

The Cyprus Cement Public Company Limited

Report and financial statements 31 December 2021

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The Cyprus Cement Public Company Limited

Board of Directors and other officers

Board of Directors

George St. Galatariotis (Executive Chairman)
Costas St. Galatariotis (Executive Director)
Stavros G. St. Galatariotis (Executive Director)
Tasos Anastasiou (Director)
Michalis Moushouttas (Director)
Antonis Antoniou Latouros (Director)

Financial Manager

Elena Stylianou

Company Secretary

C.C.C. Secretarial Limited

197 Makariou III Avenue
Gala Tower
CY-3030 Limassol
Cyprus

Auditors

PriceWaterhouseCoopers Ltd
City House
Karaiskaki 6
3032 Limassol, Cyprus

Registered office

197 Makariou III Avenue
Gala Tower
CY-3030 Limassol
Cyprus

*** True translation into English from the original set of financial statements which was prepared and audited in Greek and signed off on 29th April 2022. ***

The Cyprus Cement Public Company Limited

Declaration of Directors and other responsible officers of the Company for the preparation of the financial statements

In accordance with Article 9 sections 3 (c) and (7) of the Transparency Requirements (Traded Securities in Regulated Markets) Law of 2007 (N190(I) 2007), as this was amended, we, the members of the Board of Directors and the Company officials responsible for the drafting of the consolidated and separate financial statements of The Cyprus Cement Public Company Limited for the year ended 31 December 2021, we confirm that, to the best of our knowledge:

- (a) the annual consolidated and separate financial statements which are presented on pages 15 to 72:
 - (i) were prepared in accordance with International Financial Reporting Standards as adopted by the European Union and in accordance with the provisions of Article 9, section (4) of the Law, and
 - (ii) give a true and fair view of the assets and liabilities, the financial position and the profit or loss of The Cyprus Cement Public Company Limited and the businesses that are included in the consolidated accounts as a total, and
- (b) the Management Report gives a fair review of the developments and the performance of the business as well as the financial position of The Cyprus Cement Public Company Limited and the businesses that are included in the consolidated accounts as a total, together with a description of the main risks and uncertainties they are facing.

Members of the Board of Directors

Name and surname	Signature
George St. Galatariotis (Executive Chairman)	
Costas St. Galatariotis (Executive Director)	
Stavros G. St. Galatariotis (Executive Director)	
Tasos Anastasiou (Director)	
Michalis Moushouttas (Director)	
Antonis Antoniou Latouros (Director)	

Responsible for the preparation of the financial statements

Name and surname	Signature
Elena Stylianou (Financial Manager)	

Limassol, 29th April 2022

The Cyprus Cement Public Company Limited

Management Report

1 The Board of Directors of The Cyprus Cement Public Company Limited (the “Company”), and its subsidiaries, collectively referred to as the “Group”, presents its Management Report together with the audited consolidated financial statements of the Group and the audited separate financial statements of the Company for the year ended 31 December 2021.

Principal activities

2 The principal activities of the Group and the Company are the development/exploitation of land and the undertaking of strategic investments in companies operating in hotel and tourism industry and in the production and sale of cement and related business.

Changes in the Group

3 During the year there has been no change in Company's/Group structure other than the sale of 24,98% of the issued share capital held by the Group in Parklane Hotels Limited (Note 19). The Company/Group do not intend to make any redemption or merger.

Review of developments, position and performance of the Group's and Company's operations

4 The Group's net profit for year 2021 amounted to €3.991 thousand compared to €43.805 thousand in 2020. The decrease in net profit is due to the fact that the Group's results in 2020 included profit from the revaluation of the investment property at fair value of €45.700 thousand minus deferred tax of €5.713 thousand.

The results from its associated company, Vassiliko Cement Works Public Company Limited, for the year 2021 are at the same levels compared to 2020 (2021: €4.429 thousand, 2020: €4.231 thousand).

On 9th April 2021, the agreement of its subsidiary C.C.C. Tourist Enterprises Public Company Ltd for the sale of 24,98% of the issued shares held in Parklane Hotels Limited, was completed. The consideration amount for the sale of 24,98% of the issued shares amounted to €22.500 thousand.

Based on the Shares Purchase Agreement, a profit of €1.797 thousand has been recognized in the Group's Financial Statements for the year ended 31 December 2020.

On 31 December 2021 the total assets of the Group were €381.556 thousand (2020: €380.031 thousand) and the net assets were €323.502 thousand (2020: €328.695 thousand).

5 The Company's net profit for the year 2021 amounted to €4.311 thousand compared to €2.738 thousand in 2020. The increase in the Company's net profit is due to increased dividends from its associated Vassiliko Cement Works Public Company Ltd (2021: €4.186 thousand, 2020: €2.550 thousand).

On 31 December 2021 the total assets of the Company were €321.305 thousand (2020: €319.307 thousand) and the net assets were €277.219 thousand (2020: €275.316 thousand).

The Cyprus Cement Public Company Limited

Management Report (continued)

6 The financial position, development and performance of the Company and Group as presented in these financial statements are considered satisfied.

Non-financial information's

7 The Group/Company take into consideration and complies with all health, safety and environmental regulations that affect the operations where the Group/Company operates. In this context, the Board of Directors monitors on an ongoing basis non-financial Key Performance Indicators in relation to health, safety and environmental regulations. Until now, the Group/Company has not violated any of the aforementioned regulations. The Group/Company is not involved in any legal, governmental or arbitral proceedings that will result in any material obligations to the Group/Company. This is in line with the general culture and vision of the Group/Company.

Principal risks and uncertainties

8 The major risks and uncertainties of the Group and the Company are disclosed in Notes 1, 6, 29 and 31. The Group and the Company's activities are subject to various risks and uncertainties, the most significant of which are the risks connected to the construction and tourist industry. These activities are influenced by a number of factors which include, but are not limited to:

- The impact on world economy and Cyprus economy which was formed due to the spread of coronavirus (COVID-19).
- National and international economic and geopolitical factors;
- The impact of war, terrorist acts, diseases and epidemics which may impact tourists' arrivals on the island;
- The war between Russia and Ukraine and the sanctions imposed on Russia by the European Union and the United States.
- Increased internal competition as well as competition from neighbouring countries;
- Increases in energy costs;

The Group/Company monitors these risks through various mechanisms and revises its strategy in order to mitigate, to the extent this is possible, the impact of such risks.

Use of financial instruments by the Group and the Company

9 The Group's/Company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk), credit risk and liquidity risk.

10 The Company's and the Group's risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the Company's and the Group's financial performance. Risk management is carried out by the Board of Directors.

The Cyprus Cement Public Company Limited

Management Report (continued)

Fair value interest rate risk

11 The Group's/Company's interest rate risk arises from interest-bearing assets. Interest-bearing assets issued at fixed rates expose the Group and the Company to fair value interest rate risk.

12 At 31 December 2021, the Group's interest-bearing assets issued at fixed rate amounted to €12.434 thousand. The Company's interest-bearing assets issued at fixed rate amounted to €12.434 thousand. The Group's/Company's management monitors the fluctuations in interest rates on a continuous basis and acts accordingly. The Group/Company does not apply hedge accounting for fair value interest rate risk.

Credit risk

13 Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost and deposits with banks and financial institutions.

14 For banks and financial institutions, only independently parties are accepted. The Management estimates the contracting parties' credit quality, taking into consideration its financial performance, past experience and other factors.

Liquidity risk

15 The Board of Directors monitors current liquidity on the basis of expected cash flows. Prudent liquidity risk management implies sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Board of Directors believes the management of the Group's/Company's exposure to liquidity risk is successful.

Expected development of the Company and the Group

16 The Board of Directors does not expect any significant changes or developments in Company's and the Group's operations, financial position and performance for the foreseeable future.

Results

17 The Group's results for the year are set out on pages 15 and 16 and the Company's results are set out on pages 17 and 18. Having assessed both the availability of profits for distribution and the Group's/Company's liquidity, the shareholders approved the payment of dividend as presented below.

Dividends

18 On 18th June 2021, the Annual General Meeting of the Company's Shareholders approved the payment of dividend of €0,0175 cents per share, amounted to €2.408.566, out of the profits of year 2019. The dividends were paid to the shareholders on 28th July 2021.

Share capital

19 There were no changes to the share capital of the Company during the year 2021.

The Cyprus Cement Public Company Limited

Management Report (continued)

Board of Directors

20 The members of the Board of Directors at 31 December 2021 and at the date of this report are presented on page 1. All of them were members of the Board throughout the year 2021.

21 In accordance with the Company's Articles of Association Messrs. Costas Galatariotis and Antonis Antoniou Latouros retire at the next Annual General Meeting and, being eligible, offer themselves for re-election.

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

Corporate Governance Code

23 The Board of Directors has not adopted the provisions of the Corporate Governance Code. The Company is not obliged to adopt the provisions of the Code as its titles are traded in the Alternative Market of the Cyprus Stock Exchange. The main reason for the non-adoption of the Corporate Governance Code is that the Board of Directors expects that the costs to be incurred for the adoption of the Corporate Governance Code would be disproportionately higher than any anticipated benefits that may be derived from its adoption.

24 The Board of Directors is responsible for the establishment of adequate internal control procedures and risks control mechanisms, for the drafting, preparation, content and publication of all periodical information that is required of listed companies. The responsible person for the preparation of the financial statements is the Financial Manager.

25 The Audit Committee consists of the following members:

- | | |
|------------------------|------------------------------|
| • Antonis Latouros | - President of the Committee |
| • Michalis Mousiouttas | - Member of the Committee |
| • Tasos Anastasiou | - Member of the Committee |

26 The majority of Audit Committee members are Independent Non-Executive Directors. The Committee meet with external auditors for independent discussion without the presence of Executive Directors. The Audit Committee review a wide range of financial issues, including annual and semi-annual results, statements and accompanying reports, before submitting them to the Board of Directors, as well as overseeing the procedures for choosing accounting principles and accounting calculations for the Company's financial statements. Also, the Audit Committee advises the Board of Directors on the appointment of external auditors and their fees for audit and non-audit work. The Audit Committee discusses extensively with the auditors the findings that have arisen during the audit as well as the auditors' report.

Shareholders holding more than 5% of the Company's share capital

27 The shareholders who held at least 5% of the issued share capital of the Company on 29th April 2022 are as follows:

C.C.C. Holdings & Investments Limited *	23,04%
K+G Complex Public Company Limited *	32,07%
George S. Galatariotis & Sons Limited*	13,47%

* Included in the interest of George St. Galatariotis as presented in the Directors' interest below.

The Cyprus Cement Public Company Limited

Management Report (continued)

28 The Company has not issued any titles with special control rights and there are no restrictions on voting rights.

29 The appointment and replacement of the members of the Board of Directors is done by the Company at its Annual General Meeting in accordance with the provisions of the Company's Articles of Association. The Company's Articles of Association provides that the Board of Directors has the power to appoint, at any time, any person as Director and such person that is appointed by the Board of Directors will hold his office until the next Annual General Meeting of the Company.

30 The Company's Articles of Association can be modified by the passing of a Special Resolution at an Extraordinary General Meeting of the shareholders.

31 The Board of Directors, subject to approval by the Company's shareholders, may issue or repurchase Company's shares. The issue of any new shares is further subject to the provisions of the Company's Articles of Association, the prevailing law and the principle of fair treatment to all existing shareholders.

32 The Board of Directors consists of 6 members and meetings are convened at regular intervals. The Board of Directors approves the Company's strategy and supervises the adoption and realization of the Company's and Group's strategic development.

Directors' interest in the Company's share capital

33 The beneficial interest in the Company's share capital held by each Director, their spouse, children and companies in which they hold directly or indirectly at least 20% of the shares with voting rights in a general meeting, at 31 December 2021 and on 29th April 2022 was as follows:

	At 29 April 2022 %	At 31 December 2021 %
George St. Galatariotis ⁽¹⁾	69,97	69,97
Costas St. Galatariotis ⁽¹⁾	-	-
Stavros G. St. Galatariotis ⁽¹⁾	-	-
Michalis Moushoutas	-	-
Antonis Antoniou Latouros	0,05	0,05
Tasos Anastasiou	-	-

(1) The total interest held by Mr. George St. Galatariotis includes his indirect participation resulting from family relationships between himself and Stavros G. St. Galatariotis and Costas St. Galatariotis, their direct and indirect interest through companies which they control.

