The Cyprus Cement Public Company Limited

Report and financial statements
31 December 2023

Contents

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)
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

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 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 2023, confirm that, to the best of our knowledge:

(a) The annual consolidated and separate financial statements which are presented on pages 15 to 67:

(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 of The Cyprus Cement Public Company Limited and the businesses that are included in the consolidated and separate financial statements as a whole.

(b) the Management Report gives a fair review of the developments and the performance as well as the financial position of The Cyprus Cement Public Company Limited and the businesses that are included in the consolidated and separate financial statements as a whole, 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)	
Antonis Antoniou Latouros (Director)	

Responsible for the preparation of the financial statements

Name and surname	**Signature**
Elena Stylianou (Financial Manager)	

Limassol, 29th April 2024

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 2023.

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 the production and sale of cement and related business.

Changes in the Group / Company

3 During the year there has been no change in the Group’s/Company's structure. The Group/Company do not intend to make any acquisition or merger.

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

4 The Group’s net profit for year 2023 amounted to €6.079 thousand compared to €35.230 thousand in 2022. The decrease in net profit is due to the fact that the Group's results for the year 2022 include profit from the revaluation of investment property at fair value of €37.000 thousand less deferred taxation of €4.500 thousand.

The share of profit from the associated company Vassiliko Cement Works Public Company Limited is increased compared to 2022 (2023: €6.470 thousand, 2022: €3.263 thousand). The increase in the results of its associate is due to the increased domestic consumption and the improvement of prices in both the domestic and export markets.

On 31 December 2023 the total assets of the Group were €405.214 thousand (2022: €402.605 thousand) and the net assets were €349.528 thousand (2022: €346.722 thousand).

5 The Company’s net profit for the year 2023 is approximately at the same level as in year 2022 (2023: €4.125 thousand, 2022: €4.326 thousand).

On 31 December 2023 the total assets of the Company were €315.254 thousand (2022: €313.852 thousand) and the net assets were €271.098 thousand (2022: €269.801 thousand).

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

Non-financial information

7 The Group/Company considers and complies with all health, safety and environmental regulations that affect the operations where the Group/Company operates. Until now, the Group/Company has not violated any health, safety and environmental 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 and 28 to the financial statements. 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 industry. These activities are influenced by a number of factors which include, but are not limited to, the following:

- National and international economic and geopolitical factors.
- The war between Russia and Ukraine and the sanctions imposed on Russia by the European Union, the United States, and other countries.
- The war between Israel and Gaza.

The Company/Group monitors these risks through various mechanisms and adjusts its strategy to mitigate the impact of these risks to the extent possible.

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 aims 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.

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. The Group/Company holds cash and cash equivalents that bear a floating interest rate, however the cash flow interest rate risk is not considered to be material.

12 At 31 December 2023, the Group's/Company's interest-bearing assets issued at fixed rate amounted to €9.981 thousand/€9.851 thousand respectively. The Group's/Company's management monitors the fluctuations in interest rates on an ongoing basis and acts accordingly. The Group/Company does not apply hedge accounting for fair value interest rate risk.

Credit risk

13 The credit risk of the Group/Company arises from cash and cash equivalents, as well as from contractual cash flows of debt investments measured at amortised cost. In addition, credit risk arises from financial guarantees.

14 For banks and financial institutions, the Company/Group has established policies whereby most bank balances are held with independently rated parties. If the contracting parties are rated by an independent party, then the Company/Group uses these ratings. Otherwise, if there is no independent assessment, the Management assesses the credit quality of the counterparty taking into consideration its financial performance, prior experience, and other factors.

Liquidity risk

15 The Board of Directors monitors current liquidity based on 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 page 15 and the Company's results are set out on page 16. 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 22nd June 2023, the Annual General Meeting of the Company's Shareholders approved the payment of dividend of €2.745 thousand, which corresponds to €0,02 cents per share, from the profits of year 2021. The dividend was paid to the shareholders on 1st August 2023.

19 The Board of Directors proposes the payment of a dividend of €2.743 thousand, which corresponds to €0,02 per share, from the profits of the year 2022. The Board of Directors' proposal will be put before the Annual General Meeting for approval.

Share capital

20 During 2023, the Company, based on the relevant regulations of the Cyprus Stock Exchange and the Circulars of the Cyprus Securities and Exchange Commission, purchased 133.214 own shares as shown below.

Own shares

21 According to the legislation, the reasons for purchasing the shares are their resale or their cancellation. The purchase of own shares aims to improve the return to the company's shareholders.

In the year 2023, the Company has purchased 133.214 own shares with a nominal value of €0,37 cents per share. The carrying amount of the shares purchased amounts to €83 thousand and represent 0,097% of the Company's issued share capital.

At an Extraordinary General Meeting of the Company's shareholders, which was held on 4th March 2024, a Special Resolution was approved such own shares acquired during the year 2022 and 2023, a total number of 449.004 shares, are cancelled.

The Cyprus Cement Public Company Limited

Management Report (continued)

Board of Directors

22 The members of the Board of Directors at 31 December 2023 and at the date of this report are presented on page 1.

23 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.

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

Corporate Governance Code

25 The Board of Directors has not adopted the provisions of the Corporate Governance Code. The Company is not required 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 not adopting the Corporate Governance Code is that the cost of possible implementation of the provisions of the Corporate Governance Code would be disproportionate to the expected benefits of its implementation.

26 The Board of Directors includes members from a wide range of ages and educational and professional backgrounds to reflect a wide range of experience and to facilitate the extraction of a variety of independent opinions and critical challenges. Regarding the recommendation of the Corporate Governance Code for gender diversity amongst the board members, this was considered by the Board of Directors which intends in future appointments to positively consider candidates which promote gender diversity, without adversely affecting the educational and professional background diversification of the Board of Directors.

27 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.

28 The Audit Committee consists of the following members:

- Antonis Antoniou Latouros - President of the Committee
- Tasos Anastasiou - Member of the Committee

29 The Audit Committee members are Independent Non-Executive Directors. The Committee meets with the external auditors for independent discussion without the presence of Executive Directors. The Audit Committee reviews a wide range of financial matters, 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 Group's/Company's financial statements. The Audit Committee also 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

30 The shareholders who held at least 5% of the issued share capital of the Company on 29th April 2024 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.

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

32 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.

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

34 The Board of Directors, subject to approval by the Company's shareholders, may issue or repurchase Company's own 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.

35 The Board of Directors of the Company consists of 5 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 development strategic.

Directors' interest in the Company's share capital

36 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 2023 and on 29th April 2024 was as follows:

	At 29 April 2024	**At 31 December 2023**
	%	**%**
George St. Galatariotis (1)	69,97	69,97
Costas St. Galatariotis (1)	-	-
Stavros G. St. Galatariotis (1)	-	-
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.

The Cyprus Cement Public Company Limited

Management Report (continued)

Contracts with Directors and related parties

37 Other than the transactions and the balances with Directors and related parties disclosed in Note 29 of the financial statements, there were no other significant contracts with the Company, or its subsidiaries as at 31 December 2023 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 at a general meeting.

Events after the balance sheet date

38 The material post balance sheet events, that are relevant on the understanding of the financial statements are disclosed in Note 30.

Branches

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

Climate change

40 The Board has considered the global awareness and concerns about the potential impacts of climate change. Currently, this matter has not had a material impact on the consolidated and separate financial statements, but Management continues to monitor developments in this area.

Independent auditors

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

By Order of the Board

C.C.C. SECRETARIAL LIMITED
SECRETARY

C.C.C. Secretarial Limited
Secretary

Limassol, 29th April 2024

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 (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 2023, 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 67 and comprise:

- the consolidated balance sheet as at 31 December 2023;
- the Company's balance sheet as at 31 December 2023;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the Company's statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the Company's statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the Company's statement of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include material accounting policy information.

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.

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. The key audit matter referred to below relates to the consolidated financial statements. There was no key audit matter for the separate financial statements.

Key Audit Matter	*How our audit addressed the Key Audit Matter*
Fair value of investment property	
In accordance with International Accounting Standard 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. We focused on this matter due to the size of the fair value of specific plots of land held for development by the Group amounting to €320.793 thousand at 31 December 2023 (2022: €320.194 thousand), and due to the complexity and high degree of subjectivity of Management's assessment of the fair value of the properties. At 31 December 2023, the fair value was estimated by the Management taking into account internal valuation calculations. At 31 December 2022, the fair value was estimated by the Management by taking into account a valuation conducted by an external independent qualified valuer.	We discussed with the Management and assessed the main data, the main assumptions, the valuation methodology and calculations made by the Management for the estimation of the fair value of the specific properties, which is based on data and assumptions of high subjectivity. Internal experts of our firm, with the required knowledge and qualifications, have been involved to support us in our assessment of the valuation of the properties performed by the Management. More specifically, with the support of our internal experts, we examined the calculations prepared by the Management, the mathematical accuracy of the valuation model, the appropriateness of the valuation method and the reasonableness of the significant assumptions made by the Management through a comparison with observable market data. We have assessed the adequacy and competence of the Management to carry out internal valuation calculations.

