



**VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD**

Report and Consolidated Interim Financial Statements  
Six months ended 30 June 2019



# VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

## Report and Consolidated Interim Financial Statements Six months ended 30 June 2019

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# VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

## Report for the Six Months Ended 30 June 2019

On July 26th 2019, the Board of Directors of Vassiliko Cement Works Public Company Ltd approved the financial results of the Group for the first half of the year that ended 30 June 2019.

### Financial results

Revenues for the first half of 2019 reached €53.996.000, compared to €49.603.000 for the respective period of 2018. Revenue increase relate to increases of volumes which compensated for some price reductions.

Energy, fuels and environmental management is on the first line of the management priorities, focusing on process efficiency, utilisation of alternative fuels and renewables sources of energy. Also, following the global trend of cement industry, we will concentrate in promoting a more environmentally friendly cement through marketing and pricing.

In May 2019 the Company disposed off its participation in associated companies operating in aggregates quarrying as part of its strategy to focus on its core activity. The transaction also resulted to a gain of €787.000 as shown on the consolidated profit and loss statement.

The profit for the period reached €10.411.000 compared to €8.902.000 for the same period of 2018.

### Transactions with related parties

The transactions with related parties for the first half of 2019 are presented on note 4 of the consolidated interim financial statements.

### Main risks and uncertainties

The main risks and uncertainties faced by the Group are presented on note 5 of the consolidated interim financial statements.

### Prospects for the year

Energy costs, i.e. fuels and electricity prices pose an uncertainty and challenge due to the high volatility of their price experienced in the recent past, which in turn affect the Company's cost base together with the increasing cost of carbon emissions rights in Europe. A particular focus is given to these aspects of operation to mitigate such possible negative impact.


**VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD**
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**Six months ended 30 June 2019**

	Six months ended 30 June	
	2019 €000	2018 €000
Revenue	53.996	49.603
Cost of sales	<u>(38.742)</u>	<u>(35.776)</u>
<b>Gross profit</b>	<b>15.254</b>	<b>13.827</b>
Other operating income	596	488
Distribution expenses	(2.324)	(2.133)
Administrative expenses	(1.860)	(1.938)
Other operating expenses	<u>(751)</u>	<u>(772)</u>
<b>Operating profit before financing costs</b>	<b>10.915</b>	<b>9.472</b>
Financial income	21	440
Financial expenses	<u>(152)</u>	<u>(231)</u>
<b>Net financial (expenses)/income</b>	<b>(131)</b>	<b>209</b>
Profit from investing activities	-	32
Gain on disposal of equity-accounted investees	787	-
Share of profit from equity-accounted investees	<u>285</u>	<u>460</u>
<b>Profit before tax</b>	<b>11.856</b>	<b>10.173</b>
Taxation expense	<u>(1.445)</u>	<u>(1.271)</u>
<b>Profit for the financial period</b>	<b>10.411</b>	<b>8.902</b>
<b>Other comprehensive income/(loss)</b>		
Cash flow hedges – effective portion of changes in fair value	-	(254)
Revaluation gain on financial assets at fair value through other comprehensive income	<u>9</u>	<u>-</u>
<b>Other comprehensive income/(loss) for the period</b>	<b>9</b>	<b>(254)</b>
<b>Total comprehensive income for the period</b>	<b>10.420</b>	<b>8.648</b>
<b>Profit attributable to:</b>		
Equity holders of the parent	10.411	8.902
Non-controlling interest	<u>-</u>	<u>-</u>
	<b>10.411</b>	<b>8.902</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the parent	10.420	8.648
Non-controlling interest	<u>-</u>	<u>-</u>
	<b>10.420</b>	<b>8.648</b>
<b>Basic and diluted earnings per share (cents)</b>	<b>14,5</b>	<b>12,4</b>


**VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD**
**Consolidated Statement of Financial Position**  
**30 June 2019**

