



VASSILIKO CEMENT WORKS

PUBLIC COMPANY LTD

Since 1963

ANNUAL REPORT AND
FINANCIAL STATEMENTS 2019



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NOTICE OF ANNUAL GENERAL MEETING

The 54th Annual General Meeting of the shareholders of Vassiliko Cement Works Public Company Ltd will be held at the Plant Offices of the Company at Vassiliko, on 30 July 2020 at 5:00 p.m. to transact the following business:

1. Consider the Management report of the Board of Directors for the year 2019.
2. Receive, consider and approve the annual financial statements and the report of the auditors for the year 2019.
3. Approve a total dividend payment of €0,08 per share, €0,06 out of the profits of the year 2018 included in the Retained Earnings Reserve and €0,02 out of the profits of 2019.
4. Elect new Directors in the place of those who retire.
5. Approve the remuneration report.
6. Fix the remuneration of the Directors for the year 2020.
7. Re-appoint KPMG Limited as the auditors of the Company and fix their remuneration for the year 2020.
8. Transact any other business which, in accordance with the Company's Articles of Association, can be presented at the Annual General Meeting.

By order of the Board

M. MAVRIDOU

Secretary

9 April 2020

NOTES TO THE NOTICE OF THE ANNUAL GENERAL MEETING

ENTITLEMENT TO PARTICIPATE IN THE ANNUAL GENERAL MEETING

1. Any person appearing as a shareholder in the Register of Members of the Company on the record date is entitled to participate in the Annual General Meeting. Each ordinary share is entitled to one vote. The record date for determining the right to vote at the Annual General Meeting is 28 July 2020. Transactions which will be taking place on 27 July 2020 and thereafter will not be considered in determining the right to vote at the Annual General Meeting.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his behalf. Shareholders may appoint any person as their proxy. Such proxy need not be a member of the Company. Shareholders who appoint a proxy to vote on their behalf, but wish to specify how their votes will be cast, should tick the relevant boxes on the Form of Proxy.
3. The instrument appointing a proxy, which will be available on the website of the Company www.vassiliko.com (under Investors Relations), must be deposited at the Registered Offices of the Company (1A, Kyriakos Matsis Avenue, 4th Floor, CY-1082 Nicosia, Cyprus, fax +357 24 332 651) 24 hours prior to the commencement of the business of the Annual General Meeting.
4. If such appointor is a company, the Form of Proxy must bear the name of the company, and be signed by its duly authorised officer/s. In the case of joint shareholders, the Form of Proxy can only be signed by the person whose name appears first in the Register of Members. Shareholders should confirm that the form of proxy has been successfully received by the Company by calling +357 24 855 555.
5. Shareholders and/or their proxies who will attend the Annual General Meeting are requested to carry with them their identity card, or other proof of identification.
6. Any corporation, which is a shareholder of the Company, may by resolution of its Directors or other governing body, authorise such person, as it thinks fit to act as its representative at any meeting of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he/she represents, as that corporation could exercise, if it were an individual member of the Company.

VOTING PROCEDURES AT THE ANNUAL GENERAL MEETING

7. At the Annual General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:
 - a. by the Chairman, or
 - b. by at least three members present in person or by proxy, or
 - c. by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting.
 - d. by a member or members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

NOTES TO THE NOTICE OF THE ANNUAL GENERAL MEETING (continued)

8. If a poll is demanded in the manner aforesaid, it shall be taken in such a manner, as the Chairman shall direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

SHAREHOLDERS RIGHTS AT THE ANNUAL GENERAL MEETING

9. Pursuant to article 127B of Companies Law Cap 113, shareholders of the Company have the right to put an item on the agenda of the Annual General Meeting, provided that the item is accompanied by a written explanation justifying the inclusion of the item or the proposed resolution for approval at the Annual General Meeting provided that:
 - a. the shareholder or group of shareholders hold at least 5% of the issued share capital of the Company, representing at least 5% of the voting rights of shareholders entitled to vote at the meeting for which an item has been added on the agenda, and
 - b. the shareholders' request to put an item on the agenda or resolution (as described above) is received by the Company's Secretary in hard copy or electronically at the addresses indicated below at least 42 days prior to the Annual General Meeting.

Vassiliko Cement Works Public Company Limited
1A, Kyriakos Matsis Avenue, 4th Floor, CY-1082 Nicosia, Cyprus
or by fax at +357 24 332 651
or by email at investors@vassiliko.com

10. Pursuant to article 128C of the Companies Law Cap 113, shareholders have a right to ask questions related to items on the agenda and to have such questions answered by the Board of Directors of the Company subject to any reasonable measures the Company may take to ensure the identification of shareholders.

OTHER INFORMATION AND AVAILABLE DOCUMENTS

11. As at 9 April 2020, the issued share capital of the Company is €30.932.457 divided into 71.935.947 ordinary shares of nominal value €0,43 each.
12. The Annual Report and Financial Statements of the Company for 2019 (incorporating the Notice to and the Agenda of the Annual General Meeting, Explanatory Notes on the Agenda Items, the Management Report, the Corporate Governance Report, the Remuneration Report, the Auditors' Report and the Financial Statements), and the Form of Proxy shall be made available in electronic form on the website of the Company www.vassiliko.com (Investor Relations) and in hard copy at the Company's Registered Offices, 1A Kyriakos Matsis Avenue, 4th Floor, 1082 Nicosia.

NOTES TO THE NOTICE OF THE ANNUAL GENERAL MEETING (continued)

EXPLANATORY NOTES

The formal Notice of the 2020 Annual General Meeting is set out on page 1. The Notice asks the shareholders of Vassiliko Cement Works Public Company Ltd to approve a number of items of business. For your information, the explanatory notes below summarise the purpose of each Resolution to be voted on by Vassiliko Cement Works shareholders at this year's Annual General Meeting.

RESOLUTION 1: TO CONSIDER THE MANAGEMENT REPORT

The Chairman will present the Management Report for the year 2019 to the meeting.

RESOLUTION 2: TO RECEIVE, CONSIDER AND APPROVE THE ANNUAL FINANCIAL STATEMENTS AND THE REPORT OF THE AUDITORS

The Chairman will present the Annual Financial Statements and KPMG Limited will present their Audit Report for the year ended 31 December 2019 to the meeting.

RESOLUTION 3: APPROVE A DIVIDEND PAYMENT

The Directors proposed the payment of a dividend of €0,08 per Ordinary Share, €0,06 out of the profits of 2018 included in the Retained Earnings Reserve and €0,02 out of the profits of 2019. If approved at the Annual General Meeting, the dividend will be paid to the entitled shareholders registered as at 12 August 2020 (record date). The share of the Company will be traded ex-dividend as of 11 August 2020. Payment of the dividend will be made (effected) till the 8 September 2020.

RESOLUTION 4: RE-ELECTION OF DIRECTORS

In accordance with the articles of association Messrs Stavros Galatariotis, Costas Koutsos and Antonis Mikellides, are the Directors who will retire by rotation this year and offer themselves for re-election in accordance with the Company's Articles of Association.

Brief details of all Directors appear on pages 20 to 23 of the Annual Report.

RESOLUTION 5: APPROVE THE REMUNERATION REPORT

The Shareholders are asked to approve the remuneration report that appears on pages 18 to 19.

RESOLUTION 6: TO FIX THE REMUNERATION OF THE DIRECTORS

The Shareholders are asked to approve the remuneration of the Directors for the year 2020 to remain the same as for the previous year, i.e.:

€25.000 for the Chairman

€20.000 for each of the Directors

€300 attendance fee per meeting held

RESOLUTION 7: APPOINTMENT OF AUDITORS

This resolution relates to the re-appointment of KPMG Limited as the Company's auditors to hold office until the next Annual General Meeting of the Company, and to authorise the Directors to set their remuneration.

OFFICERS, PROFESSIONAL ADVISORS AND BANKERS

Directors: ANTONIOS A. ANTONIOU (Executive Chairman)
GEORGE ST. GALATARIOTIS
COSTAS ST. GALATARIOTIS
STAVROS G. GALATARIOTIS
COSTAS KOUTSOS
CHARALAMBOS PANAYIOTOU
MAURIZIO MANSI MONTENEGRO
ANTONIS MIKELLIDES
CHRISTOPHE ALLOUCHERY
ANTONIOS KATSIFOS
STELIOS S. ANASTASIADES

Chief Executive Officer: ANTONIOS A. ANTONIOU (until 31 December 2019)
**General Manager
& Chief Financial Officer:** GEORGE S. SAVVA
Secretary: MARIA MAVRIDOU

Independent Auditors: KPMG LIMITED
14, ESPERIDON STREET
1087 NICOSIA
CYPRUS

Legal Advisors: TASSOS PAPADOPOULOS & ASSOCIATES
CHRYSSES DEMETRIADES & CO. LLC
L. PAPAPHILIPPOU & CO LLC
LEONIDAS G. GEORGIU
CHRISTYS & CO LLC

Bankers: ALPHA BANK LTD
BANK OF CYPRUS PUBLIC COMPANY LTD
EUROBANK EFG CYPRUS LTD
HELLENIC BANK PUBLIC COMPANY LTD
NATIONAL BANK OF GREECE (CYPRUS) LTD
NATIONAL BANK OF GREECE SA
RCB BANK LTD
UBS SWITZERLAND AG







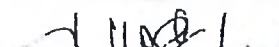

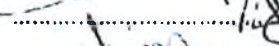
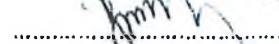

Registered office: 1A, KYRIAKOS MATSIS AVENUE CY-1082 NICOSIA CYPRUS
Registered number: 1210
Internet website: www.vassiliko.com

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

In accordance with Article 9 sections (3)(c) and (7) of the Transparency Requirements (Securities for Trading on Regulated Market) Law 2007 ('Law'), we the members of the Board of Directors and the other responsible persons for the financial statements of Vassiliko Cement Works Public Company Ltd for the year ended 31 December 2019, confirm that, to the best of our knowledge:

- a. The annual financial statements that are presented on pages 30 to 69:
 - i were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, and in accordance with the provisions of Article 9, section (4) of the Law, and
 - ii give a true and fair view of the assets and liabilities, the financial position and the profits or losses of Vassiliko Cement Works Public Company Ltd and the businesses that are included in the consolidated financial statements as a total.
- b. The Management report gives a fair review of the developments and the performance of the business as well as the financial position of Vassiliko Cement Works Public Company Ltd and the businesses that are included in the consolidated financial statements as a total, together with a description of the principal risks and uncertainties that they are facing.

MEMBERS OF THE BOARD OF DIRECTORS

Antonios A. Antoniou	Executive Chairman	
George St. Galatariotis	Non Executive Director	
Costas St. Galatariotis	Non Executive Director	
Stavros G. Galatariotis	Non Executive Director	
Costas Koussos	Non Executive Director	
Charalambos Panayiotou	Non Executive Director	
Maurizio Mansi Montenegro	Non Executive Director	
Antonis Mikellides	Independent Non Executive Director	
Christophe Allouchery	Non Executive Director	
Antonios Katsifos	Non Executive Director	
Stelios S. Anastasiades	Independent Non Executive Director	

COMPANY OFFICIALS

George S. Savva	General Manager & Chief Financial Officer	
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9 April 2020



Management report

The Board of Directors of Vassiliko Cement Works Public Company Ltd (the 'Company') presents to the members of the Company its annual report together with the audited consolidated financial statements of the Company for the year ended 31 December 2019.

Financial statements

The consolidated financial statements for the year 2019 include the results of the holding company, its subsidiaries and associate companies.

Principal activities

The Group's principal activities are the production of clinker and cement, which are distributed in the local and international markets.

Review of developments, position and performance of the operations

The revenue for 2019 reached €100.984.000 compared to €97.926.000 for 2018, showing an increase of 3,1%.

The above increase of revenues together with cost containment measures contributed towards the improvement of the financial results for 2019. This has been a successful year in terms of achieving certain targets for sustainable development regarding alternative fuels, electricity efficiency and environmental footprint that reduce CO₂ emissions.

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.

Financial results

The results of the Group are presented in the consolidated statement of profit or loss and other comprehensive income. The profit after taxation for the year ended 31 December 2019 amounted to €20.349.000 compared to €15.736.000 in 2018.

Dividends

On 3 October 2019, the Board of Directors approved the payment of an interim dividend of €0,06 per share of €4.316.157.

The Board of Directors recommends the payment of an additional dividend of €5.754.876 or €0,08 per share, €0,06 of which is payable from 2018 profits included in the Retained Earnings Reserve and €0,02 from 2019 profits.



Main risks and uncertainties

Statements made in this report that are not historical facts, including the expectations for future volume and pricing trends, demand for the products, energy costs and other market developments are forward looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions ("Factors"), which are difficult to predict.

Some of the Factors that could cause actual results to differ materially from those expressed in the forward-looking statements include, but are not limited to: the cyclical nature of the Company's business; national and regional economic conditions; currency fluctuations; energy prices; emission rights price fluctuation; seasonal nature of the Company's operations; levels of construction spending and, in particular, in Government infrastructure projects announced; supply/demand structure of the industry; competition from new or existing competitors; unfavourable weather conditions during peak construction periods; changes in and implementation of environmental and other governmental regulations. In general, the Company is subject to the risks and uncertainties of the construction industry. The forward-looking statements are made as of this date and the Company undertakes no obligation to update them, whether as a result of new information, future events or otherwise.

Further information for risks and uncertainties to which the Group is exposed, is disclosed in note 35 of the financial statements.

Future developments

The Company has invested in a photovoltaic park with capacity of 8MW which started its operation in February 2020. The power generated from the photovoltaic park corresponds to about 10% of the current needs of the Company's operations and will reduce the overall electricity cost, having also a positive impact on the environmental performance of the Company.

The Company is now facing a new challenge from the spread of the COVID-19 virus causing a pandemic which affects both its domestic and international markets. The extend of this pandemic and its impact on the financials of the Company cannot be predicted with certainty. It is clear however that the draconian regulatory steps which have been imposed by the authorities in order to contain and mitigate the impact on the health of the citizens, will have a major impact on the real economy and the construction industry for the remainder of the year. The Company expects to see a significant deterioration in its financials for the last three quarters of the year. Furthermore the Company has taken all necessary steps and measures to protect its employees, customers and suppliers from any possible exposure to the virus.

Events after the reporting period

The important events that occurred after the reporting period are disclosed on the note 39 of the financial statements.

Share capital

The issued share capital of the Company comprises 71.935.947 ordinary shares of €0,43 per share. There were no changes to the share capital of the Company during 2019. The Company's shares are listed on the Cyprus Stock Exchange (CSE).

There are no restrictions on the transfer of the Company's shares other than the requirements of the Market Abuse Regulation, which relates to transactions by persons in possession of inside information and persons discharging managerial responsibilities, as well as persons closely associated with them.

The Company does not have any shares in issue which carry special control rights.