At 31 December 2023, the Management estimates that the fair value of the land under development has not significantly changed from the fair value as determined on 31 December 2022. For the purposes of estimating the fair value of the properties, the Management used the method of discounted cash flows associated with the proposed development of the properties, taking into account the planning permit obtained, the plan for potential development of the properties, the size and the uniqueness of the properties and their urban characteristics. The valuation methodology for 2023 is consistent with that used in 2022. Details of the estimates made are disclosed in Notes 4, 7 and 16 of the financial statements.	In addition, we evaluated the adequacy and the mathematical accuracy of the sensitivity analysis in relation to the effect on the fair value of the properties arising from the change in the main assumptions. Finally, we evaluated the adequacy of the disclosures made in Notes 4, 7 and 16 of the financial statements in relation to the data, key assumptions and sensitivity analysis on specific assumptions. 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 Directors and other responsible officers of the Company for the preparation of 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 16 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 2024 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 2023 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 statement of financial position as at 31 December 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and all disclosures made in the consolidated financial statements or made by cross-reference therein to other parts of the annual financial report for the year ended 31 December 2023 that correspond to the elements of Annex II of the EU Delegated Regulation 2019/815 of 17 December 2018 of the European Commission, as amended from time to time (the "ESEF Regulation") (the "digital files").

The Board of Directors of The Cyprus Cement Public Company Limited is responsible for preparing and submitting the consolidated and separate financial statements for the year ended 31 December 2023 in accordance with the requirements set out in 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 files examined correspond to the consolidated and separate financial statements, the separate financial statements included in the digital files are presented in all material respects in accordance with the requirements of the ESEF Regulation, and the consolidated financial statements included in the digital files are presented and marked-up in all material respects in accordance with the requirements of the ESEF Regulation.

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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, has 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. Yiangos Kaponides.

Yiangos Kaponides
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 2024

The Cyprus Cement Public Company Limited

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023

	Note	**2023 €000**	2022 €000
Revenue	9	**505**	356
Administrative expenses	10	**(897)**	(865)
Gain from revaluation of investment property at fair value	16	**-**	37.000
Operating (loss)/profit		**(392)**	36.491
Finance cost	11	**-**	(24)
Share of profit from investments accounted for using equity method	17	**6.471**	3.263
Profit before tax		**6.079**	39.730
Taxation	12	**-**	(4.500)
Profit for the year		**6.079**	35.230
Other comprehensive (loss)/income:			
Items that cannot be reclassified in profit or loss:			
Share of reserves of investments accounted for using equity method	17	**(445)**	436
Other comprehensive (loss)/income for the year		**(445)**	436
Total comprehensive income for the year		**5.634**	35.666
Profit for the year attributable to:			
Owners of the parent		**6.079**	35.251
Non-controlling interest		**-**	(21)
		6.079	35.230
Total comprehensive income for the year attributable to:			
Owners of the parent		**5.634**	35.687
Non-controlling interest		**-**	(21)
		5.634	35.666
Profit per share attributable to the shareholders of the Company (cent per share):			
- Basic and fully distributed	13	**4,43**	25,65

The notes on pages 26 to 67 are an integral part of these financial statements.

Company’s statement of profit or loss and other comprehensive income for the year ended 31 December 2023

	Note	**2023 €000**	2022 €000
Revenue	9	**4.341**	4.574
Administrative expenses	10	**(216)**	(225)
Operating profit		**4.125**	4.349
Finance cost	11	**-**	(23)
Profit before tax		**4.125**	4.326
Taxation	12	**-**	-
Total Profit for the year		**4.125**	4.326
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**4.125**	4.326

The notes on pages 26 to 67 are an integral part of these financial statements.

Consolidated balance sheet
at 31 December 2023

	Note	2023 €000	2022 €000
Assets			
Non-current assets			
Investment property	16	**321.694**	321.054
Investments accounted for using the equity method	17	**62.605**	60.415
		384.299	381.469
Current assets			
Financial assets at amortised cost	20	**9.851**	8.027
Financial assets at fair value through profit or loss	19	**534**	511
Other non-financial assets	22	**372**	150
Cash and cash equivalents	21	**10.158**	12.448
		20.915	21.136
Total assets		**405.214**	402.605
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	23	**50.916**	50.916
Own shares		**(266)**	(183)
Fair value reserve		**107.421**	107.866
Revenue reserve		**17.236**	17.236
Other reserves		**(15)**	(15)
Retained earnings		**174.236**	170.902
		349.528	346.722
Non-current liabilities			
Deferred tax liabilities	25	**55.426**	55.426
		55.426	55.426
Current liabilities			
Trade and other payables	26	**260**	157
Provisions	27	**-**	300
		260	457
Total liabilities		**55.686**	55.883
Total equity and liabilities		**405.214**	402.605

On 29th April 2024 the Board of Directors of The Cyprus Cement Public Company Limited approved and authorised these financial statements for issue.

George St. Galatariotis
Executive Chairman

Costas St. Galatariotis
Executive Director

The notes on pages 26 to 67 are an integral part of these financial statements.

The Cyprus Cement Public Company Limited

Company's balance sheet at 31 December 2023

	Note	2023 €000	2022 €000
Assets			
Non-current assets			
Investment property	16	**901**	860
Investments in subsidiary companies	18	**235.933**	235.933
Investments in associated companies	17	**52.608**	52.608
		289.442	289.401
Current assets			
Financial assets at amortised cost	20	**15.036**	11.511
Financial assets at fair value through profit or loss	19	**534**	511
Other non-financial assets	22	**99**	10
Cash and cash equivalents	21	**10.143**	12.419
		25.812	24.451
Total assets		**315.254**	313.852
Equity and liabilities			
Capital and reserves			
Share capital	23	**50.916**	50.916
Own shares		**(266)**	(183)
Revenue reserve		**17.283**	17.283
Retained earnings		**203.165**	201.785
		271.098	269.801
Non-current liabilities			
Deferred tax liabilities	25	**43.897**	43.897
		43.897	43.897
Current liabilities			
Trade and other payables	26	**258**	154
		258	154
Total liabilities		**44.155**	44.051
Total equity and liabilities		**315.254**	313.852

On 29th April 2024 the Board of Directors of The Cyprus Cement Public Company Limited approved and authorised these financial statements for issue.

George St. Galatariotis
Executive Chairman

Costas St. Galatariotis
Executive Director

The notes on pages 26 to 67 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 2023

	Attributable to owners of the Company									
	Share Capital €000	Share premium[2] €000	Own shares [3] €000	Fair value reserve [2] €000	Other reserves [2] €000	Revenue reserve €000	Retained earnings[1] €000	Total €000	Non-controlling interest €000	Total equity €000
Balance at 1 January 2022	59.173	910	-	107.430	(15)	17.236	138.046	322.779	723	323.502
Comprehensive income										
Profit for the year	-	-	-	-	-	-	35.251	35.251	(21)	35.230
Other comprehensive income										
Share of fair value and other reserves of associated companies (Note 17)	-	-	-	436	-	-	-	436	-	436
Total other comprehensive income	-	-	-	436	-	-	-	436	-	436
Total comprehensive income for the year 2022	-	-	-	436	-	-	35.251	35.687	(21)	35.666
Transactions with owners										
Purchase of own shares [3]	-	-	(183)	-	-	-	-	(183)	-	(183)
Dividend paid from the profits of 2020 and 2021 (Note 14)	-	-	-	-	-	-	(2.409)	(2.409)	-	(2.409)
Reduction of share capital and share premium (Note 23)	(8.257)	(910)	-	-	-	-	14	(9.153)	-	(9.153)
Voluntary wound-up of its subsidiary (Note 18)	-	-	-	-	-	-	-	-	(702)	(702)
Total transactions with owners	(8.257)	(910)	(183)	-	-	-	(2.395)	(11.745)	(702)	(12.447)
Balance at 31 December 2022	50.916	-	(183)	107.866	(15)	17.236	170.902	346.722	-	346.722

Consolidated statement of changes in equity for the year ended 31 December 2023 (continued)

	Attributable to owners of the Company						
	Share Capital €000	Own shares [3] €000	Fair value reserve [2] €000	Other reserves [2] €000	Revenue reserve €000	Retained earnings[1] €000	Total €000
Balance at 1 January 2023	50.916	(183)	107.866	(15)	17.236	170.902	346.722
Comprehensive income							
Profit for the year	-	-	-	-	-	6.079	6.079
Other comprehensive income							
Share of fair value and other reserves of associated companies (Note 17)	-	-	(445)	-	-	-	(445)
Total other comprehensive income	-	-	(445)	-	-	-	(445)
Total comprehensive income for the year 2023	-	-	(445)	-	-	6.079	5.634
Transactions with owners							
Purchase of own shares [3]	-	(83)	-	-	-	-	(83)
Dividend paid from the profits of 2021 (Note 14)	-	-	-	-	-	(2.745)	(2.745)
Total transactions with owners	-	(83)	-	-	-	(2.745)	(2.828)
Balance at 31 December 2023	50.916	(266)	107.421	(15)	17.236	174.236	349.528

Consolidated statement of changes in equity for the year ended 31 December 2023 (continued)

(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 and domiciled. From 1st March 2019, the deemed dividend distribution for Cyprus residents, natural persons is subject to a contribution of 1,70% to the General Health System, which increased to 2,65% from 1st March 2020, with the exception of April 2020 until June 2020 where the rate of 1,70% applied. 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 fair value reserve concerns the share of the fair value reserves of the associated companies and the profit from the revaluation of the land to its fair value until the year 2008 (change in land use and "IAS"). The revenue reserve concerns retained earnings of previous years, up to the year 2002, and is available for distribution in the form of a dividend. The the fair value reserve and other reserves are not available for distribution in the form of dividend.