Contracts with Directors and related parties

34 Other than the transactions and the balances with Directors and related parties referred to in Note 30 of the financial statements, there were no other significant contracts with the Company, or its subsidiaries as at 31 December 2021 in which the Directors or related parties had a material interest. Related persons include the spouse, minor children and companies in which Directors hold directly or indirectly at least 20% of the voting rights in a general meeting.

The Cyprus Cement Public Company Limited

Management Report (continued)

Events after the balance sheet date

35 The material post balance sheet events, which have a bearing on the understanding of the financial statements are presented in Note 31. There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

Branches

36 During the year the Company and the Group did not operate any branches.

Independent auditors

37 The independent auditors of the Company, Pricewaterhousecoopers Ltd, have expressed their willingness to continue in office. A Resolution authorising the Board of Directors to fix their fee will be proposed at the Annual General Meeting.

By Order of the Board

C.C.C. Secretarial Limited
Secretary

Limassol, 29th April 2022



Independent Auditor's Report

To the Members of The Cyprus Cement Public Company Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements of The Cyprus Cement Public Company Limited (the "Company") and its subsidiaries (together the "Group") and the accompanying separate financial statements of the Company give a true and fair view of the consolidated and separate financial position of the Group and Company respectively as at 31 December 2021, and of the consolidated and separate financial performance and the consolidated and separate cash flows of the Group and the Company respectively, for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

What we have audited

We have audited the consolidated and separate financial statements which are presented in pages 15 to 72 and comprise:

- the consolidated balance sheet as at 31 December 2021;
- the balance sheet of the Company as at 31 December 2021;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the income statement of the Company for the year then ended;
- the statement of comprehensive income of the Company for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the statement of changes in equity of the Company the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the statement of cash flows of the Company for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the consolidated and separate financial statements is International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

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PricewaterhouseCoopers Ltd is a private company registered in Cyprus (Reg. No.143594). Its registered office is at 3 Themistocles Dervis Street, CY-1066, Nicosia. A list of the company's directors, including for individuals the present and former (if any) name and surname and nationality, if not Cypriot and for legal entities the corporate name, is kept by the Secretary of the company at its registered office. PwC refers to the Cyprus member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group and the Company throughout the period of our appointment in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Cyprus and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Audit approach

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

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

<i>Key Audit Matter</i>	<i>How our audit addressed the Key Audit Matter</i>
<p>Fair value of land for development</p> <p>In accordance with IAS 40 'Investment Property' and the Group's accounting policy as presented in Note 4, the land for development held in anticipation of capital growth and not used by the Group is classified as an investment property under IAS 40 and is presented at fair value at each balance sheet date.</p> <p>We focused on this matter due to the size of the fair value of the land for development of the Group amounting to €283.878 thousands at 31 December 2021 and due to the complexity and high degree of subjectivity of the Group's management's assessment of the fair value of the property, including the high degree of subjectivity in the method used to separate the property into notional zones.</p>	<p>We discussed with the Group's management and assessed the data, assumptions, the valuation methodology and calculations made by the Group's Management for the estimation of the fair value of the property, which is based on data and assumptions of high subjectivity, particularly in relation to the separation of the property into notional zones.</p> <p>Internal experts of our office, with the required knowledge and skills, have been involved to support us in our assessment of the fair value of the property performed by the Group's Management.</p> <p>More specifically, with the support of internal experts, we examined the calculations made by the Group's Management and the technical and mathematical accuracy of the valuation model. We also evaluated the reasonableness of the significant assumptions made by the Group's</p>

The separation of the notional zones by the Management of the Group was done to take into account the planning permit that was obtained, the plan for possible development of the property, the non-uniformity in the shape and the geographical advantages of each zone.

For the purposes of calculating the fair value of the investment property, the Group's management used the comparable approach method, adjusted with assumptions due to the special nature, size and uniqueness of the properties and their urban characteristics. The Group's management estimate that the fair value of the investment property has not significantly changed from the fair value as determined on 31 December 2020, which was based on the independent assessment conducted by independent certified valuers (Note 16).

The Group's management considers that the valuation of the investment property is subject to a "material valuation uncertainty", which indicates less certainty and therefore imposes a higher degree of attention on property valuations as a result of the impact of the COVID-19 pandemic. This represents a material valuation uncertainty in relation to the assessment of the fair value of investment property.

Refer to Notes 7 and 16 of the consolidated and separate financial statements for further information.

Management through a comparison with observable market data.

In addition, we evaluated the sensitivity analysis in relation to the effect on the fair value of the property arising from the change in the separation of the property into notional zones and the change in the price per square meter per zone.

Finally, we evaluated the adequacy of the disclosures made in Notes 7 and 16 of the consolidated and separate financial statements in relation to the data, key assumptions and sensitivity analysis on specific assumptions. Note 7 explains that there is material valuation uncertainty in relation to the assessment of the fair value of investment property of the Group.

The results of the above procedures were satisfactory for the purposes of our audit.

Reporting on other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Declaration of the Board of Directors and other Company officials responsible for the financial statements and in the Management Report, but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the Consolidated and Separate Financial Statements

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

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

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

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

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

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

Report on Other Legal and Regulatory Requirements

Pursuant to the requirements of Article 10(2) of the EU Regulation 537/2014 we provide the following information in our Independent Auditor's Report, which is required in addition to the requirements of International Standards on Auditing.

Appointment of the Auditor and Period of Engagement

We were first appointed as auditors of the Company in 2008 by the Board of Directors for the audit of the financial statements for the year ended 31 December 2008. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 14 years, including our reappointment following the tendering procedure for the year ended 31 December 2018.

Consistency of the Additional Report to the Audit Committee

We confirm that our audit opinion on the consolidated and separate financial statements expressed in this report is consistent with the additional report to the Audit Committee of the Company, which we issued on 29 April 2022 in accordance with Article 11 of the EU Regulation 537/2014.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 of the EU Regulation 537/2014 and Section 72 of the Auditors Law of 2017 were provided. In addition, there are no non-audit services which were provided by us to the Group and the Company and which have not been disclosed in the consolidated and separate financial statements or the management report.

European Single Electronic Format

We have examined the digital files of the European Single Electronic Format (ESEF) of The Cyprus Cement Public Company Limited for the year ended 31 December 2021 comprising an XHTML file which includes the consolidated and separate financial statements for the year then ended and XBRL files with the marking up carried out by the entity of the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows (the "digital files").

The Board of Directors of The Cyprus Cement Public Company Limited is responsible for preparing and submitting the consolidated and separate financial statements for the year ended 31 December 2021 in accordance with the requirements set out in the EU Delegated Regulation 2019/815 of 17 December 2018 of the European Commission. (the "ESEF Regulation").

Our responsibility is to examine the digital files prepared by the Board of Directors of The Cyprus Cement Public Company Limited. According to the Audit Guidelines issued by the Institute of Certified Public Accountants of Cyprus (the "Audit Guidelines"), we are required to plan and perform our audit procedures in order to examine whether the content of the consolidated and separate financial statements included in the digital files correspond to the consolidated and separate financial statements we have audited, and whether the format and marking up included in

the digital files have been prepared in all material respects, in accordance with the requirements of the ESEF Regulation.

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

Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, based on the work undertaken in the course of our audit, the management report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the consolidated and separate financial statements.
- In light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the management report. We have nothing to report in this respect.
- In our opinion, based on the work undertaken in the course of our audit, the information included in the corporate governance statement in accordance with the requirements of subparagraphs (iv) and (v) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113, and which is included as a specific section of the management report, have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and is consistent with the consolidated and separate financial statements.
- In our opinion, based on the work undertaken in the course of our audit, the corporate governance statement includes all information referred to in subparagraphs (i), (ii), (iii), (vi) and (vii) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113.
- In light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the corporate governance statement in relation to the information disclosed for items (iv) and (v) of subparagraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113. We have nothing to report in this respect.

Other Matter

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Elias M. Theodorou.

Elias M. Theodorou
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors
City House, 6 Karaiskakis Street,
CY-3032 Limassol, Cyprus

Limassol, 29 April 2022

The Cyprus Cement Public Company Limited

Consolidated income statement for the year ended 31 December 2021

	Note	2021 €000	2020 €000
Revenue	9	275	328
Administrative expenses	10	(692)	(741)
Profit from revaluation of investment property at fair value	16	-	45.700
Operating (loss)/profit		(416)	45.287
Finance cost	11	(22)	-
Share of profit from investments accounted for using equity method	17	4.429	4.231
Profit before tax		3.991	49.518
Taxation	12	-	(5.713)
Profit for the year		3.991	43.805
Profit for the year attributable to:			
Owners of the Company		4.040	43.826
Non-controlling interest		(49)	(21)
		3.991	43.805
Profit per share attributable to the shareholders of the Company (cent per share):			
- Basic and fully diluted	13	2,94	31,85

The notes on pages 27 to 72 are an integral part of these financial statements.

The Cyprus Cement Public Company Limited

Consolidated statement of comprehensive income for the year ended 31 December 2021

	Note	2021 €000	2020 €000
Profit for the year		3.991	43.805
Other comprehensive income:			
Items that cannot be reclassified in profit or loss:			
Expenses from the disposal of investment at fair value through other comprehensive income		(192)	-
Profit from revaluation of investment at fair value through other comprehensive income	19	-	1.797
Share of reserves of investments accounted for using equity method	17	(95)	(56)
Other comprehensive income/(loss) for the year		(287)	1.741
Total comprehensive income for the year		3.704	45.547
Total comprehensive income for the year attributable to:			
Owners of the parent		3.815	44.980
Non-controlling interest		(111)	567
		3.704	45.547

The items in the above statement are disclosed net of tax. The tax related to each component of other comprehensive income is disclosed in Note 12.

The notes on pages 27 to 72 are an integral part of these financial statements.

The Cyprus Cement Public Company Limited

Company's income statement for the year ended 31 December 2021

	Note	2021 €000	2020 €000
Revenue	9	4.461	2.878
Administrative expenses	10	(150)	(140)
Operating profit		4.311	2.738
Profit before tax		4.311	2.738
Taxation	12	-	-
Total Profit for the year		4.311	2.738

The notes on pages 27 to 72 are an integral part of these financial statements.

The Cyprus Cement Public Company Limited

Company's statement of comprehensive income for the year ended 31 December 2021

	2021 €000	2020 €000
Profit for the year	4.311	2.738
Other comprehensive income for the year	-	-
Total comprehensive income for the year	4.311	2.738

The notes on pages 27 to 72 are an integral part of these financial statements.

The Cyprus Cement Public Company Limited

Consolidated balance sheet at 31 December 2021

	Note	2021 €000	2020 €000
Assets			
Non-current assets			
Property, plant and equipment	15	-	-
Investment property	16	283.878	283.858
Investments accounted for using the equity method	17	60.174	60.026
Financial assets at fair value through other comprehensive income	19	-	22.500
		344.051	366.384
Current assets			
Financial assets at amortised cost	21	12.434	11.712
Financial assets at fair value through income statement	20	1.007	-
Other assets	23	313	238
Cash and cash equivalents at bank	22	23.751	1.696
		37.505	13.647
Total assets		381.556	380.031
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	24	59.173	59.173
Share premium	24	910	910
Fair value reserve		107.430	107.524
Revenue reserve		17.236	17.236
Other reserves		(15)	(15)
Retained earnings		138.046	136.544
		322.779	321.372
Non-controlling interest		723	7.323
Total equity		323.502	328.695
Non-current liabilities			
Deferred tax liabilities	26	50.926	50.926
Provisions	28	-	300
		50.926	51.226

The Cyprus Cement Public Company Limited

Consolidated balance sheet at 31 December 2021 (continued)

	Note	2021 €000	2020 €000
Current liabilities			
Trade and other payables	27	240	110
Payable to shareholders	27	6.489	110
Provisions	28	400	110
		<u>7.129</u>	<u>110</u>
Total liabilities		<u>58.055</u>	<u>51.336</u>
Total equity and liabilities		<u>381.556</u>	<u>380.031</u>

On 29th April 2022 the Board of Directors of The Cyprus Cement Public Company Limited authorised these financial statements for issue.

George St. Galatariotis, Executive Chairman

Costas St. Galatariotis, Executive Director

The notes on pages 27 to 72 are an integral part of these financial statements.