Agreements which are effective upon a change of control of the Company

The Company has not contracted any agreement which becomes effective, is amended or ceases to apply in case of change of control following a public tender offer to the Company's shareholders or the proposal of a resolution to the general meeting of the Company for a merger, acquisition or sale of its operations.

There are no agreements with the Executive Directors or employees of the Company providing for compensation in case of resignation or dismissal without a valid reason or for termination of their employment due to a public tender offer for the acquisition of the shares of the Company. In case of termination by the Company of the employment of Executive Directors or employees, prior to their retirement, the Company has to compensate them according to the provisions of the Law and the Company's agreements with the Trade Unions.

Directors' interest in the share capital of the Company

The beneficial interest in the Company's shares held by members of the Board of Directors, directly or indirectly, at 31 December 2019 and 4 April 2020, is set out in note 31 of the Financial Statements.

Branches

During the year, the Group did not operate any branches.

Board of Directors

The members of the Board of Directors on the date of the report appear on page 5. In accordance with the Company's Articles of Association (Article 92), at the next Annual General Meeting, Messrs Stavros Galatariotis (Non-Executive Director), Costas Koutsos (non-Executive Director) and Antonis Mikellides (Independent Non-Executive Director) retire from office by rotation and, being eligible, offer themselves for re-election.

The Directors who served during the period from 30 May 2019, the date of the last Annual General Meeting, till this date were the following:

- Antonios A. Antoniou
- George St. Galatariotis
- Costas St. Galatariotis
- Stavros G. Galatariotis
- Costas Koutsos
- Charalambos Panayiotou
- Maurizio Mansi Montenegro
- Antonis Mikellides
- Christophe Allouchery
- Antonios Katsifos
- Stelios S. Anastasiades

The responsibilities of the Directors as members of the Board Committees are disclosed in the Corporate Governance Report.

There were no material changes to the compensation of the Board of Directors.

Corporate Governance statement

The Company recognises the importance of implementing corporate governance principles and adopted the CSE's Corporate Governance Code and applies its principles. The CSE's Corporate Governance Code is available on the CSE website (www.cse.com.cy).

The Company has adopted the 5th Revised Edition of the Corporate Governance Code, issued by the Cyprus Stock Exchange in January 2019 which is applicable for the Corporate Governance Report for the year ending 31/12/2019 onwards. At the date of this report the principles of the Corporate Governance Code are partly implemented, given that the Principle regarding Board Balance, the Provisions B.1.2 and C.3.1 of the Corporate Governance Code, regarding the independence criteria of the members of the Remunerations Committee and the Members of the Audit Committee respectively, as well as the number of Audit Committee meetings were not fully met.

The Corporate Governance Report of the Company for 2019 is available on the website of the Company (www.vassiliko.com).

The rules governing the composition and function of the Board of Directors and the appointment and replacement of its members as well as the composition and function of the Board Committees are set out in Section B of the Report on Corporate Governance.

Any amendment or addition to the Articles of Association of the Company is only valid if approved by a special resolution at a shareholders' meeting.

The Board of Directors may issue share capital if there is sufficient share capital which has not been issued and as long as the new shares to be issued are offered first to the existing shareholders, pro-rata to their percentage holding. In the event that the new shares will not be offered to existing shareholders, a resolution approved with a special majority of at least the 80% of the shareholders, who are entitled to attend and vote in a General Meeting, must be passed. In the event that a share capital increase requires an increase in the authorised share capital, the approval of the shareholders in a General Meeting must be obtained. The Board of Directors may also propose to the General Meeting of shareholders a share buyback scheme.

There are no restrictions in voting rights and special control rights in relation to the shares of the Company.

Shareholders holding more than 5%

The shareholders holding directly or indirectly more than 5% of the issued share capital of the Company as at 31 December 2019 and 4 April 2020, are set out in note 32 of the financial statements.

Preparation of periodic reporting

The Group has in place an effective internal audit system, the adequacy of which is evaluated at least annually by the Board of Directors and the Board's Audit Committee, in respect of financial and operational systems. The adequacy of the Internal Audit System secures the validity of financial data and compliance with relevant legislation and aims to secure the management of risks while providing reasonable assurance that no loss will incur.

The Group's internal audit systems incorporate effective procedures aiming at the identification and prevention of errors, omissions or fraud that could result in material misstatements during the preparation of financial statements and relevant disclosures included in the periodic reporting provided by the Group based on Part II of the Transparency Law of Cyprus (Law Providing for Transparency Requirements in relation to Information about Issuers whose Securities are listed for trading on a Regulated Market) of 2007 and its amendments.



Independent Auditors

The independent auditors of the Company, KPMG Limited, have expressed their willingness to continue in office. A resolution to fix their remuneration for the financial year 2020 will be proposed at the Annual General Meeting.

On behalf of the Board of Directors
ANTONIOS ANTONIOU
Executive Chairman

9 April 2020

CORPORATE GOVERNANCE REPORT

SECTION A

The Company has adopted the 5th Revised Edition of the Corporate Governance Code, issued by the Cyprus Stock Exchange in January 2019 which is applicable for the Corporate Governance Report for the year ending 31/12/2019 onwards. At the date of this report the principles of the Corporate Governance Code are partly implemented, given that the Principle regarding Board Balance, the Provisions B.1.2 and C.3.1 of the Corporate Governance Code, regarding the independence criteria of the members of the Remunerations Committee and the Members of the Audit Committee respectively, as well as the number of Audit Committee meetings were not fully met.

SECTION B

THE BOARD

The Company is headed by the Board of Directors which at 31 December 2019 comprised one Executive and ten non-Executive Directors and is responsible to the shareholders for the proper management of the company «Τσιμεντοποιία Βασιλικού Δημόσια Εταιρεία Λτδ» (English translation “Vassiliko Cement Works Public Company Ltd”) and its subsidiaries. The non-Executive Directors comprised two independent Directors and eight non-independent Directors. The members of the Board (excluding the Chairman) comprised two independent non-Executive Directors and eight non-independent Directors, all of which are non-Executive Directors. The independent non-Executive Directors of the Board were Mr. Antonis Mikellides and Mr. Stelios S. Anastasiades.

The size and composition of the Board of Directors allow for the effective exercise of its responsibilities and reflect the Company’s size, activity and ownership status. The Board of Directors is sufficiently diversified in terms of age, educational and professional background reflecting a sufficiently wide range of experiences.

The Board of Directors of the Company as at the date of this report comprises the following members:

Antonios Antoniou	- Executive Chairman
George Galatariotis	- Non-Executive Director
Costas Galatariotis	- Non-Executive Director
Stavros Galatariotis	- Non-Executive Director
Costas Koutsos	- Non-Executive Director
Charalambos Panayiotou	- Non-Executive Director
Maurizio Mansi Montenegro	- Non-Executive Director
Antonis Mikellides	- Independent non-Executive Director
Christophe Allouchery	- Non-Executive Director
Antonios Katsifos	- Non-Executive Director
Stelios S. Anastasiades	- Independent non-Executive Director

The Company’s shares are traded in the Alternative Market of the Cyprus Stock Exchange. Corporate governance provisions regarding Board Balance for Companies listed in the Alternative Market provide that the majority of the non-Executive Directors, or at least two Directors, have to be independent non-Executive Directors. The Company complies with the above Board Balance provision since two members of the Board are Independent non-Executive Directors. Based on the provisions of the Corporate Governance Code, and given that the Board of Directors is comprised of two Independent non-Executive members and nine non-Independent members (executive and non-executive), Board Balance is not met according to Principle A.2 of the Corporate Governance Code.

CORPORATE GOVERNANCE REPORT (continued)

Mr. Stelios S. Anastasiades, independent non-Executive Director, was appointed on 30 May 2017 as Senior Independent Director. The Senior Independent Director of the Company is available to shareholders if they have concerns that have not been resolved through the normal channels of contact with the Executive Chairman, or the General Manager or for which such contact is inappropriate. The Senior Independent Director will attend sufficient meetings of major shareholders and financial analysts to develop a balanced understanding of the issues and concerns of such shareholders. The Senior Independent Director can be contacted initially via the Company Secretary at the Registered Office of the Company.

The Board has six scheduled meetings a year, setting and monitoring the Group's strategy, reviewing trading performance, ensuring adequate funding, examining major capital expenditure, formulating policy on key issues and reporting to shareholders where appropriate. The Board of Directors convened 6 times during 2019. In accordance with best practice, the Board has established the Audit Committee, the Remunerations Committee and the Nominations Committee as per the requirements of the Code. The Company Secretary is responsible to and appointed by the Board and all Directors have access to her advice and services. Directors may obtain independent professional advice if necessary, at the Company's expense. Formal agendas, papers and reports are supplied to Directors in a timely manner, prior to Board meetings. Briefings are also provided at other times, for example, through operational visits and business presentations.

EXECUTIVE CHAIRMAN AND GENERAL MANAGER

The division of responsibility between the Executive Chairman and the General Manager of the Company is presented below. Following the assignment of the duties and responsibilities of the General Manager on the 1st of August 2017 to the Executive Chairman of the Company, in his additional role as the Chief Executive Officer of the Company, and until the appointment of a new General Manager on the 1 August 2019, the duties and responsibilities of the General Manager until the 31 July 2019 lay with the Executive Chairman.

The Executive Chairman has, among others, the following duties & responsibilities:

- Determines the Agenda of the meeting of the Board of Directors.
- Chairs the Meetings of the Board of Directors and the General Meetings of the Shareholders of the Company.
- Reviews the information and documents and confirms their relevance in order to be submitted to the Members of the Board of Directors prior to the Board Meetings.
- Reviews the strategy of the Group with the General Manager of the Company.
- Represents the Company in all its major dealings.
- Meets with the major shareholders of the Company and conveys their suggestions to the Board of Directors.
- Cooperates with the General Manager of the Company to determine the strategic targets of the Group according to the developments of the sector within which the Group operates and secures the thorough appraisal of the Company's strategic or other development proposals and the presentation thereof to the Board of Directors for final approval.
- Evaluates and promotes various other proposals of the General Manager.
- Represents together with the General Manager and / or selective members of the Management Team the Company at various meetings for the promotion of the strategic targets of the Company.

CORPORATE GOVERNANCE REPORT (continued)

- Develops and maintains effective relationships with the Company's stakeholders ensuring the continuity and the sustainable development of the business.
- Supervises the internal control system, secures the proper implementation of the Company's targets and updates the Board of Directors on the related progress.
- Holds periodic meetings with the management of the Company to discuss various specific subjects.

The General Manager of the Company, among others, has the following duties & responsibilities, which until the 31 July 2019, i.e. before the appointment of a General Manager, lay with the Executive Chairman, in his additional role as the Chief Executive Officer of the Company, a position held until the 31 December 2019:

- To manage the Company in line with the strategy and the commercial targets determined by the Board of Directors and in compliance with all relevant laws, regulations, Corporate Governance codes as well as internal policies and procedures.
- To ensure the daily smooth operation of the Company in line with the policy, the targets and the budgets approved by the Board of Directors.
- To ensure timely and effective implementation of the strategic resolutions of the Board of Directors in agreement with the Executive Chairman.
- In cooperation with the Executive Chairman to manage the business development of the Company's activities, its subsidiaries and associates.
- To inform regularly the Executive Chairman regarding all the major issues of the Company, including the current status of the operations of the Company.
- To implement procedures to ensure existence of an efficient internal control system.
- To define and introduce appropriate rules, measures and procedures to govern operations at risk.
- To identify the main business risks and approve the relevant action plans to mitigate them.

APPOINTMENTS TO THE BOARD

The Nominations Committee is chaired by Mr. George Galatariotis (non-Executive Director) and is composed of two other Directors, Messrs C. Koutsos (non-Executive Director) and A. Katsifos (non-Executive Director). All the members of the Committee are non-Executive Directors. The Nominations Committee is responsible for the selection and nomination of any new Director, for the Board's consideration. The Committee is responsible to carry out a selection process. Upon the appointment of a new Director, appropriate training is provided as required. In accordance with the Articles of Association of the Company and the Corporate Governance Code, three out of the eleven Directors of the Company (excluding the Executive Chairman of the Company) retire by rotation every year (each Director retires every three years) and, if eligible, may offer themselves for re-election. The Board has set the 75th year of age as the year of retirement.

CORPORATE GOVERNANCE REPORT (continued)

RELATIONS WITH SHAREHOLDERS

Importance is attached to maintaining a dialogue with the Company's institutional shareholders. The Annual General Meeting is used as a forum for communicating with shareholders, providing briefings on the Company's performance during the year under review and current business activity. There will be an opportunity for shareholders to meet with and put questions to the Directors, including the chairmen of the Audit, Nominations and Remunerations Committees. At Annual General Meetings, separate resolutions are proposed on each substantially separate issue and the number of proxy votes received for and against each resolution is announced. Members with voting rights of 5% may place items on the agenda of Annual General Meetings by submitting such items, either in hard copies or soft copies (electronic), accompanied with relevant explanations, at least 42 days before the date of the Annual General Meeting. Notices of Annual General Meetings are sent to the shareholders at least 21 days before the meeting. The Board of Directors appointed Mr. George Savva as Investor Liaison Officer to facilitate better communication with shareholders and investors.

FINANCIAL REPORTING

The preparation and presentation of this report and financial statements and other price sensitive public reports, seek to ensure that reports are prepared in a way that represents a balanced and understandable assessment of the Group's position and prospects.

INTERNAL CONTROL

Risk assessment and review is carried out by the executive management with details of significant risks being documented. Periodic reports relating to significant risks and associated controls are prepared from this documentation and presented to the Board for its review. The Board has overall responsibility for the Group's systems of internal control and for reviewing their effectiveness on an annual basis, as well as of the procedures which confirm the accuracy, completeness and validity of the information that is provided to the investors. The review covers all systems of internal control, including financial and operational systems, as well as compliance systems and systems for the management of risks, which threaten the attainment of the Company's objectives. On the basis of the process described above during the year the Internal Auditors prepare Internal Audit Reports addressed to the Audit Committee which informs the Board through its Annual Internal Audit Report. According to the Internal Auditors Reports, the systems of internal control do not present any significant weaknesses. The Board has reviewed the key risks inherent in the Group, together with the operating, financial and compliance controls that have been implemented to mitigate those key risks. However, any system of internal control can provide only reasonable and not absolute assurance against material misstatement or loss. The Board has put in place an organisation structure with clearly defined lines of accountability and delegated authority. The principles have been designed to establish clear local operating autonomy within a framework of central leadership, stated aims and objectives. Procedures were established for business planning, budgeting, capital expenditure approval and treasury management. The Executive Chairman and the General Manager regularly review the operating performance of each business and monitor progress against business plans.