(3) According to the relevant regulations of the Cyprus Stock Exchange and the circular issued by the Cyprus Securities and Exchange Commission, the Company proceeded in the year 2023 with the purchase of 133.214 (2022: 315.790) own shares for the amount of €83 thousand (2022: €183 thousand).

The notes on pages 26 to 67 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 2023

	Share capital €000	Share premium [2] €000	Own shares [3] €000	Revenue reserve €000	Retained earnings [1] €000	Total €000
Balance at 1 January 2022	59.173	910	-	17.283	199.854	277.219
Comprehensive Income						
Profit for the year	-	-	-	-	4.326	4.326
Total comprehensive income for the year 2022	-	-	-	-	4.326	4.326
Transactions with owners						
Purchase of own shares	-	-	(183)	-	-	(183)
Dividend paid from the profits of 2020 and 2021 (Note 14)	-	-	-	-	(2.409)	(2.409)
Reduction of share capital and share premium (Note 23)	(8.257)	(910)	-	-	14	(9.153)
Total transactions with owners	(8.257)	(910)	(183)	-	(2.395)	(11.745)
Balance at 31 December 2022/1 January 2023	50.916	-	(183)	17.283	201.785	269.801
Comprehensive Income						
Profit for the year	-	-	-	-	4.125	4.125
Total comprehensive income for the year 2023	-	-	-	-	4.125	4.125
Transactions with owners						
Purchase of own shares [3]	-	-	(83)	-	-	(183)
Dividend paid from the profits of 2021 (Note 14)	-	-	-	-	(2.745)	(2.745)
Total transactions with owners	-	-	(83)	-	(2.745)	(2.828)
Balance at 31 December 2022	50.916	-	(266)	17.283	203.165	271.098

Company's statement of changes in equity for the year ended 31 December 2023 (continued)

(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 and domiciled. From 1st March 2019, the deemed dividend distribution for Cyprus residents, natural persons is subject to a contribution of 1,70% to the General Health System, which increased to 2,65% from 1st March 2020, with the exception of April 2020 until June 2020 where the rate of 1,70% applied. 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 revenue reserve concerns retained earnings of previous years, up to the year 2002, and is available for distribution in the form of a dividend. The the fair value reserve and other reserves are not available for distribution in the form of dividend.

(3) According to the relevant regulations of the Cyprus Stock Exchange and the circular issued by the Cyprus Securities and Exchange Commission, the Company proceeded in the year 2023 with the purchase of 133.214 (2022: 315.790) own shares for the amount of €83 thousand (2022: €183 thousand).

The notes on pages 26 to 67 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 2023

	Note	**2023 €000**	2022 €000
Cash flows from operating activities			
Profit before tax		**6.079**	39.730
Adjustments for:			
Interest income	9	**(383)**	(281)
Dividends received	9	**(23)**	(10)
Interest expense	11	**-**	24
Profit from revaluation of financial assets at fair value through profit or loss	9	**-**	(65)
Share of profit of investments accounted for using the equity method	17	**(6.471)**	(3.263)
Profit from revaluation of investment property at fair value	16	**-**	(37.000)
		(798)	(865)
Changes in working capital:			
Other non-financial assets		**(167)**	163
Trade and other payables		**(197)**	(43)
Cash used in operations		**(1.162)**	(745)
Tax paid		**-**	-
Net cash used in operating activities		**(1.162)**	(745)
Cash flows from investing activities			
Net cash flow from purchase and disposal of financial assets at fair value through profit or loss	19	**-**	561
Dividends received	9	**3.821**	3.468
Additions of investment property	16	**(640)**	(176)
Loans granted to related companies	29 (vii)	**(2.600)**	(3.349)
Interest received		**95**	18
Net cash from investing activities		**676**	522
Cash flows from financing activities			
Dividends paid		**(1.721)**	(738)
Purchase of own shares		**(83)**	(183)
Amount paid for the reduction of share capital of subsidiary and its voluntary wound-up	18, 26	**-**	(7.332)
Amount paid for the reduction of share capital and share premium		**-**	(2.803)
Interest paid		**-**	(24)
Net cash used for financing activities		**(1.804)**	(11.080)
Net decrease in cash and cash equivalents		**(2.290)**	(11.303)
Cash and cash equivalents at beginning of year		**12.448**	23.751
Cash and cash equivalents at end of year	21	**10.158**	12.448

For non-cash transactions refer to Note 21.

The notes on pages 26 to 67 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 2023

	Note	**2023 €000**	2022 €000
Cash flows from operating activities			
Profit before tax		**4.125**	4.326
Adjustments for:			
Dividend income	9	**(3.859)**	(3.468)
Profit on revaluation of financial assets at fair value through profit or loss	9	**-**	(65)
Distribution from the voluntary wound-up of the subsidiary	9	**-**	(774)
Interest income	9	**(383)**	(268)
Interest paid	11	**-**	23
		(117)	(226)
Changes in working capital:			
Financial assets at amortised cost		**(1.734)**	(556)
Trade and other payables		**104**	(36)
Cash used in operations		**(1.747)**	(818)
Tax paid		**-**	-
Net cash used in operating activities		**(1.747)**	(818)
Cash flows from investing activities			
Net cash flow from purchase and disposal of financial assets at fair value through profit or loss	19	**-**	561
Additions of investment property	16	**(41)**	(13)
Amount received from subsidiary for share capital reduction and final amount from its voluntary wound-up	18	**-**	14.791
Dividends received	9	**3.821**	3.468
Loans granted to related parties	29 (vii)	**(2.600)**	(3.349)
Interest received		**95**	5
Net cash from investing activities		**1.275**	15.463
Cash flows from financing activities			
Dividends paid		**(1.721)**	(738)
Purchase of own shares		**(83)**	(183)
Amount paid for the reduction of share capital and share premium		**-**	(2.803)
Interest paid		**-**	(23)
Net cash used in financing activities		**(1.804)**	(3.747)
Net (decrease)/increase in cash and cash equivalents		**(2.276)**	10.898
Cash and cash equivalents at beginning of year		**12.419**	1.521
Cash and cash equivalents at end of year	21	**10.143**	12.419

For non-cash transactions refer to Note 21.

The notes on pages 26 to 67 are an integral part of these 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 located 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 the manufacturing and sale of cement and related business.

Operational environment of Cyprus

Russia - Ukraine conflict

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the war between Russia and Ukraine. At the date of the approval of these financial statements, the war continues. 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 continuation of the war in Ukraine may as well lead to the possibility of further sanctions in the future.

Israel-Gaza conflict

The Israel-Gaza conflict has escalated significantly since the major Hamas attack on 7th October. Companies with significant subsidiaries, operations, investments, contractual arrangements, or joint ventures in the war zone may be significantly exposed. Entities that do not have direct exposure to Israel and the Gaza Strip are likely to be affected by the overall economic uncertainty and the negative impact on the global economy and major financial markets resulting from the war. This is a volatile time and situation.

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 high level of uncertainties arising from the inability to reliably predict the outcome.

1 General information (continued)

Operational environment of Cyprus (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. Nevertheless, Management estimates that it takes all the necessary measures to maintain the viability of the Group/Company and the development of its / its activities in the current financial environment.

2 Basis of preparation

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 at the date of the approval of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are relevant to the Group and the Company and are applicable from 1 January 2023 have been adopted by the EU through the endorsement procedure established by the European Commission.

The material accounting policies applied in the preparation of these financial statements are set out below in note 4. These policies have been applied consistently for all years presented, unless otherwise stated.

The financial statements have been prepared under the historical cost convention, as modified by the initial recognition of financial instruments based on fair value and by the revaluation to fair value of investment properties, financial assets measured at fair value through other comprehensive income and financial assets at fair value through profit or loss.

The preparation of financial statements in accordance 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 2023. This adoption did not have a material effect on the accounting policies of the Group/Company.

4 Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated. Management seeks not to reduce the understandability of these financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

4 Summary of material accounting policies (continued)

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 of accounting to account for business consolidations. The acquisition method of accounting is used to account for all business consolidations, regardless of whether equity instruments or other assets have been purchased. The consideration transferred for the acquisition of a subsidiary is as follows:

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

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 to profit or loss when 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, the accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

4 Summary of material accounting policies (continued)

Consolidated financial statements (continued)

(1) Subsidiaries (continued)

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 associated company, 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.

(3) Investments in associated companies

Associated companies 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 associated companies are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associated companies includes goodwill identified on acquisition net of any accumulated impairment losses.

