VASSILIKO CEMENT WORKS
PUBLIC COMPANY LTD
Since 1963

ANNUAL REPORT
AND FINANCIAL STATEMENTS
2023

Contents

NOTICE OF ANNUAL GENERAL MEETING

The 58th Annual General Meeting of the shareholders of Vassiliko Cement Works Public Company Limited (the “Company”) will be held at the Plant Offices of the Company at Vassiliko, on 30 May 2024 at 5:00 p.m. to transact the following business:

1. Consider the management report of the Board of Directors for the year 2023.
2. Receive, consider and approve the annual financial statements and the report of the auditors for the year 2023.
3. Approve a total dividend payment of €0,17 per share, €0,03 out of the profits of the year 2022 and €0,14 out of the profits of 2023 included in Retained Earnings.
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 2024.
7. Re-appoint KPMG Limited as the auditors of the Company and fix their remuneration for the year 2024.
8. Transact any other business which, in accordance with the Company’s Articles of Association, can be presented at the Annual General Meeting.

Mavridou

By order of the Board
M. MAVRIDOU
Secretary

11 April 2024

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 May 2024. Transactions which will be taking place on 27 May 2024 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/her 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 is available on the website of the Company at 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 24 845 555.

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 legal entity, 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, or
   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 Cyprus 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 Cyprus 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 11 April 2024, 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 2023 (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 are available in electronic form on the website of the Company at www.vassiliko.com (Investor Relations) and in hard copy at the Company's Registered Offices, at 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 2024 Annual General Meeting is set out on page 1. The Notice asks the shareholders of Vassiliko Cement Works Public Company Limited 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 the Company's 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 2023.

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 2023.

RESOLUTION 3: APPROVE A DIVIDEND PAYMENT

The Directors proposed the payment of a dividend of €0,17 per share, €0,03 out of the profits of the year 2022 and €0,14 out of the profits of 2023, included in Retained Earnings. If approved at the Annual General Meeting, the dividend will be paid to the entitled shareholders registered as at 13 June 2024 (record date). The shares of the Company will be traded ex-dividend as of 12 June 2024. Payment of the dividend will be made (effected) till the 9 July 2024.

RESOLUTION 4: RE-ELECTION OF DIRECTORS

In accordance with the articles of association, Messrs Costas St. Galatariotis, Maurizio Mansi Montenegro and Stelios S. Anastasiades are the Directors who will retire by rotation this year and offer themselves for re-election.

Brief details of all Directors appear on pages 19 to 22 of the Annual Report.

RESOLUTION 5: APPROVE THE REMUNERATION REPORT

The Shareholders are asked to approve the remuneration report that appears on pages 17 to 18.

RESOLUTION 6: TO FIX THE REMUNERATION OF THE DIRECTORS

The Shareholders are asked to approve that the remuneration of the Directors for the year 2024 remains the same as for the previous year, i.e.:

€25.000 for the Chairman,

€20.000 for each of the Directors,

€300 representation allowance per presence in a 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 (until 25/5/2023) CHARALAMBOS PANAYIOTOU (until 25/5/2023) MAURIZIO MANSI MONTENEGRO ANTONIS MIKELLIDES (until 25/5/2023) STELIOS S. ANASTASIADES HAKAN GÜRDAL MIHAIL POLENDAKOV ANASTASIA PAPADOPOULOU (as from 25/5/2023) IOANNIS SAVVIDES (as from 25/5/2023) GEORGE N. CHARI (as from 25/5/2023)
General Manager:	GEORGE S. SAVVA
Financial Manager:	MELINA KYRIAKOU
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 CHRISTYS & CO LLC IOANNIDES DEMETRIOU 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 UBS SWITZERLAND AG
Registered office:	1A, KYRIAKOS MATSIS AVENUE 1082 NICOSIA CYPRUS
Registered number:	HE 1210
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 Limited for the year ended 31 December 2023, confirm that, to the best of our knowledge:

a. The Annual Financial Statements that are presented on pages 30 to 68:

   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 Limited and the businesses that are included in the consolidated and separate 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 Limited and the businesses that are included in the consolidated and separate financial statements as a total, together with a description of the principal risks and uncertainties 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
Maurizio Mansi Montenegro	Non-Executive Director
Stelios S. Anastasiades	Independent Non-Executive Director
Hakan Gürdal	Non-Executive Director
Mihail Polendakov	Non-Executive Director
Anastasia Papadopoulou	Independent Non-Executive Director
Ioannis Savvides	Independent Non-Executive Director
George N. Chari	Independent Non-Executive Director

COMPANY OFFICIALS

George S. Savva	General Manager
Melina Kyriakou	Financial Manager

11 April 2024

MANAGEMENT REPORT

The Board of Directors of Vassiliko Cement Works Public Company Limited (the “Company”) presents to the members of the Company its annual report together with the audited consolidated and separate financial statements of the Company for the year ended 31 December 2023.

FINANCIAL STATEMENTS

The consolidated financial statements for the year 2023 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

Revenues for 2023 for the Group and the Company reached €160.532 thousand compared to €142.661 thousand for 2022, indicating an increase of 12,5%. This growth was propelled by a growth in the domestic consumption and improved prices across both domestic and export markets. Despite persistent challenges in the economy, including inflationary pressures and the political instability in nearby regions causing disruptions, the Company adeptly navigated through these challenges.

In response to inflationary pressures, the Company strategically addressed cost challenges by transitioning to alternative, more cost-effective raw materials for clinker and cement production, reducing the impact of other cost increases. This strategic shift aligns with optimizing cost efficiency and resource management. The utilization of alternative fuels and alternative raw materials further contributed to a further reduction in carbon emissions, contributing to circular economy.

In the face of the persistent energy crisis and a dynamically changing business landscape, the Company remains steadfast in proactively addressing these challenges. The strategic initiative to replace traditional fossil fuels with cleaner and more sustainable alternatives remains a priority, aligning with the goal of carbon emissions reduction.

FINANCIAL RESULTS

The financial results of the Group and the Company for the year ended 31 December 2023 are presented in the consolidated and separate statements of profit or loss and other comprehensive income. Profit for the year ended 31 December 2023 for the Group amounted to €27.840 thousand compared to €12.718 thousand in 2022, whereas the profit for the year for the Company amounted to €27.699 thousand compared to €12.659 in 2022.

DIVIDENDS

On 5 October 2023, the Board of Directors approved the payment of an interim dividend of €0,08 per share of €5.755 thousand.

The Board of Directors recommends the payment of a dividend of €12.229 thousand or €0,17 per share, €0,03 out of the profits of the year 2022 and €0,14 out of the profits of 2023 included in Retained Earnings, to the shareholders of the Company registered as at 13 June 2024 (record date).

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.

MANAGEMENT REPORT (continued)

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 33 of the financial statements.

FUTURE DEVELOPMENTS

Looking ahead, the Company is actively addressing challenges posed by the ongoing energy crisis and the evolving regulatory landscape, particularly with new EU directives on CO_2 emissions rights policy. These directives are expected to heighten the costs associated with emissions compliance, prompting the Company to intensify the efforts in the implementation of its strategic vision. A key focus remains on the reduction of the environmental impact of operations and the mitigation of compliance costs. Building on previous years initiatives, the Company is steadfast in the pursuit of replacing traditional fossil fuels with alternative sources, a strategy aimed at enhancing sustainability and maintaining cost efficiency.

In line with these efforts, the Company is set to invest further in new technology, facilitating even greater steps in the substitution of fossil fuels with alternative fuels. Furthermore, the Company is actively engaged in expanding the capacity of its Photovoltaic Park, however, the progress for securing necessary permits is taking longer than originally anticipated. These future developments align with the Company's commitment to innovation and underscores its dedication to staying at the forefront of sustainable practices and strategic adaptation in an ever-changing business landscape.