CORPORATE GOVERNANCE REPORT (continued)

AUDIT COMMITTEE AND AUDITORS

The Audit Committee comprises of Messrs Costas Galatariotis (Chairman of the Committee - non-Executive Director), A. Mikellides (Independent non-Executive Director) and Mr. St. S. Anastasiades (Independent non-Executive Director). The majority of the members of the Audit Committee are Independent non-Executive Directors, though the Chairman of the Audit Committee, Mr. Costas Galatariotis, a non-Executive Director, is not an independent Director as per the provision C.3.1., according to the criteria of independency of a director (as these are defined by the provision A.2.3. of the Corporate Governance Code). The Committee met three times during 2019, as further meetings were not deemed necessary, thus the minimum number of meetings set by the Corporate Governance Code i.e. four meetings was not met during 2019. The Committee meetings provide a forum for reporting by the Group's external and internal auditors who have access to the Committee for independent discussion, without the presence of the Executive Directors.

The Audit Committee reviews a wide range of financial matters including the annual and half-yearly results, statements and accompanying reports, before their submission to the Board and monitors the controls which are in force to ensure the integrity of the financial information reported to shareholders, and also oversees the procedures for the selection of accounting policies and accounting estimates for the Company's financial statements and ensures that a mechanism is in place to ensure the Company's assets, including the prevention and detection of fraud. The Audit Committee also advises the Board on the appointment of external auditors and on their remuneration both for audit and non-audit work, as well as proposes to the Board of Directors the appointment and revocation of appointment of the audit firm assigned with the Internal Audit functions, and ensures its independence.

The Group's internal audit function is outsourced to PricewaterhouseCoopers Ltd, a professional Auditors Firm, which monitors the Group's internal financial control, the internal control systems and risk management systems and reports to the management and to the Audit Committee.

The Audit Committee considers the above mentioned periodic reports whereas the Management is responsible for the implementation of the recommendations made by internal audit that carry out post-implementation reviews. The external auditors carry out independent and objective reviews and tests of the internal financial control processes, only to the extent that they consider necessary to form their judgement when expressing their audit opinion on the accounts.

The Audit Committee discusses extensively with the auditors significant audit findings arising during their audit work, which were resolved or remained unresolved, as well as the auditor's report which refers to weaknesses in the internal control system, in particular those concerning the procedures of financial reporting and the preparation of financial statements.

GOING CONCERN

After making appropriate enquiries, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts and state that the Company intends to operate as a going concern for the next twelve months.

CORPORATE GOVERNANCE REPORT (continued)

REMUNERATIONS COMMITTEE

The Remunerations Committee comprises of three non-Executive Directors. The members of the Remunerations Committee are Messrs Ch. Panayiotou (non-Executive Director), St. Galatariotis (non-Executive Director) and A. Mikellides (Independent non-Executive Director). The Committee is chaired by Mr. Ch. Panayiotou who has knowledge and experience in remuneration policy. Even though all the members of the Remunerations Committee are non-executive Directors, only one director out of the three members of the Remunerations Committee is independent non-executive director according to the criteria of independency of a director as these are defined by the provision A.2.3. of the Corporate Governance Code. The Committee will usually meet at least once a year. The Group Executive Chairman will normally be invited to attend its meetings in order to make recommendations regarding the remuneration of the General Manager and the Deputy General Manager(s). The Committee periodically reviews the Directors Remuneration under their capacity as non-Executive Directors and members of the Board's Committees, as well as the remuneration policy for the Executive Directors, the General Manager and the Deputy General Manager(s). Independent external legal and consultancy advice is obtained when necessary. The Group Executive Chairman is not present when his own remuneration is discussed.

The Remuneration policy of the Directors of the Company is included in the Remunerations Report (page 18).

DIRECTORS SEEKING RE-ELECTION

All the Directors are subject to election by the shareholders at the first Annual General Meeting that follows their appointment and thereafter retire every three years. According to the Articles of Association, one third of the ten Company Directors (excluding the Executive Chairman / Chief Executive Officer of the Company) retire from the Board at each Annual General Meeting. The Directors liable to retirement according to the above provisions are those who served as members of the Board for the longest period since their last election.

In accordance with the Company's Articles of Association (Article 92), at the next shareholders Annual General Meeting Messrs Stavros Galatariotis (Non-Executive Director), Costas Koutsos (non-Executive Director) and Antonis Mikellides (Independent non-Executive Director), shall retire from office by rotation. All above mentioned Directors, being eligible, shall offer themselves for re-election.

LOANS AND GUARANTEES GRANTED TO DIRECTORS

No loans and/or guarantees were granted to the Directors of the Company or to Directors of any subsidiary or related company, either by the Company itself or by its subsidiary or related companies, and there are also no monies receivable from any company a Director, and/or any person related to him, is involved with.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE OFFICER

The Board of Directors appointed Mr. George Savva, General Manager of the Company, at the position of Compliance with the Code of Corporate Governance Officer.

BOARD OF DIRECTORS CONFIRMATION

The Board of Directors assures that to the best of its knowledge, there has been no violation of the Securities and Stock Exchange of Cyprus Law and Regulations.

REMUNERATION REPORT

The Remuneration Report of the Company for the year 2019 has been prepared according to Appendices 1 and 2 of the Corporate Governance Code.

REMUNERATIONS COMMITTEE

The Remunerations Committee of the Board is responsible for ensuring that the remuneration packages awarded to Executive Directors are appropriate to individual levels of responsibility and performance, are consistent with the Company's remuneration policy, and are in line with the principles of the Corporate Governance Code.

REMUNERATION POLICY

The Board's policy is to employ high calibre people for its key positions. It requires a corresponding level of performance from those people and seeks to reward accordingly. The Group may commission special reviews from time to time to assess the Directors' compensation levels. Account is taken of the salary and total remuneration levels prevailing in comparable jobs both inside and outside the Construction and Building Materials sector, together with the individual performance and contribution of each Executive Director.

The remuneration of the Executive Chairman and the General Manager includes variable-pay components to ensure that the executive remuneration is linked to the Company's performance. A maximum limit of the variable-pay component is set. The non-variable component is sufficient remuneration when a variable remuneration is not granted. The Board considers that packages of this nature are consistent with prevailing practice and are necessary to attract, retain and reward executives of the calibre the Group requires. In framing the policy, the Board has given full consideration to the provisions of the Corporate Governance Code. The annual incentive plan rewards for the performance of the previous year and is paid in cash. The maximum bonus payment is expressed as a percentage of base salary and is based on the evaluation of the performance of the Executive Chairman and the General Manager conducted by the Remunerations Committee at the year following the performance period. The Remunerations Committee evaluates the performance of the Executive Chairman and the General Manager considering the Company's financial performance, costs containment measures, measures towards the Group's long-term viability, as well as non-financial criteria relating to development and creating long term value for the Group. Bonuses granted in 2019 concern rewards for the financial performance of the Company for the year 2018. The Company reserves the right for full or partial recovery of any bonuses granted on the basis of information which subsequently proves to be inaccurate.

In addition to the base salary and incentive plan participation, the Executive Chairman and the General Manager enjoy the same benefits as other employees of the Company, which include provident fund and medical fund.

No significant changes were made to the remuneration policy of the Company for year 2019 compared to the previous year.

The total remunerations of the Executive Directors under their capacity as Executives for the year 2019 were €392.351.

PENSION SCHEME

All the Employees of the Company including the General Manager and the Executive Chairman were members of the Company's Provident Fund during 2019, which is a defined contribution scheme. No other additional pension schemes exist for any of the Executive Members of the Board.

REMUNERATION REPORT (continued)

EMPLOYMENT CONTRACTS

Employment of Executive Directors are for indefinite periods, however notice periods do not exceed one year as per the requirements of the Corporate Governance Code. In case of termination by the Company of the employment of Executive Directors, prior to their retirement, the Company has to compensate the Executive Directors according to the provisions of the Law.

NON-EXECUTIVE DIRECTORS

The remuneration of the Directors, both Executives and non-Executives, for services rendered to the Company as Directors, is determined by the annual general meeting of the Company on the proposal of the Board. The non-Executive Directors have letters of appointment for a three-year term. They do not participate in any profit sharing, share option or other incentive scheme. The remunerations for each of the Directors for 2019 were €20.000, and €25.000 for the Chairman and €300 per meeting for attendance in person.

EXECUTIVE AND NON-EXECUTIVE DIRECTORS' REMUNERATIONS

The remunerations of the Directors, Executives and non-Executives, under their capacity as Directors of the Company and as members of the Board of Directors' Committees as well as under their capacity as Executive Directors for 2019 were as follows:

Directors	Fees as Members of the Board and its Committees	Fees and emoluments as executives	Bonuses	Other Benefits	Social Benefits	Provident Fund	Total Remuneration
	€	€	€	€	€	€	€
Executive Directors							
Antonios Antoniou	26.800	276.000	80.000	11.950	4.536	19.865	419.151

Non-Executive Directors							
George St. Galatariotis	21.800	-	-	-	-	-	21.800
Costas St. Galatariotis	22.100	-	-	-	-	-	22.100
Stavros G. Galatariotis	22.400	-	-	-	-	-	22.400
Costas Koutsos	21.800	-	-	-	-	-	21.800
Charalambos Panayiotou	22.400	-	-	-	-	-	22.400
Maurizio Mansi Montenegro	20.600	-	-	-	-	-	20.600
Antonis Mikellides	23.000	-	-	-	-	-	23.000
Christophe Allouchery	21.200	-	-	-	-	-	21.200
Antonios Katsifos	21.800	-	-	-	-	-	21.800
Stelios S. Anastasiades	22.100	-	-	-	-	-	22.100

246.000	276.000	80.000	11.950	4.536	19.865	638.351
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The Independent Non-Executive Directors, Messrs A. Mikellides and St. Anastasiades did not receive from the Company, during their tenure and the 12 months preceding their appointment to the Board, any other material compensation besides their remuneration as members of the Board of Directors of the Company.

LOANS AND GUARANTEES GRANTED TO DIRECTORS

No loans and/or guarantees were granted to the Directors of the Company or to Directors of any subsidiary company or to their related parties by the Company and its subsidiary companies.

DIRECTORS' CURRICULA VITAE

ANTONIOS ANTONIOU – EXECUTIVE CHAIRMAN

Mr. Antonios Antoniou was born in London. He studied at the University of London where he obtained a BSc (Hons) degree and a postgraduate diploma.

Mr. A. Antoniou worked for 5 years as a Biochemist at University College London and for 3 years as a Computer Systems Analyst at British Gas Headquarters in London. He was a founding partner of AMER World Research Ltd and Deputy General Manager from 1983 until 1998. From 1998 until December 2006 he served as Senior Vice President (Operations and Systems) of Nielsen Europe and was a member of the European Executive Committee.

As from February 2008 he has been the Executive Chairman of Vassiliko Cement Works Public Company Ltd. From August 2017 until December 2019 he undertook the additional role of the Chief Executive Officer of the Company.

He is a Member of the Board of Directors of the Cyprus Employers & Industrialists Federation and Vice Chairman of its Executive Committee.

GEORGE ST. GALATARIOTIS

Mr. George St. Galatariotis was born in Limassol in 1947. He studied Business Administration at City Polytechnic in London.

Mr. George Galatariotis is Executive Chairman of Galatariotis Group of Companies, Executive Chairman of The Cyprus Cement Public Company Ltd and K&G Complex Public Company Ltd. He is also Member of the Board of Directors of several private and public companies. He is a Trustee of the Cyprus Conservation Foundation (Terra Cypria). Mr. George Galatariotis has also served as a member of the Board of Limassol Chamber of Commerce and Industry and the Cyprus Ports Authority. As from 2017 Mr. Galatariotis is a member of the Board of Directors of the Cyprus Employers & Industrialists Federation.

COSTAS ST. GALATARIOTIS

Mr. Costas St. Galatariotis was born in Limassol in 1963. He graduated the 5th Gymnasium of Limassol and he studied Economics, Industry and Commerce at the London School of Economics and Political Science.

Mr. Costas Galatariotis is Executive Chairman of the Galatariotis Group of Companies, Executive Chairman of C.C.C. Tourist Enterprises Public Company Ltd and member of Boards of Directors of several private and public companies. He is a member of the board of directors of the Association of Cyprus Tourist Enterprises (ACTE). Mr. Costas St. Galatariotis is Chairman of the Audit Committee of Vassiliko Cement Works Public Company Limited since 2008.

Mr. Costas St. Galatariotis has served as Honorary Consul General of Japan in Cyprus from 2007 until 2012. Since September 2014 he is the President of the Board of the Limassol Chamber of Commerce and Industry and as from July 2018 he is the Vice Chairman of the Cyprus Investment Promotion Agency (CIPA).

DIRECTORS' CURRICULA VITAE (continued)

STAVROS G. GALATARIOTIS

Mr. Stavros Galatariotis was born in Limassol in 1976. In 1999 he graduated from the University of Surrey with a BSc in Business Economics (First Class). During his studies he was awarded the CIMA award by the Chartered Institute of Management Accountants. Stavros holds an MBA from the Cyprus International Institute of Management.

Since 2000, Stavros Galatariotis is an Executive Director of the Galatariotis Group of Companies and a member of the Board of Directors of several private and public companies. He is a Director of Vassiliko Cement Works Public Company Ltd since 2008.

COSTAS KOUTSOS

Mr. Costas Koutsos is the Executive Chairman of KEO Plc and Member of the Board of Directors of Hellenic Mining Public Company Ltd. Between 1978 and 2011 he was the Managing Director of BMS Metal Pipes Industries Group. He is a Financial Consultant, Companies Tax Consultant, Secretary and Member of the Board of Directors of other private companies. Mr. C. Koutsos is a qualified accountant and he has worked for twelve years in a senior position in an international audit firm. He has a perennial experience in the Cyprus Stock Exchange Market. He is an active member of various charitable foundations. He served as Member of the Board of Directors of Cyprus Metal Industry Association, member of the Cyprus Employers and Industrialists Federation from 1985 to 2011.

CHARALAMBOS P. PANAYIOTOU

Mr. Charalambos Panayiotou was born on the 6th of July 1971. He studied Management Sciences (BSc) at the London School of Economics and Political Science (1993). He joined Coopers & Lybrand as a Chartered Accountant trainee in the audit and tax department from 1993 to 1996. He is a member of "The Institute of Chartered Accountants in England and Wales" as well as a Member of "The Institute of Certified Public Accountants of Cyprus" since 1996. He then joined the Cyprus Popular Bank Ltd. In 2000 he was appointed Financial Controller of the Holy Bishopric of Paphos, Executive member of the Board of Directors of St. George Hotel (Management) Ltd as well as of SM Tsada Golf Ltd until September 2010, upon which date he was appointed as Managing Director of the KEO PLC Group. He is a Member of the Board of Directors of Hellenic Mining Group Companies. He served as a Member of the Board of the Hellenic Bank Public Company Ltd from June 2005 to January 2014. During this same period he served as Chairman of the Hellenic Bank (Investments) Ltd. As from 2017 Mr. Panayiotou is a member of the Board of Directors of the Cyprus Employers & Industrialists Federation.

DIRECTORS' CURRICULA VITAE (continued)

MAURIZIO MANSI MONTENEGRO

Mr. Maurizio Mansi Montenegro was born on March 10, 1962. He holds a degree in Statistical Science from Rome University "La Sapienza" and a post-graduate degree in Strategic and International Marketing from SDA Bocconi (Milan), after having attended the International Executive Program at "Institut Européen d'Administration des Affaires" (INSEAD).