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

If the ownership interest in an associated company 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 associated companies is recognised in the statement of profit or loss and other comprehensive income 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 associated company equals or exceeds its interest in the associated company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

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. The 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.

4 Summary of material accounting policies (continued)

Consolidated financial statements (continued)

(3) Investments in associated companies (continued)

After application of the equity method, including recognising the associates' losses, the carrying amount of the investment in associated company 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.

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.

The reduction of the share capital of a subsidiary company and distributions that are purely related to the recovery of the cost of the investment are calculated as a reduction in the book value of the investment.

(2) Investments in associated companies

Associated companies 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.

4 Summary of material accounting policies (continued)

Revenue recognition

- **Interest income**

Interest income on financial assets at amortized cost is calculated using the original effective interest method and is recognized in the consolidated statement of profit or loss and other comprehensive income and company's statement of profit or loss and other comprehensive income 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 credit-impaired.

- **Dividend income**

Credit dividends are recognised 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.

In the Company's separate financial statements, dividends received from subsidiaries, associated companies and financial assets measured at fair value through profit or loss are recognized in the Company's statement of profit or loss and other comprehensive income as "Income", unless the dividend/ distribution clearly represents the recovery of the cost of an investment. In the Group's consolidated financial statements, dividends received from financial assets measured at fair value through profit or loss are recognized in the Group's consolidated statement profit or loss and other comprehensive income as "Income". Refer to the relevant accounting policy for the accounting treatment in the Group's consolidated financial statements for dividends from subsidiaries and associated companies.

Segment reporting

Operating segments are presented in accordance with the internal information provided to the Board of Directors of the Group (the chief operating decision-maker). The Group's Management who is the group responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes all strategic decisions.

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.

4 Summary of material accounting policies (continued)

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 based on 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.

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.

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. Changes in fair value are presented as a separate item in the consolidated statement of profit or loss and other comprehensive income.

4 Summary of material accounting policies (continued)

Investment property (continued)

Investment property is de-recognised from the balance sheet when it has been disposed and the profit / 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.

Impairment of non-financial assets

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 purpose 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 fair value through other comprehensive income and at fair value through profit or loss 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 fair value through profit or loss.

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. Any gain or loss arising from the write-off is recognized directly in profit or loss.

4 Summary of material 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. The Company/Group classifies debt instruments at amortized 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 profit or loss. Financial assets measured at amortized cost comprise of cash and cash equivalents and loans and other receivables from related companies.

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.
Changes in the fair value of financial assets at fair value through profit or loss are recognized in the statement of profit or loss as appropriate. Impairment losses (and reversal of impairment losses) on equity investments measured at fair value through other comprehensive income and are not presented 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 amortised cost and for credit reports resulting from financial guarantee contracts. 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 statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets". Subsequent recoveries of amounts for which a credit loss was previously recognized are credited to the same item in the statement of profit or loss and other comprehensive income.

4 Summary of material accounting policies (continued)

Financial assets – impairment – credit loss allowance for Expected Credit Loss (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. For financial guarantee contracts, a separate provision for ECL is recognized as a liability in the balance sheet.

The impairment methodology applied by the Group/Company to calculate expected credit losses depends on the type of financial instrument assessed for impairment. Refer to Note 6, in the Credit risk paragraph, for the description of the impairment methodology applied by the Company/Group to calculate expected credit losses for debt financial assets at amortized cost.

Financial assets – write-offs

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.

Financial Assets – modifications

The Group/Company sometimes renegotiates or modifies the contractual cash flows of financial assets. The Group/Company assesses whether the modification of contractual cash flows is significant.

If the modified terms differ significantly, the rights to the cash flows from the original asset expire and the Group/Company writes off the original financial asset and recognizes a new asset at fair value. The renegotiation date is considered the date of initial recognition for purposes of calculating subsequent impairment, including determining whether a significant increase in credit risk has occurred. The Group/Company also assesses whether a new loan or debt financial asset meets the SPPI criterion. Any difference between the carrying amount of the original asset written off and the fair value of the new significantly modified asset is recognized in profit and loss.

If the renegotiation was due to the counterparty's financial difficulties and inability to make the originally agreed payments, the Group/Company compares the original and revised expected cash flows to assess whether the risks and rewards of the asset have changed significantly as a result of the contractual amendment. If the risks and rewards do not change, the modified asset is not materially different from the original asset and the modification does not result in a write-off. The Group/Company recalculates the gross carrying amount by discounting the modified contractual cash flows at the original effective interest rate and recognizes the modification gain or loss in the results.

Classification as cash and cash equivalents

In the statement of cash flows of the Company and the Group, cash and cash equivalents includes cash in hand and at bank, as well as short-term bank deposits and other highly liquid short-term financial instruments used for cash management purposes, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in their value. Cash and cash equivalents are recognized at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not classified at FVTPL.

4 Summary of material accounting policies (continued)

Classification as financial assets at amortized cost

These amounts generally result from transactions outside the company's normal operating business. These are held 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.

Financial guarantee contracts

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

Financial guarantee contracts are recognized as financial liabilities on the time the guarantee is issued. Financial guarantees are initially recognized at their fair value, which is normally evidenced by the amount of fees received. In cases where such fees are not received, the fair value of the 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 to undertake the obligations.

Financial guarantees are subsequently recognized at the higher of a) the amount of the loss allowance determined in accordance with the expected credit loss model in accordance with IFRS 9 “Financial Instruments” and b) the amount initially recognized less, where applicable, the cumulative amount of income recognized in accordance with the principles of IFRS 15 "Revenue from Contracts with Customers".

Financial liabilities

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

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.

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

4 Summary of material accounting policies (continued)

Share capital (continued)

the provisions of the Cyprus Companies Law regarding share capital reduction.

When the Company repurchases its own shares, the consideration paid is deducted from the equity attributable to the owners of the Company as own shares, until the shares are canceled or reissued.

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.

Trader and other payables

Trade and other payable are obligations for payment of goods or services acquired in the ordinary operations of the Company/Group, from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the Company's/Group's normal turnover if longer). If not, they are presented in non-current liabilities. Trade and other payables are initially recognized at fair value and subsequently presented at amortized cost using the effective interest method.

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 2023 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.

6 Financial risk management (continued)

(i) Financial risk factors (continued)

Market risk

Fair value interest rate risk

The Group's/Company's interest rate risk arises from interest-bearing assets. Interest-bearing assets represent loans receivable from related parties. Interest bearing assets issued at fixed rates expose the Group and the Company to fair value interest rate risk. The Group/Company holds cash and cash equivalents that bear a floating interest rate, however the interest rate risk related to cash flows is not considered material.

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

Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss to the other party because it fails to meet an obligation. Credit risk arises from cash and equivalents, and contractual cash flows from debt assets measured at amortized cost. In addition, credit risk arises from financial guarantees.

- **Risk management**

Credit risk is managed by the Group and the Company on an individual basis.

For banks and financial institutions, the Company/Group has established policies whereby the majority of bank balances are held with independently assessed parties.

If counterparties are independently rated, then these ratings are used by the Company/Group. Otherwise, if there is no independent rating, management assesses the credit quality of the counterparty, considering 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 receivables from related parties, receivables from related parties and other receivables).
- Cash and cash equivalents.
- Financial guarantees.

The impairment methodology applied by the Group/Company to calculate expected credit losses depends on the type of financial instrument assessed for impairment.

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

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Impairment of financial assets *(continued)***

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.

Impairment losses are presented as "net impairment losses on financial assets" in operating profit. Subsequent recoveries of amounts previously written off are credited to the same item where they were originally presented.

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 considers the available logical and supporting information for the future. 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/counterparty'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 borrower/counterparty and changes in the operating results of the borrower/counterparty.

Macroeconomic information is incorporated as part of the internal assessment model. The historical loss rates are adjusted to reflect current and future information on macroeconomic factors affecting customers' ability to settle claims.

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.

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

Write-off. 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 debt financial asset for write off when a has not made contractual payments for a period of more than 180 days in arrears. Where debt financial assets have been written off, the Group/Company continues to follow legal procedures to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

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 applied for the loans to related parties, receivables from related parties and other receivables 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	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). 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.	Gross carrying amount

Based on the above table the expected credit loss for the loans and other receivable from related parties on 31 December 2023 and 31 December 2022 was insignificant.

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 ultimate parent company amounting to €9.851 thousand (2022: €8.027 thousand) and receivables from subsidiary companies amounting to €5.185 thousand (2022: €3.484 thousand) represent the maximum exposure of the Company at credit risk for these assets as at 31 December 2023 and 31 December 2022.

Loans to ultimate parent company amounting to €9.851 thousand (2022: €8.027 thousand) represent the maximum exposure of the Group at credit risk for these assets as at 31 December 2023 and 31 December 2022.

Cash and cash equivalents

The Company / Group assesses, on an individual basis, its exposure to credit risk arising from cash and cash equivalents based on ratings from external credit rating agencies.

