comprehensive income for the period/year | | 9.172.068 | 7.614.659 | 39.405.668 |
| Profit for the period/year attributable to: | | | | |
| Company's shareholders | | 10.960.595 | 8.315.890 | 26.718.648 |
| Non-controlling interest | | (262.249) | 89.411 | 54.027 |
| Profit for the period/year | | 10.698.346 | 8.405.301 | 26.772.675 |
| Total comprehensive income for the period/year attributable to: | | | | |
| Company's shareholders | | 9.434.317 | 7.525.248 | 39.351.641 |
| Non-controlling interest | | (262.249) | 89.411 | 54.027 |
| Total comprehensive income | | 9.172.068 | 7.614.659 | 39.405.668 |
| Basic earnings per share (cent) | 5 | 14.80 | 11.23 | 36.07 |
| Diluted earnings per share (cent) | 5 | 14.80 | 11.23 | 36.07 |

The notes on pages 12 to 54 are an integral part of these consolidated interim financial statements.

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

| | Note | 31 March 2023 € | 31 December 2022 € |
|---|------|-----------------------|--------------------------|
| ASSETS | | | |
| Property, plant and equipment | 6 | 23.648.414 | 23.808.383 |
| Right-of-use assets | 7 | 5.370.013 | 5.262.268 |
| Intangible assets and goodwill | | 8.033.083 | 8.119.403 |
| Investments in associated companies and joint ventures | 9 | 86.778.561 | 82.502.127 |
| Investments at fair value through other comprehensive income | | 21.692.932 | 19.770.774 |
| Trade and other receivables | | 23.992.036 | 24.298.062 |
| Deferred taxation | | 1.573.084 | 1.271.560 |
| Total non-current assets | | <u>171.088.123</u> | <u>165.032.577</u> |
| Inventories | | 95.343.781 | 106.592.350 |
| Trade and other receivables | | 314.622.750 | 283.688.485 |
| Investments at fair value through profit or loss | | 19.006 | 19.006 |
| Current tax assets | | 302.175 | 96.835 |
| Cash and cash equivalents | 10 | 43.220.409 | 61.416.739 |
| Total current assets | | <u>453.508.121</u> | <u>451.813.415</u> |
| Total assets | | <u>624.596.244</u> | <u>616.845.992</u> |
| Equity | | | |
| Share capital | 11 | 25.187.064 | 25.187.064 |
| Reserves | | 218.764.044 | 209.329.727 |
| Equity attributable to shareholders of the Company | | 243.951.108 | 234.516.791 |
| Non-controlling interest | | (2.882.969) | (2.620.720) |
| Total equity | | <u>241.068.139</u> | <u>231.896.071</u> |
| Liabilities | | | |
| Long-term loans | 12 | 7.962.089 | 8.661.334 |
| Obligations under finance leases | | 4.212.085 | 4.266.280 |
| Trade and other payables | | 12.116.588 | 12.080.840 |
| Deferred taxation | | 533.869 | 533.868 |
| Provision for other liabilities and termination of employment | | 2.663.178 | 2.593.343 |
| Total non-current liabilities | | <u>27.487.809</u> | <u>28.135.665</u> |
| Trade and other payables | | 178.730.217 | 194.871.909 |
| Bank overdrafts | 12 | 31.379.797 | 32.270.645 |
| Short term loans | 12 | 136.451.484 | 120.625.608 |
| Current portion of long-term loans | 12 | 3.087.569 | 3.087.915 |
| Obligations under finance leases | | 1.421.268 | 1.206.241 |
| Promissory notes | | 1.800.000 | 2.000.000 |
| Derivative financial instruments | | 891.725 | 320.832 |
| Current tax liabilities | | 2.160.021 | 2.224.409 |
| Provision for other liabilities and termination of employment | | 118.215 | 206.697 |
| Total current liabilities | | <u>356.040.296</u> | <u>356.814.256</u> |
| Total liabilities | | <u>383.528.105</u> | <u>384.949.921</u> |
| Total equity and liabilities | | <u>624.596.244</u> | <u>616.845.992</u> |

The notes on pages 12 to 54 are an integral part of these consolidated interim financial statements.

LOGICOM PUBLIC LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 31 March 2023

| | 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 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 period | - | - | - | - | - | - | - | 8.315.890 | 8.315.890 | 89.411 | 8.405.301 |
| Other comprehensive income | - | - | 827 | - | (805.298) | - | 1.853.596 | (1.839.767) | (790.642) | - | (790.642) |
| Transactions with owners recognized directly in equity | | | | | | | | | | | |
| Share of other transactions with owners from an associated company | - | - | - | - | - | - | - | - | - | - | - |
| Other movements | | | | | | | | | | | |
| Transfer | - | - | - | - | - | - | - | - | - | - | - |
| Balance at 31 March 2022 | <u>25.187.064</u> | <u>10.443.375</u> | <u>6.389.376</u> | <u>116.818</u> | <u>(10.120.290)</u> | <u>2.849.638</u> | <u>(4.058)</u> | <u>174.090.453</u> | <u>208.952.376</u> | <u>(2.505.336)</u> | <u>206.447.040</u> |
| Balance at 1 January 2023 | 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 |
| Total comprehensive income | | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | 10.960.595 | 10.960.595 | (262.249) | 10.698.346 |
| Other comprehensive income | - | - | (11.292) | - | 720.735 | - | (4.196.988) | 1.961.267 | (1.526.278) | - | (1.526.278) |
| Transactions with owners recognized directly in equity | | | | | | | | | | | |
| Share of other transactions with owners from an associated company | - | - | - | - | - | - | - | - | - | - | - |
| Other movements | | | | | | | | | | | |
| Transfer | - | - | - | - | - | 9.557 | - | (9.557) | - | - | - |
| Balance at 31 March 2023 | <u>25.187.064</u> | <u>10.443.375</u> | <u>8.084.557</u> | <u>116.818</u> | <u>(11.603.888)</u> | <u>3.009.802</u> | <u>(408.374)</u> | <u>209.121.754</u> | <u>243.951.108</u> | <u>(2.882.969)</u> | <u>241.068.139</u> |

The notes on pages 12 to 54 are an integral part of these consolidated interim financial statements.

LOGICOM PUBLIC LIMITED

CONSOLIDATED CASH FLOW STATEMENT
Period ended 31 March 2023

| | Note | Period ended 31 March 2023 € | Period ended 31 March 2022 € |
|---|------|------------------------------------|------------------------------------|
| Cash flows from/(used in) operations | | | |
| Profit for the period | | 10.698.346 | 8.405.301 |
| Adjustments for: | | | |
| Exchange differences | | (2.654.811) | 994.190 |
| Depreciation | 6 | 366.666 | 345.116 |
| Depreciation on leased property, plant and equipment | 6 | 55.611 | 59.859 |
| Depreciation on right of use assets | 7 | 458.264 | 434.390 |
| Interest payable | | 3.060.491 | 1.217.771 |
| Interest receivable | | (142.883) | (133.149) |
| Expected credit losses | | 76.731 | 39.877 |
| Provision for the decrease in the value of inventories | | (5.268) | 61.514 |
| Share of profit from investments in associated companies | 9 | (4.636.444) | (2.170.601) |
| Share of loss /(profit) from joint ventures | | 646.573 | (229.321) |
| Change in fair value of derivative financial instruments | | (570.893) | (415.695) |
| Profit from the disposal of property, plant and equipment | | (5.140) | (4.748) |
| Amortisation of research and development | | 86.319 | 140.096 |
| Charge to profit or loss for provisions | | (18.647) | 150.482 |
| Tax | | 976.169 | 605.493 |
| | | <u>8.391.084</u> | <u>9.500.575</u> |
| Decrease/(increase) in inventories | | 11.253.837 | (26.650.020) |
| Increase in trade and other receivables | | (30.704.970) | (9.180.005) |
| Decrease in trade and other payables | | (16.105.944) | (2.887.649) |
| (Payments)/proceeds from promissory notes | | (200.000) | 2.158 |
| Benefits paid for termination of employment | | (160.529) | (12.745) |
| | | <u>(27.526.522)</u> | <u>(29.227.686)</u> |
| Tax paid | | (1.245.897) | (850.534) |
| | | <u>(28.772.419)</u> | <u>(30.078.220)</u> |
| Net cash flows used in operations | | | |
| Cash flows used in investing activities | | | |
| Proceeds from disposal of property, plant and equipment | | 8.352 | 7.709 |
| Payment to acquire intangible assets | | - | (6.480) |
| Payments to acquire property, plant and equipment | 6 | (378.783) | (201.610) |
| Interest received | | 142.883 | 133.149 |
| | | <u>(227.548)</u> | <u>(67.232)</u> |
| Net cash flows used in investing activities | | | |
| Net cash flow from financing activities | | | |
| Proceeds from issue of new loans | | 84.051.618 | 61.779.382 |
| Repayment of loans | | (68.925.333) | (37.237.907) |
| Repayments of obligations under finance leases | | (463.767) | (414.839) |
| Interest paid | | (2.968.033) | (1.150.900) |
| | | <u>11.694.485</u> | <u>22.975.736</u> |
| Net cash flows from financing activities | | | |
| Net change in cash and cash equivalents | | (17.305.482) | (7.169.716) |
| Cash and cash equivalents at beginning of the period | | <u>29.146.094</u> | <u>(669.548)</u> |
| Cash and cash equivalents at end of the period | 10 | <u>11.840.612</u> | <u>(7.839.265)</u> |

The notes on pages 12 to 54 are an integral part of these consolidated interim financial statements.