The Company is also closely monitoring any geopolitical changes that may influence economic conditions and improve its resilience in fast moving and difficult to predict environments.

EVENTS AFTER THE REPORTING PERIOD

The important events that occurred after the reporting period are disclosed in note 38 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 2023. 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 or voting 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.

MANAGEMENT REPORT (continued)

AGREEMENTS WHICH ARE EFFECTIVE UPON A CHANGE OF CONTROL OF THE COMPANY (continued)

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 2023 and 6 April 2024, is set out in note 29 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 Costas St. Galatariotis (non-Executive Director), Maurizio Mansi Montenegro (non-Executive Director) and Stelios S. Anastasiades (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 25 May 2023, 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
Maurizio Mansi Montenegro
Stelios S. Anastasiades
Hakan Gürdal
Mihail Polendakov
Anastasia Papadopoulou
Ioannis Savvides
George N. Chari

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 or responsibilities 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 December 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 was not fully met.

MANAGEMENT REPORT (continued)

The Corporate Governance Report of the Company for 2023 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 authorised 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 2023 and 6 April 2024, are set out in note 30 of the Financial Statements.

PREPARATION OF PERIODIC REPORTING

The Group has in place an effective internal control 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 Control 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 control system incorporates 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 2024 will be proposed at the Annual General Meeting.

On behalf of the Board of Directors
ANTONIOS A. ANTONIOU
Executive Chairman

11 April 2024

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 ended 31 December 2019 and onwards. At the date of this report the principles of the Corporate Governance Code are partly implemented, given that the Principle regarding Board Balance was not fully met.

SECTION B

THE BOARD

The Company is headed by the Board of Directors, which at 31 December 2023, 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 Λίμιτεδ" (English translation "Vassiliko Cement Works Public Company Limited") and its subsidiaries. The non-Executive Directors comprised four independent Directors and six non-independent Directors. The members of the Board (excluding the Chairman) comprised four independent non-Executive Directors and six non-independent Directors, all of which are non-Executive Directors. The independent non-Executive Directors of the Board were Mr. Stelios S. Anastasiades, Ms. Anastasia Papadopoulou, Mr. Ioannis Savvides and Mr. George N. Chari.

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. Regarding the recommendation of the Corporate Governance Code for gender diversity amongst the board members, the Board of Directors in the appointments process positively considers nominations which promote gender diversity, without adversely affecting the educational and professional background diversification of the Board of Directors.

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

Antonios A. Antoniou	– Executive Chairman
George St. Galatariotis	– Non-Executive Director
Costas St. Galatariotis	– Non-Executive Director
Stavros G. Galatariotis	– Non-Executive Director
Maurizio Mansi Montenegro	– Non-Executive Director
Stelios S. Anastasiades	– Independent non-Executive Director
Hakan Gürdal	– Non-Executive Director
Mihail Polendakov	– Non-Executive Director
Anastasia Papadopoulou	– Independent non-Executive Director
Ioannis Savvides	– Independent non-Executive Director
George N. Chari	– 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.

CORPORATE GOVERNANCE REPORT (continued)

THE BOARD (continued)

The Company complies with the above Board Balance provision, since four 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 four Independent non-Executive members and seven non-Independent members (executives and non-executives), Board Balance is not met according to Principle A.2 of the Corporate Governance Code.

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 seven times during 2023. In accordance with best practice, the Board has established the Audit Committee, the Remuneration 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 for the management of the Group between the Executive Chairman and the General Manager of the Company is presented below.

The Executive Chairman of the Company, Mr. Antonios Antoniou has, among others, the following duties and 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.
- Develops and maintains effective relationships with the Company's stakeholders ensuring the continuity and the sustainable development of the business.

CORPORATE GOVERNANCE REPORT (continued)

EXECUTIVE CHAIRMAN AND GENERAL MANAGER (continued)

- 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, Mr. George Savva, has, among others, the following duties and responsibilities:

- 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. G. St. Galatariotis (non-Executive Director) and is composed of two other Directors, Mr. M. Mansi Montenegro (non-Executive Director) and Ms. A. Papadopoulou (Independent non-Executive Director). Ms. A. Papadopoulou was appointed on the 25th of May 2023 to fill the vacant position that arose due to the retirement of Mr. C. Koutsos member of the Nominations Committee until the 25th of May 2023. 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, at least 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 however, reserved the right to make exceptions to the retirement age policy.

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 Remuneration 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.

CORPORATE GOVERNANCE REPORT (continued)

FINANCIAL REPORTING

The preparation and presentation of the consolidated report and financial statements and other price sensitive public reports, seek to ensure that reports are prepared in a way that represent 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.

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 Laws and Regulations during the year ended 31 December 2023.

AUDIT COMMITTEE AND AUDITORS

The Audit Committee comprises of the Independent non-Executive Director, Mr. St. S. Anastasiades (Chairman), Mr. C. St. Galatariotis (non-Executive Director) and Mr. I. Savvides (Independent non-Executive Director). Mr. I. Savvides was appointed on the 25th of May 2023 to fill the vacant position that arose due to the retirement of Mr. A. Mikellides member of the Committee until the 25th of May 2023. The majority of the members of the Audit Committee, including the Chairman, are Independent non-Executive Directors. The Committee met four times during 2023. 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 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 and termination of appointment of external auditors and on their remuneration both for audit and non-audit work, and is responsible for keeping under continuous review the scope and results of the audit and its cost-effectiveness and the independence and objectivity of the auditors.

CORPORATE GOVERNANCE REPORT (continued)

AUDIT COMMITTEE AND AUDITORS (continued)

The External Auditors of the Company provide permitted non-audit services to the Company. The provision by the External Auditors of non-audit services do not impair their independence and objectivity and they comply with the principles of independence in accordance with the relevant directive. Furthermore, the Audit Committee 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.

REMUNERATION COMMITTEE

The Remuneration Committee comprises of three non-Executive Directors. The members of the Remuneration Committee are Mr. St. G. Galatariotis (non-Executive Director), Ms. A. Papadopoulou (Independent non-Executive Director) and Mr. G. Chari (Independent non-Executive Director). Ms. A. Papadopoulou and Mr. G. Chari were appointed on the 25th of May 2023 to fill the vacant positions that arose due to the retirement of Mr. Ch. Panayiotou and Mr. A. Mikellides members of the Committee until the 25th of May 2023.The Committee is chaired by Mr. St. Galatariotis who has knowledge and experience in remuneration policy. All the members of the Remuneration Committee are non-executive directors, and the majority are independent non-executive directors. 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. 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 Executive Directors, the General Manager and the Deputy General Manager. 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 Remuneration Report (page 17).

CORPORATE GOVERNANCE REPORT (continued)

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 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 Costas St. Galatariotis (non-Executive Director), Maurizio Mansi Montenegro (non-Executive Director) and Stelios S. Anastasiades (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 associated company, either by the Company itself or by its subsidiary or associated companies, and there are also no monies receivable from any company involved with a Director, and/or any person related to him.

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.

REMUNERATION REPORT

The Remuneration Report of the Company for the year 2023 has been prepared according to Appendices 1 and 2 of the Corporate Governance Code.

REMUNERATION COMMITTEE

The Remuneration 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 deemed as sufficient remuneration, even 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 developing this policy, the Board has given full consideration to the provisions of the Corporate Governance Code. The annual incentive plan rewards for the performance of each year and is paid in cash. The maximum bonus payment is based on the evaluation of the performance of the Executive Chairman and the General Manager assessed by the Remuneration Committee at the end of each year. The Remuneration 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 2023 concern rewards for the financial performance of the Company for year 2023. 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 in the case of the General Manager include the provident fund.