The Cyprus Cement Public Company Limited

Company's balance sheet at 31 December 2021

	Note	2021 €000	2020 €000
Assets			
Non-current assets			
Property, plant and equipment	15	-	-
Investment property	16	847	844
Investments in subsidiaries	18	249.950	249.950
Investments in associated	17	52.608	52.608
		303.405	303.402
Current assets			
Financial assets at amortised cost	21	15.372	14.213
Financial assets at fair value through income statement	20	1.007	-
Cash and cash equivalents at bank	22	1.521	1.692
		17.900	15.905
Total assets		321.305	319.307
Equity and liabilities			
Capital and reserves			
Share capital	24	59.173	59.173
Share premium	24	910	910
Revenue reserve		17.283	17.283
Retained earnings		199.854	197.950
		277.219	275.316
Non-current liabilities			
Deferred tax liabilities	26	43.897	43.897
		43.897	43.897
Current liabilities			
Trade and other payables	27	189	94
		189	94
Total liabilities		44.086	43.991
Total equity and liabilities		321.305	319.307

On 29th April 2022 the Board of Directors of The Cyprus Cement Public Company Limited authorised these financial statements for issue.

George St. Galatariotis
Executive Chairman

Costas St. Galatariotis
Executive Director

The notes on pages 27 to 72 are an integral part of these financial statements.

The Cyprus Cement Public Company Limited

Consolidated statement of changes in equity for the year ended 31 December 2021

	Attributable to owners of the Company						Non-		
	Share Capital €000	Share premium ⁽²⁾ €000	Fair value reserve ⁽²⁾ €000	Other reserves ⁽²⁾ €000	Revenue reserve €000	Retained earnings ⁽¹⁾ €000	Total €000	controlling interest €000	Total equity €000
Balance at 1 January 2020	59.173	910	105.563	(15)	17.236	94.489	277.356	6.756	284.112
Comprehensive income									
Profit for the year	-	-	-	-	-	43.826	43.826	(21)	43.805
Other comprehensive income									
Share of fair value and other reserves of associated companies (Note 17)	-	-	(56)	-	-	-	(56)	-	(56)
Profit from revaluation of investment at fair value through other comprehensive income (Note 19)	-	-	1.209	-	-	-	1.209	588	1.797
Transfer of reserves to retained earnings	-	-	808	-	-	(808)	-	-	-
Total other comprehensive income	-	-	1.961	-	-	(808)	1.153	588	1.741
Total comprehensive income for the year 2020	-	-	1.961	-	-	43.018	44.979	567	45.547
Transactions with owners									
Dividend paid from the profits of 2018 (Note 14)	-	-	-	-	-	(963)	(963)	-	(963)
Total transactions with owners	-	-	-	-	-	(963)	(963)	-	(963)
Balance at 31 December 2020	59.173	910	107.524	(15)	17.236	136.544	321.372	7.323	328.695

The Cyprus Cement Public Company Limited

Consolidated statement of changes in equity for the year ended 31 December 2021 (continued)

	Attributable to owners of the Company						Non-controlling interest €000	Total equity €000
	Share Capital €000	Share premium ⁽²⁾ €000	Fair value reserve ⁽²⁾ €000	Other reserves ⁽²⁾ €000	Revenue reserve €000	Retained earnings ⁽¹⁾ €000	Total €000	
Balance at 1 January 2021	59.173	910	107.524	(15)	17.236	136.544	321.372	328.695
Comprehensive income								
Profit for the year	-	-	-	-	-	4.040	4.040	3.991
Other comprehensive income								
Share of fair value and other reserves of associated companies (Note 17)	-	-	(95)	-	-	-	(95)	(95)
Expenses from the disposal of the investment at fair value through other comprehensive income	-	-	(129)	-	-	-	(129)	(192)
Transfer of reserves to retained earnings	-	-	129	-	-	(129)	-	-
Total other comprehensive income	-	-	(95)	-	-	(129)	(224)	(287)
Total comprehensive income for the year 2021	-	-	(95)	-	-	3.911	3.815	3.704
Transactions with owners								
Dividend paid from the profits of 2019 (Note 14)	-	-	-	-	-	(2.409)	(2.409)	(2.409)
Reduction of the nominal value of the subsidiary's share with return of capital (Note 18)	-	-	-	-	-	-	(6.489)	(6.489)
Total transactions with owners	-	-	-	-	-	(2.409)	(2.409)	(8.897)
Balance at 31 December 2021	59.173	910	107.430	(15)	17.236	138.046	322.779	323.502

(1) Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at the rate of 17% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders.

(2) The share premium, the fair value reserve and other reserves are not available for distribution in the form of dividends.

The notes on pages 27 to 72 are an integral part of these financial statements.

The Cyprus Cement Public Company Limited

Company's statement of changes in equity for the year ended 31 December 2021

	Share capital €000	Share premium ⁽²⁾ €000	Revenue reserve €000	Retained earnings ⁽¹⁾ €000	Total €000
Balance at 1 January 2020	59.173	910	17.283	196.176	273.542
Comprehensive Income					
Profit for the year	-	-	-	2.738	2.738
Total comprehensive income for the year 2020	-	-	-	2.738	2.738
Transactions with owners					
Dividend paid from the profits of 2018 (Note 14)	-	-	-	(963)	(963)
Total transactions with owners	-	-	-	(963)	(963)
Balance at 31 December 2020/1 January 2021	59.173	910	17.283	197.951	275.317
Comprehensive Income					
Profit for the year	-	-	-	4.311	4.311
Total comprehensive income for the year 2021	-	-	-	4.311	4.311
Transactions with owners					
Dividend paid from the profits of 2019 (Note 14)	-	-	-	(2.409)	(2.409)
Total transactions with owners	-	-	-	(2.409)	(2.409)
Balance at 31 December 2021	59.173	910	17.283	199.854	277.219

⁽¹⁾ Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at the rate of 17% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders.

⁽²⁾ The share premium reserve is not available for distribution in the form of dividends.

The notes on pages 27 to 72 are an integral part of these financial statements.

The Cyprus Cement Public Company Limited

Consolidated statement of cash flows for the year ended 31 December 2021

	Note	2021 €000	2020 €000
Cash flows from operating activities			
Profit before tax		3.991	49.518
Adjustments for:			
Depreciation of property, plant and equipment	15	-	9
Interest income	9	(263)	(328)
Profit from revaluation of investment property at fair value	16	-	(45.700)
Finance cost	11	22	-
Profit from revaluation of financial assets at fair value through income statement	9	(12)	-
Share of profit of investments accounted for using the equity method	17	(4.429)	(4.231)
		<u>(691)</u>	<u>(732)</u>
Changes in working capital:			
Financial assets at amortised cost		-	52
Other assets		(387)	(93)
Trade and other payables		372	(107)
		<u>(706)</u>	<u>(880)</u>
Cash used in operations		<u>(706)</u>	<u>(880)</u>
Tax paid		-	-
Net cash used in operating activities		<u>(706)</u>	<u>(880)</u>
Cash flows from investing activities			
Proceeds from disposal of financial assets at fair value through other comprehensive income	19	22.500	-
Proceeds from dividends received	9	4.186	2.550
Additions in investment property	16	(19)	(27)
Loans granted to related parties	30 (vii)	(2.280)	(915)
Proceeds from amount due from related company		142	-
Financial assets at fair value through income statement	20	(995)	-
		<u>23.534</u>	<u>1.607</u>
Net cash from investing activities		<u>23.534</u>	<u>1.607</u>
Cash flows from financing activities			
Dividends paid		(751)	(609)
Interest paid		(22)	-
		<u>(773)</u>	<u>(609)</u>
Net cash used in financing activities		<u>(773)</u>	<u>(609)</u>
Net increase in cash and cash equivalents		<u>22.055</u>	<u>118</u>
Cash and cash equivalents at beginning of year		<u>1.696</u>	<u>1.578</u>
Cash and cash equivalents at end of year	22	<u>23.751</u>	<u>1.696</u>

The notes on pages 27 to 72 are an integral part of these financial statements.

The Cyprus Cement Public Company Limited

Company's statement of cash flows for the year ended 31 December 2021

	Note	2021 €000	2020 €000
Cash flows from operating activities			
Profit before tax		4.311	2.738
Adjustments for:			
Dividend income	9	(4.186)	(2.550)
Depreciation of property, plant and equipment	15	-	9
Profit on revaluation of financial assets at fair value through income statement	9	(12)	-
Interest income	9	(263)	(328)
		<u>(150)</u>	<u>(131)</u>
Changes in working capital:			
Financial assets at amortised cost		(273)	(665)
Trade and other payables		95	(109)
		<u>(328)</u>	<u>(905)</u>
Cash used in operations			
Tax paid		-	-
		<u>(328)</u>	<u>(905)</u>
Net cash used in operating activities			
		<u>(328)</u>	<u>(905)</u>
Cash flows from investing activities			
Additions in investment property	16	(3)	(3)
Financial assets at fair value through other income statement	20	(995)	-
Proceeds from dividends received	9	4.186	2.550
Loans granted to related parties	30 (vii)	(2.280)	(915)
		<u>908</u>	<u>1.632</u>
Net cash from investing activities			
		<u>908</u>	<u>1.632</u>
Cash flows from financing activities			
Dividends paid		(751)	(609)
		<u>(751)</u>	<u>(609)</u>
Net cash used in financing activities			
		<u>(751)</u>	<u>(609)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(171)</u>	<u>118</u>
Cash and cash equivalents at beginning of year		1.692	1.574
Cash and cash equivalents at end of year	22	<u>1.521</u>	<u>1.692</u>

The notes on pages 27 to 72 are an integral part of these financial statements.

The Cyprus Cement Public Company Limited

Notes to the financial statements

1 General information

Country of incorporation

The Cyprus Cement Public Company Limited (the “Company”) was incorporated in Cyprus in 1951, as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113 and later became a public company. The Company is listed on the Cyprus Stock Exchange. The registered office of the Company is at 197 Makariou III Avenue, Gala Tower, CY-3030 Limassol, Cyprus.

Principal activities

The principal activities of the Group and the Company, are the development/exploitation of land and the undertaking of strategic investments in companies operating in hotel and tourism industry and in the manufacturing and sale of cement and related business.

Operational environment of Cyprus

The year 2021 was marked by the continuous effects of the COVID-19 pandemic, the emergence of new variants and the associated measures implemented by various governments globally with a view to delay the spread of the disease, safeguard public health and ensure the economic survival of working people, businesses, vulnerable groups, and the economy at large.

To this end, the government of the Republic of Cyprus extended certain of the measures in place since 2020 and, in some cases, introduced new, economically costly, measures with the aim of protecting the population from further spread of the disease.

Entry regulations continued to apply within 2021, which imposed limitations in the entry of individuals to the Republic of Cyprus. A considerable number of private businesses operating in various sectors of the economy closed for a period of time while a number of lockdown measures, such as prohibition of unnecessary movements and suspension of operations of non-essential businesses, including retail companies (subject to certain exemptions), were applied throughout the year. The measures were continuously revised (lifted or tightened) by the Republic of Cyprus during the year taking into consideration the epidemic status in the country.

Industries such as tourism, hospitality and entertainment are directly affected by these measures. Other industries such as construction are also indirectly affected and their results are also negatively affected.

These measures have further restricted the economic activity both in Cyprus and globally and have severely impacted and could continue to negatively impact, businesses, market participants as well as the Cyprus and global economies as they persist for an unknown period of time.

The future effects of the COVID-19 pandemic and of the above measures on the Cyprus economy, and consequently on the future financial performance, cash flows and financial position of the Company, are difficult to predict and management’s current expectations and estimates could differ from actual results. The Company’s management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current economic environment.

The Cyprus Cement Public Company Limited

2 Basis of preparation (continued)

The consolidated financial statements of The Cyprus Cement Public Company Limited and its subsidiaries (together the “Group”) and the separate financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113.

As of the date of the authorisation of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2021 have been adopted by the EU through the endorsement procedure established by the European Commission.

The principal accounting policies applied in the preparation of these financial statements are set out below in note 4. These policies have been consistently implemented for all years presented, except where otherwise stated. The financial statements have been prepared under the historical cost convention, as amended by the initial recognition of financial instruments on the basis of fair value and by the fair value reassessment of property investments and financial assets measured at fair value through other comprehensive income.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Company’s and Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

3 Adoption of new and revised IFRSs

During the current year the Group/Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2021. This adoption did not have a material effect on the accounting policies of the Group/Company.