	<b>30/6/19</b>	<b>31/12/18</b>
	<b>€000</b>	<b>€000</b>
<b>ASSETS</b>		
Property, plant and equipment	<b>227.416</b>	228.957
Intangible assets	<b>12.385</b>	12.385
Investment property	<b>8.500</b>	8.499
Investments in equity-accounted investees	<b>1.260</b>	4.423
Financial assets at fair value through other comprehensive income	<b>194</b>	186
<b>Total non-current assets</b>	<b>249.755</b>	254.450
Inventories	<b>23.769</b>	25.245
Trade and other receivables	<b>7.442</b>	6.362
Cash and cash equivalents	<b>15.937</b>	259
<b>Total current assets</b>	<b>47.148</b>	31.866
<b>Total assets</b>	<b>296.903</b>	286.316
<b>EQUITY AND LIABILITIES</b>		
<b>Equity and reserves</b>		
Share capital	<b>30.932</b>	30.932
Reserves	<b>212.838</b>	202.417
<b>Total equity attributable to equity holders of the parent</b>	<b>243.770</b>	233.349
<b>Non-controlling interest</b>	-	-
<b>Total equity</b>	<b>243.770</b>	233.349
<b>LIABILITIES</b>		
Interest bearing-loan and borrowings	<b>13.314</b>	15.155
Deferred tax liabilities	<b>23.246</b>	22.586
Provisions	<b>300</b>	300
<b>Total non-current liabilities</b>	<b>36.860</b>	38.041
Interest bearing-loan and borrowings	<b>7.907</b>	7.907
Tax payable	<b>749</b>	-
Trade and other payables	<b>7.617</b>	7.019
<b>Total current liabilities</b>	<b>16.273</b>	14.926
<b>Total liabilities</b>	<b>53.133</b>	52.967
<b>Total equity and liabilities</b>	<b>296.903</b>	286.316



# VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

## Consolidated Statement of Changes in Equity

Six months ended 30 June 2019

	Share Capital	Share premium reserve	Revaluation reserve	Fair value reserve	Cash flow hedges – effective portion of changes in fair value	Retained profits	Equity attributable to holders of parent	Non-controlling interest	Total equity
	€000	€000	€000	€000	€000	€000	€000	€000	€000
<b>Six months ended 30 June 2019</b>									
Balance 1 January 2019	30.932	45.388	38.242	-	-	118.788	233.350	-	233.350
Profit for the period	-	-	-	-	-	10.411	10.411	-	10.411
Other comprehensive income for the period	-	-	-	9	-	-	9	-	9
Total comprehensive income for the period	-	-	-	9	-	10.411	10.420	-	10.420
Balance 30 June 2019	30.932	45.388	38.242	9	-	129.199	243.770	-	243.770
<b>Six months ended 30 June 2018</b>									
Balance 1 January 2018	30.932	45.388	42.790	-	254	119.615	238.979	-	238.979
Profit for the period	-	-	-	-	-	8.902	8.902	-	8.902
Other comprehensive loss for the period	-	-	-	-	(254)	-	(254)	-	(254)
Total comprehensive income for the period	-	-	-	-	(254)	8.902	8.648	-	8.648
Dividends	-	-	-	-	-	(11.510)	(11.510)	-	(11.510)
Balance 30 June 2018	30.932	45.388	42.790	-	-	117.007	236.117	-	236.117



# VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

## Consolidated Statement of Cash Flows

Six months ended 30 June 2019

	Six months ended 30 June	
	2019 €000	2018 €000
<b>Cash flows from operating activities</b>		
Profit for the period	10.411	8.902
Adjustments for:		
Depreciation and amortisation charges	7.520	7.350
Interest income	(21)	(440)
Impairment of available-for-sale financial assets	-	7
Interest expense	153	231
Share of profit of equity-accounted investees	(285)	(460)
Gain on disposal of equity-accounted investees	(787)	-
Taxation expense	1.445	1.271
<b>Operating profit before changes in working capital</b>	<b>18.436</b>	<b>16.861</b>
<b>Changes in:</b>		
Trade and other receivables	(1.080)	(499)
Inventories	1.476	(2.157)
Trade and other payables	617	(466)
<b>Cash generated from operations</b>	<b>19.449</b>	<b>13.739</b>
Interest paid	(173)	(252)
Taxes paid	-	153
<i>Net cash inflow from operating activities</i>	<b>19.276</b>	<b>13.640</b>
<b>Cash outflows to investing activities</b>		
Proceeds from disposal of equity-accounted investees	4.150	-
Interest received	21	440
Dividends received	50	100
Acquisition of property, plant and equipment	(5.979)	(2.451)
<i>Net cash used in investing activities</i>	<b>(1.758)</b>	<b>(1.911)</b>
<b>Cash flows from financing activities</b>		
Proceeds from new loans raised	2.113	-
Repayment of loans	(3.953)	(3.953)
Dividends paid	-	(11.510)
<i>Net cash outflows to financing activities</i>	<b>(1.840)</b>	<b>(15.463)</b>
<b>Net increase/(decrease) of cash and cash equivalents</b>	<b>15.678</b>	<b>(3.734)</b>
Cash and cash equivalents at 1 January	259	(27)
Cash and cash equivalents at 30 June	<b>15.937</b>	<b>(3.761)</b>