The following table presents the gross carrying value of cash and cash equivalents based on the rating from Moody's Investors Service, which also represents the maximum exposure to credit risk from these assets at 31 December 2023 and 31 December 2022:

6 Financial risk management (continued)

(i) Financial risk factors (continued)

Cash and cash equivalents (continued)

The Group

	Carrying amount (€000
External credit rating	
As at 31 December 2023	
AAA-A	9.249
BBB-B	909
	10.158
As at 31 December 2022	
AAA-A	10.297
BBB-B	2.151
	12.448

The Company

	Carrying amount €000
External credit rating	
As at 31 December 2023	
AAA-A	9.249
BBB-B	894
	10.143
As at 31 December 2022	
AAA-A	10.297
BBB-B	2.122
	12.419

The Company/Group does not have any pledge as collateral.

The estimated impairment loss on cash and cash equivalents as at 31 December 2023 and 31 December 2022 was not significant. All cash and cash equivalents were performing (Stage 1) as of 31 December 2023 and 31 December 2022.

Financial guarantee commitments

Financial guarantee commitments 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 had issued financial guarantees for its ultimate parent company, for the guarantee of the bank overdrafts and other bank facilities (Note 29 (v)) which were eliminated in the year 2023 after the payment of the liabilities of the ultimate parent company.

6 Financial risk management (continued)

(i) Financial risk factors (continued)

Financial guarantee commitments (continued)

The table below includes an analysis of the exposure to credit risk arising from financial guarantees based on the Group's internal credit ratings as at 31 December 2022. The following amount represents the Group's maximum exposure to credit risk for these financial instruments as at 31 December 2022, without taking into consideration any other collateral. The Group has no mortgages as a guarantee for the guarantees that issued.

	Stage 1 (12-months ECL) € 000
Issued financial guarantees	
- Performing (Note 29 (v))	1.500
Provision for financial guarantees	-

The provision for financial guarantees as at 31 December 2022 for the financial guarantees issued by the Group was insignificant and as a result was not recognised in the financial statements.

Liquidity risk

Liquidity risk is the risk of the Company/Group not having sufficient financial resources to meet its obligations when they expire.

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 floating forecasts of the Company's and Group's liquidity reserve, which includes unused borrowing facilities (Note 24) and cash and cash equivalents (Note 21) on the basis of expected cash flow.

The Company/Group has the following unused credit facilities:

	The Group		The Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Floating charge				
Expires within one year	**1.563**	1.568	**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 (except for borrowings) equal their carrying balances as the impact of discounting is not significant.

6 Financial risk management (continued)

(i) Financial risk factors (continued)

Liquidity risk (continued)

The Group

	Less than 1 year €000
At 31 December 2023	
Trade and other payables	260
	260
At 31 December 2022	
Trade and other payables	457
Financial guarantees (Note 29 (v))	1.500
	1.657

The Company

	Less than 1 year €000
At 31 December 2023	
Trade and other payables	258
	258
At 31 December 2022	
Trade and other payables	154
	154

The capital commitments are disclosed in Note 28 (ii).

(ii) Capital risk management

The Company's/Group's objectives when managing capital are to ensure 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.

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 2023.

	Level 2 €000	Total €000
At 31 December 2023		
Assets		
Financial assets held at fair value through profit or loss:		
- Equity securities in a financial fund	534	534
Total financial assets measured at fair value	**534**	**534**

The following table presents the Group's financial assets that are measured at fair value at 31 December 2022.

	Level 2 €000	Total €000
At 31 December 2022		
Assets		
Financial assets held at fair value through profit or loss:		
- Equity securities in a financial fund	511	511
Total financial assets measured at fair value	**511**	**511**

There were no transfers between Level 1 and 2 during the year.

a) Financial instruments Level 1

The fair value of financial instruments traded in active markets is based on market prices at the balance sheet date. A market is considered active if market prices are readily and regularly available from a stock exchange, dealer, broker, industry group, rating agency, or regulatory agency, and those prices represent actual and frequent market transactions on an arm's length basis.

6 Financial risk management (continued)

(iii) Fair value estimation (continued)

b) Financial instruments Level 2

The fair value of financial instruments that are not traded in an active market (for example, equity securities that are not listed on a stock exchange) is determined using valuation methods. These valuation methods maximize the use of observable market data, which are available, and rely as little as possible on estimates directly related to the entity. If all key inputs needed to determine the fair value of an instrument are observable, that instrument is included in Level 2.

If one or more of the fundamentals is not based on observable market events, the instrument is included in Level 3.

Specific valuation methods used in estimating the fair value of financial instruments include:

- Stock market prices or dealer quoted prices for similar instruments.
- Adjusted comparable price-to-book value multiples.
- Other techniques such as discounted cash flow analysis.

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.

- **Impairment of investments in subsidiaries and associated companies**

  The Company/Group follows the guidelines of IAS 36 “Impairment of Assets” to determine whether an investment is impaired. The Company/Group reviews the carrying amount of the investment for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. This determination requires considerable judgment. The Company/Group assesses, among other factors, the net assets of the investment and the ability of the investment to generate future income.

  At 31 December 2022 and 2023, no impairment indicators were identified in relation to the Company's/Group's investments.

7 Critical accounting estimates and judgements (continued)

Critical accounting estimates and assumptions (continued)

- **Fair value of investment property**

  The fair value of the investment property is based on observable comparable information of the market, including expected selling prices. Where observable comparable information is 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 investment property.

  The Management's estimate of the fair value of the investment property at 31 December 2023, has not been changed from the fair value as determined by management in the previous year. At 31 December 2022, the Group's management proceeded to a revaluation of the fair value of the investment property. The revaluation of investment property at fair value resulted in a gain of €37.000 thousand, which has been recognized as "gain from revaluation of investment property at fair value" in the consolidated statement of profit or loss and other comprehensive income.

  The Management's estimate for determining the fair value of the investment property as of 31 December 2023 was based on internal valuation calculations. The assessment of the fair value of the investment property was based on valuation techniques which incorporate observable comparable sale prices, where these were available, as adjusted with assumptions to reflect thenature, size, uniqueness and urban planning characteristics of the properties. For further information refer to Note 16.

  The Management considers that estimating the fair value of the investment properties is subject to a significant degree of subjectivity and an increased likelihood that the value of the investment property may be different. Any changes in the assumptions used would result in a significant change in the fair value of the investment properties. Management presents a sensitivity analysis for the impact on the fair value of the property from changes in key assumptions and data in Note 16 of the consolidated and separate financial statements.

- **Impairment of financial assets**

  Provision for losses for financial assets are based on assumptions about default risks and expected losses. The Company/the Group uses its judgment to make these assumptions and select the inputs for the impairment calculation, based on the history of the Company/Group, existing market conditions as well as future estimates at the end of each reporting period. Details on the impairment of financial assets are set out in Note 6 Credit Risk.

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) Cement - strategic investment in Vassiliko Cement Work Public Company Limited

8 Segment information (continued)

The Group's Board of Directors assesses the performance of the operating segments based on a measure of (losses)/profit 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 2023

	Investment Property €000	Cement (1) €000	Other (2) €000	Reconciliation adjustments €000	Total €000
Revenue	-	160.532	505	(160.532)	505
(Loss)/profit before interest, taxes and depreciation	(680)	46.349	288	(46.349)	(392)
Total segment assets	321.694	304.062	20.916	(241.458)	405.214
Assets includes:					
Investments in associated companies	-	-	49	62.556	62.605
Additions to non-current assets	640	5.943	-	(5.943)	640
Total segment liabilities	55.428	46.818	258	(46.818)	55.686

For the year ended 31 December 2022

	Investment Property €000	Cement (1) €000	Other (2) €000	Reconciliation adjustments €000	Total €000
Revenue	-	142.661	356	(142.661)	356
Profit from revaluation of investment property at fair value	37.000	-	-	-	37.000
Profit before interest, taxes and depreciation	36.437	30.495	54	(30.495)	36.491
Total segment assets	321.054	301.499	21.136	(241.084)	402.605
Assets includes:					
Investments in associated companies	-	-	62	60.353	60.415
Additions to non-current assets	176	10.490	-	(10.490)	176
Total segment liabilities	55.729	52.961	154	(52.961)	55.883

(1) The Board of Directors receives and evaluates the total data of the associated company Vassiliko Cement Works Public Company Limited for the purposes of evaluating the operating segment "Cement", and by extension the above information presents the total data of the associated company in the "Cement" category, and then reconciliation adjustments are made. On 31 December 2023, the carrying value of the investment in the associated company Vassiliko Cement Works Public Company Ltd, "Cement", amounts to €62.556 thousand (2022: €60.353 thousand).

((2) The "Other" sector includes cash and cash equivalents, financial assets at amortized cost, financial assets at fair value through profit and loss and other non-financial assets owned by the Company.