4 Summary of significant accounting policies

Consolidated financial statements

The consolidated financial statements include the financial statements of The Cyprus Cement Public Company Limited (the «Company»), and its subsidiaries, collectively referred to as the «Group».

(1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the following;

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement
- fair value of any pre-existing equity interest in the subsidiary.

The Cyprus Cement Public Company Limited

4 Summary of significant accounting policies (continued)

Consolidated financial statements (continued)

(1) Subsidiaries (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired entity and the fair value of any previous equity interest in the acquired entity at the acquisition date over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profit and losses resulting from inter-company transactions that are recognised in assets are also eliminated. When necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet.

When the Group ceases to have control over an entity, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(2) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

The Cyprus Cement Public Company Limited

4 Summary of significant accounting policies (continued)

Consolidated financial statements (continued)

(3) Investments in associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition net of any accumulated impairment losses.

Dividends received or receivable from associate are recognised as a reduction in carrying amount of the investment.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profits or losses of associates is recognised in the income statement and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary, to ensure consistency with the accounting policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in profit or loss.

After application of the equity method, including recognising the associates' losses, the carrying amount of the investment in associate which includes the goodwill arising on acquisition is tested for impairment by comparing its recoverable amount with its carrying amount whenever there is an indication of impairment and recognizes the amount adjacent to 'share of profit/(loss)' of associates in the profit or loss. The Group ceases to equity account from the date that it loses significant influence over the associate or from the date the investment is classified as held for sale.

When the group ceases to exercise significant influence over an associate, any retained interest in the entity is remeasured to its fair value. In addition, the Group recognizes in profit or loss any difference between (i) the fair value of the retained interest and any income from the sale of the share in the associate and (ii) the carrying amount of the investment on the date that the Group lost significant influence over the associate.

When an entity ceases to be recognised as an associate and it is afterwards recognised as a financial asset in accordance with IFRS 9 "Financial Instruments", the fair value of the retained interest in the associate is considered to be the fair value of the financial asset on initial recognition.

The Cyprus Cement Public Company Limited

4 Summary of significant accounting policies (continued)

Separate financial statements of the Company

(1) Investments in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are measured at cost less impairment. Investments in subsidiaries are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised through profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss recognised in prior years is reversed where appropriate if there has been a change in the estimates used to determine the recoverable amount.

(2) Investments in associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in associates are measured at cost less impairment. Investments in associates are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised through profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss recognised in prior years is reversed where appropriate if there has been a change in the estimates used to determine the recoverable amount.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors of the Group (the chief operating decision-maker). The Board of Directors, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

Revenue recognition

(i) Interest income

Interest income on financial assets at amortized cost is calculated using the original effective interest method, and is recognized in the consolidated Income statement and company's income statement as "revenue". Interest income is calculated by applying the original effective interest rate to the gross carrying amount of a financial asset, with the exception of the financial assets that subsequently become impaired. For credit-impaired financial assets (Stage 3), the original effective interest rate is applied to the net carrying amount of the financial asset (after deducting the impairment loss). For Stage 1 and Stage 2, the actual interest rate is applied to the gross amount of financial assets.

(ii) Dividend income

Dividend income is recognised as Revenue in the Company's results when the Company's right to receive payment is established. If dividends received on financial assets measured at fair value through the other comprehensive income represent a recoverable amount of the cost of an investment, they are recognized in the other comprehensive income.

The Cyprus Cement Public Company Limited

4 Summary of significant accounting policies (continued)

Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country in which the Company/the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Company/the Group where there is an intention to settle the balances on a net basis.

The Cyprus Cement Public Company Limited

4 Summary of significant accounting policies (continued)

Dividend distribution

Dividend distribution to the Group's/Company's shareholders is recognised as a liability in the Group's financial statements in the year in which the dividends are appropriately authorised and are no longer at the discretion of the Group/Company. More specifically, interim dividends are recognised as a liability in the period in which these are authorised by the Board of Directors and in the case of final dividends, these are recognised in the period in which these are approved by the Group's/Company's shareholders.

Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical costs include costs directly related to the acquisition of property, plant and equipment.

Depreciation on other property, plant and equipment is calculated using the straight line method to allocate their cost or revalued amounts to their residual values, over their estimated useful lives. The annual depreciation rates are as follows:

Machinery and equipment	10 to 20 years
Motor vehicles	5 to 8 years
Furniture and fittings	3 to 20 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which they were incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group/Company and the cost of the asset can be measured reliably.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are recognised in "other (losses)/gains – net" in profit or loss.

Investment property

Investment property, principally comprising land, is held for capital appreciation and is not used by the Group/Company. Investment property is carried at fair value, representing open market value. Any gain or loss arising from a change in fair value is recognized in "other gains/(losses)-net" in the consolidated income statement.

Investment property is de-recognised from the balance sheet when it has been disposed and the gain / losses on disposal of investment property are calculated as the difference between the net disposal proceeds and the carrying amount and are recognised in profit or loss. When the sale consideration includes a contingent consideration then the contingent consideration is recognized when it is probable to be received. In such a case, the contingent consideration is recognized as a receivable in the balance sheet.

The Cyprus Cement Public Company Limited

4 Summary of significant accounting policies (continued)

Impairment of non-financial assets

Assets that have an indefinite useful life, including goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets – Classification

The Group/Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income "FVTOCI" or through profit or loss "FVTPL"), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Group's/Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Group/Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, classification will depend on whether the Group/Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Group/Company commits to deliver a financial instrument. All other purchases and sales are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group/Company has transferred substantially all the risks and rewards of ownership.

The Cyprus Cement Public Company Limited

4 Summary of significant accounting policies (continued)

Financial assets – Measurement

At initial recognition, the Group/Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's/Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group/Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'Income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the income statement. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, loans receivable and financial assets at amortised cost.

Equity instruments

The Group subsequently measures all equity investments at fair value.

Where the Group's/Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Group's/Company's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as "Income" when the Group's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Financial assets – impairment – credit loss allowance for Expected Credit Loss (ECL)

The Group/Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at AC. The Group/Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within "net impairment losses on financial and contract assets".

The Cyprus Cement Public Company Limited

4 Summary of significant accounting policies (continued)

Financial assets – impairment – credit loss allowance for ECL (continued)

Debt assets measured at amortized cost are presented in the Company's balance sheet and consolidated balance sheet net from the provision for ECL.

Expected losses are recognized and measured according to one of two approaches: general approach or simplified approach.

For all other financial asset that are subject to impairment under IFRS 9, the Group/Company applies general approach – three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group/Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to Note 6, Credit risk section for a description of how the Company determines when a SICR has occurred. If the Group/Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Group's/Company's definition of credit impaired assets and definition of default is explained in Note 6, Credit risk section.

Financial assets – Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets – write-off

Financial assets are written-off, in whole or in part, when the Group/Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group/Company may write-off financial assets that are still subject to enforcement activity when the Group/Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Classification as financial assets at amortized cost

These amounts generally result from transactions outside the company's normal operating business. These are held in order to collect their contractual cash flow and their cash flow represents only capital and interest payments. As a result, these are measured at amortised cost using the effective interest rate method, less the provision for impairment. Financial assets at amortised costs are classified as current assets if they are due within one year or less (or in the normal course of the company's turnover, if greater). If not, they are presented as non-current assets.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group/Company or the counterparty.

The Cyprus Cement Public Company Limited

4 Summary of significant accounting policies (continued)

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are presented in equity as a deduction, net of tax, from the proceeds.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. Share premium account can only be used for specific purposes, which do not include the distribution of dividends, and is subject to the provisions of the Cyprus Companies Law regarding share capital reduction.

Profit per share

Basic earnings per share are calculated as follows; The profits attributable to the Company's shareholders are divided by the weighted average number of ordinary shares issued during the year.

Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Financial liabilities

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for financial guarantee contracts.

Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group/Company to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are recognised as a financial liability at the time the guarantee is issued. Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight line basis over the life of the guarantee in other income in profit or loss.

The Cyprus Cement Public Company Limited

4 Summary of significant accounting policies (continued)

Financial guarantee contracts (continued)

At the end of each reporting period, the guarantee is subsequently at the higher of:

- the amount of the loss allowance determined in accordance with the expected credit loss model under IFRS 9 Financial Instruments and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Cash and cash equivalents

In the statement of cash flows of the Group/Company, cash and cash equivalents includes cash in hand, deposits held at call with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

5 New accounting pronouncements

At the date of approval of these financial statements a number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company/Group.

6 Financial risk management

(i) Financial risk factors

The Group's/Company's operations expose it to a variety of financial risks: market risk (including fair value interest rate risk), credit risk and liquidity risk.

The Company's and the Group's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's and the Group's financial performance. Risk management is carried out by the Board of Directors.

Market risk

Cash flow and fair value interest rate risk

The Company's interest rate risk arises from interest-bearing assets. Interest-bearing assets represent loans receivable from related parties and cash and cash equivalents. Interest bearing assets issued at fixed rates expose the Group and the Company to fair value interest rate risk.

The exposure of the Group/Company into fair value interest rate risk is not significant since loans receivable bear fixed interest and are repayable on demand.

The Cyprus Cement Public Company Limited

6 Financial risk management (continued)

(i) Financial risk factors (continued)

Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost and deposits with banks and financial institutions. In addition, credit risk arises from financial guarantees.

• **Risk management**

Credit risk is managed by the Group and the Company on a group basis.

For banks and financial institutions, the Company / Group has established policies according to which the majority of bank balances are held in independently valued parts.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

• **Impairment of financial assets**

The Group/Company has the following types of financial assets that are subject to the expected credit loss model:

- Financial assets at amortised cost (loans to related parties, receivables from related parties and other receivables)
- Cash and cash equivalents.
- Financial guarantees.

Debt investments – Financial assets at amortised cost

For all financial assets subject to impairment under IFRS 9, the Company / Group applies the general approach - the three-stage impairment model, based on changes in credit risk from initial recognition. A financial asset that is not impaired at initial recognition is classified in Stage 1. Financial assets in Stage 1 recognize their LPAs at an amount equal to the LPA percentage over their lifetime resulting from any default events within in the next 12 months or until the expiration of the contract, if it is earlier ("12-month EPA"). If the Company / Group observes a significant increase in credit risk ("CCI") from initial recognition, the financial asset is transferred to Stage 2 and the TPAs are measured based on the TPAs throughout the life of the financial asset. ie until the end of the contract but taking into account the expected prepayments, if any ("LIF for life). If the Company / Group determines that a financial asset is credit impaired, the financial asset is transferred to Stage 3 and the EPA is measured as an EPA for life.

Significant increase in credit risk. The Company / Group considers the possibility of default on the initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period. To assess whether there is a significant increase in credit risk, the Company / Group compares the default risk on the asset at the reporting date with the default risk at the date of initial recognition. The assessment takes into account the available logical and supporting information for the future.

The Cyprus Cement Public Company Limited

6 Financial risk management (continued)

(i) Financial risk factors (continued)

Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the group and changes in the operating results of the borrower.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. The Group/Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 180 days past due. Where loans or receivables have been written off, the Group/Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Cyprus Cement Public Company Limited

6 Financial risk management (continued)

(i) Financial risk factors (continued)

A summary of the assumptions underpinning the Group's/Company's expected credit loss model for the loans receivable from related parties is as follows:

Category	Group/ Company definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Performing (Stage 1)	Counterparties have a low risk of default and a strong capacity to meet contractual cash flows	<p>For loans to related parties that are payable on the first demand, the expected credit losses are measured on the assumption that the loan will be demanded at the balance sheet date. When the counterparties have the ability to cover the conventional cash flows then the expected provision for credit losses will be limited to the effect of the repayment of the amount due on the loan (at the actual interest rate of the loan).</p> <p>For receivables from related parties and other receivables, expected credit losses are measured at 12 months expected losses. When the expected life of an asset is less than 12 months, the expected loss is measured at its expected life.</p>	Gross carrying amount

Based on the above table the expected credit loss for the loans receivable from related parties on 31 December 2021 and 31 December 2020 was not significant.

The Company/Group has no financial assets which are subject to the impairment requirements of IFRS 9 and which have had modifications to their contractual cash flows.

Loans to related parties amounted to €12.434 thousand (2020: €11.548 thousand) and receivables from related parties amounted to €2.938 thousand (2020: €2.664 thousand) represent the maximum exposure of the Company at credit risk for the assets as at 31 December 2021 and 31 December 2020.