LOGICOM PUBLIC LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

| | Note | 31 March 2023 € | 31 December 2022 € |
|--|------|-----------------------|--------------------------|
| ASSETS | | | |
| Property, plant and equipment | 6 | 4.326.588 | 4.452.843 |
| Right of use assets | 7 | 224.814 | 256.767 |
| Investments in subsidiary companies | 8 | 53.331.217 | 53.331.217 |
| Long-term loans to subsidiary companies | 19 | 28.309.498 | 28.471.132 |
| Deferred taxation | | <u>146.757</u> | <u>146.757</u> |
| Total non-current assets | | <u>86.338.874</u> | <u>86.658.716</u> |
| Inventories | | 1.198.105 | 599.361 |
| Trade and other receivables | | 22.070.106 | 22.591.907 |
| Receivables from subsidiary companies | 19 | 67.486.127 | 65.433.709 |
| Investments at fair value through profit or loss | | 6.758 | 6.758 |
| Current tax assets | | 755 | 661 |
| Cash and cash equivalents | 10 | <u>1.500.722</u> | <u>9.298.979</u> |
| Total current assets | | <u>92.262.573</u> | <u>97.931.375</u> |
| Total assets | | <u>178.601.447</u> | <u>184.590.091</u> |
| Equity | | | |
| Share capital | 11 | 25.187.064 | 25.187.064 |
| Reserves | | <u>28.400.018</u> | <u>29.240.196</u> |
| Total equity | | <u>53.587.082</u> | <u>54.427.260</u> |
| Liabilities | | | |
| Long-term loans | 12 | 3.780.405 | 4.267.585 |
| Obligations under finance leases | | 107.744 | 142.462 |
| Deferred taxation | | <u>499.215</u> | <u>499.215</u> |
| Total non-current liabilities | | <u>4.387.364</u> | <u>4.909.262</u> |
| Trade and other payables | | 30.822.575 | 27.848.205 |
| Payables to related companies | 19 | 30.369.305 | 27.897.107 |
| Bank overdrafts | 12 | 15.920.124 | 20.671.992 |
| Short term loans | 12 | 38.374.282 | 43.999.518 |
| Current portion of long-term loans | 12 | 2.063.034 | 2.065.957 |
| Obligations under finance leases | | 138.861 | 137.556 |
| Promissory notes | | 1.800.000 | 2.000.000 |
| Derivative financial instruments | | <u>1.138.820</u> | <u>633.234</u> |
| Total current liabilities | | <u>120.627.001</u> | <u>125.253.569</u> |
| Total liabilities | | <u>125.014.365</u> | <u>130.162.831</u> |
| Total equity and liabilities | | <u>178.601.447</u> | <u>184.590.091</u> |

The notes on pages 12 to 54 are an integral part of these consolidated interim financial statements.

LOGICOM PUBLIC LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Period ended 31 March 2023

1. UNAUDITED FINANCIAL STATEMENTS

The interim consolidated financial statements for the first quarters ended on 31 March 2023 and 31 March 2022 respectively, have not been audited by the statutory auditors of the Company.

2. OPERATING ENVIRONMENT

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, and 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 burdened economic climate worldwide.

The developments following the Russian-Ukrainian conflict 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. The prolonged inflation has resulted in increased operating costs for businesses and also for 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 Group is indirectly affected both by the disturbance of the supply chain and the inflationary trends and also by the significant increase in the borrowing rates of US Dollars and Euro.

The Management has established policies to manage the significantly increased borrowing cost. The allocation of funds 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.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements, which are presented in Euro, have been prepared in accordance with the International Financial Reporting Standards, including IAS 34 "Interim Financial Reporting".

The accounting policies used in the preparation of the interim financial statements are in accordance with those used in the annual financial statements for the year ended 31 December 2022. During the current period, the Group assesses the effect of the new and revised International Financial Reporting Standards (IFRSs) and Interpretations that refer to accounting periods beginning on or after 1 January 2023, on the consolidated financial statements. The new standards and interpretations that are relevant to the Group operations will be adopted in accordance with the relevant IFRSs guidelines.

The results are presented in Euro. Transactions in foreign currencies are translated using the exchange rates prevailing at the date of the transaction. Amounts receivable and payable denominated in foreign currencies are translated to the functional currency at the exchange rate prevailing at the date of the Statement of Financial Position and the Foreign currency differences arising on translation are recognised in the Statement of Profit or Loss and Other Comprehensive Income. From 1st of January 2006 and according to the latest amendment of IAS 21, all exchange differences arising from the translation of long-term loans granted to foreign subsidiaries are transferred to the Exchange Differences Reserve in the financial statements of the Group irrespective of the currency in which the loan has been granted.

The Company has chosen to implement the provisions of IFRS 9 for the hedging of the foreign exchange risk.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2023

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

According to the provisions of IFRS 9, the net investments in foreign operations can be defined as 'hedged item' and the long term bank borrowings, of a corresponding value, denominated in the same currency as the net investments, which is different from the parent Company's functional currency, can be defined as 'hedging instrument', resulting to the hedging of exchange differences arising from the translation of net investments and long term bank borrowings, in the consolidated financial statements of the parent Company with its subsidiaries, and their transfer to the Hedge Reserve in the Group's financial statements, provided that the hedging is considered 'effective'.

The Taxation has been calculated on the taxable profits for the period based on the Company's dividend policy and the applicable tax legislation.

4. 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 the Gulf region and Saudi Arabia.
- 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 3.

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

| | Revenue | | Total non-current assets | |
|-------------------------|-------------------------------|-------------------------------|--------------------------|---------------------|
| | Period ended 31 March 2023 | Period ended 31 March 2022 | 31 March 2023 | 31 December 2022 |
| | € | € | € | € |
| Cyprus | 30.756.053 | 26.114.836 | 158.825.790 | 154.041.406 |
| Greece | 28.665.720 | 28.081.771 | 1.655.278 | 1.239.859 |
| United Arab Emirates | 95.625.910 | 74.185.998 | 6.552.851 | 6.693.726 |
| Other foreign countries | <u>171.574.459</u> | <u>142.620.472</u> | <u>4.054.204</u> | <u>3.057.586</u> |
| | <u>326.622.142</u> | <u>271.003.077</u> | <u>171.088.123</u> | <u>165.032.577</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2023

4. OPERATING SEGMENTS (continued)

| Period ended 31 March 2023 | European Markets Distribution Segment € | Middle East Markets Distribution Segment € | All other Segments € | Services Segment € | Transactions between Operating Segments € | Total € |
|---|---|--|----------------------------|--------------------------|---|--------------------|
| Revenue from sale of products | 53.931.736 | 228.342.823 | 29.028.849 | 7.758.674 | - | 319.062.082 |
| Revenue from rendering of services | - | - | - | 7.560.060 | - | 7.560.060 |
| Revenue from third parties | <u>53.931.736</u> | <u>228.342.823</u> | <u>29.028.849</u> | <u>15.318.734</u> | <u>-</u> | <u>326.622.142</u> |
| Intersegment revenue | 17.011.789 | 50.446.591 | 1.025.658 | 661.504 | (69.145.542) | - |
| Other income | 1.283.647 | 2.370.360 | 7.064 | 34.915 | (3.104.757) | 591.229 |
| Depreciation and amortisation | 277.925 | 326.470 | 117.194 | 189.660 | - | 911.249 |
| Personnel costs | 2.141.046 | 4.687.529 | 781.238 | 1.305.461 | - | 8.915.274 |
| Travelling expenses | 206.310 | 94.495 | 10.834 | 25.461 | - | 337.100 |
| Provision for doubtful debts | (119) | 73.297 | 3.552 | - | - | 76.730 |
| Professional fees | 252.295 | 286.562 | 163.048 | 173.714 | (95.178) | 780.441 |
| Rent | 760 | 74.428 | 32.723 | 6.655 | - | 114.566 |
| Credit insurance | 89.910 | 389.817 | 52.510 | 23.926 | (87.146) | 469.017 |
| Transportation expenses | 133.708 | 363.858 | 64.426 | 877 | - | 562.869 |
| Profit from operations | <u>392.070</u> | <u>8.894.578</u> | <u>553.896</u> | <u>1.012.939</u> | <u>269.260</u> | <u>11.122.743</u> |
| Net foreign exchange loss | (48.461) | (177.616) | 490.857 | 203.754 | (532.453) | (63.919) |
| Interest receivable | 1.869 | 1.146.291 | 135.380 | 5.634 | (1.146.291) | 142.883 |
| Interest payable and bank charges | (1.459.155) | (2.870.566) | (807.526) | (63.451) | 1.683.635 | (3.517.063) |
| Net finance income/(expenses) | <u>(1.505.747)</u> | <u>(1.901.891)</u> | <u>(181.289)</u> | <u>145.937</u> | <u>4.891</u> | <u>(3.438.099)</u> |
| Net share of (loss)/profit from associated companies and joint ventures after tax | - | - | (646.573) | 4.636.444 | - | 3.989.871 |
| Profit/(loss) before tax | <u>(1.113.677)</u> | <u>6.992.687</u> | <u>(273.966)</u> | <u>5.795.320</u> | <u>274.151</u> | <u>11.674.515</u> |
| Tax | <u>(12.751)</u> | <u>(786.371)</u> | <u>(2.346)</u> | <u>(174.701)</u> | <u>-</u> | <u>(976.169)</u> |
| Profit/(loss) after tax | <u>(1.126.428)</u> | <u>6.206.316</u> | <u>(276.312)</u> | <u>5.620.619</u> | <u>274.151</u> | <u>10.698.346</u> |
| Acquisition of property, plant and equipment | 41.805 | 103.198 | 94.865 | 138.916 | - | 378.784 |
| Acquisition of right-of-use assets | 467.808 | 170.459 | - | 15.756 | - | 654.023 |
| Total assets | 298.296.987 | 408.759.542 | 89.347.863 | 171.778.754 | (343.586.902) | 624.596.244 |
| Total liabilities | 226.583.552 | 284.121.054 | 95.011.510 | 61.122.981 | (283.310.992) | 383.528.105 |
| Net investment assets in associated companies and joint ventures | - | - | 29.647 | 86.748.914 | - | 86.778.561 |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2023