He started his career in Hewlett Packard as Business Analyst, then as Strategic Planning Specialist in Agusta – Westland.

In 1990, he joined Italcementi Group as Marketing Analyst Coordinator and, after seven years of experience in the Group's Strategic Plan Direction, he has been responsible for Cement Commercial activities in Egypt. In 2007 he was appointed as Assistant to the C.E.O. of Italcementi S.p.A. and between 2009 and the end of 2016, he was the Managing Director of Interbulk Trading S.A.

Since January 2017 he is General Director Trading of HC Trading BV, the trading company of Heidelberg Cement Group.

He is also member of the Board of Directors of Intercom S.r.l., Intercom Libya Z.F.C., HC Trading Malta Ltd and HCT Green Ltd.

ANTONIS MIKELLIDES

Mr. Antonis Mikellides was born in London in 1978. He studied at the University of Westminster where he obtained a BA degree in Business Computing and holds a Postgraduate degree in Shipping, Trade and Finance from City University London as well as a diploma in Terrorism Studies, focusing mainly on Marine Piracy, from the University of St. Andrews in Scotland.

Mr. A. Mikellides joined Zela Shipping Co Ltd in London in 2002 as a fleet operator, and in 2006 was in charge of restructuring the fleet's management company in Piraeus Greece. As from 2010 he has been a Director, Chief Financial Officer and Vice-President of Olympia Ocean Carriers Ltd and in 2012 also became a Director of Sea Trade Holdings. Mr. Antonis Mikellides has been elected on the Board of Directors of the Cyprus Union of Shipowners since 2009.

CHRISTOPHE ALLOUCHERY

Mr. Christophe Allouchery was born in France in 1971. Christophe graduated in Economics from Paris II University, and holds two Master's degrees in Finance awarded in 1996 from Paris School of Business.

He started his career in Grant Thornton in 1997 as financial auditor and in 2000 he joined Ciments Calcia in Guerville (France), member of Italcementi Group, as Head of Analytical Accounting and then Head of Cement Controlling. In 2010 he moved to Italcementi Group Headquarters in Bergamo (Italy) and was promoted Senior Zone Controller – Assistant to the Zone Manager, responsible for Egypt, Greece, Bulgaria, Kuwait, Saudi Arabia, Kazakhstan and Turkey. He is the Finance Director of the Bulgarian and Albanian activities of Heidelberg Cement since October 2016 and Chief Financial Officer and Board member of Halyps Building Materials in Athens (Greece) since 2013. He is also member of the board of Devnya Cement, Vulkan Cement and Lyulyaka Materials, all located in Bulgaria.

DIRECTORS' CURRICULA VITAE (continued)

ANTONIOS KATSIFOS

Mr. Antonios Katsifos was born in Athens in 1955. He studied at the National Technical University of Athens where he obtained a Degree as Mining and Metallurgy Engineer and he successfully completed the Accelerated Development program at London Business School.

He worked for 10 years, from 1981 until 1991, as a Mining Engineer in underground operations at Greek Bauxite of Elikon S.A. at Distomon Viotias and at METVA S.A. at Molaoi Lakonias, Greece. He worked for HALYPS cement, member of Intalcementi group of companies in Greece and now Heidelberg Cement, for more than 25 years. In 1991, he joined ET BETON, a ready mix concrete production company as Production Manager in Athens, and in 1995 he became Vice President and Managing Director at DOMIKI BETON at Heraclion Creta, a position held until 2001.

In 1999 he became General Director of HALYPS QUARRY in Attica and in 2001 Sales and Marketing Director of HALYPS CEMENT. He served as Sales and Marketing Director in Cement and Aggregates activity at HALYPS BUILDING MATERIALS S.A. until 2017 having served simultaneously the position of Sales Director for the concrete activity from 2013 to 2015. He was a member of the Board of Directors of the Hellenic Cement Industry Association from 2002 until 2017 and a member of the Board of Directors of the Mining and Quarry Association in Greece, as representative of HALYPS, from 2014 until 2017. Presently Mr. Katsifos is actively involved as Partner in the Consultancy firm ECHMES Ltd, which provides integrated solutions in the field of Environmental Management and Permitting, of Mining, Metallurgical, Land Planning, Tourist and Industrial projects within the framework of sustainable development.

STELIOS S. ANASTASIADES

Mr. Stelios S. Anastasiades is a Mechanical Engineer, aged 66. He was awarded a First Class Honours B.Sc. (Eng) degree from the Queen Mary College and a M.Sc. degree and D.I.C from the Imperial College, University of London.

Mr. Anastasiades is the Managing Director of KONE Elevators Cyprus Ltd, the leading company in Cyprus in the field of lifts and escalators, with 120 employees and an annual turnover of €15,7 million.

He is the President of the Nicosia Chamber of Commerce and Industry, a member of the executive committee of the Cyprus Chamber of Commerce and Industry, a member of the Cyprus Technical Chamber and President of the Board of Directors of the Financial Ombudsman of the Republic of Cyprus. In the past he served as Vice Chairman of Eurocypria Airlines, member of the Board of Social Insurance, member of the Board of the Loan Commissioners and member of the board of the Cyprus Organization for Standards and Quality Control.



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INDEPENDENT AUDITORS' REPORT

To the members of Vassiliko Cement Works Public Company Ltd

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the accompanying consolidated financial statements of Vassiliko Cement Works Public Company Ltd (the "Group") and separate financial statements of Vassiliko Cement Works Public Company Ltd (the "Company"), which are presented on pages 30 to 69 and comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2019, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Company for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Company, respectively, as at 31 December 2019, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and the requirements of the Cyprus Companies Law, Cap. 113, as amended from time to time (the "Companies Law, Cap. 113").

Basis for opinion

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

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INDEPENDENT AUDITORS' REPORT (continued)

To the members of Vassiliko Cement Works Public Company Ltd

Report on the audit of the consolidated and separate financial statements (continued)

Key Audit Matters

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.

Revenue recognition	
Please refer to Note 6 of the financial statements.	
The key audit matter	How the matter was addressed in our audit
<p>The vast majority of the Group's and the Company's revenue is generated from the sales of Clinker and Cement.</p> <p>The Group and the Company generally recognises revenue when products are delivered to the customers for the domestic sales, or in accordance with the terms and conditions of sale for export sales. Accordingly, the terms and conditions by customers vary and may affect the timing of recognition of revenue.</p> <p>Given the significance of revenue as a major component in the statement of comprehensive income, and since revenue is one of the key performance indicators of the Group and is, therefore, subject to manipulation, we considered the revenue recognition as a key area of focus during our audit.</p>	<p>Our audit procedures consist of the following:</p> <ul style="list-style-type: none">• Evaluation and assessment of the operating effectiveness of the internal controls relevant to the recognition and measurement of revenue.• Performing substantive analytical procedures, developing an expectation of the level of domestic sales based on historical data and macroeconomic factors.• Evaluation of the appropriateness of recognition of both revenue and discounts by reference to the relevant invoices and/or agreements with customers, in order to assess whether revenue and discounts have been recognised in the correct accounting period.



INDEPENDENT AUDITORS' REPORT (continued)

To the members of Vassiliko Cement Works Public Company Ltd

Report on the audit of the consolidated and separate financial statements (continued)

Key Audit Matters (continued)

Valuation of investment properties	
Please refer to Note 15 of the financial statements.	
The key audit matter	How the matter was addressed in our audit
At 31 December 2019, the management has assessed the fair value of the Group's and the Company's investment properties at €6.030.358 and €5.815.358, respectively. Given the significance of the above amounts as well as the inherent subjectivity included in determining the fair value, as well as, the judgment involved in this area, the valuation of investment property has been identified as an area of focus during our audit.	Our audit procedures consist of the following: <ul style="list-style-type: none">• Assessment of the capability, competence and independence of the external valuator.• Assessment of the methodology used by the external valuator and the reasonableness of the comparable data used in the valuations. Our internal valuation specialist was used within this process.• Assessment of the accuracy of the mathematical calculations.

Other information

The Board of Directors is responsible for the other information. The other information comprises the management report, the corporate governance report, the remuneration report and the directors' curricula vitae but does not include the consolidated and separate financial statements and our auditors' 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, except as required by the Companies Law, Cap.113.

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

With regards to the remuneration report and the directors' curricula vitae we have nothing to report.

With regards to the management report and the corporate governance report, our report in this regard is presented in the "Report on other legal and regulatory requirements" section.



INDEPENDENT AUDITORS' REPORT (continued)

To the members of Vassiliko Cement Works Public Company Ltd

Report on the audit of the consolidated and separate financial statements (continued)

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.



INDEPENDENT AUDITORS' REPORT (continued)

To the members of Vassiliko Cement Works Public Company Ltd

Report on the audit of the consolidated and separate financial statements (continued)

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

(continued)

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Group to express an opinion on the consolidated and separate 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, related safeguards.

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

Report on other legal and regulatory requirements

Other regulatory requirements

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

Date of appointment and period of engagement

We were first appointed auditors of the Company by the General Meeting of the Company's members in 1988. Our appointment has been renewed annually by shareholder resolution. Our total uninterrupted period of engagement is 32 years covering the periods ending 31 December 1987 to 31 December 2019.

Consistency of auditors' report with the additional report to the Audit Committee

We confirm that our audit opinion is consistent with the additional report presented to the Audit Committee dated 9 April 2020.

Provision of non-audit services ("NAS")

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



INDEPENDENT AUDITORS' REPORT (continued)

To the members of Vassiliko Cement Works Public Company Ltd

Report on other legal and regulatory requirements (continued)

Other legal requirements

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

- In our opinion, the management report, the preparation of which is the responsibility of the Board of Directors, has been prepared in accordance with the requirements of the Companies Law, Cap. 113, and the information given is consistent with the consolidated and separate financial statements.
- In the light of the knowledge and understanding of the business and the Group's environment obtained in the course of the audit, we have not identified material misstatements in the management report.
- In our opinion, the information included in the corporate governance report in accordance with the requirements of subparagraphs (iv) and (v) of paragraph 2(a) of Article 151 of the Companies Law, Cap. 113, has been prepared in accordance with the requirements of the Companies Law, Cap. 113, and is consistent with the consolidated and separate financial statements.
- In light of the knowledge and understanding of the Group 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 the subparagraph 2(s) of Article 151 of the Companies Law, Cap. 114. We have nothing to report in this respect.
- In our opinion, 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 Companies Law, Cap. 113.

Other matter

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

The engagement partner on the audit resulting in this independent auditors' report is George N. Syrimis.

George N. Syrimis, FCA
Certified Public Accountant and Registered Auditor
for and on behalf of

KPMG Limited
Certified Public Accountants and Registered Auditors
14 Esperidon Street
1087 Nicosia
Cyprus

9 April 2020



**Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2019**

	Note	2019 €000	2018 €000
Continuing operations			
Revenue	6	100.984	97.926
Cost of sales		<u>(70.093)</u>	<u>(70.944)</u>
Gross profit		30.891	26.982
Other operating income	7	990	977
Distribution expenses		(4.201)	(4.169)
Administrative expenses		(4.125)	(3.803)
Other operating expenses		<u>(1.392)</u>	<u>(1.606)</u>
Operating profit before net financing (cost) /income	8	22.163	18.381
Finance income		13	626
Finance expenses		(235)	(542)
Net finance (cost)/income	10	(222)	84
Net profit/(loss) from investing activities	11	29	(689)
Gain on disposal of equity- accounted investees	19	787	-
Share of profit from equity- accounted investees	19	449	830
Profit before tax		23.206	18.606
Taxation	12	(2.857)	(2.870)
Profit for the year		20.349	15.736
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Equity investments at fair value through other comprehensive income - net change in fair value		51	(14)
Revaluation of property, plant and equipment	14	-	(1.509)
<i>Items that are or may be reclassified to profit or loss</i>			
Cash flow hedges – effective portion of changes in fair value		-	(254)
Deferred tax on revaluation of properties	12	(13)	(1.246)
Other comprehensive income/(loss) for the year		38	(3.023)
Total comprehensive income for the year		20.387	12.713
Profit attributable to:			
Equity holders of the parent		20.349	15.736
Non-controlling interest		-	-
		<u>20.349</u>	<u>15.736</u>
Total comprehensive income attributable to:			
Equity holders of the parent		20.387	12.713
Non-controlling interest		-	-
		<u>20.387</u>	<u>12.713</u>
Basic and diluted earnings per share (cents)	13	<u>28,3</u>	<u>21,9</u>

The notes on pages 38 to 69 form an integral part of these financial statements.



**Company statement of profit or loss and other comprehensive income
for the year ended 31 December 2019**

	Note	2019 €000	2018 €000
Continuing operations			
Revenue	6	100.984	97.926
Cost of sales		(70.093)	(70.944)
Gross profit		30.891	26.982
Other operating income	7	990	977
Distribution expenses		(4.201)	(4.169)
Administrative expenses		(4.123)	(3.799)
Other operating expenses		(1.392)	(1.606)
Operating profit before financing costs	8	22.165	18.385
Finance income		13	626
Finance expenses		(235)	(542)
Net finance (cost)/income	10	(222)	84
Net profit/(loss) from investing activities	11	254	(319)
Gain on disposal of associates		1.151	-
Profit before tax		23.348	18.150
Taxation	12	(2.775)	(2.776)
Profit for the year		20.573	15.374
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Equity investments at fair value through other comprehensive income - net change in fair value		51	(14)
Revaluation of property, plant and equipment	14	-	(1.509)
<i>Items that are or may be reclassified to profit or loss</i>			
Cash flow hedges – effective portion of changes in fair value		-	(254)
Deferred tax on revaluation of properties	12	(13)	(1.246)
Other comprehensive income/(loss) for the year		38	(3.023)
Total comprehensive income for the year		20.611	12.351
Basic and diluted earnings per share (cents)	13	28,6	21,4

The notes on pages 38 to 69 form an integral part of these financial statements.



**Consolidated statement of financial position
as at 31 December 2019**

	Note	2019 €000	2018 €000
Assets			
Property, plant and equipment	14	229.127	228.957
Intangible assets	16	12.416	12.385
Investment property	15	6.030	8.499
Investments in equity accounted investees	19	1.202	4.423
Financial assets at fair value through other comprehensive income	20	258	186
Total non-current assets		249.033	254.450
Inventories	21	30.929	25.245
Tax receivable		35	-
Trade and other receivables	22	6.988	6.362
Cash and cash equivalents	23	4.006	259
Total current assets		41.958	31.866
Total assets		290.991	286.316
Equity			
Share capital	24	30.932	30.932
Reserves		209.856	202.417
Total equity attributable to equity holders of the parent		240.788	233.349
Non-controlling interest		-	-
Total equity		240.788	233.349
Liabilities			
Interest-bearing loans and borrowings	25	8.970	15.155
Deferred taxation	26	24.009	22.586
Provisions for liabilities and charges	27	300	300
Total non-current liabilities		33.279	38.041
Interest-bearing loans and borrowings	25	8.371	7.907
Trade and other payables	28	8.553	7.019
Total current liabilities		16.924	14.926
Total liabilities		50.203	52.967
Total equity and liabilities		290.991	286.316

The financial statements were approved by the Board of Directors on 9 April 2020.