No significant changes were made to the remuneration policy of the Company for year 2023 compared to the previous year.

The total remuneration of the sole Executive Director under his capacity as Executive for the year 2023 was €315.475 (2022: €295.475).

PENSION SCHEME

All the Employees of the Company, including the General Manager, were members of the Company's Provident Fund during the year ended 31 December 2023, which is a defined contribution scheme. No other additional pension schemes exist for the Executive Member 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 Termination of Employment Law of 1967.

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 2023 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 2023 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 A. Antoniou	27.100	216.000	90.000	9.475	-	-	342.575
Non-Executive Directors							
George St. Galatariotis	22.700	-	-	-	-	-	22.700
Costas St. Galatariotis	23.600	-	-	-	-	-	23.600
Stavros G. Galatariotis	23.000	-	-	-	-	-	23.000
Costas Koutsos	10.045	-	-	-	-	-	10.045
Charalambos Panayiotou	9.745	-	-	-	-	-	9.745
Maurizio Mansi Montenegro	21.800	-	-	-	-	-	21.800
Antonis Mikellides	9.145	-	-	-	-	-	9.145
Stelios S. Anastasiades	23.300	-	-	-	-	-	23.300
Hakan Gurdal	21.500	-	-	-	-	-	21.500
Mihail Polendakov	21.800	-	-	-	-	-	21.800
Anastasia Papadopoulou	13.255	-	-	-	-	-	13.255
Ioannis Savvides	13.555	-	-	-	-	-	13.555
George N. Chari	13.255	-	-	-	-	-	13.255
	253.800	**216.000**	**90.000**	**9.475**	**-**	**-**	**569.275**

The Independent Non-Executive Directors, Mr. St. Anastasiades, Ms. A. Papadopoulou, Mr. I. Savvides and Mr. G. Chari 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 A. 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. 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.

As from January 2021 he is the Chairman of the Cyprus Employers & Industrialists Federation (OEB). He is a Member of the Board of Directors of OEB since July 2011 and Member of its Executive Committee since December 2013. From January 2019 until December 2020 he was the Vice-Chairman of OEB.

GEORGE ST. GALATARIOTIS

Mr. George St. Galatariotis was born in Limassol. 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, as well as a Member of the Board of Directors of Vassiliko Cement Works Public Company Ltd and Enerco – Energy Recovery Limited. He is also Member of the Board of Directors of several other 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

Costas Galatariotis was born in Limassol. He graduated the 5th Gymnasium of Limassol and is a holder of a Bachelor of Science degree in Economics, Industry & Commerce from the London School of Economics and Political Science.

He is Executive Chairman of the Galatariotis Group of Companies, Executive Director of The Cyprus Cement Public Company Ltd, member of the Board of Directors of Vassiliko Cement Works Public Company Ltd and member of the Board of Directors of several private companies.

He has served as Honorary Consul General of Japan in Cyprus from 2007 until 2012.

He has served as President of the Limassol Chamber of Commerce and Industry from September 2014 until October 2020 and since October 2020 he is Vice President of the Cyprus Chamber of Commerce and Industry. He has also served as Vice President of the Cyprus Investment Promotion Agency (CIPA Invest Cyprus) from July 2018 until November 2020.

Since July 2019 he is a member of the Board of Directors of the Cyprus Marine and Maritime Institute (CMMI). Since February 2023, he is a member of the Bicommunal Technical Committee for financial affairs and commerce. Since February 2024, he is the President of the Council of the Cyprus Technological University.

DIRECTORS' CURRICULA VITAE (continued)

STAVROS G. GALATARIOTIS

Mr. Stavros Galatariotis was born in Limassol. 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. Mr. Stavros Galatariotis holds an MBA from the Cyprus International Institute of Management.

Since 2000, Mr. Stavros Galatariotis is an Executive Director of the Galatariotis Group of Companies, Executive Director of The Cyprus Cement Public Company Ltd and a member of the Board of Directors of several private and public companies.

He is a Director of Vassiliko Cement Works Public Company Limited since 2008.

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 HM Trading, the trading company of Heidelberg Material Group. He is also member of the Board of Directors of Interbulk Trading SA, HM Trading Global GmbH, HC Trading Malta Ltd and HCT Green Ltd.

STELIOS S. ANASTASIADES

Mr. Stelios S. Anastasiades was born on November 28, 1953. He studied Mechanical Engineering and he was awarded a First-Class Honours B.Sc. (Eng) degree from Queen Mary College, University of London, as well as a M.Sc. degree and D.I.C from the Imperial College London.

Mr. Anastasiades was for 25 years the Managing Director of KONE Elevators Cyprus Ltd, the leading company in Cyprus in the field of lifts and escalators, with 130 employees and an annual turnover of €20 million. He retired at the end of 2022.

He is the former President of the Nicosia Chamber of Commerce and Industry, an honorary 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, member of the board of the Cyprus Organization for Standards and Quality Control and member of the Labour Court.

DIRECTORS' CURRICULA VITAE (continued)

HAKAN GÜRDAL

Mr. Hakan Gürdal studied mechanical engineering at the Yildiz Technical University in Istanbul and holds an MBA in International Management from the University of Istanbul.

He joined Çanakkale Çimento (today part of Heidelberg Materials joint venture Akçansa in Turkey) in 1992, as investment engineer to build Istanbul port & terminal. Commissioning terminal, he became terminal manager, and then Vice General Manager in charge of cement & concrete business lines. He held various management positions at Akçansa, such as Strategy & Business Development Manager (1996–1997), Vice General Manager Cement Domestic Sales & Exports (1997–2000) and Vice General Manager Ready-mixed Concrete, Aggregates and Purchasing (2000–2008), before he became General Manager Akçansa (2008–2014). From 2014 to the end of January 2016 he was President of the Cement Strategic Business Unit of Sabanci Holding, in charge of Cimsa & Akcansa.

Mr. Hakan Gürdal has been appointed as member of the Managing Board (Vorstand) of Heidelberg Materials on 1 February 2016. Since 1 April 2016, he is in charge of the Africa & Eastern Mediterranean Basin Group area. Additionally, from 1 January 2017 until 30 April 2019, he was the Board Level in charge for Group Purchasing function within Heidelberg Materials AG. He is chairing Global Alternative Fuel Working Group.

In January 2024, he also assumed responsibility for Kazakhstan and Russia; the Group area was renamed Africa-Mediterranean-Western Asia. As of 5 April 2019, he is additionally in charge at Board Level for HM Trading.

MIHAIL POLENDAKOV

Mr. Mihail Polendakov was born in Sofia, Bulgaria in 1964. He graduated from the University of World Economy with major in International Economic Relations in 1990 and was enrolled within the Senior Management Development Program of INSEAD in 2002. He took the SUMMIT course of Duke University.

Mr. Mihail Polendakov started his career at Heidelberg Materials Group AG as a Commercial Director of Zlatna Panega Cement AD in 1997 and in 2001 became Country Manager for Zlatna Panega Cement AD, Member of the Board and Chairman of the Supervisory Board of Granatoid AD, Chairman of the Supervisory Board of "Karieri za pyasatzi I tchakuli" AD and Executive Director of "Ceskomoravski Cement–Sofia Branch". In 2004 Mr. Polendakov was appointed as Director Business Development and M&A of Central Europe East, Russia and CIS in Heidelberg Materials Group AG, Germany. In 2009 Mr. Polendakov became CEO of Black Sea Property Fund Bulgaria EAD / (BKSA) listed on AIM.

In 2011 Mr. Mihail Polendakov took a role as General Director of HeidelbergCement Russia and had worked there for 11 years until May 2022. In May 2022 he became General Manager of Heidelberg Materials for Bulgaria, Greece and Albania.