4. OPERATING SEGMENTS (continued)

| Period ended 31 March 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 | 52.059.796 | 177.109.114 | 28.190.466 | 7.833.438 | - | 265.192.814 |
| Revenue from rendering of services | - | - | - | 5.810.263 | - | 5.810.263 |
| Revenue from third parties | <u>52.059.796</u> | <u>177.109.114</u> | <u>28.190.466</u> | <u>13.643.701</u> | <u>-</u> | <u>271.003.077</u> |
| Intersegment revenue | <u>11.427.538</u> | <u>41.883.942</u> | <u>1.217.598</u> | <u>286.657</u> | <u>(54.815.735)</u> | <u>-</u> |
| Other income | 1.029.293 | 1.397.125 | 817 | 20.148 | (2.410.330) | 37.053 |
| Depreciation and amortisation | 254.464 | 287.063 | 179.130 | 198.945 | - | 919.602 |
| Personnel costs | 2.023.789 | 3.884.405 | 830.539 | 1.305.777 | - | 8.044.510 |
| Travelling expenses | 93.296 | 34.021 | 6.825 | 10.332 | - | 144.474 |
| Provision for doubtful debts | - | 46.407 | (6.530) | - | - | 39.877 |
| Professional fees | 232.868 | 239.037 | 76.590 | 107.301 | (39.963) | 615.833 |
| Rent | 485 | 51.416 | 27.528 | 6.513 | - | 85.942 |
| Credit insurance | 102.544 | 432.325 | 48.412 | 22.241 | (102.956) | 502.566 |
| Transportation expenses | <u>120.284</u> | <u>251.688</u> | <u>72.285</u> | <u>1.342</u> | <u>-</u> | <u>445.599</u> |
| Profit from operations | <u>636.229</u> | <u>6.338.651</u> | <u>585.279</u> | <u>1.196.492</u> | <u>(157.936)</u> | <u>8.598.715</u> |
| Net foreign exchange loss | (432.502) | (102.445) | (749.972) | (121.864) | 668.295 | (738.488) |
| Interest receivable | 59 | 317.411 | 124.086 | 9.004 | (317.411) | 133.149 |
| Interest payable and bank charges | <u>(627.576)</u> | <u>(801.817)</u> | <u>(365.663)</u> | <u>(83.247)</u> | <u>495.799</u> | <u>(1.382.504)</u> |
| Net finance income/(expenses) | <u>(1.060.019)</u> | <u>(586.851)</u> | <u>(991.549)</u> | <u>(196.107)</u> | <u>846.683</u> | <u>(1.987.843)</u> |
| Net share of profit from associated companies and joint ventures after tax | - | - | 229.321 | 2.170.601 | - | 2.399.922 |
| Profit/(loss) before tax | <u>(423.790)</u> | <u>5.751.800</u> | <u>(176.949)</u> | <u>3.170.986</u> | <u>688.747</u> | <u>9.010.794</u> |
| Tax | <u>(9.112)</u> | <u>(371.700)</u> | <u>-</u> | <u>(224.681)</u> | <u>-</u> | <u>(605.493)</u> |
| Profit/(loss) after tax | <u>(432.902)</u> | <u>5.380.100</u> | <u>(176.949)</u> | <u>2.946.305</u> | <u>688.747</u> | <u>8.405.301</u> |
| Acquisition of property, plant and equipment | 33.298 | 39.203 | 65.695 | 63.414 | - | 201.610 |
| Acquisition of right-of-use assets | 5.345 | 187.999 | 161.401 | 180.910 | - | 535.655 |
| Total assets | 335.179.118 | 320.471.816 | 90.809.169 | 149.170.650 | (351.716.246) | 543.914.507 |
| Total liabilities | 267.334.525 | 210.920.152 | 92.167.547 | 27.319.174 | (260.273.931) | 337.467.467 |
| Net investment assets in associated companies and joint ventures | - | - | 407.031 | 81.999.098 | - | 82.406.129 |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 31 March 2023

5. 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 as adjusted for the effect of the warrants during the period as follows:

| | Period ended 31 March 2023 | Period ended 31 March 2022 |
|--|-------------------------------|-------------------------------|
| Earnings attributable to shareholders (€) | <u>10.960.595</u> | <u>8.315.890</u> |
| Weighted average number of issued shares during the period | <u>74.079.600</u> | <u>74.079.600</u> |
| Basic earnings per share (cent) | <u>14,80</u> | <u>11,23</u> |
| Diluted weighted average number of shares | <u>74.079.600</u> | <u>74.079.600</u> |
| Diluted earnings per share (cent) | <u>14,80</u> | <u>11,23</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2023

6. PROPERTY, PLANT AND EQUIPMENT

| THE GROUP | Land and buildings € | Computers € | Furniture and fittings € | Motor vehicles € | Total € |
|---|-------------------------|------------------|-----------------------------|---------------------|-------------------|
| Acquisition cost or revaluation | | | | | |
| 2022 | | | | | |
| Balance at 1 January 2022 | 19.750.372 | 8.431.368 | 3.493.839 | 1.921.554 | 33.597.133 |
| Additions for the period | 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) |
| Exchange differences | 283.997 | 140.715 | 93.067 | 47.362 | 565.141 |
| Adjustment on revaluation | 818.715 | - | - | - | 818.715 |
| Balance at 31 December 2022 | <u>21.088.931</u> | <u>8.999.289</u> | <u>3.685.399</u> | <u>1.966.158</u> | <u>35.739.777</u> |
| Period ended 31 March 2023 | | | | | |
| Balance at 1 January 2023 | 21.088.931 | 8.999.289 | 3.685.399 | 1.966.158 | 35.739.777 |
| Additions for the period | 61.284 | 242.708 | 45.239 | 29.552 | 378.783 |
| Disposals and write offs for the period | - | (9.590) | (2.368) | (22.042) | (34.000) |
| Exchange differences | (104.548) | (50.976) | (32.466) | (14.453) | (202.443) |
| Balance at 31 March 2023 | <u>21.045.667</u> | <u>9.181.431</u> | <u>3.695.804</u> | <u>1.959.215</u> | <u>35.882.117</u> |
| Depreciation | | | | | |
| 2022 | | | | | |
| Balance 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) |
| Exchange differences | 35.783 | 118.718 | 77.265 | 33.712 | 265.478 |
| Adjustment on revaluation | (933.752) | - | - | - | (933.752) |
| Balance at 31 December 2022 | <u>460.478</u> | <u>6.879.203</u> | <u>3.138.553</u> | <u>1.453.160</u> | <u>11.931.394</u> |
| Period ended 31 March 2023 | | | | | |
| Balance at 1 January 2023 | 460.478 | 6.879.203 | 3.138.553 | 1.453.160 | 11.931.394 |
| Charge for the period | 120.086 | 208.032 | 47.344 | 46.815 | 422.277 |
| Disposals and write offs for the period | - | (6.812) | (1.934) | (22.042) | (30.788) |
| Exchange differences | (7.348) | (43.152) | (27.114) | (11.566) | (89.180) |
| Balance at 31 March 2023 | <u>573.216</u> | <u>7.037.271</u> | <u>3.156.849</u> | <u>1.466.367</u> | <u>12.233.703</u> |
| Net book value | | | | | |
| Balance at 31 March 2023 | <u>20.472.451</u> | <u>2.144.160</u> | <u>538.955</u> | <u>492.848</u> | <u>23.648.414</u> |
| Balance at 31 December 2022 | <u>20.628.453</u> | <u>2.120.086</u> | <u>546.846</u> | <u>512.998</u> | <u>23.808.383</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2023

6. PROPERTY, PLANT AND EQUIPMENT (continued)

| THE COMPANY | Land and buildings € | Computers € | Furniture and fittings € | Motor vehicles € | Total € |
|---|----------------------------|------------------|--------------------------------|------------------------|------------------|
| Acquisition cost or revaluation | | | | | |
| 2022 | | | | | |
| Balance at 1 January 2022 | 3.448.904 | 2.539.388 | 337.822 | 571.897 | 6.898.011 |
| Additions for the period | - | 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 at 31 December 2022 | <u>3.541.255</u> | <u>2.685.181</u> | <u>348.001</u> | <u>610.774</u> | <u>7.185.211</u> |
| Period ended 31 March 2023 | | | | | |
| Balance at 1 January 2023 | 3.541.255 | 2.685.181 | 348.001 | 610.774 | 7.185.211 |
| Additions for the period | - | 12.926 | 1.176 | - | 14.102 |
| Disposals and write offs for the period | - | (645) | - | - | (645) |
| Balance at 31 March 2023 | <u>3.541.255</u> | <u>2.697.462</u> | <u>349.177</u> | <u>610.774</u> | <u>7.198.668</u> |
| Depreciation | | | | | |
| 2022 | | | | | |
| Balance 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 at 31 December 2022 | <u>5.385</u> | <u>2.024.721</u> | <u>251.529</u> | <u>450.733</u> | <u>2.732.368</u> |
| Period ended 31 March 2023 | | | | | |
| Balance at 1 January 2023 | 5.385 | 2.024.721 | 251.529 | 450.733 | 2.732.368 |
| Charge for the period | 49.183 | 72.773 | 5.106 | 13.283 | 140.345 |
| Disposals and write offs for the period | - | (633) | - | - | (633) |
| Balance at 31 March 2023 | <u>54.568</u> | <u>2.096.861</u> | <u>256.635</u> | <u>464.016</u> | <u>2.872.080</u> |
| Net book value | | | | | |
| Balance at 31 March 2023 | <u>3.486.687</u> | <u>600.601</u> | <u>92.542</u> | <u>146.758</u> | <u>4.326.588</u> |
| Balance at 31 December 2022 | <u>3.535.870</u> | <u>660.460</u> | <u>96.472</u> | <u>160.041</u> | <u>4.452.843</u> |

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.

LOGICOM PUBLIC LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Period ended 31 March 2023****6. PROPERTY, PLANT AND EQUIPMENT (continued)**

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 €713.084 as well as professional and legal costs of €873.084 for the design and licensing of the building under construction of Najada Holdings Limited, have been capitalised. During 2023, amounts of €61.284 in relation to borrowing costs and €0 in relation to professional and legal costs have been capitalised (2022: borrowing costs €36.342, professional, and legal expenses €24.002). 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 Group's Management estimates that the accounting value of land and buildings is not significantly different from their fair value.