ANTONIOS ANTONIOU

GEORGE ST. GALATARIOTIS

} Directors

The notes on pages 38 to 69 form an integral part of these financial statements.



**Company statement of financial position
as at 31 December 2019**

	Note	2019 €000	2018 €000
Assets			
Property, plant and equipment	14	229.127	228.957
Intangible assets	16	12.416	12.385
Investment property	15	5.815	8.284
Investments in subsidiaries	18	-	-
Investments in associates	19	500	3.499
Financial assets at fair value through other comprehensive income	20	258	186
Total non-current assets		248.116	253.311
Inventories	21	30.929	25.245
Income tax receivable		35	-
Trade and other receivables	22	7.500	6.871
Cash and cash equivalents	23	4.006	259
Total current assets		42.470	32.375
Total assets		290.586	285.686
Equity			
Share capital	24	30.932	30.932
Reserves		209.503	201.840
Total equity		240.435	232.772
Liabilities			
Interest-bearing loans and borrowings	25	8.970	15.155
Deferred taxation	26	24.009	22.586
Provisions for liabilities and charges	27	300	300
Total non-current liabilities		33.279	38.041
Interest-bearing loans and borrowings	25	8.371	7.907
Trade and other payables	28	8.501	6.966
Total current liabilities		16.872	14.873
Total liabilities		50.151	52.914
Total equity and liabilities		290.586	285.686

The financial statements were approved by the Board of Directors on 9 April 2020.

ANTONIOS ANTONIOU

GEORGE ST. GALATARIOTIS

} Directors

The notes on pages 38 to 69 form an integral part of these financial statements.

**Consolidated statement of changes in equity
for the year ended 31 December 2019**

	Share capital €000	Share premium €000	Revaluation reserve €000	Fair value reserve €000	Cash flow hedge reserve €000	Retained earnings €000	Total equity attributable to equity holders of the parent €000	Non- controlling interest €000	Total equity €000
At 1 January 2018 as previously reported	30.932	45.388	42.790	-	254	119.615	238.979	-	238.979
Adjustment on initial application of IFRS 9 (note 4)	-	-	-	(410)	-	410	-	-	-
At 1 January 2018	30.932	45.388	42.790	(410)	254	120.025	238.979	-	238.979
Profit for the year	-	-	-	-	-	15.736	15.736	-	15.736
Other comprehensive loss	-	-	(2.755)	(14)	(254)	-	(3.023)	-	(3.023)
Total comprehensive income for the year	-	-	(2.755)	(14)	(254)	15.736	12.713	-	12.713
Dividends (note 30)	-	-	-	-	-	(18.343)	(18.343)	-	(18.343)
Transfer	-	-	(1.793)	-	-	1.793	-	-	-
At 31 December 2018 / 1 January 2019	30.932	45.388	38.242	(424)	-	119.211	233.349	-	233.349
Profit for the year	-	-	-	-	-	20.349	20.349	-	20.349
Other comprehensive income	-	-	(13)	51	-	-	38	-	38
Total comprehensive income for the year	-	-	(13)	51	-	20.349	20.387	-	20.387
Dividends (note 30)	-	-	-	-	-	(12.948)	(12.948)	-	(12.948)
Transfer	-	-	(1.399)	-	-	1.399	-	-	-
At 31 December 2019	30.932	45.388	36.830	(373)	-	128.011	240.788	-	240.788

The notes on pages 38 to 69 form an integral part of these financial statements.



**Company statement of changes in equity
for the year ended 31 December 2019**

	Share capital €000	Share premium €000	Revaluation reserve €000	Fair value reserve €000	Cash flow hedge reserve €000	Retained earnings €000	Total equity €000
At 1 January 2018 as previously reported	30.932	45.388	42.902	-	254	119.288	238.764
Adjustment on initial application of IFRS 9 (note 4)	-	-	-	(410)	-	410	-
At 1 January 2018	30.932	45.388	42.902	(410)	254	119.698	238.764
Profit for the year	-	-	-	-	-	15.374	15.374
Other comprehensive loss	-	-	(2.755)	(14)	(254)	-	(3.023)
Total comprehensive income for the year	-	-	(2.755)	(14)	(254)	15.374	12.351
Dividends (note 30)	-	-	-	-	-	(18.343)	(18.343)
Transfer	-	-	(1.793)	-	-	1.793	-
At 31 December 2018 / 1 January 2019	30.932	45.388	38.354	(424)	-	118.522	232.772
Profit for the year	-	-	-	-	-	20.573	20.573
Other comprehensive income	-	-	(13)	51	-	-	38
Total comprehensive income for the year	-	-	(13)	51	-	20.573	20.611
Dividends (note 30)	-	-	-	-	-	(12.948)	(12.948)
Transfer	-	-	(1.399)	-	-	1.399	-
At 31 December 2019	30.932	45.388	36.942	(373)	-	127.546	240.435

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution to the defence fund at 17% will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution to the defence fund is payable by the Company for the account of the shareholders.

**Consolidated statement of cash flows
for the year ended 31 December 2019**

	Note	2019 €000	2018 €000
Cash flows from operating activities			
Profit for the year		20.349	15.736
Adjustments for:			
Depreciation and amortisation charges	14, 16	14.583	14.555
Unrealised exchange profit		(8)	-
Loss on disposal of investment property		108	1.749
Gain on disposal of equity accounted investees	19	(787)	-
Change in fair value of investment property	15	(112)	(986)
Interest income	10	(5)	(198)
Dividend income	11	(25)	(5)
Interest expense	10	235	542
Share of profit of equity-accounted investees	19	(449)	(830)
Loss on disposal of property, plant and equipment		1	30
Income tax expense	12	2.857	2.870
Operating profit before changes in working capital and provisions		36.747	33.463
Changes in:			
Trade and other receivables		(610)	38
Inventories		(5.684)	(1.249)
Trade and other payables		1.522	(236)
Cash generated from operating activities		31.975	32.016
Interest paid		(271)	(579)
Tax paid		(1.400)	(1.011)
Net cash inflow from operating activities		30.304	30.426
Cash flows to investing activities			
Proceeds from disposal of property, plant and equipment		2	178
Proceeds from disposal of investment property		-	1.490
Proceeds from disposal of associates	19	4.150	-
Interest received		5	198
Dividends received		175	310
Acquisition of property, plant and equipment	14	(12.170)	(5.897)
Acquisition of intangibles	16	(74)	-
Acquisition of equity-accounted investee	19	-	(169)
Acquisition of financial assets at fair value through other comprehensive income	20	(21)	-
Net cash used in investing activities		(7.933)	(3.890)
Cash flows to financing activities			
Proceeds from new loans raised		2.109	-
Repayment of loans		(7.830)	(7.907)
Dividends paid		(12.948)	(18.343)
Net cash used in financing activities		(18.669)	(26.250)
Effect of exchange rate fluctuations on cash held		45	-
Net increase in cash and cash equivalents		3.747	286
Cash and cash equivalents at 1 January		259	(27)
Cash and cash equivalents at 31 December	23	4.006	259



**Company statement of cash flows
for the year ended 31 December 2019**

	Note	2019 €000	2018 €000
Cash flows from operating activities			
Profit for the year		20.573	15.374
Adjustments for:			
Depreciation and amortisation charges	14, 16	14.583	14.555
Unrealised exchange profit		(8)	-
Loss from disposal of investment property		108	1.749
Change in fair value of investment property	15	(112)	(1.051)
Interest income	10	(5)	(198)
Dividend income	11	(250)	(310)
Interest expense	10	235	542
Loss on disposal of property, plant and equipment		1	30
Gain on disposal of associates	19	(787)	-
Income tax expense	12	2.775	2.776
Operating profit before changes in working capital and provisions		37.113	33.467
Changes in:			
Trade and other receivables		(941)	34
Inventories		(5.684)	(1.249)
Trade and other payables		1.487	(236)
Cash generated from operations		31.975	32.016
Interest paid		(271)	(579)
Tax paid		(1.400)	(1.011)
Net cash inflow from operating activities		30.304	30.426
Cash flows to investing activities			
Proceeds from disposal of property, plant and equipment		2	178
Proceeds from disposal of investment property		-	1.490
Proceeds from disposal of associates	19	4.150	-
Interest received		5	198
Dividends received		175	310
Acquisition of property, plant and equipment	14	(12.170)	(5.897)
Acquisition of intangibles	16	(74)	-
Acquisition of shares in associate company	19	-	(169)
Acquisition of financial assets at fair value through other comprehensive income	20	(21)	-
Net cash used in investing activities		(7.933)	(3.890)
Cash flows to financing activities			
Proceeds from new loans raised		2.109	-
Repayment of loans		(7.830)	(7.907)
Dividends paid		(12.948)	(18.343)
Net cash used in financing activities		(18.669)	(26.250)
Effect of exchange rate fluctuations on cash held		45	-
Net increase in cash and cash equivalents		3.747	286
Cash and cash equivalents at 1 January		259	(27)
Cash and cash equivalents at 31 December	23	4.006	259

The notes on pages 38 to 69 form an integral part of these financial statements.



Notes to the financial statements for the year ended 31 December 2019

1 Reporting entity and principal activities

"Τσιμεντοποιία Βασιλικού Δημόσια Εταιρεία Λτδ", translated in English as "Vassiliko Cement Works Public Company Ltd" (the 'Company') is a company domiciled in Cyprus and is a public company in accordance with the requirements of the Cyprus Companies Law, Cap. 113 and the Cyprus Stock Exchange Law and Regulations. The Company's registered office is at 1A Kyriakos Matsis Avenue, CY-1082 Nicosia, Cyprus.

The consolidated financial statements of the Company as at and for the year ended 31 December 2019 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interest in associates.

The Company's and the Consolidated Financial Statements were authorised for issue by the Board of Directors on 9 April 2020.

Principal activities

The Group's principal activity is the production of clinker and cement, which are sold in the local and international markets. The Group also has a presence in aggregates quarrying through its subsidiary and associate companies.

2 Basis of preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"). In addition, the financial statements have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the Cyprus Stock Exchange Law and Regulations.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, modified to include the revaluation to fair value of land and buildings, financial assets at fair value through other comprehensive income and investment property.

Functional and presentation currency

The consolidated financial statements as at and for the year ended 31 December 2019 are presented in Euro (€), which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Use of estimates and judgements

The preparation of the consolidated financial statements in accordance with IFRS requires from management the exercise of judgement, to make estimates and assumptions that influence the application of accounting principles and the related amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

The estimates and underlying assumptions are reviewed on a continuous basis. Revisions in accounting estimates are recognised in the period during which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects the present as well as future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described below:



a. Income taxes

Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

b. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values.

This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

c. Provision for bad and doubtful debts

The Group reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the customer's payment record and the customer's overall financial position. If indications of irrecoverability exist, the recoverable amount is estimated and a respective provision for bad and doubtful debts is made. The amount of the provision is charged through the profit or loss. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

d. Impairment of investments in subsidiaries/associates

The Company periodically evaluates the recoverability of investments in subsidiaries/associates whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries/associates may be impaired, the estimated future undiscounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write down to fair value is necessary.

e. Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units of the Company on which the goodwill has been allocated. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating units using a suitable discount rate in order to calculate the present value.



3 Changes in accounting policies

The Group has adopted the following new standards, amendments to a standard and new interpretations with a date of initial application of 1 January 2019. The nature and effects of the changes are explained below.

IFRS 16 Leases:

The Group applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application (if any) is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated - i.e. it is presented, as previously reported, under IAS 17 Leases and related interpretations and the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

A. Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining whether an Arrangement contains a Lease. The Group now assesses whether a contract is or contains a lease based on the definition of a lease under IFRS 16.

B. As a lessee

As a lessee, the Group leases assets such as property. The Group previously classified leases as operating or financing leases based on its assessment of whether the lease was transferred significantly all risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most of these leases.

i. Leases classified as operating leases under IAS 17

Previously, the Group classified property leases as operating leases under IAS 17. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rates as at 1 January 2019. Right of use assets are measured at an amount equal to their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the Group's incremental borrowing rate at the date of initial application.

The Group used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular the Group:

- did not recognise right of use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right of use assets and liabilities for leases of low value assets;
- excluded initial direct costs from the measurement of the right of use assets at the date of initial application;
- used hindsight when determining the lease term;
- applied the exception for leases that relate to explore for or use of minerals, oil, natural gas and similar non-regenerative resources like limestone, clay and gypsum.

C. As a lessor

The Group does not have lease agreements for its investment properties.

D. Impact on financial statements

On transition to IFRS 16, the Group recognised additional right of use assets and additional lease liabilities, recognising the difference (if any) in retained earnings. The impact on transition is summarised below.

	Group	Company
	1 January	1 January
	2019	2019
	€000	€000
Right-of-use assets - property, plant and equipment	82	82
Lease liabilities	82	82



4 Significant accounting policies

The following accounting policies have been applied consistently to all years presented in these consolidated financial statements and have been applied consistently by the Group entities.

Adoption of new and revised IFRS and Interpretations as adopted by the EU:

As from 1 January 2019, the Group adopted all changes to IFRSs as adopted by the EU, which are relevant to its operations. This adoption did not have a material effect on the consolidated financial statements of the Group except for the adoption of IFRS 16 Leases (see Note 3).

The following Standards, Amendments to Standards and Interpretations have been issued by the International Accounting Standards Board (IASB) but are not yet effective for annual periods beginning on 1 January 2019. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these Standards early.

i. Standards and Interpretations adopted by the EU

- "Amendments to References to the Conceptual Framework in IFRS Standards" (effective for annual periods beginning on or after 1 January 2020).

In March 2018 the IASB issued a comprehensive set of concepts for financial reporting, the revised "Conceptual Framework for Financial Reporting" (Conceptual Framework), replacing the previous version issued in 2010. The main changes to the framework's principles have implications for how and when assets and liabilities are recognised and derecognised in the financial statements, while some of the concepts in the revised Framework are entirely new (such as the "practical ability" approach to liabilities". To assist companies with the transition, the IASB issued a separate accompanying document "Amendments to References to the Conceptual Framework in IFRS Standards". This document updates some references to previous versions of the Conceptual Framework in IFRS Standards, their accompanying documents and IFRS Practice Statements.

- IAS 1 Presentation of Financial Statements (Amendments) and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendments): Definition of Material (effective for annual periods beginning on or after 1 January 2020).

The amendments clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards. The amendments include definition guidance that until now has featured elsewhere in IFRS Standards. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards.

- Old definition: Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements (IAS 1 Presentation of Financial Statements).

- New definition: Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.