DIRECTORS' CURRICULA VITAE (continued)

ANASTASIA PAPADOPOULOU

Ms. Anastasia Papadopoulou studied at the University of Edinburgh, where she graduated in 1997 with a Master's degree in History (M.A. History). In 1999, she graduated from the Law School of the University of Cambridge, and in 2000, she completed the Legal Practice Course at the College of Law in London.

In 2000, she began her practice at the law firm Slaughter and May in London and in 2001, she joined the law firm Tassos Papadopoulos & Associates LLC as an Associate. In 2007, Ms. Papadopoulou became a Partner at the law firm Tassos Papadopoulos & Associates LLC, a position she held until 2022.

Ms. Papadopoulou is a member of the Board of Directors of the Cyprus Institute of Neurology and Genetics since 2020 and a member of the Board of Directors of the University of Cyprus since 2021.

Since 2018, she is the President of the Council for the Implementation of the National Strategy for the Combatting of Sexual Abuse and Exploitation of Children and Child Pornography "Foni". Since 2020, she has been a member of the Commission established by the Cyprus Sports Authority to develop a strategy to combat sexual harassment and abuse in sports.

IOANNIS SAVVIDES

Mr. Ioannis Savvides was born on July 1st, 1967. He holds an MBA (Quality Management) from Leicester University and a "General Banking Diploma" from the American Bankers Association – AIB.

He is certified in Strategic Marketing from the Chartered Management Institute and holds a third-level certificate in Accounting, Economics, and Commercial Law. In addition, Mr. Savvides has been an approved Insurance Representative of the Insurance Institute of Cyprus since 2001.

From 1989 to 2008, Mr. Savvides was employed at the Hellenic Bank as an Accounting Manager, Budget Coordinator, Internal Auditor, Retail Banking Branch Manager, and Quality Program Coordinator "EFQM". Since 2008 he has been working at Astrobank (former Piraeus Bank) as a Branch Manager, Regional Manager of Paphos – Limassol, and currently as a Regional Manager of Paphos.

GEORGE N. CHARI

Mr. George N. Chari was born in Athienou in 1962. He graduated from the Pancyprian Gymnasium of Nicosia in 1980. After the completion of his military service from the 33rd Special Forces Battalion in 1982, he obtained, in 1987, a Bachelor's degree in Electrical Engineering from the New York Institute of Technology (NYIT), which is accredited by the Board of Engineers in the USA.

From 1987 to 1992, he worked as an Electrical Engineer at MDM Consulting Engineers in New York, where he became an Associate in 1990. Upon his return to Cyprus in 1992, he joined GEMAC in Nicosia, where he held the position of the Head of the Electrical Department until 1997, and the position of the Partner from 1997 until 2002.

In 2002, he founded the Chari Consulting Engineers in Cyprus, a company which specialises in the field of Building Services Consulting. Additionally, Mr. Chari also established Dynamic Power Solutions, a Consulting Company based in London (2014 to 2018).

He served as a member of the Board of Directors of CYTA from 2004 to 2011 and is an active member of the Institution of Electrical Engineers, Illuminating Engineering Society and the National Fire Protection Association.

Mr. George N. Chari holds an ETEK licence in Electrical Engineering and is classified by the Electromechanical Services as an 'A' category Electrical Engineer (Unlimited Power for Designs / Installations Responsibility).

FINANCIAL STATEMENTS
2023

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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 consolidated financial statements of Vassiliko Cement Works Public Company Ltd (the "Company") and its subsidiaries (the "Group"), and the separate financial statements of the Company which are presented on pages 30 to 68 and comprise of the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows 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 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 2023, 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 and the Company throughout the period of our appointment in accordance with the International Code of Ethics (Including International Independence Standards) for Professional Accountants of the International Ethics Standards Board for Accountants ("IESBA Code") together with 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.

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

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

Key audit matters are those matters that, in our professional judgment, 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.

<table>
<tr><th colspan="2">Revenue recognition</th></tr>
<tr><td colspan="2">Refer to note 5 of the consolidated and separate financial statements</td></tr>
<tr><th>Key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>The vast majority of the Group’s and the Company’s revenue is generated from the sales of Clinker and Cement.

As per the consolidated and Company's statement of profit or loss for the year ended 31 December 2023, revenue amounts to €160.532 thousand.

The Group and the Company recognise revenue for the domestic sales when products are delivered to the customers and for export sales in accordance with their sales terms and conditions.

Given the significance of revenue as a major component in the consolidated and the Company’s statements of profit or loss and other comprehensive income, and since revenue is one of the key performance indicators of the Group and the Company and is, therefore, subject to manipulation, we consider the revenue recognition as a key area of focus during our audit.</td><td>Our audit procedures included among others:

• Evaluation and assessment of the operating effectiveness of the internal controls relevant to the recognition and measurement of revenue. Our internal IT specialists were used within this process.

• Evaluation of the appropriateness of recognition of revenue by reference to the relevant invoices, shipping and other documents, in order to assess whether revenues are recognised in the correct accounting period. Where appropriate, monetary sampling tool was used within this process.</td></tr>
</table>

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

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 is presented in the “*Report on other legal and regulatory requirements*” section.

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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Board of Directors is responsible for assessing the Group's and the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to either liquidate the Company or to cease the Group’s 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 and the Company’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.

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)

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 and the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.
- 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 financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Report on other regulatory and legal 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 Auditors' Report, which is required in addition to the requirements of ISAs.

Date of appointment and period of engagement

We were appointed auditors of the Company by the General Meeting of the Company's members in 1988. Our appointment has been renewed annually by shareholders' resolution. Our total uninterrupted period of engagement is 36 years covering the periods ended 31 December 1987 to 31 December 2023.

Consistency of auditors' report to 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 11 April 2024.

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 L53(I)/2017").

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 light of the knowledge and understanding of the business and the Group's and the Company's environment obtained in the course of the audit, we have not identified material misstatements in the management report.
- In our opinion, based on the work undertaken in the course of our audit, 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, and is consistent with the consolidated and separate financial statements.
- In light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the corporate governance statement in relation to the information disclosed for items (iv) and (v) of the subparagraph 2(a) of Article 151 of the Companies Law, Cap. 113. We have not identified any material misstatements in this respect.
- In our opinion, based on the work undertaken in the course of our audit, the corporate governance statement includes all information referred to in subparagraphs (i), (ii), (iii), (vi) and (vii) of paragraph 2(a) of Article 151 of the Companies Law, Cap.113.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

Vassiliko Cement Works Public Company Ltd

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

Other legal requirements (continued)

European Single Electronic Format
We have examined the digital files of the European Single Electronic Format ("ESEF") of the Company for the year ended 31 December 2023 comprising an XHTML file which includes the consolidated and separate financial statements for the year then ended and XBRL files with the marking up carried out by the entity of the consolidated and separate statement of financial position as at 31 December 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and all disclosures made in the consolidated and separate financial statements or made by cross-reference therein to other parts of the annual financial report for the year ended 31 December 2023 that correspond to the elements in Table 1 of Annex II of the European Union ("EU") Delegated Regulation 2019/815 of 17 December 2018 of the European Commission, as amended from time to time (the "ESEF Regulation") (the "digital files").

The Board of Directors of the Company is responsible for preparing and submitting the consolidated and separate financial statements for the year ended 31 December 2023 in accordance with the requirements set out in the ESEF Regulation.

Our responsibility is to examine the digital files prepared by the Board of Directors of the Company. According to the audit Guidelines issued by the Institute of Certified Public Accountants of Cyprus (the "Audit Guidelines"), we are required to plan and perform our audit procedures in order to examine whether the content of the consolidated and separate financial statements we have audited, and whether the format and marking up included in the digital files have been prepared in all material respects, in accordance with the requirements of the ESEF Regulation.