Land and buildings are classified as Level 3 for 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 mentioned in note 14.4.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 31 March 2023**6. PROPERTY, PLANT AND EQUIPMENT** *(continued)*

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 | 31 March 2023 € | 31 December 2022 € |
|-------------------------|--------------------------|--|----------------------------------|--------------------|-----------------------|
| Land and buildings | Comparative method | Sale price per sq.m. | €670/sq.m. - €3.5 36/sq.m. | 2.872.188 | 2.921.371 |
| Land | Comparative method | Sale price per sq.m. | €680/sq.m. - €1.4 50/sq.m. | 614.500 | 614.500 |
| Land | Comparative method | Sale price per sq.m. | €355/sq.m. - €1.1 60/sq.m. | 10.450.000 | 10.450.000 |
| Buildings | Cost price | Capitalised borrowing costs and professional costs | | 1.562.178 | 1.500.894 |
| Land and buildings | Comparative method | Sale price per sq.m. | JOD 270/sq.m. - 728/s q.m. | 844.562 | 862.474 |
| Buildings | Comparative method | Transfer price per sq.m. | USD 530 (€496)/sq.m. | <u>4.043.951</u> | <u>4.186.783</u> |

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

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.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2023

7. RIGHT-OF-USE ASSETS

THE GROUP

| | Right of use land € | Right of use buildings and warehouse € | Right of use motor vehicles € | Total € |
|------------------------------------|------------------------|---|--|------------------|
| Acquisition cost | | | | |
| 2022 | | | | |
| Balance at 1 January 2022 | 1.916.643 | 6.198.799 | 587.166 | 8.702.608 |
| Additions for the period | 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 at 31 December 2022 | <u>2.495.553</u> | <u>6.577.973</u> | <u>739.238</u> | <u>9.812.764</u> |
| Period ended 31 March 2023 | | | | |
| Balance at 1 January 2023 | 2.495.553 | 6.577.973 | 739.238 | 9.812.764 |
| Additions for the period | - | 609.017 | 45.007 | 654.024 |
| Write-offs for the period | - | (540.717) | (24.737) | (565.454) |
| Exchange differences | (47.960) | (66.751) | (1.623) | (116.334) |
| Balance at 31 March 2023 | <u>2.447.593</u> | <u>6.579.520</u> | <u>757.885</u> | <u>9.784.998</u> |
| Depreciation | | | | |
| 2022 | | | | |
| Balance 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 at 31 December 2022 | <u>409.434</u> | <u>3.805.202</u> | <u>335.860</u> | <u>4.550.496</u> |
| Period ended 31 March 2023 | | | | |
| Balance at 1 January 2023 | 409.434 | 3.805.202 | 335.860 | 4.550.496 |
| Charge | 32.474 | 381.495 | 44.295 | 458.264 |
| Write-offs for the period | - | (540.717) | (20.614) | (561.331) |
| Exchange differences | (8.374) | (23.245) | (825) | (32.444) |
| Balance at 31 March 2023 | <u>433.534</u> | <u>3.622.735</u> | <u>358.716</u> | <u>4.414.985</u> |
| Net book value | | | | |
| Balance at 31 March 2023 | <u>2.014.059</u> | <u>2.956.785</u> | <u>399.169</u> | <u>5.370.013</u> |
| Balance at 31 December 2022 | <u>2.086.119</u> | <u>2.772.771</u> | <u>403.378</u> | <u>5.262.268</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 31 March 20237. **RIGHT-OF-USE ASSETS** *(continued)*

| THE COMPANY | Right of use buildings and warehouse € |
|------------------------------------|---|
| Acquisition cost | |
| 2022 | |
| Balance at 1 January 2022 | 740.461 |
| Additions for the period | <u>-</u> |
| Balance at 31 December 2022 | <u>740.461</u> |
| Period ended 31 March 2023 | |
| Balance at 1 January 2023 | 740.461 |
| | <u>-</u> |
| Balance at 31 March 2023 | <u>740.461</u> |
| Depreciation | |
| 2022 | |
| Balance at 1 January 2022 | 357.010 |
| Charge | <u>126.684</u> |
| Balance at 31 December 2022 | <u>483.694</u> |
| Period ended 31 March 2023 | |
| Balance at 1 January 2023 | 483.694 |
| Charge | <u>31.953</u> |
| Balance at 31 March 2023 | <u>515.647</u> |
| Net book value | |
| Balance at 31 March 2023 | <u><u>224.814</u></u> |
| Balance at 31 December 2022 | <u><u>256.767</u></u> |

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.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2023

8. INVESTMENTS IN SUBSIDIARY COMPANIES

The Company has the following investments in subsidiary companies:

| Company | Country of incorporation | 31 March 2023 Holding % | 31 December 2022 Holding % | 31 March 2023 € | 31 December 2022 € |
|--|--------------------------|----------------------------|-------------------------------|--------------------|-----------------------|
| 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 |
| | | | | <u>53.331.217</u> | <u>53.331.217</u> |

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 Ltd, 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, 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, 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, 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 Ltd, 100% of Newcytech Business Solutions Ltd in Cyprus with share capital of €756.776.

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

LOGICOM PUBLIC LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Period ended 31 March 2023****8. INVESTMENTS IN SUBSIDIARY COMPANIES (continued)**

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

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

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

The Company owns indirectly, through its subsidiary Logicom FZE, 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 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 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 100% of Elogicomnet Morocco Distribution SARL in Morocco, with share capital of €6.673.

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.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2023

8. 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 | 01/01/2000 | 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 1Million | 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 |
| 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 W.L.L | 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 | 26/03/2021 | MAD 1 | 70.000 |

9. 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 significant influence.

The Group recognizes the above investments using the equity method.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 31 March 20239. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES *(continued)*

THE GROUP

| | Period ended 31 March 2023 | 31 December 2022 |
|-----------------------------------|-------------------------------|---------------------|
| | € | € |
| M.N. Limassol Water Co. Ltd | 29.647 | 428.766 |
| M.N. E.P.C Water Co. | - | - |
| M.N. Larnaca Desalination Co. Ltd | - | - |
| Demetra Holdings Plc | <u>86.748.914</u> | <u>82.073.361</u> |
| | <u>86.778.561</u> | <u>82.502.127</u> |

| | 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 2023 | - | - | 428.766 | 82.073.361 | 82.502.127 |
| Reclassification of loss from investments in joint ventures after tax | 247.454 | - | | | 247.454 |
| Share of loss from investments in joint ventures after tax | (247.454) | - | (399.119) | - | (646.573) |
| Net share of profit from associated companies after tax | - | - | - | 4.636.444 | 4.636.444 |
| Share of profit through other comprehensive income | - | - | - | 39.109 | 39.109 |
| Share of other transactions with owners | - | - | - | - | - |
| Balance at 31 March 2023 | <u>-</u> | <u>-</u> | <u>29.647</u> | <u>86.748.914</u> | <u>86.778.561</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2023

9. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

| | 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 profit/(loss) from investments in joint ventures after tax | (350.316) | (1.471) | 357.569 | - | 5.782 |
| Adjustment | - | - | - | - | - |
| 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 the owners | - | - | - | (335.610) | (335.610) |
| Balance at 31 December 2022 | - | - | 428.766 | 82.073.361 | 82.502.127 |

The loss that resulted from M.N. Limassol Water Co. Limited of €399.119 was credited 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 €247.454 was credited to the loan granted from Verendrya Ventures Limited to M.N. Larnaca Desalination Co. Ltd.

According to the Bank Loan Agreement between M.N. Limassol Water Co. Ltd and Hellenic Bank, 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 the company 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 2021 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.

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

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 31 March 20239. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES *(continued)*

| <u>Period ended 31 March 2023</u> | M.N. Larnaca | | Total € |
|-----------------------------------|---------------------|---------------------|---------------------|
| Percentage | Desalination Co. | M.N. Limassol | |
| Reporting Date | Ltd | Water Co. Ltd | |
| | 50% | 50% | |
| | 31/03/2023 | 31/03/2023 | |
| | € | € | € |
| Non-current assets | 16.281.620 | 27.202.313 | 43.483.933 |
| Cash and cash equivalents | 1.554.265 | 1.912.631 | 3.466.896 |
| Current assets | <u>8.061.713</u> | <u>8.077.796</u> | <u>16.139.509</u> |
| Total assets | <u>25.897.598</u> | <u>37.192.740</u> | <u>63.090.338</u> |
| Current liabilities | (2.098.910) | (4.230.670) | (6.329.580) |
| Short-term borrowing | (1.625.000) | (3.126.000) | (4.751.000) |
| Long-term loans | <u>(36.017.228)</u> | <u>(29.777.972)</u> | <u>(65.795.200)</u> |
| Total liabilities | <u>(39.741.138)</u> | <u>(37.134.642)</u> | <u>(76.875.780)</u> |
| Net assets | <u>(13.843.540)</u> | <u>58.098</u> | <u>(13.785.442)</u> |
| Revenue | 4.555.168 | 903.572 | 5.458.740 |
| Interest receivable | 186.851 | 509.542 | 696.393 |
| Expenses | (5.222.210) | (1.724.255) | (6.946.465) |
| Depreciation and amortisation | (14.609) | (106.312) | (120.921) |
| Interest payable | <u>(107)</u> | <u>(380.784)</u> | <u>(380.891)</u> |
| Loss | <u>(494.907)</u> | <u>(798.237)</u> | <u>(1.293.144)</u> |
| Group's share in net assets | <u>(6.921.770)</u> | <u>29.049</u> | <u>(6.892.721)</u> |
| Group's share in loss | <u>(247.454)</u> | <u>(399.119)</u> | <u>(646.573)</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 31 March 2023

9. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES (continued)

| <u>2022</u> | M.N. Larnaca | | | |
|--------------------------------|-------------------------|--------------------------------|-------------------------|---------------------|
| | Desalination Co. Ltd | M.N. Limassol Water Co. Ltd | M.N. E.P.C Water Co. | 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 | <u>8.654.215</u> | <u>8.978.769</u> | <u>-</u> | <u>17.632.984</u> |
| Total assets | <u>26.698.199</u> | <u>37.093.634</u> | <u>-</u> | <u>63.791.833</u> |
| 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 | <u>(36.017.228)</u> | <u>(29.397.187)</u> | <u>-</u> | <u>(65.414.415)</u> |
| Total liabilities | <u>(40.046.822)</u> | <u>(36.237.286)</u> | <u>-</u> | <u>(76.284.108)</u> |
| Net assets | <u>(13.348.623)</u> | <u>856.348</u> | <u>-</u> | <u>(12.492.275)</u> |
| Revenue | 16.977.883 | 10.171.125 | 455 | 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) | (425.427) | (3.396) | (512.958) |
| Interest payable | (1.149) | (1.273.430) | - | (1.274.579) |
| Tax | - | (94.420) | - | (94.420) |
| (Loss)/profit | <u>(700.631)</u> | <u>715.138</u> | <u>(2.941)</u> | <u>11.566</u> |
| Group's share in net assets | <u>(6.674.312)</u> | <u>428.174</u> | <u>-</u> | <u>(6.246.138)</u> |
| Group's share in (loss)/profit | <u>(350.316)</u> | <u>357.569</u> | <u>(1.471)</u> | <u>5.782</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 31 March 2023**9. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES** *(continued)*