Loans to related parties amounted to €12.434 thousand (2020: €11.548 thousand), receivables from related parties amounted to €0 thousand (2020: €21 thousand) and other receivables amounted to €0 thousand (2020: €142 thousand) represent the maximum exposure of the Group at credit risk for the assets as at 31 December 2021 and 31 December 2020.

The Cyprus Cement Public Company Limited

6 Financial risk management (continued)

(i) Financial risk factors (continued)

Credit risk (continued)

Cash and cash equivalents

The Company / Group assesses, on an individual basis, its exposure to credit risk arising from cash in the bank based on ratings from external credit rating agencies and internal ratings if external ratings are not available.

The following table presents the gross book value of cash in the bank based on internal creditworthiness and the rating by Moody's Investors Service, which represents the maximum exposure to credit risk from these assets at 31 December 2021 and 31 December 2020:

The Group

External credit rating	Carrying amount (net of impairment provision) €000
As at 31 December 2021	
P1	22.132
B+	1.619
	<hr/>
	23.751
As at 31 December 2020	
Caa1	1.696
	<hr/>

The Company

External credit rating	Carrying amount (net of impairment provision) €000
As at 31 December 2021	
B+	1.521
	<hr/>
As at 31 December 2020	
Caa1	1.692
	<hr/>

The cash and cash equivalents are subject to the impairment requirements of IFRS 9. The cash in the bank was serviced and classified in Stage 1 and the estimated impairment loss at 31 December 2021 and 31 December 2020 was insignificant.

Credit related commitments

Guarantees which represent irrevocable assurances that the Group will make payments in the event that a counterparty cannot meet its obligations to third parties in accordance with the terms of the debt instrument.

The Group has issued financial guarantees for its ultimate parent entity, for the guarantee of the bank overdrafts and other bank facilities (Note 30 (v)). As a result the Group is exposed into credit risk from the probability of default of the ultimate parent entity for its external borrowing. As at 31 December 2021 the ultimate parent entity had no defaults on its loan commitments.

The Cyprus Cement Public Company Limited

6 Financial risk management (continued)

(i) Financial risk factors (continued)

Credit risk (continued)

Credit related commitments (continued)

An analysis of credit related commitments by credit quality based on credit risk grades at 31 December 2021 is as follows. The following amount represents the gross exposure of the Group to the credit risk as at 31 December 2021 and 31 December 2020 without taking into consideration any other guarantees. The Group has no mortgages as a guarantee for the guarantees that issued.

	Stage 1 (12-months ECL) € 000
Issued financial guarantees	
- Performing (Note 30 (v))	1.500
Provision for financial guarantees	-

The provision for financial guarantees on 31 December 2021 and 31 December 2020 for the financial guarantees issued by the Group was not significant and as a result was not recognised in the financial statements.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Board of Directors maintains flexibility in funding by maintaining availability under committed credit lines.

The Board of Directors monitors rolling forecasts of the Company's and Group's liquidity reserve (comprises undrawn borrowing facility (Note 25) and cash and cash equivalents (Note 22) on the basis of expected cash flow.

The Company/Group has the following unused borrowing facilities:

	The Group		The Company	
	2021	2020	2021	2020
	€000	€000	€000	€000
Floating charge				
Expires within one year	1.598	1.598	1.563	1.563

Facilities that expire within one year are annual facilities that are subject to revision at different dates.

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months (with the exception of borrowings) equal their carrying balances as the impact of discounting is not significant.

The Cyprus Cement Public Company Limited

6 Financial risk management (continued)

(i) Financial risk factors (continued)

Liquidity risk (continued)

The Group

	Less than 1 year €000
At 31 December 2021	
Trade and other payables	7.129
Guarantees (Note 30 (v))	1.500
	<hr/> 8.629 <hr/>
At 31 December 2020	
Trade and other payables	110
Guarantees (Note 30 (v))	1.500
	<hr/> 1.610 <hr/>

The Company

	Less than 1 year €000
At 31 December 2021	
Trade and other payables	189
	<hr/> 189 <hr/>
At 31 December 2020	
Trade and other payables	94
	<hr/> 94 <hr/>

The liquidity risk arising from corporate guarantees for related parties is disclosed in Note 30 (v) and in the event of default, the minimum period which they can be called for repayment is within one year.

(ii) Capital risk management

The Company's/Group's objectives when managing capital are to safeguard the Company's/Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders of the Company/Group and to maintain an optimal capital structure to reduce the cost of capital.

The Group/Company considers equity as presented in the consolidated balance sheet and the Company's balance sheet as equity.

The Cyprus Cement Public Company Limited

6 Financial risk management (continued)

(iii) Fair value estimation

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's financial assets that are measured at fair value at 31 December 2021.

(a)

	Level 1 €000	Total €000
At 31 December 2021		
Assets		
Investment held at fair value through income statement		
- Valuable metals	1.007	1.007
Total financial assets measured at fair value	1.007	1.007

(b)

	Level 2 €000	Total €000
At 31 December 2021		
Assets		
Investment held at fair value through other comprehensive income		
- Equity securities	-	-
Total financial assets measured at fair value	-	-

The following table presents the Group's financial assets that are measured at fair value at 31 December 2020.

	Level 2 €000	Total €000
At 31 December 2020		
Assets		
Investment held at fair value through other comprehensive income		
- Equity securities	22.500	22.500
Total financial assets measured at fair value	22.500	22.500

The Cyprus Cement Public Company Limited

6 Financial risk management (continued)

(iii) Fair value estimation

In 2020, the Group transferred the above equity securities from Level 3 to Level 2 because the key data (the sale price, as set out in the Memorandum) used to determine fair value at 31 December 2020 were observable (Note 19).

The following table presents the changes in Level 3 investments for the year ended 31 December 2020:

	Equity Securities 2020 €000
Opening balance 1 January	20.703
Profit from revaluation of investment at fair value through other comprehensive income	1.797
Transfer from level 3 to level 2	(22.500)
At 31 December 2020	-

7 Critical accounting estimates and judgements

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

Critical accounting estimates and assumptions

The Company/Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Fair value of investment property of €283.878 thousand (2020: €283.858 thousand)**

The fair value of the investment property is based on observable comparable information of the market, including expected selling prices. Where observable comparable information are not available, the fair values are determined through significant judgements by the Company's management who have the relevant expertise, knowledge and recent experience that are necessary in the valuation of the investment property.

The management estimated for the fair value valuation of the investment property at 31 December 2021 has not significantly changed from the fair value as estimated by the management at 31 December 2020. The Group's Management considered that the valuation of the investment property is subject to «material valuation uncertainty». This report indicates less certainty and therefore imposes a higher degree of attention on property valuations as a result of the impact of the COVID-19 pandemic.

The assessment of the fair value of the investment property was based on valuation techniques which incorporate observable comparable sale prices, where these are available, adjusted to reflect the uniqueness, nature and the size of the properties, and their urban planning characteristics. For further information refer to Note 16.

The Cyprus Cement Public Company Limited

7 Critical accounting estimates and judgements (continued)

Critical accounting estimates and assumptions (continued)

For the purposes of the comparative method for estimating the fair value of the investment property the management used the zoning method where the property was divided into five notional zones, taking into account the terms of the planning permission secured, the development prospects of the land, the plan for possible development of the land according to the uses determined by the development chapters of the Limassol District Plan, the non-uniformity in the shape of the land and the geographical advantages of each zone. Due to the high degree of subjectivity in the division of the land into the notional zones, the Management presents a sensitivity analysis in Note 16, to show the impact on the fair value of the investment property due to the change on the allocation of the total surface of the land to the different zones, and the price per square meter per zone.

The main assumptions used for the valuation of the investment property are disclosed in Note 16.

As a result, the management considers that the valuation of the investment is subject to a significant degree of subjectivity and an increased likelihood that the value of the investment property will be different. Any changes in the assumptions used will result in a significant change in the fair value of the investment property (Note 16).

• Fair value of financial asset held at fair value through other comprehensive income

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Management uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date.

On 9th April 2021, the agreement of its subsidiary C.C.C. Tourist Enterprises Public Company Ltd for the sale of 24,98% of the issued shares held in Parklane Hotels Limited, was completed. The consideration price for the sale of 24,98% of the issued shares amounted to €22.500 thousand.

For the year ended 31 December 2020, the Group's management sets the fair value of the investment using the current exit price method, based on the sale price, as stated in Note 19 of the consolidated and separate financial statements. Therefore, the Group considers that the assessment of the fair value of the investment as at 31 December 2020 is not subject to a significant degree of subjectivity.

8 Segment information

As per management approach in relation to IFRS 8, the operating segments are presented in accordance with the internal reporting provided to the Board of Directors (the chief operating decision-maker), which is responsible for allocating resources and assessing performance of the operating segment. All operating segments used by the Group meet the definition of a reportable segment as per IFRS 8. The basic operating segments of the Group for which segment information is presented are as follows:

- (1) Investment property
- (2) Hotel and tourism
- (3) Cement - strategic investment in Vassiliko Cement Work Public Company Limited

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8 Segment information (continued)

The Group's Board of Directors assesses the performance of the operating segments based on a measure of earnings before interest, taxes, depreciation and amortisation (EBITDA). This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs and impairments when the impairment is the result of an isolated, non-recurring event. Interest income and expenditure are not allocated to segments. Other information presented, is accounted as per the financial statements.

The segment information provided to the Group's management for the reportable segments is as follows:

For the year ended 31 December 2021

	Hotel and Tourism €000	Investment property €000	Cement €000	Other €000	Reconciliation adjustments €000	Total €000
Revenue	-	-	101.419	275	(101.419)	275
(Loss)/Profit before interest, taxes and depreciation	(127)	(415)	33.431	125	(33.431)	(416)
Total segment assets	22.188	283.878	292.087	15.317	(231.913)	381.566
Total assets includes: Investments in associates	-	-	-	61	60.112	60.174
Additions to non-current assets	-	-	9.925	-	(9.925)	19
Total segment liabilities	6.630	7.334	44.519	44.091	(44.519)	58.055

For the year ended 31 December 2020

	Hotel and Tourism €000	Investment property €000	Cement €000	Other €000	Reconciliation adjustments €000	Total €000
Revenue	-	-	105.661	328	(105.661)	328
(Loss)/Profit before interest, taxes and depreciation	(63)	45.162	32.827	198	(32.827)	45.296
Total segment assets	22.500	283.858	294.696	13.647	(234.670)	380.031
Total assets includes: Investments in associates	-	-	-	41	59.985	60.026
Additions to non-current assets	-	-	10.936	-	(10.936)	-
Total segment liabilities	16	7.334	47.590	43.986	(47.590)	51.336

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8 Segment information (continued)

Reconciliation of segment results

A reconciliation of profit/(loss) before interest, taxes and depreciation to loss before tax is as follows:

	2021 €000	2020 €000
(Loss)/Profit before interest, taxes and depreciation	(416)	45.296
Depreciation	-	(9)
Operating (loss)/profit	(416)	45.287
Finance cost	(22)	-
Share of profit of investments accounted for using the equity method (Note 17)	4.429	4.231
Profit before tax	<u>3.991</u>	<u>49.518</u>

Reconciliation of segment assets and liabilities

Reportable segments' assets are reconciled to total assets as follows:

	2021 €000	2020 €000
Assets for reportable segments	381.556	380.031
Total assets as per consolidated balance sheet	<u>381.556</u>	<u>380.031</u>

Reportable segments' liabilities are reconciled to total liabilities as follows:

	2021 €000	2020 €000
Liabilities for reportable segments	58.055	51.336
Total liabilities as per consolidated balance sheet	<u>58.055</u>	<u>51.336</u>

9 Revenue

	The Group		The Company	
	2021 €000	2020 €000	2021 €000	2020 €000
Interest income:				
Loans to related parties (Note 30 (ii))	263	328	263	328
Dividend income (Note 17)	-	-	4.186	2.550
Profit on revaluation of financial assets at fair value through income statement	12	-	12	-
	<u>275</u>	<u>328</u>	<u>4.461</u>	<u>2.878</u>

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10 Analysis of expenses

The Group

	2021 €000	2020 €000
Director's and Audit Committee's Remuneration (Note 30 (iii))	9	9
Auditors remuneration	42	34
Legal and other costs	72	56
Electricity and fuel costs	3	3
Depreciation (Note 15)	-	9
Insurance	8	8
Management and administrative costs	452	530
Other expenses	106	92
	692	741

The Company

	2021 €000	2020 €000
Director's and Audit Committee's Remuneration (Note 30 (iii))	9	9
Auditors remuneration	37	29
Legal and other costs	15	8
Electricity and fuel costs	3	3
Depreciation (Note 15)	-	9
Insurance	8	8
Management and administrative costs	53	44
Other expenses	25	30
	150	140

The total fees charged by the statutory audit firm for the statutory audit of the annual financial statements of the Group/Company for the year ended 31 December 2021 amounted to €42 thousand/€37 thousand (2020: €34 thousand/€29 thousand). The total fees charged by the statutory audit firm of the Group/Company for the year ended 31 December 2021 for non-audit services amounted to €0 thousand (2020: €0 thousand).