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

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 Haris A. Kakoullis.

Haris A. Kakoullis, CPA
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

11 April 2024

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

	Note	2023 €000	Restated * 2022 €000
Revenue	5	**160.532**	142.661
Cost of sales		**(119.045)**	(119.381)
Gross profit		**41.487**	23.280
Other operating income	6	**2.386**	2.535
Distribution expenses		**(6.296)**	(5.758)
Administrative expenses		**(4.782)**	(4.002)
Other operating expenses		**(1.526)**	(1.499)
Operating profit before net financing cost	7	**31.269**	14.556
Finance income		**330**	311
Finance expenses		**(435)**	(531)
Net finance cost	9	**(105)**	(220)
Net (loss)/profit from investing activities	10	**(29)**	83
Share of profit from equity-accounted investee	18	**854**	603
Profit before tax		**31.989**	15.022
Taxation	11	**(4.149)**	(2.304)
Profit for the year		**27.840**	12.718
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Equity investments at fair value through other comprehensive income - net change in fair value	19	**83**	48
Revaluation of property, plant and equipment	13	**(1)**	630
Items that are or may be reclassified to profit or loss			
Deferred tax on revaluation of properties	11	**-**	64
Other comprehensive income for the year		**82**	742
Total comprehensive income for the year		**27.922**	13.460
Profit attributable to:			
Equity holders of the parent		**27.840**	12.718
Non-controlling interest		**-**	-
		27.840	12.718
Total comprehensive income attributable to:			
Equity holders of the parent		**27.922**	13.460
Non-controlling interest		**-**	-
		27.922	13.460
Basic and diluted earnings per share (cents)	12	**38,7**	17,7

* Certain of the corresponding amounts have been restated due to changes in accounting policies (note 37).

The notes on pages 38 to 68 form an integral part of these financial statements.

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

	Note	2023 €000	Restated * 2022 €000
Revenue	5	**160.532**	142.661
Cost of sales		**(119.045)**	(119.381)
Gross profit		**41.487**	23.280
Other operating income	6	**2.386**	2.535
Distribution expenses		**(6.296)**	(5.758)
Administrative expenses		**(4.778)**	(4.001)
Other operating expenses		**(1.526)**	(1.499)
Operating profit before net financing cost	7	**31.273**	14.557
Finance income		**330**	311
Finance expenses		**(435)**	(531)
Net finance cost	9	**(105)**	(220)
Net profit from investing activities	10	**571**	543
Profit before tax		**31.739**	14.880
Taxation	11	**(4.040)**	(2.221)
Profit for the year		**27.699**	12.659
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Equity investments at fair value through other comprehensive income - net change in fair value	19	**83**	48
Revaluation of property, plant and equipment	13	**(1)**	630
Items that are or may be reclassified to profit or loss			
Deferred tax on revaluation of properties	11	**-**	64
Other comprehensive income for the year		**82**	742
Total comprehensive income for the year		**27.781**	13.401
Basic and diluted earnings per share (cents)	12	**38,5**	17,6

* Certain of the corresponding amounts have been restated due to changes in accounting policies (note 37).

The notes on pages 38 to 68 form an integral part of these financial statements.

Consolidated statement of financial position
as at 31 December 2023

	Note	2023 €000	Restated * 2022 €000
Assets			
Property, plant and equipment	13	**200.381**	213.249
Intangible assets	15	**12.336**	12.338
Investment property	14	**10.187**	5.608
Right-of-use assets	32	**2.377**	2.508
Investment in equity-accounted investee	18	**1.842**	1.697
Financial assets at fair value through other comprehensive income	19	**363**	280
Total non-current assets		**227.486**	235.680
Inventories	20	**47.332**	46.232
Trade and other receivables	21	**11.063**	12.607
Cash and cash equivalents	22	**18.181**	2.209
Total current assets		**76.576**	61.048
Total assets		**304.062**	296.728
Equity			
Share capital	23	**30.932**	30.932
Reserves		**226.312**	213.497
Total equity attributable to equity holders of the parent		**257.244**	244.429
Liabilities			
Interest-bearing loans and borrowings	24	**9.023**	12.249
Lease liabilities	32	**1.412**	1.471
Deferred taxation	25	**21.472**	22.611
Total non-current liabilities		**31.907**	36.331
Interest-bearing loans and borrowings	24	**3.501**	3.454
Lease liabilities	32	**116**	115
Tax payable		**432**	200
Trade and other payables	26	**10.862**	12.199
Total current liabilities		**14.911**	15.968
Total liabilities		**46.818**	52.299
Total equity and liabilities		**304.062**	296.728

*Certain of the corresponding amounts have been restated due to changes in accounting policies (note 37).

These financial statements were approved and authorised for issue by the Board of Directors and signed on its behalf on 11 April 2024 by:

ANTONIOS ANTONIOU
COSTAS GALATARIOTIS } Directors

The notes on pages 38 to 68 form an integral part of these financial statements.

Company statement of financial position
as at 31 December 2023

	Note	2023 €000	Restated * 2022 €000
Assets			
Property, plant and equipment	13	**200.381**	213.249
Intangible assets	15	**12.336**	12.338
Investment property	14	**9.984**	5.405
Right-of-use assets	32	**2.377**	2.508
Investments in subsidiaries	17	**10**	10
Investment in associate	18	**500**	500
Financial assets at fair value through other comprehensive income	19	**363**	280
Total non-current assets		**225.951**	234.290
Inventories	20	**47.332**	46.232
Trade and other receivables	21	**11.608**	13.152
Cash and cash equivalents	22	**18.171**	2.199
Total current assets		**77.111**	61.583
Total assets		**303.062**	295.873
Equity			
Share capital	23	**30.932**	30.932
Reserves		**225.317**	212.643
Total equity		**256.249**	243.575
Liabilities			
Interest-bearing loans and borrowings	24	**9.023**	12.249
Lease liabilities	32	**1.412**	1.471
Deferred taxation	25	**21.472**	22.611
Total non-current liabilities		**31.907**	36.331
Interest-bearing loans and borrowings	24	**3.501**	3.454
Lease liabilities	32	**116**	115
Income tax payable		**432**	200
Trade and other payables	26	**10.857**	12.198
Total current liabilities		**14.906**	15.967
Total liabilities		**46.813**	52.298
Total equity and liabilities		**303.062**	295.873

*Certain of the corresponding amounts have been restated due to changes in accounting policies (note 37).

These financial statements were approved and authorised for issue by the Board of Directors and signed on its behalf on 11 April 2024 by:

ANTONIOS ANTONIOU } Directors
COSTAS GALATARIOTIS

The notes on pages 38 to 68 form an integral part of these financial statements.

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

	Share capital €000	Share premium €000	Revaluation reserve €000	Fair value reserve €000	Retained earnings €000	Total equity attributable to equity holders of the parent €000	Non-controlling interest €000	Total equity €000
Restated * balance at 1 January 2022	30.932	45.388	33.301	(399)	135.415	244.637	-	244.637
Comprehensive income								
Profit for the year	-	-	-	-	12.718	12.718	-	12.718
Other comprehensive income								
Other comprehensive income for the year	-	-	694	48	-	742	-	742
Total comprehensive income for the year	-	-	694	48	12.718	13.460	-	13.460
Transactions with owners of the Company								
Contributions and distributions								
Dividends (note 28)	-	-	-	-	(13.668)	(13.668)	-	(13.668)
Transfer	-	-	(1.209)	-	1.209	-	-	-
Balance at 31 December 2022 / 1 January 2023	**30.932**	**45.388**	**32.786**	**(351)**	**135.674**	**244.429**	**-**	**244.429**
Comprehensive income								
Profit for the year	**-**	**-**	**-**	**-**	**27.840**	**27.840**	**-**	**27.840**
Other comprehensive income								
Other comprehensive income for the year	**-**	**-**	**(1)**	**83**	**-**	**82**	**-**	**82**
Total comprehensive income for the year	**-**	**-**	**(1)**	**83**	**27.840**	**27.922**	**-**	**27.922**
Transactions with owners of the Company								
Contributions and distributions								
Dividends (note 28)	**-**	**-**	**-**	**-**	**(15.107)**	**(15.107)**	**-**	**(15.107)**
Transfer	**-**	**-**	**(324)**	**-**	**324**	**-**	**-**	**-**
Balance at 31 December 2023	**30.932**	**45.388**	**32.461**	**(268)**	**148.731**	**257.244**	**-**	**257.244**

*Certain of the corresponding amounts have been restated due to changes in accounting policies (note 37).