The following table summarises the investment in the associated company Demetra Holdings Plc:

| Reporting date | 31/03/2023 | 31/12/2022 |
|---|---------------------|---------------------|
| Percentage | 29,62% | 29,62% |
| | € | € |
| Non-current assets | 270.437.347 | 255.401.032 |
| Cash and cash equivalents | 939.725 | 761.303 |
| Current assets | <u>32.525.937</u> | <u>31.398.540</u> |
| Total assets | <u>303.903.009</u> | <u>287.560.875</u> |
| Current liabilities | (3.749.765) | (3.520.944) |
| Short-term borrowing | (1.850.923) | (1.840.528) |
| Long-term loans | <u>(5.429.551)</u> | <u>(5.111.753)</u> |
| Total liabilities | <u>(11.030.239)</u> | <u>(10.473.225)</u> |
| Net assets | <u>292.872.770</u> | <u>277.087.650</u> |
| Revenue | 16.342.920 | 11.525.425 |
| Interest receivable | 52.631 | 218.282 |
| Expenses | (619.384) | (2.153.745) |
| Depreciation and amortisation | (16.598) | (64.611) |
| Interest payable | (100.454) | (315.324) |
| Tax | <u>(6.028)</u> | <u>(105.766)</u> |
| Profit | <u>15.653.087</u> | <u>9.104.261</u> |
| Group's share in net assets | <u>86.748.914</u> | <u>82.073.362</u> |
| Group's share in profit for the period/year | <u>4.636.444</u> | <u>2.696.682</u> |

On 1 January 2023, the associated company with Demetra, Hellenic Public Bank Ltd, adopting the new IFRS 17 "Insurance Contracts", which replaced IFRS 4, proceeded, according to the provisions of IFRS 17, to adjust its comparative information. This adjustment resulted in an increase in the total equity of Hellenic Bank Group by approximately €9.2 million as at 31 December 2022, which increased from approximately €1.120 million to approximately €1.129 million. On the contrary, the Bank's group net profit for the first quarter of 2022 decreased by approximately €1 million, from €25.1 million to €24.1 million. Demetra has not restated the comparative information in its own interim consolidated financial statements as the financial statements of Hellenic Bank have not been audited by the Bank's external auditors and may be subject to change. Demetra will adjust its comparative information at the time of the final financial statements preparation for 2023, and after the final audited financial statements of Hellenic Bank are made available.

In the case that Demetra proceeded with the restatement of the comparative information in its interim consolidated financial statements for the period ended 31 March 2023, the following would be the effects on its results and financial position:

Results 1 January - 31 March 2022

Share of profit from associated company: Decrease by approximately €210 thousand

Net profit for the period: Decrease by approximately €210 thousand

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 31 March 2023**9. INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES** *(continued)*Financial position as at 31 December 2022 and 31 March 2023

Investments in associated companies: Increase by approximately €2 million

Total equity: Increase by approximately €2 million

The consequent effect on the results of the Group would be as follows:

Results 1 January - 31 March 2022

Share of profit from associated companies: Decrease by approximately €62 thousand

Net profit for the period: Decrease by approximately €62 thousand

Financial position as at 31 December 2022 and 31 March 2023

Investments in associated companies: Increase by approximately €592 thousand

Total equity: Increase by approximately €592 thousand

10. CASH AND CASH EQUIVALENTS**THE GROUP**

| | 31 March 2023 € | 31 December 2022 € |
|-----------------------------|-----------------------|--------------------------|
| Cash in hand | 154.640 | 115.870 |
| Current accounts with banks | <u>46.930.248</u> | <u>65.241.074</u> |
| | 47.084.888 | 65.356.944 |
| Expected credit losses | <u>(3.864.479)</u> | <u>(3.940.205)</u> |
| | <u>43.220.409</u> | <u>61.416.739</u> |

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

| | 31 March 2023 € | 31 December 2022 € |
|-----------------------------|-----------------------|--------------------------|
| Cash in hand | 103.470 | 105.709 |
| Current accounts with banks | <u>1.397.252</u> | <u>9.193.270</u> |
| | <u>1.500.722</u> | <u>9.298.979</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 31 March 2023**10. CASH AND CASH EQUIVALENTS** *(continued)*

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

THE GROUP

| | 31 March 2023 € | 31 December 2022 € |
|---------------------------|-----------------------|--------------------------|
| Cash at bank and in hand | 43.220.409 | 61.416.739 |
| Bank overdrafts (Note 12) | <u>(31.379.797)</u> | <u>(32.270.645)</u> |
| | <u>11.840.612</u> | <u>29.146.094</u> |

THE COMPANY

| | 31 March 2023 € | 31 December 2022 € |
|---------------------------|-----------------------|--------------------------|
| Cash at bank and in hand | 1.500.722 | 9.298.979 |
| Bank overdrafts (Note 12) | <u>(15.920.124)</u> | <u>(20.671.992)</u> |
| | <u>(14.419.402)</u> | <u>(11.373.013)</u> |

11. SHARE CAPITAL

| | 31 March 2023 Number of shares | 31 March 2023 € | 31 December 2022 Number of shares | 31 December 2022 € |
|---|---|-----------------------|--|--------------------------|
| Authorised | | | | |
| Ordinary shares of €0,34 each | <u>100.000.000</u> | <u>34.000.000</u> | <u>100.000.000</u> | <u>34.000.000</u> |
| Issued and fully paid | | | | |
| Balance at 1 January | <u>74.079.600</u> | <u>25.187.064</u> | <u>74.079.600</u> | <u>25.187.064</u> |
| Balance at 31 March 2023/31 December 2022 | <u>74.079.600</u> | <u>25.187.064</u> | <u>74.079.600</u> | <u>25.187.064</u> |

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.

12. LOANS AND BANK OVERDRAFTS**THE GROUP**

| | 31 March 2023 € | 31 December 2022 € |
|---------------------------|-----------------------|--------------------------|
| Long-term loans | 11.049.658 | 11.749.249 |
| Short term loans | 136.451.484 | 120.625.608 |
| Bank overdrafts (Note 10) | <u>31.379.797</u> | <u>32.270.645</u> |
| | <u>178.880.939</u> | <u>164.645.502</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 31 March 2023**12. LOANS AND BANK OVERDRAFTS** *(continued)*

The long-term loans of the Group are repayable as follows:

THE GROUP

| | 31 March 2023 | 31 December 2022 |
|----------------------------|-------------------|---------------------|
| | € | € |
| Within one year | 3.087.569 | 3.087.915 |
| Between two and five years | <u>7.962.089</u> | <u>8.661.334</u> |
| | <u>11.049.658</u> | <u>11.749.249</u> |

THE COMPANY

| | 31 March 2023 | 31 December 2022 |
|---------------------------|-------------------|---------------------|
| | € | € |
| Long-term loans | 5.843.439 | 6.333.542 |
| Short term loans | 38.374.282 | 43.999.518 |
| Bank overdrafts (Note 10) | <u>15.920.124</u> | <u>20.671.992</u> |
| | <u>60.137.845</u> | <u>71.005.052</u> |

The long-term loans of the Company are repayable as follows:

THE COMPANY

| | 31 March 2023 | 31 December 2022 |
|----------------------------|------------------|---------------------|
| | € | € |
| Within one year | 2.063.034 | 2.065.957 |
| Between two and five years | <u>3.780.405</u> | <u>4.267.585</u> |
| | <u>5.843.439</u> | <u>6.333.542</u> |

13. FAIR VALUES

Management believes that the fair values of the financial assets and liabilities of the Group and the Company are approximately equal to the amounts shown in the books at the end of the period.

14. 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 Russia's invasion to Ukraine. The Management of the Group and the Company and in particular the Risk Management Committee monitors 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:

14.1 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.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 31 March 2023**14. RISK MANAGEMENT** *(continued)**14.1 Credit risk (continued)*

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 negative 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 amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

THE GROUP

| | 31 March 2023 | 31 December 2022 |
|--|--------------------|---------------------|
| | € | € |
| Receivables from associated companies and joint ventures | 23.619.120 | 23.742.843 |
| Trade and other receivables | 305.497.204 | 276.056.194 |
| Cash and cash equivalents | <u>23.619.120</u> | <u>61.300.869</u> |
| | <u>352.735.444</u> | <u>361.099.906</u> |

THE COMPANY

| | 31 March 2023 | 31 December 2022 |
|---|--------------------|---------------------|
| | € | € |
| Long-term loans to subsidiary companies | 28.309.498 | 28.471.132 |
| Trade and other receivables | 22.060.346 | 22.582.572 |
| Cash and cash equivalents | 1.397.252 | 9.193.270 |
| Balances with subsidiary companies | <u>67.486.127</u> | <u>65.433.709</u> |
| | <u>119.253.223</u> | <u>125.680.683</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2023

14. RISK MANAGEMENT (continued)

14.1 Credit risk (continued)

The maximum exposure to credit risk of the Group by geographic region, is as follows:

| Period ended 31 March 2023 | Europe € | Middle East € | Total € |
|---------------------------------|--------------------|--------------------|--------------------|
| Cash and cash equivalents | 12.158.530 | 30.907.239 | 43.065.769 |
| Receivables from joint ventures | 23.619.120 | - | 23.619.120 |
| Trade and other receivables | 91.358.412 | 214.138.791 | 305.497.203 |
| Contract asset | 8.298.054 | - | 8.298.054 |
| | <u>135.434.116</u> | <u>245.046.030</u> | <u>380.480.146</u> |
| 31 December 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 |
| | <u>151.975.566</u> | <u>209.124.340</u> | <u>361.099.906</u> |

The maximum exposure of the Group to credit risk in relation to the geographical dispersion of the trade receivables is as follows:

THE GROUP

| | 31 March 2023 € | 31 December 2022 € |
|-------------|-----------------------|--------------------------|
| Europe | 80.771.039 | 85.116.291 |
| Middle East | <u>216.784.467</u> | <u>178.973.132</u> |
| | <u>297.555.506</u> | <u>264.089.423</u> |

THE COMPANY

| | 31 March 2023 € | 31 December 2022 € |
|-------------|-----------------------|--------------------------|
| Europe | 12.208.303 | 12.487.565 |
| Middle East | - | - |
| | <u>12.208.303</u> | <u>12.487.565</u> |

In accordance with the above analysis 27% of the Group's trade receivables (2022: 32%) originates from Europe. 73% (2022: 68%) of the Group's trade receivables originates from the Middle East.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2023

14. RISK MANAGEMENT (continued)

14.1 Credit risk (continued)

The ageing of the remaining trade receivables is as follows:

THE GROUP

| | 31 March 2023 € | 31 December 2022 € |
|--------------------|-----------------------|--------------------------|
| 0 until 90 days | 285.969.927 | 251.481.633 |
| 91 until 180 days | 10.283.913 | 8.294.901 |
| more than 180 days | 1.301.666 | 4.312.889 |
| | <u>297.555.506</u> | <u>264.089.423</u> |