- IFRS 9 “Financial Instruments” (Amendments), IAS 39 “Financial Instruments: Recognition and Measurement” (Amendments) and IFRS 7 “Financial Instruments: Disclosures” (Amendments): Interest Rate Benchmark Reform (effective for annual periods beginning on or after 1 January 2020).

The amendments address issues affecting financial reporting and provide targeted relief for financial instruments qualifying for hedge accounting in the lead up to interbank offered rates (IBOR) reform. They are mandatory and apply to all hedging relationships directly affected by uncertainties related to IBOR reform. All companies with hedges affected by IBOR reform are required to:

— assume that the interest rate benchmark on which hedged cash flows are based is not altered as a result of IBOR reform when assessing whether the future cash flows are highly probable. Also, for discontinued hedging relationships, the same assumption is applied for determining whether the hedged future cash flows are expected to occur.

— assess whether the economic relationship between the hedged item and the hedging instrument exists based on the assumptions that the interest rate benchmark on which the hedged item and the hedging instrument are based is not altered as a result of IBOR reform.

— not discontinue a hedging relationship during the period of uncertainty arising from IBOR reform solely because the actual results of the hedge are outside the range of 80-125 per cent.

— apply the separately identifiable requirement only at the inception of the hedging relationship. A similar exception is also provided for redesignation of hedged items in hedges where redesignation and redesignation take place frequently – e.g. macro hedges.

—prospectively cease applying the exceptions at the earlier of:

(a) when the uncertainty regarding the timing and the amount of interest rate benchmark based cash flows is no longer present; and

(b) the discontinuation of the hedging relationship (or reclassification of all amounts from the cash flow hedge reserve).

The assessment of uncertainty should be performed on an item-by-item basis for hedges involving groups of items.

—disclose:

- the significant interest rate benchmarks to which hedging relationships are exposed;
- the extent of risk exposure that is affected by IBOR reform;
- how the transition to alternative benchmark interest rates is being managed;
- a description of significant assumptions or judgements made in applying the amendments; and
- the nominal amount of the hedging instruments in those hedging relationships.

ii. Standards and Interpretations not adopted by the EU

- IFRS 3 “Business Combinations” (Amendments): Definition of a Business (effective for annual periods beginning on or after 1 January 2020).

The amendments narrow and clarify the definition of a business. They also permit a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the Board has provided supplementary guidance. Distinguishing between a business and a group of assets is important because an acquirer recognises goodwill only when acquiring a business.

- IFRS 10 “Consolidated Financial Statements” (Amendments) and IAS 28 “Investments in Associates and Joint Ventures” (Amendments): “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” (effective date postponed indefinitely).

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (as defined in IFRS 3). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business. In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

The Board of Directors expects that the adoption of these standards or interpretations in future periods will not have a material effect on the consolidated financial statements of the Group.



Basis of consolidation

i. Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

ii. Acquisitions of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

iii. Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists where the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring them in line with the accounting policies of the Group.

iv. Loss of control

On the loss of control, the Group de-recognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.



v. Investments in associates and jointly controlled entities (equity-accounted investees)

Associates are those entities in which the Group has significant influence but no control or joint control, over the financial and operating policies. Significant influence is the power to participate in the financial and operating policy decisions of the investee. Investments in associates are initially recognised at cost, which includes transactions costs, and are accounted for using the equity method.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

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

The guidance in IAS 28 is applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

vi. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Property, plant and equipment

i. Recognition and measurement

Land is carried at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Revaluations are carried out every five years so that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. All other property, plant and equipment, including the Vassiliko port are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Increases in the carrying amount arising on revaluation of property plant and equipment are credited to other comprehensive income. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the statement of comprehensive income) and depreciation based on the asset's original cost is transferred from fair value reserves to retained earnings.

Properties under construction are carried at cost, less any recognised impairment loss. Cost includes professional fees and borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.



ii. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Any gain arising on remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognized in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised immediately in profit or loss.

iii. Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

iv. Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component. Land is not depreciated.

Leased assets are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Items of the property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the assets are completed and are ready for use.

The estimated useful lives are as follows:

Buildings	20 – 50 years
Vassiliko Port	50 years (term of lease)
Machinery, plant and equipment	4 – 25 years

Intangible assets

i. Goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill represents amounts arising on acquisition of subsidiaries and associates. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets of the acquired undertaking at the date of acquisition.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (note 16). Goodwill on acquisition of associates is included in investments in associates.

ii. Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Expenditure on internally generated goodwill and brands is recognised in profit or loss as incurred.

iii. Subsequent expenditure

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

iv. Amortisation

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill and intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date. Other intangible assets are amortised from the date they are available for use.

The estimated useful lives are as follows:

Computer software	3 years
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Investments

Investment property

Investment properties are properties which are held either to earn rental income, or for capital appreciation, or for both, but not for sale in the ordinary course of business, or used for the production or supply of goods or services, or for administrative purposes. Investment properties are carried at fair value less cost to sell, representing open market value determined annually by external valuers. An external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values the portfolio at regular intervals. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Any gain or loss arising from a change in fair value is recognised in profit or loss. Rental income from investment property is accounted for as described in accounting policy for Revenue.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity, if it is a gain. Upon disposal of the item the gain is transferred to retained earnings. Any loss arising in this manner is recognised immediately in the statement of comprehensive income.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes of subsequent recording. When the Group begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property, which is measured based on fair value model, and is not reclassified as property, plant and equipment during the redevelopment.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss. The amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

Trade and other receivables

Trade receivables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in statement of comprehensive income when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of raw materials, spare parts and other consumables is based on the average cost and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at bank and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.



Impairment of non-financial assets

The carrying amounts of the Group's assets (other than investment property, inventories and deferred tax assets) that have an indefinite useful life are not subject to amortisation and are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each year end date.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

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

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value plus any direct attributable transaction costs. Subsequently they are measured at amortised cost using the effective interest method.

Employee benefits

i. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

ii. Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Leases

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease.

Trade and other payables

Trade and other payables are presented at the nominal value outstanding at the year end date.



Revenue

The Group has initially applied IFRS15 from 1 January 2018. There is no significant impact on the financial statements from the application of IFRS15.

i. Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue from the sale of goods is recognised in profit or loss at the point in time when the Company satisfies its performance obligation by transferring control over the promised goods to the buyer and the buyer has accepted the goods. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

ii. Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease.

iii. Finance income

Finance income includes interest income which is recognised using the effective interest method.

iv. Dividend income

Dividend income is recognised in the statement of comprehensive income on the date the entity's right to receive payments is established, which in the case of quoted securities is usually the ex-dividend date.

Expenses

i. Lease payments

Rentals payable under leases are charged to the statement of comprehensive income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into a lease are also spread on a straight-line basis over the lease term.

ii. Financing costs

Financing costs comprise interest expense on borrowings calculated using the effective interest rate method, interest receivable on funds invested, dividend income, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognised in the statement of comprehensive income.

iii. Foreign currency transactions

Functional currencies

Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which each entity operates ('the functional currency').

Transactions and balances

Foreign currency transactions are translated into respective functional currencies of the Group companies using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined.



Tax expense

Tax expense on the statement of comprehensive income for the year comprises current and deferred tax. Tax expense is recognised in profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using the applicable tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Share capital and share premium

Ordinary share capital is classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

Comparatives

Comparative figures have been reclassified to reflect the required changes in presentation in relation to the adjustment on initial application of IFRS 9 in the statement of changes in equity. This reclassification out of retained earnings into fair value reserve did not have an impact on the reported net assets or total comprehensive income of the Company, but resulted in an immaterial understatement of profit for the year ended 31 December 2018 of €14 thousand.

5 Operating segments

Following an assessment to identify operating segments, the Company has identified as main segment that of cement operation. Other activities that give rise to income and expenses are only incidental to the main operation of the Company or the value of either their assets or income are below the quantitative thresholds of IFRS 8 to form separate reportable operating segments separately or in their aggregate value.

6 Revenue

Revenue analysis:	Group		Company	
	2019 €000	2018 €000	2019 €000	2018 €000
Cement products	100.872	97.811	100.872	97.811
Other	112	115	112	115
	100.984	97.926	100.984	97.926

7 Other operating income

	Group		Company	
	2019 €000	2018 €000	2019 €000	2018 €000
Income from Vassiliko Port	656	787	656	787
Loss on disposal of property, plant and equipment	(1)	(30)	(1)	(30)
Other	335	220	335	220
	990	977	990	977



8 Operating profit before financing costs

	Group		Company	
	2019	2018	2019	2018
This is stated after charging:	€000	€000	€000	€000
Staff costs (note 9)	11.706	10.704	11.706	10.704
Directors remuneration as directors	246	258	246	258
Directors remuneration as executives	403	413	403	413
Depreciation of property, plant and equipment	14.540	14.527	14.540	14.527
Amortisation of intangible assets	43	28	43	28
Independent auditors' remuneration	56	55	55	52

9 Staff costs

	Group		Company	
	2019	2018	2019	2018
	€000	€000	€000	€000
Wages and salaries	10.071	9.169	10.071	9.169
Social insurance contributions	766	669	766	669
Provident and medical fund contributions (note 33)	498	518	498	518
Other contributions	371	348	371	348
	11.706	10.704	11.706	10.704
Average number of employees	251	243	251	243

10 Net finance (cost)/income

	Group		Company	
	2019	2018	2019	2018
	€000	€000	€000	€000
Interest income	5	198	5	198
Net foreign exchange differences	8	428	8	428
Finance income	13	626	13	626
Interest expense	(235)	(542)	(235)	(542)
Finance expense	(235)	(542)	(235)	(542)
Net finance (cost)/income	(222)	84	(222)	84

Interest income is earned on bank deposits held in current and short term notice accounts. The interest rate on the above deposits is variable.

Interest expense relates to loan interest charges as well as interest charges on overdraft accounts.

11 Net profit/(loss) from investing activities

	Group		Company	
	2019	2018	2019	2018
	€000	€000	€000	€000
Dividend income	25	5	250	310
Change in fair value of investment property	112	986	112	1.051
Rental of investment property	-	69	-	69
Loss on disposal of investment property	(108)	(1.749)	(108)	(1.749)
	29	(689)	254	(319)



12 Taxation

Recognised in profit or loss	Group		Company	
	2019	2018	2019	2018
	€000	€000	€000	€000
Analysis of charge in the year				
Income tax on profits of the year	1.365	1.000	1.365	1.000
Special contribution to the defence fund	-	61	-	61
Share of tax from associate	82	99	-	-
Deferred tax (note 27)	1.410	1.710	1.410	1.715
	2.857	2.870	2.775	2.776
Recognised in other comprehensive income				
Deferred tax on revaluation of property	13	1.246	13	1.246

The Group is subject to income tax at 12,5%.

Reconciliation of tax based on taxable income and tax based on accounting profits	Group		Company	
	2019	2018	2019	2018
	€000	€000	€000	€000
Accounting profit before tax	23.206	18.606	23.348	18.150
Tax calculated at the applicable tax rates	2.901	2.324	2.919	2.267
Tax effect of expenses not deductible for tax purposes	1.830	1.800	1.766	1.800
Tax effect of allowances and income not subject to tax	(3.366)	(3.124)	(3.320)	(3.067)
Special contribution to the defence fund	-	61	-	61
Deferred tax	1.410	1.710	1.410	1.715
Share of tax from associates	82	99	-	-
Tax charge for the year	2.857	2.870	2.775	2.776

13 Earnings per share

The calculation of earnings per share was based on the profit attributable to ordinary shareholders of €20.349.000 (2018: €15.736.000) and the weighted average number of ordinary shares outstanding during the year of 71.935.947 (2018: 71.935.947).

The calculation of earnings per share in the Company Statement of Comprehensive Income was based on the profit for the year of €20.573.000 (2018: €15.374.000).



14 Property, plant and equipment

Group	Buildings €000	Vassiliko port €000	Plant and equipment €000	Total €000
Cost or valuation				
Balance at 1 January 2018	85.413	24.100	258.099	367.612
Acquisitions	2.598	-	3.299	5.897
Revaluation of assets	(1.509)	-	-	(1.509)
Transfer to investment property	(1.787)	-	-	(1.787)
Transfer from investment property	999	-	-	999
Disposals	(196)	-	(55)	(251)
Balance at 31 December 2018	<u>85.518</u>	<u>24.100</u>	<u>261.343</u>	<u>370.961</u>
Balance at 1 January 2019	85.518	24.100	261.343	370.961
Acquisitions	7.503	112	7.104	14.719
Disposals	-	-	(12)	(12)
Balance at 31 December 2019	<u>93.021</u>	<u>24.212</u>	<u>268.435</u>	<u>385.668</u>
Depreciation				
Balance at 1 January 2018	25.662	9.102	92.756	127.520
Charge for the year on historical cost	1.853	492	10.577	12.922
Additional charge on revalued amounts	1.159	446	-	1.605
Disposals	-	-	(43)	(43)
Balance at 31 December 2018	<u>28.674</u>	<u>10.040</u>	<u>103.290</u>	<u>142.004</u>
Balance at 1 January 2019	28.674	10.039	103.294	142.007
Charge for the year on historical cost	2.505	940	11.095	14.540
Disposals	-	-	(6)	(6)
Balance at 31 December 2019	<u>31.179</u>	<u>10.979</u>	<u>114.383</u>	<u>156.541</u>
Carrying amounts				
At 1 January 2018	<u>59.751</u>	<u>14.998</u>	<u>165.343</u>	<u>240.092</u>
At 31 December 2018	<u>56.844</u>	<u>14.060</u>	<u>158.053</u>	<u>228.957</u>
At 1 January 2019	56.844	14.060	158.053	228.957
At 31 December 2019	<u>61.842</u>	<u>13.233</u>	<u>154.052</u>	<u>229.127</u>



Company	Land and buildings €000	Vassiliko port €000	Plant and equipment €000	Total €000
Cost or valuation				
Balance at 1 January 2018	85.413	24.100	258.099	367.612
Acquisitions	2.598	-	3.299	5.897
Revaluation of assets	(1.509)	-	-	(1.509)
Transfer to investment property	(1.787)	-	-	(1.787)
Transfer from investment property	999	-	-	999
Disposals	(196)	-	(55)	(251)
Balance at 31 December 2018	<u>85.518</u>	<u>24.100</u>	<u>261.343</u>	<u>370.961</u>
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Additional charge on revalued amounts	1.159	446	-	1.605
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Balance at 1 January 2019	28.674	10.039	103.294	142.007
Charge for the year on historical cost	2.505	940	11.095	14.540
Disposals	-	-	(6)	(6)
Balance at 31 December 2019	<u>31.179</u>	<u>10.979</u>	<u>114.383</u>	<u>156.541</u>
Carrying amounts				
At 1 January 2018	<u>59.751</u>	<u>14.998</u>	<u>165.343</u>	<u>240.092</u>
At 31 December 2018	<u>56.844</u>	<u>14.061</u>	<u>158.049</u>	<u>228.957</u>
At 1 January 2019	56.844	14.061	158.049	228.957
At 31 December 2019	<u>61.842</u>	<u>13.233</u>	<u>154.052</u>	<u>229.127</u>

Fair value hierarchy

The fair value measurement for the land has been categorized as a Level 3.