The notes on pages 38 to 68 form an integral part of these financial statements.

Company statement of changes in equity
for the year ended 31 December 2023

	Share capital €000	Share premium €000	Revaluation reserve €000	Fair value reserve €000	Retained earnings €000	Total equity €000
Restated * balance at 1 January 2022	30.932	45.388	33.413	(399)	134.508	243.842
Comprehensive income						
Profit for the year	-	-	-	-	12.659	12.659
Other comprehensive income						
Other comprehensive income for the year	-	-	694	48	-	742
Total comprehensive income for the year	-	-	694	48	12.659	13.401
Transactions with owners of the Company						
Contributions and distributions						
Dividends (note 28)	-	-	-	-	(13.668)	(13.668)
Transfer	-	-	(1.209)	-	1.209	-
Balance at 31 December 2022 / 1 January 2023	**30.932**	**45.388**	**32.898**	**(351)**	**134.708**	**243.575**
Comprehensive income						
Profit for the year	-	-	-	-	**27.699**	**27.699**
Other comprehensive income						
Other comprehensive income for the year	**-**	**-**	**(1)**	**83**	**-**	**82**
Total comprehensive income for the year	**-**	**-**	**(1)**	**83**	**27.699**	**27.781**
Transactions with owners of the Company						
Contributions and distributions						
Dividends (note 28)	**-**	**-**	**-**	**-**	**(15.107)**	**(15.107)**
Transfer	**-**	**-**	**(324)**	**-**	**324**	**-**
Balance at 31 December 2023	**30.932**	**45.388**	**32.573**	**(268)**	**147.624**	**256.249**

* Certain of the corresponding amounts have been restated due to changes in accounting policies (note 37).

Companies, which do not distribute at least 70% of their profits after tax, as defined by the Special Defence Contribution Law of the Republic of Cyprus during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend on 31 December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year to which the profits refer. Based on the amount of the deemed dividend distribution, the Company pays a special defence contribution on behalf of the shareholders at a rate of 17% when the entitled shareholders are natural tax residents of Cyprus and have their residence (domicile) in Cyprus. In addition, effective 1 March 2019 (deemed distribution of dividends for the year 2017), the Company pays a General Health System (GHS) contribution on behalf of the shareholders at a rate of 2,65% (1,70% for the period between 1 March 2019 to 28 February 2020), when the entitled shareholders are natural tax residents of Cyprus, regardless of their domicile.

The notes on pages 38 to 68 form an integral part of these financial statements.

Consolidated statement of cash flows
for the year ended 31 December 2023

	Note	2023 €000	Restated * 2022 €000
Cash flows from operating activities			
Profit for the year		**27.840**	12.718
Adjustments for:			
Depreciation and amortisation charges	13, 15, 32	**14.255**	15.253
Unrealised exchange loss	9	**(96)**	(311)
Change in fair value of investment property	14	**38**	(75)
Interest income	9	**(234)**	-
Dividend income	10	**(9)**	(8)
Interest expense	9	**435**	531
Share of profit of equity-accounted investee	18	**(854)**	(603)
(Gain)/loss on disposal of property, plant and equipment	6	**(3)**	52
Provision for bad debts		**-**	78
Bad debts recovered		**(100)**	(75)
Income tax expense	11	**4.149**	2.304
Operating profit before changes in working capital and provisions		**45.421**	29.864
Changes in:			
Trade and other receivables		**1.766**	(5.648)
Inventories		**(1.100)**	(4.154)
Trade and other payables		**(1.303)**	5.421
Provisions		**-**	(300)
Cash generated from operating activities		**44.784**	25.183
Interest paid		**(392)**	(487)
Tax paid		**(5.056)**	(3.707)
Net cash inflow from operating activities		**39.336**	20.989
Cash flows to investing activities			
Proceeds from disposal of property, plant and equipment		**17**	27
Interest received		**234**	-
Dividends received		**657**	409
Acquisition of property, plant and equipment	13	**(5.934)**	(10.490)
Acquisition of intangibles	15	**(9)**	(11)
Net cash used in investing activities		**(5.035)**	(10.065)
Cash flows to financing activities			
Proceeds from new loans raised		**-**	16.790
Repayment of loans		**(3.179)**	(5.847)
Lease payments	32	**(116)**	(115)
Dividends paid	28	**(15.107)**	(13.668)
Net cash used in financing activities		**(18.402)**	(2.840)
Effect of exchange rate fluctuations on cash held		**73**	274
Net increase in cash and cash equivalents		**15.972**	8.358
Cash and cash equivalents at 1 January		**2.209**	(6.149)
Cash and cash equivalents at 31 December	22	**18.181**	2.209

* Certain of the corresponding amounts have been restated due to changes in accounting policies (note 37).

The notes on pages 38 to 68 form an integral part of these financial statements.

Company statement of cash flows
for the year ended 31 December 2023

	Note	2023 €000	Restated * 2022 €000
Cash flows from operating activities			
Profit for the year		**27.699**	12.659
Adjustments for:			
Depreciation and amortisation charges	13, 15, 32	**14.255**	15.253
Unrealised exchange loss	9	**(96)**	(311)
Change in fair value of investment property	14	**38**	(87)
Interest income	9	**(234)**	-
Dividend income	10	**(609)**	(456)
Interest expense	9	**435**	531
(Gain)/loss on disposal of property, plant and equipment	6	**(3)**	52
Provision for bad debts		**-**	78
Bad debts recovered		**(100)**	(75)
Income tax expense	11	**4.040**	2.221
Operating profit before changes in working capital and provisions		**45.425**	29.865
Changes in:			
Trade and other receivables		**1.657**	(5.650)
Inventories		**(1.100)**	(4.154)
Trade and other payables		**(1.307)**	5.339
Provisions		**-**	(300)
Cash generated from operations		**44.675**	25.100
Interest paid		**(392)**	(487)
Tax paid		**(4.947)**	(3.624)
Net cash inflow from operating activities		**39.336**	20.989
Cash flows to investing activities			
Proceeds from disposal of property, plant and equipment		**17**	27
Interest received		**234**	-
Dividends received		**657**	409
Acquisition of subsidiary company		**-**	(10)
Acquisition of property, plant and equipment	13	**(5.934)**	(10.490)
Acquisition of intangibles	15	**(9)**	(11)
Net cash used in investing activities		**(5.035)**	(10.075)
Cash flows to financing activities			
Proceeds from new loans raised		**-**	16.790
Repayment of loans		**(3.179)**	(5.847)
Lease payments	32	**(116)**	(115)
Dividends paid	28	**(15.107)**	(13.668)
Net cash used in financing activities		**(18.402)**	(2.840)
Effect of exchange rate fluctuations on cash held		**73**	274
Net increase in cash and cash equivalents		**15.972**	8.348
Cash and cash equivalents at 1 January		**2.199**	(6.149)
Cash and cash equivalents at 31 December	22	**18.171**	2.199

* Certain of the corresponding amounts have been restated due to changes in accounting policies (note 37).