THE COMPANY

| | 31 March 2023 € | 31 December 2022 € |
|--------------------|-----------------------|--------------------------|
| 0 until 90 days | 11.708.610 | 12.247.515 |
| 91 until 180 days | 438.550 | 234.626 |
| more than 180 days | 61.143 | 5.424 |
| | <u>12.208.303</u> | <u>12.487.565</u> |

The ageing of the receivables from subsidiary companies in the Company's books is presented as follows:

THE COMPANY

| | 31 March 2023 € | 31 December 2022 € |
|--------------------|-----------------------|--------------------------|
| 0 until 180 days | 67.486.127 | 65.433.709 |
| more than 180 days | 28.309.498 | 28.471.132 |
| | <u>95.795.625</u> | <u>93.904.841</u> |

The expected credit losses recognised during the year are analysed as follows:

THE GROUP

| | Period ended 31 March 2023 € | Period ended 31 March 2022 € |
|-------------------|------------------------------------|------------------------------------|
| Trade receivables | 76.731 | 39.877 |
| | <u>76.731</u> | <u>39.877</u> |

THE COMPANY

| | Period ended 31 March 2023 € | Period ended 31 March 2022 € |
|-------------------|------------------------------------|------------------------------------|
| Trade receivables | (119) | - |
| | <u>(119)</u> | <u>-</u> |

The Group estimates that the fair value of trade and other receivables is not significantly different from the carrying value in the financial statements, as the average repayment period of trade and other receivables is less than 6 months.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2023

14. RISK MANAGEMENT (continued)

14.1 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 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 |
| | <u>3.861.151</u> | <u>276.472</u> | <u>4.137.623</u> |
| Balance at 1 January 2023 | 3.861.151 | 276.472 | 4.137.623 |
| Expected credit losses | (144.609) | - | (144.609) |
| Provision for doubtful debts | 151.654 | - | 151.654 |
| Exchange differences | - | - | - |
| Balance at 31 March 2023 | <u>3.868.196</u> | <u>276.472</u> | <u>4.144.668</u> |

THE COMPANY

| | Trade receivables € | Long-term loans with subsidiary companies € | Receivables from subsidiary companies € | Total € |
|----------------------------------|---------------------------|---|---|------------------|
| 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 |
| | <u>116.819</u> | <u>2.127.389</u> | <u>169.880</u> | <u>2.287.671</u> |
| Balance at 1 January 2023 | 116.819 | 2.127.389 | 169.880 | 2.287.671 |
| Expected credit losses | - | - | - | - |
| Balance at 31 March 2023 | <u>116.819</u> | <u>2.127.389</u> | <u>169.880</u> | <u>2.287.671</u> |

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 are 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 losses 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.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2023

14. RISK MANAGEMENT (continued)

14.1 Credit risk (continued)

The total expected credit losses are presented below:

| | THE GROUP | | THE COMPANY | |
|----------------------------------|------------------------------------|--------------------------|------------------------------------|--------------------------|
| | Period ended 31 March 2023 € | 31 December 2022 € | Period ended 31 March 2023 € | 31 December 2022 € |
| Specific provision for bad debts | 3.228.545 | 3.076.893 | 115.208 | 115.208 |
| Expected credit losses | <u>639.651</u> | <u>784.258</u> | <u>1.611</u> | <u>1.611</u> |
| | <u>3.868.196</u> | <u>3.861.151</u> | <u>116.819</u> | <u>116.819</u> |

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 registers a specific provision for bad debts.

The following table provides information about the exposure to credit risk and the expected credit losses for trade debtors.

THE GROUP

| | Weighted-aver age loss rate 31/03/2023 % | Gross carrying amount 31/03/2023 € | Impairment loss allowance 31/03/2023 € | Weighted-aver age loss rate 31/12/2022 % | Gross carrying amount 31/12/2022 € | Impairment loss allowance 31/12/2022 € |
|-----------------------|---|---|---|---|---|---|
| Balances not impaired | 0,0230 | 187.194.498 | 43.014 | 0,0307 | 210.189.815 | 64.596 |
| 1 to 90 days | 0,2341 | 98.775.430 | 231.233 | 0,3142 | 42.407.640 | 133.247 |
| 91 to 180 days | 1,6048 | 10.283.913 | 165.036 | 2,1541 | 6.969.342 | 150.128 |
| More than 180 days | <u>3,8757</u> | <u>5.169.861</u> | <u>200.368</u> | <u>5,2039</u> | <u>8.383.776</u> | <u>436.287</u> |
| | | <u>301.423.702</u> | <u>639.651</u> | | <u>267.950.573</u> | <u>784.258</u> |

THE COMPANY

| | Weighted-aver age loss rate 31/03/2023 % | Gross carrying amount 31/03/2023 € | Impairment loss allowance 31/03/2023 € | Weighted-aver age loss rate 31/12/2022 % | Gross carrying amount 31/12/2022 € | Impairment loss allowance 31/12/2022 € |
|-----------------------|---|---|---|---|---|---|
| Balances not impaired | 0,0010 | 10.677.278 | 109 | 0,0060 | 10.899.060 | 659 |
| 1 to 90 days | 0,0029 | 1.031.332 | 30 | 0,0173 | 1.685.372 | 291 |
| 91 to 180 days | 0,2725 | 438.550 | 1.195 | 1,6057 | 18.247 | 293 |
| More than 180 days | <u>3,6653</u> | <u>177.962</u> | <u>6.523</u> | <u>21,5962</u> | <u>1.704</u> | <u>368</u> |
| | | <u>12.325.122</u> | <u>7.857</u> | | <u>12.604.383</u> | <u>1.611</u> |

14.2 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.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2023

14. RISK MANAGEMENT *(continued)*

14.2.1 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.

14.2.2 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 the foreign exchange risk and is examining alternative methods to hedge the risk.

The hedging of foreign exchange risk is managed by the Group Treasurer 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 borrowing is usually made in the currency that the suppliers invoice the Company.
4. In cases of projects where 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.
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

On 31 March 2023 the amounts that were hedged were, USD 40.000.000 of net investment in the above foreign companies and USD 40.000.000 of bank borrowings.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2023

14. RISK MANAGEMENT (continued)

14.2.3 Other market price risks

The Group is exposed to financial risks arising from changes in share prices. The Group monitors the spread of its portfolio in order to mitigate its exposure to these financial risks. The Group's main investments are classified as investments at fair value through other comprehensive income.

14.3 Liquidity risk

Liquidity risk is the risk that arises when the period in which assets can be converted into cash does not coincide with the period in which liabilities become payable. 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, like 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 discount its trade receivables through the factoring agreement without recourse in Cyprus, Greece and the United Arab Emirates reduces even further the liquidity risk.

Bank loans and overdrafts of the Group and the Company are presented in note 12.

The expected cash outflows based on the information included in the consolidated and separate financial statements are presented below:

THE GROUP

Liquidity Risk

| | Balance | Cash outflows arising from contractual liabilities | | | | |
|----------------------------------|--------------------|--|------------------|------------------|------------------|-------------------|
| | | 6 months or less | 6 - 12 months | 1 - 2 years | 2 - 5 years | More than 5 years |
| | € | € | € | € | € | € |
| 31 March 2023 | | | | | | |
| Long-term loans | 11.049.658 | 1.541.395 | 1.546.175 | 3.042.201 | 3.614.092 | 1.305.795 |
| Short term loans | 136.451.484 | 136.451.484 | - | - | - | - |
| Trade and other payables | 190.846.805 | 178.744.711 | - | - | - | 12.102.094 |
| Bank overdrafts | 31.379.797 | 31.379.797 | - | - | - | - |
| Promissory notes | 1.800.000 | 1.800.000 | - | - | - | - |
| Obligation under finance leases | 5.633.352 | 657.066 | 764.201 | 1.060.162 | 1.106.141 | 2.045.782 |
| | <u>377.161.096</u> | <u>350.574.453</u> | <u>2.310.376</u> | <u>4.102.363</u> | <u>4.720.233</u> | <u>15.453.671</u> |
| 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 | 195.088.986 | - | 17.115 | 4.507 | 11.842.141 |
| 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 |
| | <u>379.164.563</u> | <u>352.177.362</u> | <u>2.195.823</u> | <u>4.133.080</u> | <u>5.335.823</u> | <u>15.322.475</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2023

14. RISK MANAGEMENT (continued)

14.3 Liquidity risk (continued)

THE COMPANY

Liquidity Risk

| | Balance | Cash outflows arising from contractual liabilities | | | | |
|------------------------------------|--------------------|--|------------------|------------------|------------------|-------------------|
| | | 6 months or less | 6 - 12 months | 1 - 2 years | 2 - 5 years | More than 5 years |
| | € | € | € | € | € | € |
| <u>31 March 2023</u> | | | | | | |
| Long-term loans | 5.843.439 | 1.031.517 | 1.031.517 | 2.063.034 | 1.717.371 | - |
| Short term loans | 38.374.282 | 38.374.282 | - | - | - | - |
| Trade and other payables | 30.822.575 | 30.822.575 | - | - | - | - |
| Bank overdrafts | 15.920.124 | 15.920.124 | - | - | - | - |
| Promissory notes | 1.800.000 | 1.800.000 | - | - | - | - |
| Obligations under finance leases | 246.605 | 68.775 | 70.086 | 107.744 | - | - |
| Balances with subsidiary companies | <u>30.369.305</u> | <u>30.369.305</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>123.376.330</u> | <u>118.386.578</u> | <u>1.101.603</u> | <u>2.170.778</u> | <u>1.717.371</u> | <u>-</u> |
| <u>31 December 2022</u> | | | | | | |
| Long-term loans | 6.333.542 | 1.032.977 | 1.032.980 | 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 | <u>27.897.107</u> | <u>27.897.107</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>129.030.382</u> | <u>123.517.819</u> | <u>1.102.516</u> | <u>2.208.415</u> | <u>2.201.632</u> | <u>-</u> |

14.4 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:

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2023

14. RISK MANAGEMENT (continued)

14.4 Fair Value (continued)

THE GROUP

| | 31 March 2023 € | 31 December 2022 € |
|---------------------------------|-----------------------|--------------------------|
| Trade and other receivables | 338.614.786 | 307.986.547 |
| Cash and cash equivalents | 43.220.409 | 61.416.739 |
| Long-term loans | (11.049.658) | (11.749.249) |
| Short term loans | (136.451.484) | (120.625.608) |
| Bank overdrafts | (31.379.797) | (32.270.645) |
| Provision for other liabilities | - | (93.791) |
| Trade and other payables | (190.846.805) | (206.952.749) |
| Promissory notes | (1.800.000) | (2.000.000) |
| | <u>10.307.451</u> | <u>(4.288.756)</u> |

THE COMPANY

| | 31 March 2023 € | 31 December 2022 € |
|---|-----------------------|--------------------------|
| Long-term loans to subsidiary companies | 28.309.498 | 28.471.132 |
| Balances with subsidiary companies | 67.486.127 | 65.433.709 |
| Trade and other receivables | 22.070.106 | 22.591.907 |
| Cash and cash equivalents | 1.500.722 | 9.298.979 |
| Long-term loans | (5.843.439) | (6.333.542) |
| Short term loans | (38.374.282) | (43.999.518) |
| Bank overdrafts | (15.920.124) | (20.671.992) |
| Trade and other payables | (30.822.575) | (27.848.205) |
| Promissory notes | (1.800.000) | (2.000.000) |
| | <u>26.606.033</u> | <u>24.942.470</u> |

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.