Property, plant and equipment under construction

During 2019, the Group has started the construction of a photovoltaic park. Plant and equipment under construction as at 31 December 2019 was €11.237.000 (2018: €2.488.000). Included in this amount are capitalised borrowing costs related to the construction of the photovoltaic park of €100.000, calculated using a capitalisation rate of 2,7%.

The carrying amount of Vassiliko Port consists of the net book value of the capitalised cost of the improvements incurred by the Company through the years. The Cyprus Ports Authority, which according to the Cyprus Ports Authority Law is the owner of the port, leased it to the Company for a period of 50 years as from 1 January 1984.

A revaluation exercise for land was performed in relation to 2017 by independent professional valuers.

Land

As at 31 December 2019 the fair value of the land included in land & buildings category was €31.127.000.

Valuation technique

For land the comparable sales approach was used that reflects observed prices for recent market transactions for similar properties per m² and incorporates adjustments for specific factors.

Significant Unobservable Inputs

Sales comparison approach of land takes into considerations the particular characteristics of the subject property into consideration such as size, location and planning/legal statues as well as available information from relevant market transactions and the overall market condition as at the valuation date.

Security

Bank loans of €17.341.000 (2018: €23.062.000) are secured by €26.500.000 mortgages on land and buildings and €29.750.000 fixed charges on plant and machinery.



15 Investment property

	Group		Company	
	2019 €000	2018 €000	2019 €000	2018 €000
Balance at 1 January	8.499	9.964	8.284	9.684
Transfer from property, plant and equipment	-	1.787	-	1.787
Transfer to property, plant and equipment	-	(999)	-	(999)
Change in fair value	112	986	112	1.051
Disposals	(2.581)	(3.239)	(2.581)	(3.239)
Balance at 31 December	6.030	8.499	5.815	8.284

Fair value hierarchy

The carrying amount of investment property is the fair value of the property as determined by an independent valuer having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. Fair values were determined having regard to recent market transactions for similar properties in the same location as the Group's investment property. The last revaluation of investment property was performed in December 2019.

Investment property comprises a number of commercial properties that are leased to third parties or land held for capital appreciation.

The fair value measurement for all the investment properties has been categorized as a Level 3 fair value based on the inputs to the valuation techniques used.

Valuation technique

For investment property the comparable sales approach was used.

Significant Unobservable Inputs

Sales comparison approach of investment properties takes into considerations the location and size of the plot, the building coefficient and legal framework as well as the market data at the valuation date.

The following table shows the significant unobservable inputs used in measuring the fair value of investment property.

Property location	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
	Selling price per m ² :	
Property in Choirokoitia	€10 to €12	The estimated fair value would increase/(decrease) if selling price per m ² was higher/(lower).
Property in Kalavasos A	€30 to €32	
Property in Kalavasos B	€26 to €28	
Property in Mari A	€55 to €100	
Property in Mari B	€5 to €7	
Property in Strovolos	€375 to €400	
Property in Drousia	€20 to €25	
Property in Pissouri	€7 to €9	
Property in Ipsonas	€50 to €55	
Property in Pegeia A	€2 to €3	
Property in Pegeia B	€6 to €8	
Property in Kritou Tera A	€5 to €7	
Property in Kritou Tera B	€2 to €3	
Property in Kritou Tera C	€2 to €3	



16 Intangible assets

Group	Goodwill €000	Software €000	Total €000
Cost			
Balance at 1 January 2018	12.328	153	12.481
Balance at 31 December 2018	12.328	153	12.481
Balance at 1 January 2019	12.328	153	12.481
Acquisitions	-	74	74
Balance at 31 December 2019	12.328	227	12.555
Amortisation and impairment charge			
Balance at 1 January 2018	-	68	68
Amortisation for the year	-	28	28
Balance at 31 December 2018	-	96	96
Balance at 1 January 2019	-	96	96
Amortisation for the year	-	43	43
Balance at 31 December 2019	-	139	139
Carrying amounts			
At 1 January 2018	12.328	85	12.413
At 31 December 2018	12.328	57	12.385
At 1 January 2019	12.328	57	12.385
At 31 December 2019	12.328	88	12.416

Company	Goodwill €000	Software €000	Total €000
Cost			
Balance at 1 January 2018	12.328	153	12.481
Balance at 31 December 2018	12.328	153	12.481
Balance at 1 January 2019	12.328	153	12.481
Acquisitions	-	74	74
Balance at 31 December 2019	12.328	227	12.555
Amortisation and impairment charge			
Balance at 1 January 2018	-	68	68
Amortisation for the year	-	28	28
Balance at 31 December 2018	-	96	96
Balance at 1 January 2019	-	96	96
Amortisation for the year	-	43	43
Balance at 31 December 2019	-	139	139
Carrying amounts			
At 1 January 2018	12.328	85	12.413
At 31 December 2018	12.328	57	12.385
At 1 January 2019	12.328	57	12.385
At 31 December 2019	12.328	88	12.416

Impairment testing for cash-generating units

The recoverable amount of goodwill (currently attaching to one cash-generating unit) is based on value in use calculations. Those calculations use post-tax cash flow projections based on past experience, actual operating results and budgeted forecasts for 2020 extrapolated forward for the 10-year period 2021-2031. A post-tax discount rate of 9,45% has been used in discounting the projected cash flows.



17 Group entities

Name and country of incorporation	Principal Activity	Ownership	
		2019	2018
Venus Beton Limited - Cyprus	Dormant company	51,0%	51,0%
C.C.C. Aggregates Limited - Cyprus	Dormant company	51,0%	51,0%

18 Investments in subsidiaries

	2019 €000	2018 €000
Balance at 1 January	-	-
Balance at 31 December	-	-
Venus Beton Limited - Cyprus	-	-
C.C.C. Aggregates Limited - Cyprus	-	-

19 Investments in associates (equity - accounted investees)

Name and country of incorporation	Principal Activity	Ownership	
		2019	2018
Latomio Pyrgon Limited - Cyprus	Aggregates quarry	-	30%
Enerco - Energy Recovery Limited - Cyprus	Waste to energy	50%	50%
Latomia Latouros Limited - Cyprus	Aggregates quarry	-	50%
		2019 €000	2018 €000
Balance at 1 January		4.423	3.828
Additions		-	169
Disposals		(3.363)	-
Share of profit from equity-accounted investees		449	830
Share of tax from equity-accounted investees		(82)	(99)
Dividends from equity-accounted investees		(225)	(305)
Balance at 31 December		1.202	4.423
Latomio Pyrgon Limited - Cyprus		-	394
Enerco - Energy Recovery Limited - Cyprus		1.202	1.060
Latomia Latouros Limited - Cyprus		-	2.969
		1.202	4.423

In the Company's statement of financial position, the investments in associates are stated at cost:

	2019 €000	2018 €000
Balance at 1 January	500	3.330
Additions	-	169
Balance at 31 December	500	3.499

In May 2019, the Company disposed its 30% shareholding in Latomio Pyrgon Limited and its 50% shareholding in Latomia Latouros Limited for a total consideration of €4.150.000, realising a gain of disposal of €787.000.



The following table summarizes the financial information of the associate as included in its own financial statements adjusted for fair value adjustments at acquisitions and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in the equity-accounted investee for 2019.

	Enerco - Energy Recovery Limited €000
Non current assets	2.640
Current assets	2.402
Non current liabilities	1.846
Current liabilities	619
Net assets (100%)	2.577
Group's share of net assets	1.289
Revenue	4.148
Profit from continued operations	908
Other comprehensive income	-
Total comprehensive income	908

20 Financial assets at fair value through other comprehensive income

	Group		Company	
	2019	2018	2019	2018
	€000	€000	€000	€000
At 1 January	186	200	186	200
Additions	21	-	21	-
Change in fair value	51	(14)	51	(14)
At 31 December	<u>258</u>	<u>186</u>	<u>258</u>	<u>186</u>
	Valuation		Valuation	
	2019	2018	2019	2018
	€000	€000	€000	€000
Non-current investments				
Equity securities at fair value through other comprehensive income	<u>258</u>	<u>186</u>	<u>258</u>	<u>186</u>
	258	186	258	186

Equity securities designated as at fair value through other comprehensive income

The Company designated the investments shown below as equity securities at fair value through other comprehensive income (FVOCI) because these equity securities represent investments that the Company intends to hold for the long term for strategic purposes.

The details of financial assets at fair value through other comprehensive income are as follows:

Name	Dividend income recognised during 2019	31 December 2019	31 December 2018
	€000	€000	€000
KEO Plc	25	204	138
Hellenic Bank Public Company Ltd	-	54	48

Fair value for the financial assets at fair value through other comprehensive income was determined by reference to published price quotations in an active market (classified as Level 1 in the fair value hierarchy).



21 Inventories

	Group		Company	
	2019 €000	2018 €000	2019 €000	2018 €000
Raw materials and work in progress	4.246	3.387	4.246	3.387
Finished goods	10.369	8.266	10.369	8.266
Fuel stocks	3.369	2.434	3.369	2.434
Spare parts and consumables	12.945	11.158	12.945	11.158
	30.929	25.245	30.929	25.245

In 2019, inventories of €70.093.000 (2018: €70.944.000) were recognised as an expense during the year and were included in cost of sales.

22 Trade and other receivables

	Group		Company	
	2019 €000	2018 €000	2019 €000	2018 €000
Trade and other receivables	7.181	7.508	7.181	7.508
Amount owed by subsidiary companies (note 29)	-	-	530	527
Amount owed by associate companies (note 29)	182	(72)	182	(72)
Other receivables and prepayments	771	304	771	304
	8.134	7.740	8.664	8.267
Less impairment	(1.146)	(1.378)	(1.164)	(1.396)
	6.988	6.362	7.500	6.871
Impairment movement				
At 1 January	1.378	1.390	1.396	1.408
Amounts recovered during the year	(207)	-	(207)	-
Accrued discounts	(25)	(12)	(25)	(12)
At 31 December	1.146	1.378	1.164	1.396

The Group's historical experience in collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collections losses is inherent in the Company's trade receivables.

Information about the Group's exposure to credit and market risks for trade and other receivables, is included in note 35.

23 Cash and cash equivalents

	Group		Company	
	2019 €000	2018 €000	2019 €000	2018 €000
Cash and bank balances	4.006	259	4.006	259
Cash and cash equivalents	4.006	259	4.006	259
Cash and cash equivalents in the statement of cash flows	4.006	259	4.006	259



24 Capital and reserves

Share capital	2019	2018		
	No. of shares	No. of shares		
Authorised:				
Ordinary shares of €0,43 each	<u>72.000.000</u>	<u>72.000.000</u>		
			2019	2018
	No. of shares	No. of shares	€000	€000
Allotted, called up and fully paid:				
Ordinary shares of €0,43 each	<u>71.935.947</u>	<u>71.935.947</u>	<u>30.932</u>	<u>30.932</u>

Reserves

Revaluation reserve

Revaluation reserve comprises the cumulative net change in the fair value of land and buildings and Vassiliko port. When revalued land or buildings are sold, the portion of the revaluation reserve that relates to that asset, and that is effectively realised, is transferred directly to retained earnings.

Cash flow hedge reserve

Cash flow hedge reserve represents the accumulated gains and losses arising on the changes in the fair value of the derivatives recognized in other comprehensive income.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity securities designated at fair value through other comprehensive income.

25 Interest bearing loans and borrowings

	Group		Company	
	2019	2018	2019	2018
	€000	€000	€000	€000
Non-current liabilities				
Lease liabilities	69	-	69	-
Secured bank loans	8.901	15.155	8.901	15.155
	<u>8.970</u>	<u>15.155</u>	<u>8.970</u>	<u>15.155</u>
Current liabilities				
Current portion of lease liabilities	7	-	7	-
Current portion of secured bank loans	8.364	7.907	8.364	7.907
	<u>8.371</u>	<u>7.907</u>	<u>8.371</u>	<u>7.907</u>
Analysis of maturity of debt:				
Within one year or on demand	8.371	7.907	8.371	7.907
Between one and two years	8.182	7.907	8.182	7.907
Between two and five years	788	7.248	788	7.248
After five years	-	-	-	-
	<u>17.341</u>	<u>23.062</u>	<u>17.341</u>	<u>23.062</u>

The bank loans are secured as follows:

- By mortgage against immovable property of the Company for €26.500.000 (2018: €25.500.000).
- Fixed charge on the Company's financed plant and machinery for €29.750.000 (2018: €25.500.000).
- Fixed charge on the Photovoltaic Park for €3.500.000.

Weighted average effective interest rate

The rate of interest payable on the loans as at 31 December 2019 was 0,9% + Euribor. At 31 December 2019, the prevailing rate of interest for these loans was 0,09% (2018: 1,19%).



26 Deferred taxation

	Group		Company	
	2019 €000	2018 €000	2019 €000	2018 €000
Accelerated capital allowances	15.842	14.180	15.842	14.180
Revaluation of properties	8.167	8.406	8.167	8.406
	<u>24.009</u>	<u>22.586</u>	<u>24.009</u>	<u>22.586</u>
	2019	2018	2019	2018
	€000	€000	€000	€000
At 1 January	22.586	19.630	22.586	19.625
Deferred tax charge in statement of comprehensive income (note 12)	1.410	1.710	1.410	1.715
Transfer to revaluation reserve	13	1.246	13	1.246
At 31 December	<u>24.009</u>	<u>22.586</u>	<u>24.009</u>	<u>22.586</u>

27 Provisions for liabilities and charges

	Group		Company	
	2019 €000	2018 €000	2019 €000	2018 €000
Provisions for litigation and claims	300	300	300	300
	<u>300</u>	<u>300</u>	<u>300</u>	<u>300</u>

28 Trade and other payables

	Group		Company	
	2019 €000	2018 €000	2019 €000	2018 €000
Current				
Trade payables	4.288	5.151	4.236	5.098
Amounts owed to related companies (note 29)	31	78	31	78
Other payables	4.046	1.566	4.046	1.566
Accrued interest	79	115	79	115
Dividend	109	109	109	109
	<u>8.553</u>	<u>7.019</u>	<u>8.501</u>	<u>6.966</u>



29 Related parties

i. Transactions with related companies

The Company has entered into agreements with the following related parties:

- With Hellenic Mining Public Company Limited (common shareholder with the Group) for the provision of office facilities and other related administrative and technical services on quarrying activities at an annual fee of €24.000. The duration of the agreement is for a two-year period, commencing on 1 July 2018 and ending on 30 June 2020.

- With Hellenic Secretarial Services Ltd (common shareholder with the Group) for the provision of administrative and secretarial services to the Company at an annual fee of €138.000. The duration of the agreement is for a three-year period, commencing on 1 July 2016 and ending on 30 June 2019. The contract has not been renewed.