8 Segment information (continued)

Reconciliation of segment results

Profit/(Loss) before interest, taxes, and depreciation differs from the profit before tax as follows:

	2023 €000	2022 €000
(Loss)/Profit before interest, taxes and depreciation	**(392)**	36.491
Depreciation	**-**	-
Operating (loss)/profit	**(392)**	36.491
Finance cost	**-**	(24)
Share of profit of investments accounted for using the equity method (Note 17)	**6.471**	3.263
Profit before tax	**6.079**	39.730

Reconciliation of segment assets and liabilities

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

	2023 €000	2022 €000
Assets for reportable segments	**405.214**	402.605
Total assets as per consolidated balance sheet	**405.214**	402.605

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

	2023 €000	2022 €000
Liabilities for reportable segments	**55.686**	55.883
Total liabilities as per consolidated balance sheet	**55.686**	55.883

9 Revenue

	The Group		The Company	
	2023 €000	2022 €000	2023 €000	2022 €000
Interest income:				
Loans to related parties (Note 29 (ii))	**247**	263	**247**	263
Banks and other interest	**136**	18	**136**	5
Dividend income (Note 17 and 19)	**23**	10	**3.859**	3.468
Profit on revaluation of financial assets at fair value through statement of profit or loss (Note 19)	**-**	65	**-**	65
Other gains	**99**	-	**99**	-
Distribution from the voluntary wound-up of the subsidiary (Note 18)	**-**	-	**-**	774
	505	356	**4.341**	4.574

10 Analysis of expenses

The Group

	2023 €000	2022 €000
Director’s and Audit Committee’s Remuneration (Note 29 (iii))	**7**	9
Auditors’ remuneration	**46**	42
Legal and other professional costs	**52**	74
Electricity and fuel	**6**	6
Insurance	**8**	8
Project management, management, and administrative costs	**696**	685
Other expenses	**82**	41
	897	865

The Company

	2023 €000	2022 €000
Director’s and Audit Committee’s Remuneration (Note 29 (iii))	**7**	9
Auditors’ remuneration	**41**	37
Legal and other professional costs	**34**	48
Electricity and fuel	**6**	6
Insurance	**8**	8
Management and administrative costs	**71**	88
Other expenses	**49**	29
	216	225

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 2023 amounted to €46 thousand/€41 thousand (2022: €42 thousand/€37 thousand). The total fees charged by the statutory audit firm of the Group/Company for the year ended 31 December 2023 for non-audit services amounted to €3 thousand (2022: €13 thousand).

The Group/Company has no employees.

11 Finance cost

	The Group		**The Company**	
	2023 €000	2022 €000	**2023 €000**	2022 €000
Interest charged:				
Bank deposits (negative interest)	-	24	-	23
	-	24	**-**	23

12 Taxation

	The Group		The Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Deferred Tax (Note 25)				
Creation of temporary differences due to revaluation of investment property at fair value	**-**	4.500	**-**	-
Tax credit	**-**	4.500	**-**	-

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

	The Group		The Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Profit before tax	**6.079**	39.730	**4.125**	4.327
Tax calculated at the applicable corporation tax rate of 12,5%	**760**	4.966	**516**	541
Tax effect of expenses not deductible for tax purposes	**12**	22	**10**	13
Tax effect of allowances and income not subject to tax	**(15)**	(135)	**(495)**	(538)
Tax effect of share of profit from investments accounted for using the equity method	**(809)**	(408)	**-**	-
Tax effect of using tax losses brought forward	**(31)**	(16)	**(31)**	(16)
Tax effect of tax losses for which deferred tax has not been recognised	**83**	55	**-**	-
Tax charge	**-**	4.500	**-**	-

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.

Profits on the disposal of securities falling within the definition of securities for tax purposes (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.

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					
	2023			2022		
	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	**(445)**	**-**	**(445)**	436	-	436
Other comprehensive Income	**(445)**	**-**	**(445)**	436	-	436

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 2023	31 December 2022
Profit attributable to equity holders of the Company - €000	**6.079**	35.251
Weighted average number of ordinary shares in issue	**137.227.796**	137.440.530
Profit per share - basic and fully distributed (cent per share)	**4,43**	25,65

14 Dividend per share

On 22nd June 2023, the Annual General Meeting of the Company's shareholders approved the payment of a dividend of €2.745 thousand which corresponds to €0,02 per share, from the profits of 2021. The dividend was paid to the shareholders on 1st August 2023.

On 20th June 2022, the Annual General Meeting approved the payment of a dividend of 2.409 thousand which corresponds to €0,0175 per share, from the profits of 2020 and 2021. The dividend was paid to the shareholders on 29th July 2022.

15 Property, plant and equipment

The Group/The Company

	Motor vehicles €000	Furniture and fittings €000	Total €000
At 1 January 2022			
Cost	46	-	46
Accumulated depreciation	(46)	-	(46)
Net book value	-	-	-
Year ended 31 December 2022			
Opening net book amount	-	-	-
Depreciation charge (Note 10)	-	-	-
Net book amount at the end of the year	-	-	-
At 31 December 2022			
Cost	46	-	46
Accumulated depreciation	(46)	-	(46)
Net book amount	-	-	-
Year ended 31 December 2023			
Opening net book amount	-	-	-
Depreciation charge (Note 10)	-	-	-
Net book amount at the end of the year	-	-	-
At 31 December 2023			
Cost	46	-	46
Accumulated depreciation	(46)	-	(46)
Net book amount	-	-	-

16 Investment property

The Group

	Land in Cyprus	
	2023 €000	2022 €000
Fair value hierarchy	**3**	3
Fair Value at 1 January	**321.054**	283.878
Additions	**640**	176
Gain from revaluation of investment property at fair value	**-**	37.000
Fair value at 31 December	**321.694**	321.054

16 Investment property (continued)

The Company

	Land in Cyprus	
	2023	2022
	€000	€000
Fair Value at 1 January	**860**	847
Additions	**41**	13
Fair Value at 31 December	**901**	860

The Group has a Planning Permit for the "General Zoning Plan" of the plots of land held in Moni area in Limassol (2023: €320.793 thousand, 2022: €320.194 thousand).

The Planning Permit relates to 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. Based on the permit, the necessary conditions are created for the development of the plots of land on the basis of 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 obtained with the corresponding urban characteristics.

After securing a planning and building permit for part of the road network in the area, the Group assigned the construction of part of the road network to a contractor in December 2022. The works for the construction of road started at the beginning of year 2023 and are expected to be finalised in 2024. The capital expenditure contracted at the reporting date related to the construction of the road network, but not yet incurred, is presented in Note 28 (ii).

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

At 31 December 2022, borrowings of related parties of the Group were secured with the Group’s investment property (Note 29 (v)).

(i) Valuation process and key assumptions

The Group’s/Company’s investment properties have been revalued by the Management who possess the relevant expertise, knowledge, and recent experience which is necessary for valuing of the Group’s/Company’s investment property.

The Management's estimate for the fair value of the investment property on 31 December 2023 has not been changed from the fair value as determined by Management in the previous year, which was based on a valuation carried out by an external independent qualified valuer.

The valuation of the management for the investment property on 31 December 2023 was based on internal valuation calculations using the discounted cash flows associated with the proposed development of the properties, considering the planning permit secured, the size and the uniqueness of the properties and their urban characteristics. The valuation methodology for 2023 is consistent with the one used in 2022.

16 Investment property (continued)

(i) Valuation process and key assumptions (continued)

The Group's Management considers that the discounted cash flow method is appropriate, considering the characteristics and particularities of the property, the proposed large-scale development that will include multiple uses based on the planning permission that has been secured, but also the infrastructure works which have been planned and started at the beginning of the year 2023.

The valuation of the property at fair value which was carried out using the discounted cash flow method is based on significant unobservable inputs. The assessment has been based on the permitted uses of the land in accordance with the Urban Planning Permit (ΛΕΜ/00184/2017) and the total building coefficient which is calculated after the construction of infrastructure works and public green areas, and the main assumptions that have been adopted to estimate the fair value of the properties are the following:

Main assumptions	Assumption	Description
Average sales price of property	€9.270 per sq.m.	They are based on the location, type and quality of property and are supported by external data such as current sale prices of similar property.
Property sales rate	12 years	Completion of property sales may vary depending on the timely acquisition of approvals, among other factors.
Average construction cost	€2.370 per sq.m.	They are based on the location, type and quality of the property to be constructed and are supported by benchmarks.
Discount Rate	12,00%	They reflect the market's current estimates of the uncertainty regarding the amount and timing of cash flows.

(ii) Valuation of investment property using significant unobservable inputs (Level 3) and sensitivity analysis

The table below shows the potential effect on the fair value of the investment property in the Company's total income resulting from the change in unobservable inputs (Level 3).