Assets and liabilities at fair value:

THE GROUP

| | 31 March 2023 € | 31 December 2022 € |
|--|-----------------------|--------------------------|
| Investments at fair value through profit and loss | 19.006 | 19.006 |
| Investments at fair value through other comprehensive income | 21.692.932 | 19.770.774 |
| Land and buildings | 20.472.451 | 20.628.453 |
| Derivative financial instruments | (891.725) | (320.832) |
| | <u>41.292.664</u> | <u>40.097.401</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 31 March 2023**14. RISK MANAGEMENT** *(continued)**14.4 Fair Value (continued)***THE COMPANY**

| | 31 March 2023 € | 31 December 2022 € |
|---|-----------------------|--------------------------|
| Investments at fair value through profit and loss | 6.758 | 6.758 |
| Land and buildings | 3.486.687 | 3.535.871 |
| Derivative financial instruments | <u>(1.138.820)</u> | <u>(633.234)</u> |
| | <u>2.354.625</u> | <u>2.909.395</u> |

The table below analyses the financial assets carried at fair value, by 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 significantly affect 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 significantly affect the fair value are not based on observable market data.

THE GROUP

| 31 March 2023 | Level 1 € | Level 2 € | Level 3 € | Total € |
|--|-------------------|------------------|-------------------|-------------------|
| Financial assets and liabilities | | | | |
| Other investments | 13.880 | - | 5.126 | 19.006 |
| Investments at fair value through other comprehensive income | 21.692.932 | - | - | 21.692.932 |
| Land and buildings | - | - | 20.472.451 | 20.472.451 |
| Derivative financial instruments | <u>-</u> | <u>(891.275)</u> | <u>-</u> | <u>(891.275)</u> |
| Total | <u>21.706.812</u> | <u>(891.275)</u> | <u>20.477.577</u> | <u>41.293.114</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 31 March 2023**14. RISK MANAGEMENT** *(continued)**14.4 Fair Value (continued)*

| 31 December 2022 | Level 1 | Level 2 | Level 3 | Total |
|--|-------------------|------------------|-------------------|-------------------|
| | € | € | € | € |
| Financial assets and liabilities | | | | |
| 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) |
| Total | <u>19.784.654</u> | <u>(320.832)</u> | <u>20.633.579</u> | <u>40.097.401</u> |

During the first quarter of 2023, as well as in 2022 there were no transfers between the two levels mentioned 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 the 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 derivative 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 March 2023 | Level 1 | Level 2 | Level 3 | Total |
|---|--------------|--------------------|------------------|------------------|
| | € | € | € | € |
| Financial assets and liabilities | | | | |
| Other investments | 1.632 | - | 5.126 | 6.758 |
| Land and buildings | - | - | 3.486.687 | 3.486.687 |
| Derivative financial instruments | - | (1.138.820) | - | (1.138.820) |
| Total | <u>1.632</u> | <u>(1.138.820)</u> | <u>3.491.813</u> | <u>2.354.625</u> |
| 31 December 2022 | Level 1 | Level 2 | Level 3 | Total |
| | € | € | € | € |
| Financial assets and liabilities | | | | |
| Other investments | 1.632 | - | 5.126 | 6.758 |
| Land and buildings | - | - | 3.535.871 | 3.535.871 |
| Derivative financial instruments | - | (633.234) | - | (633.234) |
| Total | <u>1.632</u> | <u>(633.234)</u> | <u>3.540.997</u> | <u>2.909.395</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2023

14. RISK MANAGEMENT *(continued)*

14.5 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 | |
|---|------------------------------------|--------------------------|------------------------------------|--------------------------|
| | Period ended 31 March 2023 € | 31 December 2022 € | Period ended 31 March 2023 € | 31 December 2022 € |
| Total borrowings | 180.680.939 | 166.645.502 | 60.137.845 | 73.005.052 |
| Less: Cash and cash equivalents (Note 10) | <u>(43.220.409)</u> | <u>(61.416.739)</u> | <u>(1.500.722)</u> | <u>(9.298.979)</u> |
| Net debt | 137.460.530 | 105.228.763 | 58.637.123 | 63.706.073 |
| Total equity | <u>241.068.139</u> | <u>231.896.071</u> | <u>53.587.082</u> | <u>54.427.260</u> |
| Gearing ratio | <u>0,57</u> | <u>0,45</u> | <u>1,09</u> | <u>1,17</u> |

15. 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:

| | 31/03/2023 Fully paid Shares % | 27/06/2023 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 | - | - |

- The indirect ownership of Mr. Varnavas Irinarchos on 27 June 2023 of 51,55% arises from the participation of the company Edcrane Ltd.
- The direct ownership of Mr. Takis Klerides on 27 June 2023 is 0,28% and the indirect ownership, which arises from the participation of his daughter Mrs. Pamela Klerides, is 0,27%.
- The direct ownership of Mr. George Papaioannou on 27 June 2023 is 1,0813% and the indirect ownership, which arises from the participation of his sons Mr. Christos Papaioannou is 0,0034% and Mr. Alexandros Papaioannou is 0,0034%.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2023

16. SHAREHOLDERS' INTEREST

The shareholders who held, directly or indirectly, more than 5% of the share capital of the Company were as follows:

| | 31/03/2023 | 27/06/2023 |
|----------------------------------|------------|------------|
| | % | % |
| Varnavas Irinarchos ¹ | 51,55 | 51,55 |
| Demetra Holdings Plc | 10,28 | 10,28 |

1. The indirect ownership of Mr. Varnavas Irinarchos on 27 June 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.

17. DIRECTORS' CONTRACTS

No important contract exists or existed at the end of the period and at the date of issuing the interim consolidated 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 Financial Controller

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.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2023

18. 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 (€4.045.977) 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 (€367.816) 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 EUR 1.200.000 to a third foreign supplier for providing a trading credit facility. This guarantee is valid from 11 August 2023 until 11 August 2023.
- (4) The Company has provided a fourth bank guarantee of up to EUR450.000 to a fourth foreign supplier for providing a trading 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 (€735.632) to a fifth supplier for providing a trading facility. This guarantee expired on 15 April 2023 and was renewed until 15 April 2024.
- (6) The Company has provided a sixth bank guarantee of up to USD 3.000.00 (€2.758.621) to a sixth foreign supplier for providing a trading facility. This guarantee expired on 15 April 2023 and was renewed until 15 April 2024.
- (7) The Company has provided a seventh bank guarantee of up to USD 150.000 (€137.931) to a seventh foreign supplier for providing a trading facility. This guarantee expired on 15 April 2023 and was renewed until 15 April 2024.
- (8) Companies of the Group have provided bank guarantees in order to participate to government projects and private sector projects.
- (9) 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.
- (10) 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 receive 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. 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 2021 and is expecting the assessment of the local authorities.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2023

18. 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.

19. 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.

i. Transactions and balances between Group Companies

The amounts charged by Logicom Public Limited to its subsidiary companies for administration services were as follows:

Administration services

| | Period ended 31 March 2023 | Period ended 31 March 2022 |
|--|-------------------------------|-------------------------------|
| | € | € |
| Logicom Solutions Limited | 124.708 | 26.750 |
| Newcytech Business Solutions Ltd | 76.710 | 36.668 |
| ENET Solutions Logicom S.A. | 142.048 | 116.090 |
| Logicom Saudi Arabia LLC | 335.131 | 245.656 |
| Logicom FZE | 470.904 | 425.209 |
| ICT Logicom Solutions SA | 12.970 | 6.295 |
| Logicom Information Technology Distribution s.r.l. | 98.720 | 89.174 |
| Logicom Italia s.r.l. | 64.622 | 35.951 |
| Logicom Jordan LLC | 41.715 | 40.767 |
| | <u>1.367.528</u> | <u>1.022.560</u> |

The amounts charged by Logicom Public Ltd to its subsidiary companies for interest were as follows:

Interest

| | Period ended 31 March 2023 | Period ended 31 March 2022 |
|--|-------------------------------|-------------------------------|
| | € | € |
| Logicom Saudi Arabia LLC | 46.902 | 29.006 |
| Logicom Information Technology Distribution s.r.l. | 355.985 | 86.250 |
| Logicom Italia s.r.l. | 53.398 | 23.000 |
| | <u>456.285</u> | <u>138.256</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 31 March 2023**19. RELATED PARTY TRANSACTIONS** *(continued)*

The sales made by Logicom Public Ltd to its subsidiary companies were as follows:

Sales

| | Period ended 31 March 2023 | Period ended 31 March 2022 |
|--|-------------------------------|-------------------------------|
| | € | € |
| Logicom Solutions Limited | 687.760 | 349.583 |
| Newcytech Business Solutions Ltd | 2.171.338 | 1.638.142 |
| ENET Solutions Logicom S.A. | 7.601.176 | 4.407.281 |
| Logicom Jordan LLC | 1.219.851 | 857.865 |
| Logicom (Middle East) SAL | 24.013 | 9.397 |
| Logicom FZE | 9.031 | - |
| Logicom Italia s.r.l. | 6.088 | 4.968 |
| Logicom Information Technology Distribution s.r.l. | 1.390.605 | 1.765.607 |
| Logicom Distribution Egypt LLC | - | 45.133 |
| | <u>-</u> | <u>45.133</u> |