11 Finance cost

	The Group		The Company	
	2021 €000	2020 €000	2021 €000	2020 €000
Interest charged:				
Bank deposits (negative interest)	22	-	-	-
	22	-	-	-

12 Taxation

	The Group		The Company	
	2021 €000	2020 €000	2021 €000	2020 €000
Tax				
Defence tax	-	-	-	-
Deferred Tax (Note 26)				
Tax charge	-	5.713	-	-
Tax credit	-	5.713	-	-

The Cyprus Cement Public Company Limited

12 Taxation (continued)

The tax on the Group's and Company's profit/(loss) before tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

	The Group		The Company	
	2021	2020	2021	2020
	€000	€000	€000	€000
Profit before tax	3.991	49.518	4.311	2.738
Tax calculated at the applicable corporation tax rate of 12,5%	490	6.190	539	342
Tax effect of expenses not deductible for tax purposes	64	52	10	8
Tax effect of allowances and income not subject to tax	-	-	(525)	(319)
Tax effect of share of profit from investments accounted for using the equity method	(554)	(529)	-	-
Tax effect of using tax losses brought forward	-	-	(24)	(31)
Tax charge	-	5.713	-	-

The Company and the Group are subject to income tax on taxable profits at the rate of 12,5%.

Tax losses of up to 5 years can carry forward and utilised against tax profit. Under certain conditions, interest may be exempt from income tax and be subject only to special contribution for defence at the rate of 30%.

In certain cases dividends received from abroad may be subject to special contribution for defence at the rate of 17%. Additional in certain cases dividends received from other Cyprus tax resident companies may also be subject to special contribution for defence.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

In accordance with the Income Tax Law, the Company and its subsidiaries, over which the Company controls directly or indirectly of the 75% of their issued share capital, are considered to be a "group" for tax purposes. A company of the "group" may transfer losses and offset them against profits elsewhere in the group.

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12 Taxation (continued)

The tax (charge)/credit relating to components of other comprehensive income is as follows:

Tax effects of components of other comprehensive income

The Group

	Year ended 31 December					
	2021			2020		
	Before tax €000	Tax (charge)/ credit €000	After tax €000	Before tax €000	Tax (charge)/ credit €000	After tax €000
Associated companies:						
Changes in equity	(95)	-	(95)	(56)	-	(56)
Financial assets held at fair value through other comprehensive income						
Profit from revaluation of investment at fair value	-	-	-	1.797	-	1.797
Expenses from disposal of investment	(192)		(192)	-	-	-
Other comprehensive Income	(287)	-	(287)	1.741	-	1.741

13 Earnings per share

Earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Basic and fully diluted

	31 December 2021	31 December 2020
Profit attributable to equity holders of the Company - €000	4.039	43.826
Weighted average number of ordinary shares in issue	137.610.883	137.610.883
Profit per share - basic and fully diluted (cent per share)	2,94	31,85

14 Dividend per share

On 20th July 2020, the Annual General Meeting approved the payment of a dividend of €0,007 per share, amounted to €963 thousand out of the profits of 2018. The dividend was paid to the shareholders on 7th September 2020.

On 18th June 2021, the Annual General Meeting approved the payment of a dividend of €0,0175 per share, amounted to €2.408.566 out of the profits of 2019. The dividend was paid to the shareholders on 28th July 2021.

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15 Property, plant and equipment

The Group

	Machinery and equipment €000	Motor Vehicles €000	Furniture and fittings €000	Total €000
At 1 January 2020				
Cost	-	46	-	46
Accumulated depreciation	-	(36)	-	(36)
Net book value	<u>-</u>	<u>9</u>	<u>-</u>	<u>9</u>
Year ended 31 December 2020				
Opening net book amount	-	9	-	9
Depreciation charge (Note 10)	-	(9)	-	(9)
Net book amount at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2020				
Cost	-	46	-	46
Accumulated depreciation	-	(46)	-	(46)
Net book amount	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Year ended 31 December 2021				
Opening net book amount	-	-	-	-
Depreciation charge (Note 10)	-	-	-	-
Net book amount at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2021				
Cost	-	46	-	46
Accumulated depreciation	-	(46)	-	(46)
Net book amount	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

- Depreciation charge of €0 thousand (2020: €9 thousand) was charged to “administrative expenses”.

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15 Property, plant and equipment (continued)

The Company

	Motor vehicles €000	Furniture and fittings €000	Total €000
At 1 January 2020			
Cost	46	-	46
Accumulated depreciation	(36)	-	(36)
Net book value	<u>9</u>	<u>-</u>	<u>9</u>
Year ended 31 December 2020			
Opening net book amount	9	-	9
Depreciation charge (Note 10)	(9)	-	(9)
Net book amount at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2020			
Cost	46	-	46
Accumulated depreciation	(46)	-	(46)
Net book amount	<u>-</u>	<u>-</u>	<u>-</u>
Year ended 31 December 2021			
Opening net book amount	-	-	-
Depreciation charge (Note 10)	-	-	-
Net book amount at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2021			
Cost	46	-	46
Accumulated depreciation	(46)	-	(46)
Net book amount	<u>-</u>	<u>-</u>	<u>-</u>

Depreciation charge of €0 thousand (2020: €9 thousand) was charged to administrative expenses.

16 Investment property

The Group

	<u>Land for development in Cyprus</u>	
	2021	2020
	€000	€000
Fair value hierarchy	3	3
Fair Value at 1 January	283.858	238.131
Additions	19	27
Profit from revaluation of investment property at fair value	-	45.700
Fair value at 31 December	<u>283.878</u>	<u>283.858</u>

The Cyprus Cement Public Company Limited

16 Investment property (continued)

The Company

	Land in Cyprus	
	2021	2020
	€000	€000
Fair Value at 1 January	844	844
Additions	3	-
Fair Value at 31 December	<u>847</u>	<u>844</u>

On February 5th, 2021, the Town Planning Department has issued the Planning Permit, ΑΕΜ/00184/2017, for the “Master Plan” of the land belonging to its 100% subsidiary C.C.C. Real Estate Company Ltd.

The Planning Permit, concerns the construction of the basic public road network (roads, pedestrian walkways, coastal pedestrian walkways), the location of the public green areas, public areas of social/community facilities and public parking spaces.

The permit covers and includes all the necessary conditions and infrastructure for the development of the area, according to the provisions of Chapter 14.15 (Policy for the Annulment of the Old Industrial Zones) and Chapter 23 (Special Developments) of the Limassol Local Plan. It is noted that depending on the uses deriving from the mentioned chapters of the Local Plan, and from other incentives, a higher building coefficient can be ensured with the corresponding urban characteristics.

At 31 December, 2020, the Group's management proceeded with a revaluation of property investment based on the independent assessment carried out by a certified valuer, taking into account the terms of the Planning Permit and the prospects of the investment property. The revaluation of the investment property at fair value resulted in a profit of €45.700 thousand, which has been recognized as «profit from revaluation of investment property at fair value» in the consolidated income statement.

The Company's/Group's investment property is measured at fair value. Changes at fair values are presented in profit or loss. The Company/Group holds only one class of investment property, being land for development in Cyprus.

At 31 December 2020 and 31 December 2021, loans of related parties were secured with Group's investment property (Note 30 (v)).

(i) Valuation method and key assumptions

The investment property is valued by the Management who has the relevant expertise, knowledge and recent experience in the valuation of the investment property.

For the purposes of calculating the fair value of the investment property, the management used the sales comparison approach, adjusted with assumptions due to the special nature, size and uniqueness of the property and their urban characteristics. Also, the Planning Permit ΑΕΜ/00184/2017 issued by the Town Planning Department for the “Master Plan” of the and the prospects of the land, which are exceptional, were taken into account.

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15 Investment property (continued)

(i) Valuation method and key assumptions (continued)

The assessment of the valuation of the investment property has been carried out using the comparable method taking into account comparable sales which have been made in the year 2019, 2020 and 2021 at a short distance from the land of the Group and with very comparable characteristics. For the purposes of the comparable method, the Management has divided the property into five notional zones for the estimation of the fair value, taking into account the terms of the Planning Permit secured, the development prospects of the investment property, the plan for the possible development of the property according to the uses determined by the development chapters of the Limassol Local Plan, the non-uniformity in the shape as well as the geographical advantages of each zone. As a result, the comparable method is mainly based on the observable values set for Zone A and adjustments were made to estimate the values of the remaining zones using the zoning method.

The management estimate for the fair value of the investment property at December 2021 has not significantly changed from the fair value as estimated by the management at 31 December 2020, which was based on the independent assessment carried out by independent certified valuers.

The area of each notional zone, the price per square meter of each notional zone and the price ratio per zone have been determined by the Management, as at 31 December 2021 and 31 December 2020 are as follows:

Notional Zone	Area (square meters '000/ %)	Price per square meter (€)
Zone A	300 / 29%	400
Zone B	73 / 7%	320 (80% of Zone A's price)
Zone C	157 / 15%	280 (70% of Zone A's price)
Zone D	110 / 10%	200 (50% of Zone A's price)
Zone E	415 / 39%	180 (45% of Zone A's price)

The valuation of the investment property has been classified as level 3 valuation since the valuation techniques used incorporate unobservable inputs.

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15 Investment property (continued)

(ii) Valuation of Investment Property at fair value using significant non-observable inputs Data (Level 3) and sensitivity analysis

The table below shows the possible impact of the fair value of the investment property in the Group's/Company's total income due to a change in the non-observable inputs (Level 3).

Information about valuation of investment property at fair value using non-observable inputs (Level 3) – 31 December 2021 and 31 December 2020

Property	Valuation (€000)	Valuation method	Non-observable inputs	Change in input	Deviation/ Sensitivity
Land for development in Cyprus	283.858	Comparative method	Allocation of area into zones ('000/ %)	Zone A – 211/ 20%	€19.100 thousands decrease
				Zone B – 106/ 10%	
				Zone C – 106/ 10%	
				Zone D – 158/ 15%	
				Zone E – 475/ 45%	
Land for development in Cyprus	283.858	Comparative method	Allocation of area into zones ('000/ %)	Zone A – 211/ 20%	€20.100 thousands decrease
				Zone B – 53/ 5%	
				Zone C – 158/ 15%	
				Zone D – 211/ 20%	
				Zone E – 422/ 40%	
Land for development in Cyprus	283.858	Comparative method	Price per square meter (€)	Zone A – 380	€14.100 thousands increase
				Zone B – 304	
				Zone C – 266	
				Zone D – 190	
				Zone E – 171	
Land for development in Cyprus	283.858	Comparative method	Price per square meter (€)	Zone A – 360	€28.300 thousands decrease
				Zone B – 288	
				Zone C – 252	
				Zone D – 180	
				Zone E – 162	
Land for development in Cyprus	283.858	Comparative method	Price per Zone (%/€)	Zone A – 100%/400	€38.200 thousands increase
				Zone B – 75%/300	
				Zone C – 50%/200	
				Zone D – 40%/160	
				Zone E – 33%/132	

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17 Investments accounted for using the equity method

	The Group		The Company	
	2021	2020	2021	2020
	€000	€000	€000	€000
At beginning of year	60.026	58.401	52.608	52.608
Share of profit after tax	4.429	4.231	-	-
Share of changes in equity	(95)	(56)	-	-
Dividends (Note 9)	(4.186)	(2.550)	-	-
At end of year	<u>60.174</u>	<u>60.026</u>	<u>52.608</u>	<u>52.608</u>

The Group

Set out below are presented the associate companies of the group as at 31 December 2021 and 31 December 2020. The associate companies listed below have a share capital consisting exclusively of ordinary shares, held directly by the Group. The country of incorporation or registration is the place of business.