The notes on pages 38 to 68 form an integral part of these financial statements.

Notes to the financial statements
for the year ended 31 December 2023

1 Reporting entity and principal activities

"Τσιμεντοποιία Βασιλικού Δημόσια Εταιρεία Λίμιτεδ", translated in English as "Vassiliko Cement Works Public Company Ltd" (the 'Company') was established in Cyprus in 1963. The Company is 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 Laws and Regulations. The Company's registered office is at 1A Kyriakos Matsis Avenue, CY-1082 Nicosia, Cyprus.

The consolidated financial statements for the year ended 31 December 2023, consist of the financial statements of the Company and its subsidiaries (together referred to as the 'Group') and the Group's interest in associates.

The Group and the Company's financial statements (the "financial statements") were approved and authorised for issue by the Board of Directors on 11 April 2024.

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

2 Basis of preparation

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

Functional and presentation currency
The financial statements as at and for the year ended 31 December 2023, 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 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.

All significant fair value measurements, including Level 3 fair values, are evaluated regularly. If third party information, such as broker quotes or pricing services, is used to measure fair values, then it is assessed 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 categorised 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 categorised 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. 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.

d. 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 Significant accounting policies

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

Certain corresponding amounts in the statements of financial position, profit or loss and other comprehensive income and changes in equity, have been restated, reclassified or represented, due to change in accounting policies (see note 37).

New and amended IFRSs and interpretations:

As from 1 January 2023, the Group and the Company 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 financial statements.

The following New IFRSs, Amendments to IFRSs and Interpretations have been issued by the International Accounting Standards Board (IASB) but are not yet effective for annual periods beginning on 1 January 2023. Those which may be relevant to the Group and the Company are set out below. The Group and the Company do not plan to adopt these New IFRSs, Amendments to IFRSs and Interpretations early.

i. New IFRSs, Amendments to IFRSs and Interpretations adopted by the EU

- IAS 1 Presentation of Financial Statements (Amendments): Classification of Liabilities as Current or Non-current and Non-current Liabilities with covenants (effective for annual periods beginning on or after 1 January 2024)

In 2020, the IASB has amended IAS 1 to promote consistency in application and clarify the requirements on determining if a liability is current or non-current. Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. Similar to existing requirements in IAS 1, the classification of liabilities is unaffected by management's intentions or expectations about whether the company will exercise its right to defer settlement or will choose to settle early.

On 31 October 2022 the IASB issued further amendments to IAS 1 i.e. Non-current liabilities with covenants. The new amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period. The amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

The amendments also clarify how a company classifies a liability that can be settled in its own shares (e.g. convertible debt). When a liability includes a counterparty conversion option that involves a transfer of the company's own equity instruments, the conversion option is recognised as either equity or a liability separately from the host liability under IAS 32 Financial Instruments: Presentation. The IASB has now clarified that when a company classifies the host liability as current or non-current, it can ignore only those conversion options that are recognised as equity. Companies may have interpreted the existing IAS 1 requirements differently when classifying convertible debt. Therefore, convertible debt may become current.

- IFRS 16 Leases (Amendments): Lease Liability in Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024)

The IASB has issued amendments to IFRS 16 Leases, which add to requirements explaining how a company accounts for a sale and leaseback after the date of the transaction. A sale and leaseback is a transaction for which a company sells an asset and leases that same asset back for a period of time from the new owner. IFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place. However, IFRS 16 had not specified how to measure the transaction when reporting after that date. The amendments issued in September 2022 impact how a seller-lessee accounts for variable lease payments that arise in a sale and leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale and leaseback transactions entered into since 2019.

The amendments confirm the following: (1) On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale and leaseback transaction. (2) After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

ii. IFRSs, Amendments to IFRSs and Interpretations not adopted by the EU

- IAS 7 Statement of Cash Flows (Amendments) and IFRS 7 Financial Instruments: Disclosures (Amendments) – Supplier Finance Arrangements (effective for annual periods beginning on or after 1 January 2024)
The amendments introduce two new disclosure objectives – one in IAS 7 and another in IFRS 7 – to enable the users of the financial statements in understanding and assessing the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk as well as the impact to the entity if supplier finance arrangements were no longer available.

The amendments do not define the supplier finance arrangements. Instead, the amendments describe the characteristics of an arrangement for which an entity is required to provide the information. Specifically, all the following characteristics should apply:
- a finance provider pays amounts that the entity owes to its suppliers;
- the entity agrees to pay under the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid; and
- the entity is provided with extended payment terms or suppliers benefit from early payment terms, compared with the related invoice payment due date.

- IAS 21 The Effects of Changes in Foreign Exchange Rates (Amendments): Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)

The amendments, as issued in August 2023, aim to clarify when a currency is exchangeable into another currency and how a company estimates a spot rate when a currency lacks exchangeability. According to the amendments, a currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable at the measurement date, the company will be required to estimate a spot rate as the rate that would have been applied to an orderly exchange transaction between market participants under prevailing economic conditions. The amendments contain no specific requirements for estimating a spot rate, but they set out a framework under which an entity can determine the spot rate at the measurement date using an observable exchange rate without adjustment or another estimation technique.

Companies will be required to provide also new disclosures to help users assess the impact of a currency not being exchangeable to the entity's financial performance, financial position, and cash flows. To achieve this objective, entities will disclose information about the nature and financial impacts of a lack of exchangeability, the spot exchange rate(s) used, the estimation process and risks to the company because the currency is not exchangeable.

- 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; early adoption continues to be permitted)
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 financial statements.

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 (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 and Vassiliko port are carried at fair value. Revaluations are carried out with sufficient regularity such 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 are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Increases in the carrying amount arising on revaluation of land and port 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 profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost is transferred from fair value reserves to retained earnings.

Quarry land is recognized as an asset when it is probable that future economic benefits associated with the land will flow to the entity and the cost of the land can be measured reliably. The cost of quarry land includes the purchase price, any costs directly attributable to bringing the land to the condition necessary for its intended use, and any estimated costs of site restoration. Quarry land is measured at cost less any accumulated depreciation and any accumulated impairment losses.

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.

Borrowing cost is capitalized as part of the cost of a qualifying asset when it is likely that it will lead to future financial benefits for the business and the cost can be measured reliably. Other borrowing costs are recognized as an expense in the period in which they are incurred.

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 recognised 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.

Quarry land is depreciated annualy over its useful life, which is the period during which the entity expects to use the land. In calculating the depreciation charge, the residual value is taken into account, which is deducted from cost. The depreciation charge for each period is recognized in profit or loss.

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:

Production facilities	20 - 50 years
Vassiliko Port	50 years (term of lease)
Equipment	4 - 25 years
Photovoltaic Park	20 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 15). 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

Investments
Investment properties
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 profit or loss.

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.

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, fuels, 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.

Emission rights owned by the Group are reported under inventories. Emission rights granted free of charge are initially measured at a nominal value of zero. Emission rights acquired for consideration are initially accounted for at cost and are subsequently valued at the lower of cost and net realizable value.

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 only 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 recognised 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.

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
Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past events, it is probable that an outflow of resources 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
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
    - the Group has the right to operate the asset; or
    - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group as lessee
The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprises of fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents its right-of-use assets that do not meet the definition of investment property separately in the statement of financial position.

The lease liabilities are presented separately in the statement of financial position.

Short-term leases and leases of low-value assets
The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets (i.e. IT equipment, office equipment etc). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Financial instruments
i. Recognition and initial measurement
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument at the transaction date.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent
Financial assets
On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive income (FVOCI) debt investment; Fair Value through Other Comprehensive income (FVOCI) equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Subsequent measurement and gains and losses:

Financial assets at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The financial liabilities of the Group are measured as follows:

Interest-bearing loans and borrowings
Interest-bearing loans and 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.