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:

| | Period ended 31 March 2023 | 31 December 2022 |
|-----------------------------|-------------------------------|--------------------------|
| | € | € |
| ENET Solutions Logicom S.A. | 2.355.862 | 2.402.025 |
| Logicom (Middle East) SAL | 4.392.000 | 4.478.061 |
| Logicom FZE | 2.726.067 | 2.779.486 |
| Logicom Jordan LLC | 2.810.207 | 2.865.273 |
| Verendrya Ventures Ltd | <u>18.152.750</u> | <u>18.073.675</u> |
| | 30.436.886 | 30.598.520 |
| Expected credit losses | <u>(2.127.388)</u> | <u>(2.127.388)</u> |
| | <u><u>28.309.498</u></u> | <u><u>28.471.132</u></u> |

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 Larnaca and Episkopi. The loan bears an annual interest of 1,75% (2022: 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.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2023

19. RELATED PARTY TRANSACTIONS (continued)

Receivable balances with subsidiary companies

| | Nature of transactions | 31 March 2023 € | 31 December 2022 € |
|--|------------------------|--------------------|-----------------------|
| Netcom Limited | Other | 131.608 | 131.608 |
| Logicom Solutions Limited | Trading | 2.864.084 | 4.126.180 |
| Logicom (Overseas) Limited | Other | - | - |
| Logicom Services Ltd | Financing | 26.602.269 | 26.602.125 |
| ENET Solutions Logicom S.A. | Trading | 4.601.019 | 2.916.505 |
| Newcytech Business Solutions Ltd | Trading | 969.849 | - |
| Logicom Italia s.r.l. | Trading/Financing | 2.024.972 | 2.542.625 |
| Logicom Saudi Arabia LLC | Trading/Financing | 7.274.524 | 5.547.704 |
| Logicom Information Technology Distribution s.r.l. | Trading | 19.110.062 | 20.137.709 |
| Najada Holdings Limited | Financing | 2.595.753 | 2.435.767 |
| Logicom Distribution Egypt LLC | Other | 56.028 | 56.027 |
| Verendrya Ventures Ltd | Financing | 376.079 | 376.039 |
| Elogicomnet Morocco Distribution SARL | Other | 1.049.760 | 731.300 |
| | | <u>67.656.007</u> | <u>65.603.589</u> |
| Expected credit losses | | <u>(169.880)</u> | <u>(169.880)</u> |
| | | <u>67.486.127</u> | <u>65.433.709</u> |

Payable balances with subsidiary companies

| | Nature of transactions | 31 March 2023 € | 31 December 2022 € |
|-----------------------------------|------------------------|--------------------|-----------------------|
| Logicom (Overseas) Limited | Other | 319.543 | 327.259 |
| Newcytech Business Solutions Ltd | Trading | - | 318.304 |
| ICT Logicom Solutions SA | Other | 73.093 | 86.063 |
| Logicom Jordan LLC | Trading | 2.000.801 | 2.581.483 |
| Logicom (Middle East) SAL | Trading/Financing | 1.169.545 | 981.441 |
| Logicom FZE | Trading/Financing | 26.135.206 | 22.900.118 |
| Logicom Distribution Germany GmbH | Other | 671.117 | 702.439 |
| | | <u>30.369.305</u> | <u>27.897.107</u> |

The above balances are repayable according to the nature of each transaction.

Balances with joint ventures

| | 31 March 2023 € | 31 December 2022 € |
|-----------------------------------|--------------------|-----------------------|
| | Debit/(Credit) | Debit/(Credit) |
| M.N. E.P.C Water Co. | (350) | (350) |
| M.N. Larnaca Desalination Co. Ltd | 38.652 | (18.726) |
| M.N. Limassol Water Co. Ltd | 44.255 | (24.734) |
| | <u>82.557</u> | <u>(43.810)</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 31 March 2023**19. RELATED PARTY TRANSACTIONS (continued)**

The sales made by Logicom FZE to Group companies were as follows:

Sales

| | Period ended 31 March 2023 | Period ended 31 March 2022 |
|---|-------------------------------|-------------------------------|
| | € | € |
| Logicom Public Limited | - | 1.943 |
| Logicom Jordan LLC | 207.463 | 322.792 |
| Logicom (Middle East) SAL | - | 65.500 |
| Logicom Dubai LLC | 38.435.598 | 24.951.696 |
| Logicom Saudi Arabia LLC | 377.212 | 2.170.452 |
| Logicom Kuwait for Computer Company W.L.L | 4.147.021 | 4.952.097 |
| Logicom Trading & Distribution LLC | 2.403.114 | 3.183.080 |
| Logicom LLC | 2.960.575 | 5.290.743 |
| Logicom Bahrain W.L.L | 1.164.463 | 922.156 |
| Elogicomnet Morocco Distribution SARL | <u>2.774</u> | <u>-</u> |

The sales made by ENET Solutions Logicom S.A. to Group companies were as follows:

Sales

| | Period ended 31 March 2023 | Period ended 31 March 2022 |
|--|-------------------------------|-------------------------------|
| | € | € |
| Logicom Public Limited | 2.140.415 | 1.817.105 |
| ICT Logicom Solutions SA | 32.341 | 19.155 |
| Logicom Information Technology Distribution s.r.l. | 240.804 | 301.643 |
| Logicom Italia s.r.l. | - | 35.297 |
| Logicom LLC | 844.419 | - |
| Logicom FZE | 187.179 | - |
| Logicom Solutions Limited | <u>2.011</u> | <u>-</u> |

The sales made by Logicom Solutions Limited to Group companies were as follows:

Sales

| | Period ended 31 March 2023 | Period ended 31 March 2022 |
|----------------------------------|-------------------------------|-------------------------------|
| | € | € |
| Logicom Public Limited | 601 | 993 |
| Newcytech Business Solutions Ltd | 348.191 | 3.296 |
| ICT Logicom Solutions SA | <u>243.591</u> | <u>262.183</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 31 March 2023**19. RELATED PARTY TRANSACTIONS (continued)**

The sales made by Logicom IT Distribution s.r.l. to Group companies were as follows:

Sales

| | Period ended 31 March 2023 | Period ended 31 March 2022 |
|-----------------------------|-------------------------------|-------------------------------|
| | € | € |
| ENET Solutions Logicom S.A. | 138.264 | 123.105 |
| Logicom Italia s.r.l. | <u>887.394</u> | <u>1.088.011</u> |

The sales made by Logicom Saudi Arabia LLC to Group companies were as follows:

Sales

| | Period ended 31 March 2023 | Period ended 31 March 2022 |
|------------------------|-------------------------------|-------------------------------|
| | € | € |
| Logicom Public Limited | - | 3.433 |
| Logicom FZE | <u>741.339</u> | <u>-</u> |

The sales made by Newcytech Business Solutions Limited to Group companies were as follows:

Sales

| | Period ended 31 March 2023 | Period ended 31 March 2022 |
|---------------------------|-------------------------------|-------------------------------|
| | € | € |
| Logicom Solutions Limited | 2.050 | 18.389 |
| Logicom Public Limited | <u>14.282</u> | <u>1.796</u> |

The sales made by Logicom Distribution Germany Gmbh to Group companies were as follows:

Sales

| | Period ended 31 March 2023 | Period ended 31 March 2022 |
|-----------------------|-------------------------------|-------------------------------|
| | € | € |
| Logicom Italia s.r.l. | <u>45.794</u> | <u>44.491</u> |

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTSPeriod ended 31 March 2023**19. RELATED PARTY TRANSACTIONS** *(continued)*

The balances between Group companies and the parent Company are stated below:

Balances with related companies

| | Nature of transactions | Period ended 31 March 2023 € | 31 December 2022 € |
|--|------------------------|------------------------------------|--------------------------|
| | | Debit/(Credit) | Debit/(Credit) |
| Logicom (Overseas) Limited | Other | 319.544 | 327.259 |
| Netcom Limited | Other | (131.608) | (131.608) |
| Logicom Solutions Limited | Trading | (2.864.084) | (4.126.180) |
| Logicom Services Ltd | Financing | (26.602.269) | (26.602.125) |
| Newcytech Business Solutions Ltd | Trading | (969.849) | 318.304 |
| ENET Solutions Logicom S.A. | Trading/Financing | (6.956.881) | (5.318.530) |
| ICT Logicom Solutions SA | Other | 73.093 | 86.063 |
| Logicom Jordan LLC | Trading | (809.406) | (283.790) |
| Logicom (Middle East) SAL | Trading/Financing | (3.222.455) | (3.496.620) |
| Logicom FZE | Trading/Financing | 23.409.135 | 20.120.632 |
| Logicom Italia s.r.l. | Trading/Financing | (2.024.972) | (2.542.625) |
| Logicom Saudi Arabia LLC | Trading/Financing | (7.274.524) | (5.547.704) |
| Logicom Information Technology Distribution s.r.l. | Trading | (19.110.062) | (20.137.709) |
| Logicom Distribution Germany GmbH | Other | 671.117 | 7.012.439 |
| Najada Holdings Limited | Financing | (2.595.753) | (2.435.767) |
| Logicom Distribution Egypt LLC | Other | (56.028) | (56.027) |
| Verendrya Ventures Ltd | Financing | (18.528.829) | (18.449.714) |
| Elogicomnet Morocco Distribution SARL | Financing | <u>(1.049.760)</u> | <u>(731.300)</u> |

ii. Transactions and balances between related parties

There were no significant transactions and balances with related parties, including the Directors, during the period ended 31 March 2023.

LOGICOM PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended 31 March 2023

20. 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.

The balances with joint ventures are as follows:

| Balances with joint ventures | Period ended 31 March 2023 | 31 December 2022 |
|--------------------------------------|-------------------------------|---------------------|
| | € | € |
| M.N Larnaca Desalination Co. Limited | 10.802.153 | 11.049.607 |
| M.N. Limassol Water Co. Limited | <u>13.093.439</u> | <u>12.969.708</u> |
| | <u>23.895.592</u> | <u>24.019.315</u> |
| Expected credit losses | <u>(276.472)</u> | <u>(276.472)</u> |
| | <u>23.619.120</u> | <u>23.742.843</u> |

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 March 2023 is considered recoverable based on the expected discounted future cash flows from these companies. 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 was 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 the first quarter of 2023 amounts to €123.731 (first quarter of 2022: €129.523).

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 | Period ended 31 March 2023 | 31 December 2022 |
|---|-------------------------------|---------------------|
| | € | € |
| | Credit | Credit |
| Demetra Holdings Plc | <u>12.102.094</u> | <u>12.075.283</u> |

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% (2022: 1,75%) per annum and does not have a specified repayment date.

21. 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.