**Notes to the Consolidated Interim Financial Statements**

1. The interim financial statements relate to the period from 1 January to 30 June 2019, are not audited by the Company's auditors and were approved by the Board of Directors on 26 July 2019.
2. The interim financial statements comply with the International Accounting Standard 34 "Interim Financial Statements".
3. The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements. The interim financial statements are expressed in thousands of Euro.

**4. Transactions with related companies**

The Company entered into various transactions with the Hellenic Mining Group, Heidelberg Cement Group, Cyprus Cement Group, associated and related companies. These transactions include the rendering of technical, administrative, commercial and other services to the Group as well as the purchase and sale of raw materials, spare parts and other goods and services at mutually agreed prices. During the period, the transactions with the above were as follows:

	Sales		Purchases	
	2019 €000	2018 €000	2019 €000	2018 €000
Hellenic Mining Group	-	-	104	186
HeidelbergCement Group	-	-	-	2.380
KEO Plc	-	-	3	3
Cyprus Cement Group	-	-	60	70
Enerco - Energy Recovery Ltd	605	447	365	823
	605	447	532	3.462

**5. Main risks and uncertainties**

The uncertain economic conditions, the limited availability of financing for individuals and businesses by the banking system in general, energy prices and exchange rates, could affect:

- (1) the Group's income and operating costs,
- (2) the ability of the Group's trade and other debtors to repay the amounts due to the Group, and
- (3) the cash flow forecasts of the Group and the assessment of impairment of other financial and non financial assets.

The uncertainty regarding the course of developments in the markets does not allow a safe prediction for the remaining of the current year, which may affect negatively the future financial performance, cash flows and financial position of the Group. Considering the above uncertainties the Group's Management is taking measures to limit exposure to certain risks and mitigate any possible negative consequences.

Other risks and uncertainties faced by the Group are detailed on note 36 of the Annual Report and Financial Statements for 2018.





# VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

## Statement of the members of the Board of Directors and the Chief Financial Officer of the Company for the interim financial statements

In accordance with Article 10 of the Transparency Requirements (Securities for Trading on Regulated Market) Law 190(I)/2007 ("Law"), we the members of the Board of Directors and the Chief Financial Officer of Vassiliko Cement Works Public Company Ltd, confirm that to the best of our knowledge:

(a) The interim financial statements for the period from 1 January 2019 to 30 June 2019 that are presented on pages 1 to 6:

i. were prepared in accordance with the International Financial Reporting Standards and in accordance with the provisions of Article 10 (4) of the Law, and

ii. give a true and fair view of the assets and liabilities, the financial position and the profits of Vassiliko Cement Works Public Company Ltd and the businesses that are included in the consolidated financial statements as a total, and

(b) the interim report gives a fair review of the information required under Article 10 (6) of the Law.

### Members of the Board of Directors

Antonios Antoniou - Executive Chairman

George Galatariotis

Costas Galatariotis

Stavros Galatariotis

Costas Koutsos

Charalambos Panayiotou

Antonios Mikellides

Antonios Katsifos

Stelios Anastasiades

### Company Officials

George Savva

Chief Financial Officer

Messrs. Maurizio Mansi Montenegro and Christophe Allouchery were not present during the meeting for the approval of the financial statements and therefore did not sign this statement.

26 July 2019