Information on fair value estimates using significant unobservable inputs (Level 3) at 31 December 2023

Property	Valuation (€000)	Valuation method	Unobservable inputs	Change in input	Deviation/ Sensitivity
Land in Cyprus	320.793	Discounted cash flow	Average sales price of property per sq.m.	Deviation by +/- 5%	+ €34.861 - €34.861
			Property sales rate	Deviation by +/- 1 year	- €20.910 + €22.111
			Average construction cost	Deviation by +/- 5%	- €20.070 + €20.070
			Discount Rate (WACC)	Deviation by +/- 0,5%	- €15.222 + €15.995

16 Investment property (continued)

(ii) Valuation of investment property using significant unobservable inputs (Level 3) and sensitivity analysis (continued)

Information on fair value estimates using significant unobservable inputs (Level 3) at 31 December 2022

Property	Valuation (€000)	Valuation method	Unobservable inputs	Change in input	Deviation/ Sensitivity
Land in Cyprus	320.194	Discounted cash flow	Average sales price of property per sq.m.	Deviation by +/- 5%	+ €34.861 - €34.861
			Property sales rate	Deviation by +/- 1 year	- €20.910 + €22.111
			Average construction cost	Deviation by +/- 5%	- €20.070 + €20.070
			Discount Rate (WACC)	Deviation by +/- 0,5%	- €15.222 + €15.995

17 Investments accounted for using the equity method

	The Group		The Company	
	2023 €000	2022 €000	**2023 €000**	2022 €000
At beginning of year	**60.415**	60.174	**52.608**	52.608
Share of profit after tax (*)	**6.471**	3.263	**-**	-
Share of changes in equity (*)	**(445)**	436	**-**	-
Dividends (Note 9)	**(3.836)**	(3.458)	**-**	-
At end of year	**62.605**	60.415	**52.608**	52.608

(*) The share of profit after tax and the share of changes in equity for the year ended 31 December 2023 include losses of €574 thousand and €465 thousand respectively, which relate to the effect of restatements on the financial statements of the associated company Vassiliko Cement Works Public Company Limited for previous years. During 2023, the associated company decided to change the accounting policy for the recognition of quarries, which has been applied retrospectively to the financial statements of the associated company. This change was not considered material for the Group in accordance with IAS 1 and IAS 8 and therefore has not been applied retrospectively to the financial statements.

The Group

The associated companies of the Group as at 31 December 2023 and 31 December 2022 are set out below. The associated companies listed below have a share capital consisting exclusively of ordinary shares, held directly by the Company. The country of incorporation or registration is the place of their business.

17 Investments accounted for using the equity method (continued)

	Country	Principal activities	% interest held	Measurement Method
2023				
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
2022				
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

As at 31 December 2023 the market value of the Company/Group's interest in the associated company Vassiliko Cement Works Public Company Limited, which is listed on the Cyprus Stock Exchange, was €58.239 thousand (2022: €46.955 thousand).

Significant 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.

Contingent Liabilities and commitments

Contingent Liabilities

As at 31 December 2023, the associated company, Vassiliko Cement Works Public Company Ltd, had contingent liabilities in respect of bank guarantees arising in the ordinary course of business from which the Board of Directors is not anticipating that material liability will arise. These guarantees amounted to €572 thousand (2022: €626 thousand).

On 24 February 2023 the Commission for the Protection of Competition (CPC) issued a decision for infringement by the associated company of section 6(1)(a) of “The Protection of Competition Laws of 2008 and 2014” and imposed an administrative fine of €5m. A Recourse was filed on 24 March 2023 at the Administrative Court of Cyprus by the associated company, contesting the aforementioned CPC decision. Based on legal advice, the Board of Directors of the associated company believes that the recourse filed by the Company will be successful and no liability provision is included in the financial statements.

Capital commitments

As at 31 December 2023, the capital expenditure for the associated company Vassiliko Cement Works Public Company Ltd, which has been committed at the balance sheet date but not yet incurred amounts to €3.370 thousand (2022: €3.458 thousand).

17 Investments accounted for using the equity method

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

Summarised balance sheet

	Vassiliko Cement Works Public Company Limited	
	2023	2022
	€000	€000
Current assets	**76.576**	61.048
Non-current assets	**227.486**	235.680
Current Liabilities	**(14.911)**	(15.968)
Non-current Liabilities	**(31.907)**	(36.331)
Net assets	**257.244**	244.429

Summarised statement of comprehensive income

	Vassiliko Cement Works Public Company Limited	
	2023	2022
	€000	€000
Revenue	**160.532**	142.661
Profit for the year	**27.840**	12.897
Other Comprehensive income	**82**	742
Total comprehensive income for the year	**27.922**	13.460

The information stated above reflect the amounts presented in the consolidated financial statements of the associated company (and not the Group's share on that amounts).

Summarised reconciliation of financial information

The reconciliation of the summary financial information presented with the carrying value of significant investments in associated company that are valued using the equity method is as follows:

	Vassiliko Cement Works Public Company Limited	
	2023	2022
	€000	€000
Summarised financial information		
Net assets at 1 January	**244.429**	244.637
Profit for the year	**27.840**	12.718
Other comprehensive income/(losses) for the year	**82**	742
Dividends	**(15.107)**	(13.668)
Net assets at 31 December	**257.244**	244.429
Share of the investment in the associated company – 25,3%	**65.083**	61.841
Effect of restatements on the financial statements of the associated company	**-**	(1.039)
Fair value adjustments on acquisition of the associated company	**(2.527)**	(2.527)
Carrying value	**62.556**	60.415

17 Investments accounted for using the equity method (continued)

The Company

Set out below are presented the associated companies of the company at 31 December 2023 and 31 December 2022. The associated 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
2023				
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
2022				
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

	2023	2022
	€000	€000
At the beginning of the year	**235.933**	249.950
Reduction of share capital	**-**	(13.347)
Final distribution amount from the voluntary wound-up	**-**	(670)
At the end of the year	**235.933**	235.933

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.

			% interest held	
Name	**Country of incorporation**	**Principal activities**	**31 December 2023 %**	31 December 2022 %
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	**-**	-

At the Extraordinary General Meeting of the shareholders of the subsidiary company C.C.C. Tourist Enterprises Public Company Ltd held on 20th June 2022, the following resolution was approved:

The liquidator of the subsidiary company proceeded to distribute the final amount of capital to the shareholders of the subsidiary company on 12 December 2022. The amount of the final distribution attributed to the Company was €1.444 thousand. The amount of €670 thousand was recognized against the book value of the investment reducing the book value of the investment to €0 (zero), and the remaining amount of €774 thousand was recognized in profit and loss. Additionally, during the final distribution an amount of €702 thousand was paid to the non-controlling interest of the subsidiary.

18 Investment in subsidiaries (continued)

On 11 January 2024, the Final General Meeting of the shareholders of the subsidiary company C.C.C. Tourist Enterprises Public Company Limited was held to have the final liquidation accounts placed before it. They were then presented to the Registrar of Companies together with the Minutes of the Final General Meeting. The Company was dissolved/struck off the register of the Registrar of Companies on 22 April 2024.

19 Financial assets at fair value through income statement

	The Group		The Company	
	2023 €000	2022 €000	**2023 €000**	2022 €000
Opening Balance	**511**	1.007	**511**	1.007
Addition of financial assets	**23**	511	**23**	511
Profit on revaluation of financial assets	**-**	65	**-**	65
Disposal	**-**	(1.072)	**-**	(1.072)
Precious metals in an active market	**534**	511	**534**	511

During 2023, the Company/Group received dividends of €23 thousand (2022: €10 thousand) from securities classified as financial assets at fair value through profit or loss.

20 Financial assets at amortised cost

	The Group		The Company	
	2023 €000	2022 €000	**2023 €000**	2022 €000
Current				
Loan granted to ultimate parent company (Note 29 (vii))	**9.851**	8.027	**9.851**	8.027
Receivable from subsidiary company (Note 29 (iv))	**-**	-	**5.185**	3.484
	9.851	8.027	**15.036**	11.511

All loan receivables are repayable on demand, bear annual interest rate 2,75% (2022: 2,25%) and are secured (Note 29 (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 the same as their 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.

20 Financial assets at amortised cost (continued)

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

	The Group		The Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Euro	**9.851**	8.027	**15.036**	11.511

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 29 (vii)).

21 Cash and cash equivalents at bank

	The Group		The Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Cash at bank and in hand	**917**	8.448	**902**	8.419
Other short-term financial instruments	**4.741**	-	**4.741**	-
Short-term bank deposits	**4.500**	4.000	**4.500**	4.000
	10.158	12.448	**10.143**	12.419

Other short-term financial instruments include short-term bonds and money market funds, which are considered highly liquid instruments used by Management for cash management purposes, are readily convertible to known amounts of cash and are subject to insignificant risk of changes in their value. Management considers that the specific financial instruments meet the criteria of IAS 7 "Cash Flow Statements" and therefore classified the above instruments as cash equivalents.

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

	The Group		The Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Euro	**10.158**	12.448	**10.143**	12.419

Non-cash transactions

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

- the payment of dividends payable of €371 thousand which were offset against loans receivables from the ultimate parent company (Note 29 (vii)).

- the assignment of amounts payable to related companies of €652 thousand for payment of dividends, against loan receivables from the ultimate parent company (Note 29 (vii)).

21 Cash and cash equivalents at bank (continued)

Non-cash transactions (continued)

The main non-cash transactions of the Group/Company during the year 2022, were as follows:

- the payment of dividends payable of €880 thousand which were offset against loans receivables by the parent company and the ultimate parent company (Note 29 (vii)).

- the payment of amounts payable from the reduction of share capital and share premium of €3.347 thousand which were offset against loan receivables by the parent company and the ultimate parent company (Note 29 (vii)).

- the assignment of amounts payable to related companies of €3.792 thousand for dividends and reduction of share capital and share premium, against loan receivables by the parent company and the ultimate parent company (Note 29 (vii)).