	Country	Principal activities	% interest held	Measurement Method
2021				
Vassiliko Cement Works Public Company Limited	Cyprus	Production and sale of cement	25,3%	Equity Method
C.C.C. Secretarial Ltd	Cyprus	Secretarial and administration services	50,0%	Equity Method
2020				
Vassiliko Cement Works Public Company Limited	Cyprus	Production and sale of cement	25,3%	Equity Method
C.C.C. Secretarial Ltd	Cyprus	Secretarial and administration services	50,0%	Equity Method

The associate company Vassiliko Cement Works Public Company Limited is listed on the Cyprus Stock Exchange. On 31 December 2021, and the fair value of the investment in associate based on the market price was €49.139 thousand (2020: €41.496 thousand). The market price listed on the stock exchange is not representative since these shares are not traded in an active market.

Important restrictions

There are no significant restrictions as a result of borrowing, regulatory or contractual arrangements between investors with significant influence on affiliated companies in relation to the ability of affiliated companies to transfer money to the Group in the form of cash dividends or to repay loans or advances made from the Group.

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17 Investments accounted for using the equity method (continued)

Contingent Liabilities and Commitments

(a) Capital Commitments

At 31 December 2021, the capital expenditures for the associated company Vassiliko Cement Works Public Company Limited, which have been committed but have not yet been realised, amounted to €2.774 thousand (2020: €3.845 thousand).

Set out below are the summarised financial information of the associated companies:

Summarised balance sheet

	Vassiliko Cement Works Public Company Limited	
	2021	2020
	€000	€000
Current assets	48.495	47.165
Non-current assets	243.142	247.531
Current Liabilities	(14.966)	(15.743)
Non-current Liabilities	(29.553)	(31.847)
Net assets	247.568	247.106

Summarised statement of comprehensive income

	Vassiliko Cement Works Public Company Limited	
	2021	2020
	€000	€000
Revenue	101.419	105.661
Profit for the year	17.423	16.722
Other Comprehensive income	(375)	(333)
Total comprehensive income for the year	17.048	16.389

The information stated above reflect the amounts presented in the consolidated financial statements of the associate companies.

The Cyprus Cement Public Company Limited

17 Investments accounted for using the equity method (continued)

Summarised reconciliation of financial information

The reconciliation of the summarized financial information is presented to the carrying value of the Investment in associate is as follows:

	Vassiliko Cement Works Public Company Limited	
	2021	2020
	€000	€000
Summarised financial information		
Net assets at 1 January	237.168	230.850
Profit for the year	17.423	16.722
Other comprehensive income for the year	(375)	(333)
Dividends	(16.545)	(10.071)
Net assets at 31 December	237.671	237.168
Share of the investment in associate – 25,3%	60.130	60.004
Carrying value	60.130	60.004

The Company

Set out below are presented the associate companies of the company at 31 December 2021 and 31 December 2020. The associate companies listed below have a share capital consisting exclusively of ordinary shares, held directly by the Company. The country of incorporation or registration is also the place of business.

	Country	Principal activities	% interest held	Measurement Method
2021				
Vassiliko Cement Works Public Company Limited	Cyprus	Production and sale of cement	25,3%	Cost Method
C.C.C. Secretarial Ltd	Cyprus	Secretarial and administration services	50,0%	Cost Method
2020				
Vassiliko Cement Works Public Company Limited	Cyprus	Production and sale of cement	25,3%	Cost Method
C.C.C. Secretarial Ltd	Cyprus	Secretarial and administration services	50,0%	Cost Method

18 Investment in subsidiaries

	2021	2020
	€000	€000
At the beginning of the year	249.950	249.950
At the end of the year	249.950	249.950

The subsidiary companies, all of them registered in Cyprus, are listed below. Unless specified otherwise, subsidiaries have a share capital consisting exclusively of ordinary shares held directly by the group, and the percentage of ownership rights held is equal to the voting rights the group owns. The country of incorporation or registration is the place of business.

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18 Investment in subsidiaries (continued)

Name	Country of incorporation	Principal activities	% interest held	
			31 December 2021 %	31 December 2020 %
C.C.C. Real Estate Company Limited	Cyprus	Holding and development of investment property	100,00	100,00
C.C.C. Tourist Enterprises Public Company Limited	Cyprus	Holding of investments in hotel and tourism industry	67,29	67,29

The minority interest in subsidiary companies on 31 December 2021 was €723 thousand (2020: €7.323 thousand) and it relates to the minority interest of C.C.C. Tourist Enterprises Public Company Limited. The minority interest's percentage of C.C.C. Tourist Enterprises Public Company Limited is 32,71%. The share of loss for the year ended 31 December 2021 attributable to the minority interest of C.C.C. Tourist Enterprises Public Company Limited was €49 thousand (2020: €21 thousand).

At an Extraordinary General Meeting of the shareholders of the subsidiary company C.C.C. Tourist Enterprises Public Company Ltd on 13th October 2021, the following resolution was approved:

«That the authorised share capital of the subsidiary company which amounts to EUR 64.500.000 divided into 150.000.000 ordinary shares with a nominal value of EUR 0,43 cent each, be reduced and same is hereby reduced to EUR 2.445.000 divided into 150.000.00 ordinary shares with a nominal value of EUR 0,0163 cent each and the issued share capital of the subsidiary company which amounts to EUR 60.927.577,20 divided into 141.692.040 ordinary shares with a nominal value of EUR 0,43 cent each, be reduced and same is hereby reduced from EUR 60.927.577,20 to EUR 2.309.580 by the reduction of the nominal value of each share as follows:

- (i) reduction of the nominal value of the shares of the subsidiary company from EUR 0,43 cent each to EUR 0,1563 cent each for the purpose of writing off accumulated losses of the Company.
- (ii) reduction of the nominal value of the shares of the subsidiary company from EUR 0,1563 cent each to EUR 0,0163 cent each by the return of cash to the shareholders of the amount of EUR 19.836.886, which corresponds to EUR 0,14 cent per share.»

The above Special Resolution for the reduction of the share capital was approved by Limassol's District Court on 22nd December 2021.

Summarised balance sheet

	C.C.C. Tourist Enterprises Public Company Limited	
	2021 €000	2020 €000
Current assets	22.188	145
Current liabilities	(19.984)	(258)
Net current assets	<u>2.204</u>	<u>(113)</u>
Non-current assets	-	22.500
Net non-current assets	<u>-</u>	<u>22.500</u>
Net assets	<u>2.204</u>	<u>22.387</u>

The Cyprus Cement Public Company Limited

18 Investment in subsidiaries (continued)

Summarised income statement

	C.C.C. Tourist Enterprises Public Company Limited	
	2021	2020
	€000	€000
Loss for the year	(148)	(63)
Other comprehensive loss	(192)	1.797
Total comprehensive loss	(340)	1.734

Summarised cash flows

	C.C.C. Tourist Enterprises Public Company Limited	
	2021	2020
	€000	€000
Cash flows from operating activities		
Cash generated from operations	(458)	(56)
Interest paid	22	-
Net cash used in operating activities	(436)	(56)
Net cash from investing activities	22.642	-
Net cash (used in)/from financing activities	(22)	59
Net increase in cash and bank overdrafts	22.185	3
Cash at beginning of year	3	-
Cash at end of year	22.188	3

The information above is the amount before inter-company eliminations.

19 Financial assets at fair value through other comprehensive income

Investment at fair value through other comprehensive income

	The Group		The Company	
	2021	2020	2021	2020
	€000	€000	€000	€000
Investment in equity securities were determined at fair value through other comprehensive income				
Unlisted equity securities	-	22.500	-	-

On 9th April 2021, the agreement of its subsidiary C.C.C. Tourist Enterprises Public Company Ltd for the sale of 24,98% of the issued shares held in Parklane Hotels Limited, was completed.

According to the Share Purchase Agreement signed, its subsidiary C.C.C. Tourist Enterprises Public Company Ltd sold of 24,98% of the issued shares in Parklane to Emerald Coast Properties Ltd, which owned of 75,02% of the issued shares in Parklane Hotels Limited.

The Cyprus Cement Public Company Limited

19 Financial assets at fair value through other comprehensive income (continued)

Investment at fair value through other comprehensive income (continued)

Simultaneously, Emerald Coast Properties Ltd, with a separate Shares Purchase Agreement, sold of 100% of the issued shares of Parklane Hotels Limited to MHV Mediterranean Hospitality Venture Limited. MHV Mediterranean Hospitality Venture Limited is a related company of Invel Real Estate Management (Cyprus) Ltd.

The consideration for the sale of 24,98% of the shares the Group held in Parklane Hotels Ltd amounted to €22.500 thousand, which was paid in cash with the completion of the Share Purchase Agreement.

On 31st December 2020, the Group's investment in Parklane Hotels Ltd is measured at fair value through other comprehensive income, in accordance with the IFRS 9 principles "Financial Instruments".

The Group's share in Parklane Hotels Ltd issued share capital is 0% (2020: 24,98%). Although the Group held more than 20% of the voting rights on 31 December 2020, the Group's assessment was that it did not have a significant influence on Parklane Hotels Limited as it did not have the ability to participate in the management decisions of Parklane Hotels Limited.

(i) Valuation technique and key assumptions

On the 23rd of October 2020, the subsidiary, C.C.C. Tourist Enterprises Public Company Ltd, signed a Memorandum of Understanding with Emerald Properties Limited, which owns the remaining issued shares of Parklane Hotels Limited and the potential investor, for the acquisition of 100% of the issued shares of Parklane Hotels Limited.

The valuation of the fair value of the investment in Parklane Hotels Limited on 31 December 2020 was made by the Group's Management, which was based on the method of the current exit price based on the sale price, as defined in the Memorandum of Understanding (the "Memorandum"). The Group's Management estimated that the sale price reflects the fair value of the investment at 31 December 2020. The fair value valuation has therefore been reclassified to Level 2 as it uses significant observable data.

The completion of the sales agreement for the sale of the investment after the year ended 31 December 2020 at the sale price set in the Memorandum of Understanding confirms the assessment of the fair value of the investment by the Group's Management on 31 December 2020.

(ii) Sensitivity

The fair value of the investment is included in level 2 for the year ended 31 December 2020 (Note 6 (iii) fair value estimations) since the valuation technique is based on significant non-observative inputs of the market.

The investment measured at fair value through other comprehensive income is analysed as follows:

	The Group		The Company	
	2021 €000	2020 €000	2021 €000	2020 €000
Euro - functional and presentation currency	-	22.500	-	-

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20 Financial assets at fair value through income statement

	The Group		The Company	
	2021	2020	2021	2020
	€000	€000	€000	€000
Opening Balance	-	-	-	-
Additions	995	-	995	-
Profit on revaluation of financial assets at fair value through income statement	12	-	12	-
Precious metals in an active market	1.007	-	1.007	-

The estimate of the fair value of the investment at 31 December 2021 was based on its current price in active markets.

21 Financial assets at amortised cost

	The Group		The Company	
	2021	2020	2021	2020
	€000	€000	€000	€000
Current				
Loan granted to ultimate holding company (Note 30 (vii))	7.447	5.360	7.447	5.360
Loan granted to holding company (Note 30 (vii))	4.987	6.188	4.987	6.188
Other receivables	-	142	-	-
Receivables from related parties (Note 30 (iv))	-	21	2.938	2.664
	12.434	11.712	15.372	14.213

All loan receivables are repayable on demand, bear annual interest rate 2,25% (2020: 3,00%) and are secured (Note 30 (vii)).

Due to the short-term nature of the current financial assets at amortised cost, their carrying amount at the balance sheet date is considered to be at fair value.

Note 6 provides information on the impairment of financial assets at amortised cost and the exposure of Group's/Company's Credit Risk.

The carrying amounts of the Company's and Group's loan receivables are denominated in the following currencies:

	The Group		The Company	
	2021	2020	2021	2020
	€000	€000	€000	€000
Euro	12.434	11.712	15.372	14.213

The maximum exposure to credit risk at the balance sheet date is the carrying value of receivables mentioned above. The Group's/Company's loan receivables are secured with Corporate Guarantees (Note 30 (vii)).