- With CCC Secretarial Limited (common shareholder with the Group) for the provision of civil engineering consultation services at an annual fee of €120.000 renewed for another twelve months until 31 August 2019.

The transactions between the Group and the related companies, including the above agreements were as follows:

	Sales		Purchases	
	2019	2018	2019	2018
	€000	€000	€000	€000
Hellenic Mining Group	-	-	269	363
Heidelberg Cement	-	-	1.355	3.413
KEO Plc	-	-	15	10
The Cyprus Cement Public Company Ltd	-	-	120	130
Enerco - Energy Recovery Limited	1.227	903	1.415	1.453
	<u>1.227</u>	<u>903</u>	<u>3.174</u>	<u>5.369</u>

ii. Transactions with key management personnel

In addition to salaries, the Group also contributes to the Provident Fund and Medical Fund which are defined contributions plans (note 33). Key management personnel compensation, including total employer contributions for 2019, was €1.074.000 (2018: €956.000).

iii. Balances with related companies

The balances between the Group and the related parties were as follows:

	Group	
	2019	2018
	€000	€000
Amounts due to related parties		
Hellenic Mining Group	7	72
C.C.C Secretarial Ltd	12	-
KEO Plc	12	6
	<u>31</u>	<u>78</u>

The above balances relate to trading activities between the Group and the respective parties.

iv. Balances with equity-accounted investees

	Group		Company	
	2019	2018	2019	2018
	€000	€000	€000	€000
Enerco - Energy Recovery Limited (notes 22, 28)	<u>182</u>	<u>(72)</u>	<u>182</u>	<u>(72)</u>

The above balances relate to trading activities and dividends receivable.



v. Balances with Group entities

The balances between the Company and the Group entities were as follows:

	Company	
	2019	2018
	€000	€000
Balances due from Group entities		
Venus Beton Limited	508	506
C.C.C. Aggregates Limited	22	21
	<u>530</u>	<u>527</u>
Less impairment	(346)	(346)
	<u>184</u>	<u>181</u>

30 Dividends

	2019	2018
	€000	€000
Interim dividend 2019 at €0,06 (2018: €0,03) per share	4.316	2.158
Dividend 2018 at €0,12 (2017: €0,16 and 2016: €0,065) per share	8.632	16.185
	<u>12.948</u>	<u>18.343</u>

Dividends are subject to defence fund contribution at the rate of 17% when the beneficiary is a physical person resident of Cyprus.

31 Directors' interest in the share capital of the Company

At 31 December 2019, and five days prior to the date of the approval of the financial statements, the percentage of shareholdings in the share capital of the Company held, directly and indirectly, by the Members of the Board of Directors, their spouses, or/and relatives by blood up to first degree and companies in which they control directly and indirectly at least 20% of the voting rights were as follows:

	31 December 2019		4 April 2020	
	Directly	Directly & Indirectly	Directly	Directly & Indirectly
Antonios Antoniou	0,042%	0,104%	0,077%	0,139%
Costas Koutsos	0,007%	0,014%	0,007%	0,014%
Stavros Galatariotis	0,013%	0,013%	0,013%	0,013%
	<u>0,062%</u>	<u>0,131%</u>	<u>0,097%</u>	<u>0,166%</u>

At 31 December 2019, the Company had no material agreements in which Directors of the Company, or their related parties, had a direct or indirect interest.

32 Shareholders holding more than 5% of the issued share capital of the Company

At 31 December 2019 and five days prior to the date of approval of the financial statements the following shareholders were holding, directly and indirectly, more than 5% of the nominal value of the issued share capital of the Company:

	31 December 2019		4 April 2020	
	Directly	Directly & Indirectly	Directly	Directly & Indirectly
Holy Archbishopric of Cyprus ¹	19,52%	26,01%	19,52%	26,01%
Heidelbergcement AG ²	0%	25,98%	0%	25,98%
The Cyprus Cement Public Company Ltd	25,30%	25,30%	25,30%	25,30%
Anastasios G. Leventis Foundation	5,34%	5,34%	5,34%	5,34%
	<u>50,16%</u>	<u>82,63%</u>	<u>50,16%</u>	<u>82,63%</u>

Note 1: The indirect shareholding of The Holy Archbishopric of Cyprus derives from the direct shareholding of 6,49% of KEO Plc in the issued share capital of the Company.

Note 2: The indirect shareholding of Heidelbergcement AG derives from the direct shareholding of 9,71% of Compagnie Financiere et de Participations and 16,27% of Italmed Cement Company Ltd in the issued share capital of the Company.



33 Employee contribution schemes

The Group contributes to the Vassiliko Cement Works Ltd Employees' Provident Fund and employees' medical schemes. The schemes are funded separately. According to these schemes, the employees are entitled to payment of certain benefits upon retirement, prior termination of service or sickness. These are defined contribution schemes and the contributions of the Group for the year were €498.000 (2018: €518.000) and for the Company €498.000 (2018: €518.000).

34 Leases

Leases as lessor

	Group		Company	
	2019 €000	2018 €000	2019 €000	2018 €000
Less than one year	-	90	-	90
Between one and five years	-	122	-	122
More than five years	-	-	-	-
	<u>-</u>	<u>212</u>	<u>-</u>	<u>212</u>

The leasing agreement expired during the year ended 31 December 2018 since the property has been expropriated by the government.

Leases as lessee (IFRS 16)

The Group leases the port facilities for a period of 50 years ending in 2033. The lease provides for rental increases to reflect market rentals with no contingent rentals.

i. Right of use of assets

	Group	Company
	2019 €000	2019 €000
Balance at 1 January	82	82
Depreciation charge for the year	(5)	(5)
Balance at 31 December	<u>77</u>	<u>77</u>

ii. Amounts recognised in statement of profit or loss

	Group	Company
	2019 €000	2019 €000
Interest on lease liabilities	<u>2</u>	<u>2</u>

iii. Amounts recognised in statement of cash flows

	Group	Company
	2019 €000	2019 €000
Total cash outflow for leases	<u>7</u>	<u>7</u>



35 Financial instruments and risk management

The Group is exposed to the following risks from its use of financial instruments:

- Market risk
- Interest rate risk
- Currency risk
- Credit risk
- Liquidity risk

The Group also has exposure to the following other risks:

- Industry risk
- Operational risk
- Environmental risk
- Compliance risk
- Litigation risk
- Reputation risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The main monetary financial assets of the Group and the Company are cash and cash equivalents, and the investments in securities and trade receivables. The main monetary financial liabilities are bank overdrafts, loans and trade payables.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Interest rate risk

Interest rate risk results from changes in market interest rates. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly. The interest rate and repayment terms of the loans are disclosed in note 25.

Sensitivity analysis

A reasonably possible increase of 100 basis points in interest rates at the reporting date would have decreased equity and profit or loss by €173 thousand (2018: €231 thousand). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit and other equity.



Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency rate risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States Dollar (US\$). The Groups management monitors the exchange rate fluctuations and exposure on foreign currency transactions on a continuous basis and acts accordingly.

Exposure to currency risk was as follows:

Group	US\$000		US\$000	
	31 December 2019		31 December 2018	
Trade receivables	8		368	
Trade payables	(906)		-	
Net exposure	<u>(898)</u>		<u>368</u>	

Company	US\$000		US\$000	
	31 December 2019		31 December 2018	
Trade receivables	8		368	
Trade payables	(906)		-	
Net exposure	<u>(898)</u>		<u>368</u>	

The following significant exchange rates were applied during the year:

US\$	Average rate		Reporting date spot rate	
	2019	2018	2019	2018
	0,888	0,843	0,887	0,869

Sensitivity analysis

A 10% strengthening of the Euro against the United States Dollar at 31 December 2019 would have increased equity and profit or loss by €72 thousand. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the Euro against the United States Dollar, there would be an equal and opposite impact on the profit and other equity.

Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the statement of financial position date. The Company has no significant concentration of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. The Group has policies to limit the amount of credit exposure to any financial institution.

The carrying amount of financial assets representing the maximum credit exposure to credit risk at the reporting date was:

	Group		Company	
	Carrying amount		Carrying amount	
	2019	2018	2019	2018
	€000	€000	€000	€000
Trade receivables	7.181	7.508	7.181	7.508
Amount receivable from related parties	182	(72)	182	(72)
Other receivables	41	304	41	304
Financial assets at fair value through other comprehensive income	258	186	258	186
Cash at bank	3.973	208	3.973	208
Total credit risk exposure	<u>11.635</u>	<u>8.134</u>	<u>11.635</u>	<u>8.134</u>



The Group has policies to limit the amount of credit exposure to any financial institution. The table below shows an analysis of the Company's bank deposits by the credit rating of the bank in which they are held:

Bank group based on credit ratings by Moody's	No of banks	Group		No of banks	Company	
		2019 €000	2018 €000		2019 €000	2018 €000
Caa1	3	615	-	3	615	-
B3 to B2	2	2.692	(289)	2	2.692	(289)
B1	1	320	(140)	1	320	(140)
Aa2	1	346	637	1	346	637
Banks without credit rating and cash in hand	1	33	51	1	33	51
		4.006	259		4.006	259

The following table provides information about estimated exposure to credit risk and ECL's for trade receivables, including contract assets, for individuals and companies as at 31 December 2019:

	Gross carrying amount	Weighted average loss rate	Loss allowances
Current (not pas due)	5.413	0,6%	32,5
1-30 days past due	1.147	4,4%	50,5
31-60 days past due	48	6,8%	3,3
61-90 days past due	-	8,9%	-
More than 90 days past due	10	10,4%	1,0
	6.618		87

Loss rates are based on actual credit loss experience over the past 5 years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

Group

Non-derivative financial liabilities	Carrying amount €000	Contractual cash flow €000	Payable on demand and up to 6 months				
			6 - 12 months €000	1 - 2 years €000	2 - 5 years €000	More than 5 years €000	
31 December 2019							
Secured bank loans	17.265	(23.129)	(4.068)	(4.583)	(8.437)	(3.294)	(2.747)
Trade and other payables	4.319	(4.319)	(4.319)	-	-	-	-
	21.584	(27.448)	(8.387)	(4.583)	(8.437)	(3.294)	(2.747)
31 December 2018							
Secured bank loans	23.062	(23.612)	(4.105)	(4.081)	(8.091)	(7.335)	-
Trade and other payables	7.019	(7.019)	(7.019)	-	-	-	-
	30.081	(30.631)	(11.124)	(4.081)	(8.091)	(7.335)	-



Company

Non-derivative financial liabilities	Carrying amount €000	Contractual cash flow €000	Payable on demand and up to 6 months					More than 5 years €000
			6 - 12 months €000	1 - 2 years €000	2 - 5 years €000			
31 December 2019								
Secured bank loans	17.265	(23.129)	(4.068)	(4.583)	(8.437)	(3.294)	(2.747)	
Trade and other payables	4.267	(4.267)	(4.267)	-	-	-	-	
	<u>21.532</u>	<u>(27.396)</u>	<u>(8.335)</u>	<u>(4.583)</u>	<u>(8.437)</u>	<u>(3.294)</u>	<u>(2.747)</u>	
31 December 2018								
Secured bank loans	23.062	(23.612)	(4.105)	(4.081)	(8.091)	(7.335)	-	
Trade and other payables	6.966	(6.966)	(6.966)	-	-	-	-	
	<u>30.028</u>	<u>(30.578)</u>	<u>(11.071)</u>	<u>(4.081)</u>	<u>(8.091)</u>	<u>(7.335)</u>	<u>-</u>	

The Group has access to financing facilities of €37.162.000, of which €14.000.000 were unused at the end of the reporting period. The Group expects to meet its other obligations from operating cash flows and proceeds from maturity of financial assets.

The Group has a secured bank loan that contains a loan covenant. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table. Under the agreement, the covenant is monitored on a regular basis by the accounting department and regularly reported to management to ensure compliance with the agreement.

Industry risk

The activities of the Group are subject to various risks and uncertainties related to the construction industry and the economy in general. These activities are influenced by a number of factors which include, but are not restricted, to the following:

- National and international economic and geopolitical factors and markets;
- The growth of the construction and real estate sectors;
- The impact of war, terrorist acts, diseases and epidemics which are likely to influence tourists' arrivals on the island of Cyprus;
- Increases in labour and energy costs;
- Increased domestic competition as well as competition from neighbouring countries.

Operational risk

Operational risk is the risk that derives from any deficiencies relating to the Group's information technology, production processes and control systems as well as the risk of a human error and natural disasters. The Group's systems are evaluated, maintained, and upgraded continuously.

Operational environment

The economy is facing a new challenge caused by the Coronavirus COVID-19 outbreak which has been officially declared as pandemic. Both Cyprus economy and Global economy have been adversely affected by the COVID-19 pandemic, the extend of which can not be predicted with any certainty.

The Company's management is unable to predict all developments which could have an impact on the Cyprus economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Company.

The Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current business and economic environment and that the Company will be able to continue operating as a going concern.



Environmental risk

Environmental risk is the risk to comply with environmental regulations of the Republic of Cyprus and the EU. The risk is limited through the monitoring controls applied by the Group. Further the Group is exposed to price fluctuations on emission rights depending on its emission rights surplus or deficit. The Group's position is therefore constantly monitored to ensure correct risk management.

Compliance risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with the laws and regulations of the Republic of Cyprus and the EU. The risk is limited through the monitoring controls applied by the Group.

Litigation risk

Litigation risk is the risk of financial loss which arises from the interruption of the Group's operations or any other undesirable situation that arises from the possibility of non-execution or violation of legal contracts and consequently from lawsuits. The risk is restricted through the contracts used by the Group to execute its operations.

Reputation

The risk of loss of reputation arising from the negative publicity relating to the Group's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Group. The management is monitoring such developments through its sustainable development and corporate governance policies and procedures to mitigate such risks.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital which the Group defines as the amount of net income returned as a percentage of total shareholder equity.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

36 Fair values

The fair value of the investments in securities quoted on the Cyprus Stock Exchange is disclosed in note 20. The fair value of investment property is disclosed in note 15. The fair values of the other monetary assets and liabilities are approximately the same as their book values.

37 Contingent Liabilities

As at 31 December 2019 the Group 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 €743.000 (2018: €187.000).

38 Commitments

Capital expenditure contracted for at the reporting date but not yet incurred is as follows:

	Group		Company	
	Carrying amount		Carrying amount	
	2019	2018	2019	2018
	€000	€000	€000	€000
Property, plant and equipment	6.706	996	6.706	996



39 Events after the reporting period

On 11 March 2020, the World Health Organisation declared the Coronavirus COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Many governments are taking increasingly stringent steps to help contain, and in many jurisdictions, now delay, the spread of the virus, including: requiring self-isolation/ quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and “locking-down” cities/regions or even entire countries. These measures will slow down both the broader Cyprus and world economies and the operations of the Company specifically.

There were no other material events after the reporting period, until the date of the signing of the financial statements which affect the financial statements as at 31 December 2019.