22 Other assets

	The Group		The Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Value added tax refundable	**273**	140	**-**	-
Prepayments and other	**99**	10	**99**	10
	372	150	**99**	10

23 Share capital and share premium

	31 December 2023			31 December 2022		
	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**	**50.916**	**-**	137.610.883	59.173	910
Reduction of share capital and share premium	**-**	**-**	**-**	-	(8.257)	(910)
At end of year	**137.610.883**	**50.916**	**-**	137.610.883	50.916	-

At the Extraordinary General Meeting of the Company, held in Limassol on 18th May 2022 the following Resolution was approved as Special Resolution:

(a) That the share premium account of the Company which has been established pursuant to Section 55 Company Law, Chapter 113, is reduced from €910 thousand to €0 (zero) by the return of cash to the shareholders of the amount of €910 thousand.

(b) That the authorised share capital of the Company which amounts to EUR 86.000 thousand divided into 200.000.000 ordinary shares with a nominal value of €0,43 cent each, is reduced to €74.000 thousand divided into 200.000.000 ordinary shares with a nominal value of €0,37 cent each.

23 Share capital and share premium (continued)

(c) That the issued share capital of the Company which amounts to €59.173 thousand divided into 137.610.883 ordinary shares with a nominal value of €0,43 cent each, is reduced from €59.173 thousand to €50.916 thousand by the reduction of the nominal value of the shares of the Company from €0,43 cent each to €0,37 cent each by the return of cash to the shareholders of the amount of €8.257 thousand, which corresponds to €0,06 cent per share.

The reduction of the share capital and share premium was approved by the District Court of Limassol on 1st July 2022 and on 9th September 2022 the capital certificate was issued by the Department of the Registrar confirming the reduction of share capital. The amount was paid to shareholders on 4th October 2022.

The total authorised number of ordinary shares is 200.000.000 shares (2022: 200.000.000 shares) with a nominal value of €0,37 (2022: €0,37) per share. All issued shares are fully paid.

24 Borrowings

The Company and the Group

The unused credit facilities for 2023 and 2022 are secured by personal guarantees of Messrs. George Galatariotis and Costas Galatariotis amounted to €1.600 thousand (Note 29 (vi)).

The Company/Group has the following unused credit facilities:

	The Group		The Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Floating rate:				
Expiring within one year	**1.563**	1.563	**1.563**	1.563

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

25 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 2022	50.926	50.926
Charge to profit or loss (Note 12)	4.500	4.500
At 31 December 2022	**55.426**	**55.426**
At 1 January 2023	55.426	55.426
Charge to profit or loss (Note 12)	-	-
At 31 December 2023	**55.426**	**55.426**

25 Deferred tax liabilities (continued)

The Company

	Investment in subsidiary companies €000	Total €000
At 1 January 2022	43.897	43.897
At 31 December 2022	**43.897**	**43.897**
At 1 January 2023	43.897	43.897
At 31 December 2023	**43.897**	**43.897**

26 Trade and other payables

	The Group		The Company	
	2023 €000	2022 €000	**2023 €000**	2022 €000
Payables to related parties (Note 29 (iv))	**7**	21	**7**	21
Other payables and accrued expenses	**253**	136	**251**	133
	260	157	**258**	154

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

27 Provisions

	The Group		The Company	
	2023 €000	2022 €000	**2023 €000**	2022 €000
Provision for construction of road (Note 16 and 28)	**-**	300	**-**	-
At 31 December	**-**	300	**-**	-

28 Contingencies and commitments

(i) Other contingent liabilities of the Company/Group

The Group was a guarantor of the loans of related companies as presented in Note 29 (v) until 31 December 2022. The guarantee was eliminated in the year 2023 with the repayment of the loans of related companies.

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

	Note	**2023 €000**	2022 €000
Financial guarantees	6 (i)	**-**	1.500
Provision for financial guarantees	6 (i)	**-**	-

28 Contingencies and commitments (continued)

(ii) Capital commitments

Capital expenditure committed at the reporting date of the financial statements but not yet incurred is as follows:

	The Group		The Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Investment property (*)	**1.862**	2.568	**-**	-
	1.862	2.568	**-**	-

(*) Construction of part of road network

29 Related party transactions

The Company is controlled by C.C.C. Holdings & Investments Limited (parent company), which is registered in Cyprus. The ultimate parent 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	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Management and other administrative services:				
Related companies	**697**	629	**71**	65
	697	629	**71**	65

(ii) Interest on balances with related parties

	The Group		The Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Interest received (Note 9):				
Related companies	**247**	263	**247**	263
	247	263	**247**	263

29 Related party transactions (continued)

(iii) Key management personnel and Directors' compensation

The company and the Group

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 2023 and 31 December 2022, 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, Antonis Antoniou and Tasos Anastasiou.
- The following directors are paid €1.000 each annually for their services as members of the Audit Committee: Antonis Antoniou and Tasos Anastasiou.

(iv) Year end balances

	The Group		The Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Receivable from related parties (Note 20):				
Subsidiary companies	**-**	-	**5.185**	3.484
	-	-	**5.185**	3.484
Payable to related parties (Note 26):				
Directors	**7**	9	**7**	9
Related companies	**-**	12	**-**	12
	7	21	**7**	21

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:

	2023		2022	
	Guarantees on investment property €000	**Corporate guarantees €000**	Guarantees on investment property €000	Corporate guarantees €000
Ultimate parent company	**-**	**-**	1.677	1.500
	-	**-**	1.677	1.500

The bank loans and bank overdrafts of related parties have been settled in the year 2023 and all the guarantees have been written off.

29 Related party transactions (continued)

(vi) Personal guarantees of Directors

The Group's/Company's unused credit facilities for the years ended 31 December 2023 and 2022 are secured by personal guarantees of Messrs. George Galatariotis and Costas Galatariotis for the amount of €800 thousand and €800 thousand respectively.

(vii) Loans to related parties

	The Group		The Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Loan to ultimate parent company:				
At the beginning of the year	**8.027**	7.447	**8.027**	7.447
Loan granted during the year	**2.600**	3.349	**2.600**	3.349
Interest charge (Note 29 (ii))	**247**	184	**247**	184
Loan that was set off against dividends payable by the company (Note 21)	**(371)**	(324)	**(371)**	(324)
Loan that was set off against amount payable by the Company from reduction of share capital and share premium (Note 21)	**-**	(1.235)	**-**	(1.235)
Assignment of amount payable to related companies for dividends and reduction of share capital and share premium against loan (Note 21)	**(652)**	(1.394)	**(652)**	(1.394)
At the end of year (Note 20)	**9.851**	8.027	**9.851**	8.027

The loan bears interest of 2,75% (2022: 2,25%), is secured by a corporate guarantee of the parent company and is payable on first demand.

	The Group		The Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Loan to parent company:				
At the beginning of the year	**-**	4.987	**-**	4.987
Interest charge (Note 29 (ii))	**-**	79	**-**	79
Loan that set off against dividends payable by the company (Note 21)	**-**	(556)	**-**	(556)
Loan that was set off against amount payable by the Company from reduction of share capital and share premium (Note 21)	**-**	(2.112)	**-**	(2.112)
Assignment of amounts payable to related companies for dividends and reduction of share capital and share premium against loan (Note 21)	**-**	(2.398)	**-**	(2.398)
At the end of the year (Note 20)	**-**	-	**-**	-

The loan carried an interest rate of 2.25% and was secured by a corporate guarantee of the ultimate parent company.

29 Related party transactions (continued)

(viii) Dividend income from related parties

	The Group		The Company	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
Dividend income (Note 9)				
Related parties	**-**	-	**3.859**	3.458
	-	-	**3.859**	3.458

Additionally, during 2022 the Company received amounts from its subsidiary regarding the capital reduction and final distribution from voluntary wound-up (Note 18).

30 Events after the balance sheet date

- At an Extraordinary General Meeting of the shareholders of the Company, which was held on 4th March 2024, the following Special Resolution was approved:

  (a) That the issued share capital of the Company which amounts to €50.916 thousand divided into 137.610.883 ordinary shares with a nominal value €0,37 each, be reduced to €50.750 thousand divided into 137.161.879 ordinary shares with a nominal value €0,37 each.

  (b) Such reduction of the Company's issued share capital to be effected through the cancellation of 449.004 fully paid ordinary shares of a nominal value of €0,37 each, which are held by the Company.

  The Special Resolution for the cancellation of the shares has been approved by the District Court of Limassol on 8th April 2024 and the court order for capital reduction has been filed with the Registrar of Companies.

- The Final General Meeting of the shareholders of C.C.C. Tourist Enterprises Public Company Ltd was held on 11th January 2024. The final liquidation accounts were approved and submitted to the Registrar of Companies. The subsidiary company was dissolved/struck off by the Registrar of Companies on 22nd April 2024.

- The Board of Directors proposes the payment of a dividend of €2.743 thousand corresponding to €0,02 per share out of the profits for the year 2022. If approved by the Annual General Meeting, the dividend will be paid to the shareholders who will be registered in the Cyprus Stock Exchange register on 10th July 2024 (record date).

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.