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22 Cash and cash equivalents at bank

	The Group		The Company	
	2021 €000	2020 €000	2021 €000	2020 €000
Cash at bank and in hand	23.751	1.696	1.521	1.692
	<u>23.751</u>	<u>1.696</u>	<u>1.521</u>	<u>1.692</u>

The carrying amounts of the Group's and Company's cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2021 €000	2020 €000	2021 €000	2020 €000
Euro	23.751	1.696	1.521	1.692
	<u>23.751</u>	<u>1.696</u>	<u>1.521</u>	<u>1.692</u>

Non-cash transactions

The main non-cash transactions of the Group, during the current year, were as follows:

- The payment of dividends by the Group of €1.658 thousand, against loan receivables by related companies.

The main non-cash transactions of the Company, during the current year, were as follows:

- The payment of dividends by the Company of €1.658 thousand, against loan receivables from related companies.

The main non-cash transactions of the Group, during the year 2020, were as follows:

- The payment of dividends by the Group of €354 thousand, against loan receivables by related companies.

The main non-cash transactions of the Company, during the year 2020, were as follows:

- The payment of dividends by the Company of €354 thousand, against loan receivables from related companies.

23 Other assets

	The Group		The Company	
	2021 €000	2020 €000	2021 €000	2020 €000
Value Added Tax Refundable	313	238	-	-
	<u>313</u>	<u>238</u>	<u>-</u>	<u>-</u>

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24 Share capital and share premium

	31 December 2021			31 December 2020		
	Number of shares	Ordinary share capital €000	Share premium €000	Number of shares	Ordinary share capital €000	Share premium €000
Issued and fully paid						
At beginning of year	137.610.883	59.173	910	137.610.883	59.173	910
At end of year	<u>137.610.883</u>	<u>59.173</u>	<u>910</u>	<u>137.610.883</u>	<u>59.173</u>	<u>910</u>

The total authorised number of ordinary shares is 200.000.000 shares (2020: 200.000.000 shares) with a nominal value of €0,43 per share (2020: nominal value of €0,43 per share). All issued shares are fully paid.

25 Borrowings

The Company and the Group

The undrawn borrowing facilities for 2021 and 2020 are secured by personal guarantees of Messrs. George Galatariotis and Costas Galatariotis amounted to €1.600 thousand (Note 30 (vi)).

The Company/Group has the following undrawn borrowing facilities:

	The Group		The Company	
	2020 €000	2020 €000	2021 €000	2020 €000
Floating rate: Expiring within one year	<u>1.598</u>	<u>1.598</u>	<u>1.563</u>	<u>1.593</u>

The facilities expiring within one year are annual facilities subject to review at various dates.

26 Deferred tax liabilities

The movement in deferred tax liabilities, without taking into consideration the offsetting of balances not related to the same tax authority, is as follows:

The Group

	Profit fair value €000	Total €000
At 1 January 2020	45.213	45.213
Charge to profit or loss (Note 12)	5.713	5.713
At 31 December 2020	<u>50.926</u>	<u>50.926</u>
At 1 January 2021	50.926	50.926
Charge to profit or loss (Note 12)	-	-
At 31 December 2021	<u>50.926</u>	<u>50.926</u>

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26 Deferred tax liabilities (continued)

The Company

	Investment in subsidiary companies €000	Total €000
At 1 January 2020	43.897	43.897
At 31 December 2020	43.897	43.897
	Investment in subsidiary companies €000	Total €000
At 1 January 2021	43.897	43.897
At 31 December 2021	43.897	43.897

27 Trade and other payables

	The Group		The Company	
	2021 €000	2020 €000	2021 €000	2020 €000
Payables to related parties (Note 30 (iv))	89	13	9	9
Other payables and accrued expenses	151	97	180	85
Payable to shareholders ⁽¹⁾	6.489	-	-	-
	6.729	110	189	94

The fair value of trade and other payables which are due within one year approximates their carrying amount at the balance sheet date.

- (1) As stated in note 18 the company's subsidiary reduced the nominal value of its share from €0,1563 each to €0,0163 each, by returning cash to the shareholders of €0,14 cent per share. As a result of the above decision, an obligation has been created towards the shareholders of the subsidiary which was recognized in the Group's consolidated financial statements at 31 December 2021, and which was paid after the end of the year (Note 31).

28 Provisions

	The Group		The Company	
	2021 €000	2020 €000	2021 €000	2020 €000
Provision for road construction	300	300	-	-
Provision for capital gain tax ⁽¹⁾	100	-	-	-
At 31 December	400	300	-	-

- (1) The amount of €100 thousand represents a capital gain tax which was imposed by the Tax Department for the disposal of 24,98% of the shares held by Company's subsidiary at Parklane Hotels Limited. The initial tax imposed by the Tax Department amounted to €1.900 thousand and for which the subsidiary filed an objection. The objection against this tax was completed with the payment of the amount of €100 thousand for a full settlement of the tax (Note 31).

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29 Contingencies and commitments

Other contingent liabilities of the Company/Group

The Group is guarantor of the related companies loans as described in Note 30 (v). The Board of Directors does not expect any significant liabilities to the Group in respect to these guarantees.

The obligations related to the credit commitment obligations are as follows:

	Note	2021 €000	2020 €000
Finance guarantees	6 (i)	1.500	1.500
Provision for finance guarantees	6 (i)	-	-

30 Related party transactions

The Company is controlled by C.C.C. Holdings & Investments Limited (parent company), which is registered in Cyprus. The ultimate holding company is George S. Galatariotis & Sons Limited, also registered in Cyprus.

The related companies are companies under common control, companies controlled by the Directors of the Company and companies exercising significant influence to the Group and the Company.

The following transactions were carried out with related parties:

(i) Purchases of services

	The Group		The Company	
	2021 €000	2020 €000	2021 €000	2020 €000
Related companies:				
Management and administrative services	452	530	42	36
	<u>452</u>	<u>530</u>	<u>42</u>	<u>36</u>

(ii) Interest on balances with related parties

	The Group		The Company	
	2021 €000	2020 €000	2021 €000	2020 €000
Interest received (Note 9):				
Loans to related entities	263	328	263	328
	<u>263</u>	<u>328</u>	<u>263</u>	<u>328</u>

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30 Related party transactions (continued)

(iii) Key management personnel and Directors' compensation

The total remuneration of the key management personnel (including the remuneration of the Directors as members of the Board of Directors and Audit Committee) for the year ended 31 December 2021 and 31 December 2020, amounts as follows:

- The following directors are paid €1.000 each annually for their services as members of the Board of Directors: George St. Galatariotis, Costas St. Galatariotis, Stavros G. Galatariotis, Michalis Mousiouttas, Antonis Antoniou and Tasos Anastasiou.
- The following directors are paid €1.000 each annually for their services as members of the Audit Committee: Michalis Mousiouttas, Antonis Antoniou and Tasos Anastasiou.

(iv) Year end balances

	The Group		The Company	
	2021	2020	2021	2020
	€000	€000	€000	€000
Receivable from related parties (Note 21):				
Related companies	-	21	-	21
Subsidiary companies	-	-	2.938	2.643
	-	21	2.938	2.664
Payable to related parties (Note 27):				
Directors	11	13	9	9
Related companies	78	-	-	-
	89	13	9	9

The receivable and payable to related parties do not bear interest, are not secured and are repayable on demand.

(v) Guarantees for loans provided to related companies

The Group has guaranteed bank loans and overdrafts of related parties as follows:

	2021		2020	
	Guarantees on investment property	Corporate guarantees	Guarantees on investment property	Corporate guarantees
	€000	€000	€000	€000
Ultimate parent company	1.677	1.500	1.677	1.500
	1.677	1.500	1.677	1.500

(vi) Personal guarantees of Directors

The Group's/Company's unused bank overdrafts for the years ended 31 December 2021 and 2020 are secured by personal guarantees of Messrs. George Galatariotis and Costas Galatariotis for the amount of €800 thousand and €800 thousand respectively.

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30 Related party transactions (continued)

(vii) Loans to related parties

	The Group		The Company	
	2021	2020	2021	2020
	€000	€000	€000	€000
Loan to ultimate parent company:				
At the beginning of the year	5.360	4.433	5.360	4.433
Loan granted during the year	2.280	915	2.280	915
Loan that set off against dividends payable by the company	(330)	(132)	(330)	(132)
Interest charge (Note 30 (ii))	137	144	137	144
At the end of year (Note 21)	<u>7.447</u>	<u>5.360</u>	<u>7.447</u>	<u>5.360</u>

The loan bears interest at 2,25% (2020: 3,00%), is secured by corporate guarantee and is payable on demand.

	The Group		The Company	
	2021	2020	2021	2020
	€000	€000	€000	€000
Loan to parent company:				
At the beginning of the year	6.188	6.226	6.188	6.226
Loan set off against dividend payable by the company	(1.328)	(222)	(1.328)	(222)
Interest charge (Note 30 (ii))	126	185	126	185
At the end of the year (Note 21)	<u>4.987</u>	<u>6.188</u>	<u>4.987</u>	<u>6.226</u>

The loan bears interest at 2,25% (2020: 3,00%), is secured by corporate guarantee and is payable on demand.

(viii) Dividend income from related parties

	The Group		The Company	
	2021	2020	2021	2020
	€000	€000	€000	€000
Dividend income (Note 9)				
Related parties	-	-	4.186	2.550
	<u>-</u>	<u>-</u>	<u>4.186</u>	<u>2.550</u>

31 Events after the balance sheet date

- On 28th February 2022, the payment of capital return to the beneficiary shareholders of its subsidiary C.C.C. Tourist Enterprises Public company Ltd was completed.
- The Group's objection for the capital gain tax imposed of €1.9 million, for the disposal of 24,98% of the shares held in Parklane Hotels Limited, has been completed with the payment of €100 thousand for full and final settlement of the tax. The amount was paid on 10th March 2022.
- The Company's Board of Directors at its meeting held on 18th April 2022, examined and approved a proposal for the reduction of Company's share capital. It was also decided to convene an Extraordinary General Meeting of the Company's shareholders on Wednesday 18th May 2022, to consider and if thought fit pass the following Special Resolution:

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31 Events after the balance sheet date (continued)

- i. That the share premium account of the Company which has been established pursuant to Section 55 Company Law, Chapter 113, be reduced and same is hereby reduced from EUR 910.102,64 to EUR 0 (zero) by the return of cash to the shareholders the amount of EUR 910.102,64.
 - ii. That the authorised share capital of the Company which amounts to EUR 86.000.000 divided into 200.000.000 ordinary shares with a nominal value of EUR 0,43 cent each, be reduced and same is hereby reduced to EUR 74.000.000 divided into 200.000.000 ordinary shares with a nominal value of EUR 0,37 cent each and the issued share capital of the Company which amounts to EUR 59.172.679,69 divided into 137.610.883 ordinary shares with a nominal value of EUR 0,43 cent each, be reduced and same is hereby reduced from EUR 59.172.679,69 to EUR 50.916.026,71 by the reduction of the nominal value of the shares of the Company from EUR 0,43 cent each to EUR 0,37 cent each by the return of cash to the shareholders of the amount of EUR 8.256.652,98, which corresponds to EUR 0,06 cent per share.
- (d) During 2022, the Company, based on the relevant regulations of the Cyprus Stock Exchange and the Circulars of the Cyprus Securities and Exchange Commission, proceeded to the purchase of 81.385 own shares for €44 thousand.
- (e) Russia - Ukraine conflict

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges.

The United Nations, European Union as well as United States of America, Switzerland, United Kingdom and other countries imposed a series of restrictive measures (sanctions) against the Russian and Belarussian government, various companies, and certain individuals. The sanctions imposed include an asset freeze and a prohibition from making funds available to the sanctioned individuals and entities. In addition, travel bans applicable to the sanctioned individuals prevents them from entering or transiting through the relevant territories. The Republic of Cyprus has adopted the United Nations and European Union measures. The rapid deterioration of the conflict in Ukraine may as well lead to the possibility of further sanctions in the future.

The impact on the Group/Company largely depends on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict prevails and the high level of uncertainties arising from the inability to reliably predict the outcome.

The event did not exist in the reporting period and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2021 as it is considered as a non-adjusting event.

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31 Events after the balance sheet date (continued)

The future effects of the above may adversely affect the future financial performance, cash flows and financial position of the Group / Company, but are currently difficult to predict and as a result Management's expectations and calculations may differ from actual results.

There were no other material post balance sheet events that are relevant to the understanding of the financial statements.

Independent auditor's report on pages 9 to 14.