Trade and other payables
Trade and other payables are stated at their nominal values.

iii. Impairment
Financial instruments
The Group recognises loss allowances for Expected Credit Loss ("ECL") on financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Group considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs
ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt investments the loss allowance is measured at FVTPL and recognised through profit and loss in other comprehensive income.

Write off
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Derecognition of financial assets and liabilities
i. Financial assets
The Group derecognises a financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) when:

- the contractual rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group transfers the rights to receive the contractual cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When an asset recognised in its statement of financial position, is transferred, but the Group retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

ii. Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when it is replaced by another from the same lender on substantially different terms, or when the terms of the liability are substantially modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position when, and only when, the Group has a currently enforceable legal right to offset the recognised amounts and it intends to settle them on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

Revenue recognition
Contracts identification
The Group recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Group can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Group's future cash flows is expected to change as a result of the contract), it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Group's contracts with customers.

The transaction price
Revenue represents the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value added taxes).

The Group does not have any material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group elects to use the practical expedient and does not adjust any of the transaction prices for the time value of money.

Identification of the performance obligations
The Group assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand alone selling prices. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

Performance obligations and revenue recognition policies
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, i.e upon the signing of the waybill for any domestic sales or signing of the bill of lading for any exports. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods. Invoices are usually settled by customers at the end of the next month for domestic sales and within 10 days for any exports.

ii. Sale of Electricity
Revenue from the sale of electricity is generated by the Photovoltaic Park and recognised on a monthly basis based on meter readings. The electricity produced over time is sold to electricity supply companies at mutually agreed prices indexed on renewable energy sources purchase price as published by Electricity Authority Cyprus. Invoices are settled within 60 days.

iii. Port income
Revenue from port is generated from services provided to vessels and cargo owners and is recognised in other operating income.

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

v. Finance income

Finance income includes interest income which is recognised on a time proportion basis using the effective interest method.

vi. Dividend income

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established, which in the case of quoted securities is usually the ex-dividend date.

Expenses

i. Financing costs

Finance costs comprise interest expense on borrowings and bank overdrafts, foreign exchange losses, and bank charges. Interest expense and other costs on borrowings to finance construction or production of qualifying assets are capitalised, during the period of time that is required to complete and prepare the asset for its intended use. All other finance costs, excluding bank charges, are recognised to profit or loss using the effective interest method. Bank charges are recognised in profit or loss in the period which incurred.

ii. 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 recognised 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

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using the tax rates and laws that have been enacted, or substantially enacted, by the reporting date. Current tax includes any adjustments to tax payable in respect of previous periods.

ii. Deferred tax

Deferred tax is recognised 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 recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised 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.

Related party transactions

A party is considered affiliated if it has the ability to control the other party or to exert significant influence over the other party's financial and operational decisions. Related party transactions are considered to be transfers of assets or liabilities between related parties, regardless of whether there is a charge.

Events after the reporting period

Assets and liabilities are adjusted for events that occurred after the reporting period up to the date of approval of the financial statements by the Board of Directors, when these events provide additional information for the evaluation of existing events at the reporting date or indicate that the going concern status is not appropriate.

Comparatives

When necessary, the corresponding figures have been adjusted to conform to changes in presentation in the current year. The corresponding figures were adjusted to include the effect from the voluntary changes in accounting policies (see note 37).

4 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 individually or in their aggregate value.

Geographic information

Non Current Assets
The Group's property, plant and equipment is located in Cyprus.

Revenue
The geographic information analyzes the Group's revenues based on the domestic market and other countries. When presenting geographic information, segmental revenue was based on the geographic location of customers.

	Group		**Company**	
Revenue analysis:	**2023**	**2022**	**2023**	**2022**
	€000	**€000**	**€000**	**€000**
Domestic market	**116.819**	88.051	**116.819**	88.051
Israel	**43.713**	54.610	**43.713**	54.610
	160.532	142.661	**160.532**	142.661

Important customers
Group's revenue from one customer, represent €23,4 million of the Group's total revenue for the year 2023 and €31,7 million of 2022 .

5 Revenue

	Group		**Company**	
Revenue analysis:	**2023**	**2022**	**2023**	**2022**
	€000	**€000**	**€000**	**€000**
Cement products	**158.196**	140.370	**158.196**	140.370
Sale of electricity	**2.220**	2.193	**2.220**	2.193
Other	**116**	98	**116**	98
	160.532	142.661	**160.532**	142.661

6 Other operating income

	Group		**Company**	
	2023	**2022**	**2023**	**2022**
	€000	**€000**	**€000**	**€000**
Income from Vassiliko Port	**1.873**	1.467	**1.873**	1.467
Gain/(loss) on disposal of property, plant and equipment	**3**	(52)	**3**	(52)
Other	**510**	1.120	**510**	1.120
	2.386	2.535	**2.386**	2.535

7 Operating profit before financing costs

	Group		**Company**	
	2023	**2022**	**2023**	**2022**
This is stated after charging:	**€000**	**€000**	**€000**	**€000**
Staff costs (note 8)	**13.783**	12.447	**13.783**	12.447
Directors' remuneration as directors	**254**	252	**254**	252
Directors' remuneration as executives	**323**	298	**323**	298
Depreciation of property, plant and equipment and amortisation of right-of-use assets	**14.244**	15.248	**14.244**	15.248
Amortisation of intangible assets	**11**	5	**11**	5
Independent auditors' remuneration for the statutory audit	**67**	67	**67**	67
Independent auditors' remuneration for tax advice	**6**	8	**6**	8
Independent auditors' remuneration for other non-audit services	**1**	1	**1**	1

8 Staff costs

	Group 2023 €000	Group 2022 €000	Company 2023 €000	Company 2022 €000
Wages and salaries	**11.488**	10.379	**11.488**	10.379
Social insurance contributions	**834**	779	**834**	779
Provident and medical fund contributions (note 31)	**1.038**	902	**1.038**	902
Other contributions	**423**	387	**423**	387
	13.783	12.447	**13.783**	12.447
Average number of employees	**235**	231	**235**	231

The Provident Fund in which the Company participates as a Financing Company, operates independently and submits its own financial statements. Staff members are entitled to payment of certain benefits when they retire or terminate their services early.

The Company's contributions for the year 2023 amounts to €712 thousand (2022: €603 thousand).

9 Net finance cost

	Group 2023 €000	Group 2022 €000	Company 2023 €000	Company 2022 €000
Interest income	**234**	-	**234**	-
Net foreign exchange differences	**96**	311	**96**	311
Finance income	**330**	311	**330**	311
Interest expense	**(435)**	(531)	**(435)**	(531)
Finance expense	**(435)**	(531)	**(435)**	(531)
Net finance cost	**(105)**	(220)	**(105)**	(220)

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, interest charges on overdraft accounts and interest on lease liabilities.

10 Net (loss)/profit from investing activities

	Group 2023 €000	Group 2022 €000	Company 2023 €000	Company 2022 €000
Dividend income	**9**	8	**609**	456
Change in fair value of investment property	**(38)**	75	**(38)**	87
	(29)	83	**571**	543

11 Taxation

Recognised in profit or loss	Group 2023 €000	Group Restated 2022 €000	Company 2023 €000	Company Restated 2022 €000
Analysis of charge in the year				
Income tax on profits of the year	**5.177**	2.965	**5.177**	2.965
Share of tax from associate	**109**	83	**-**	-
Deferred tax (note 25)	**(1.139)**	(728)	**(1.139)**	(728)
	4.147	2.320	**4.038**	2.237
Adjustment for prior periods	**2**	(16)	**2**	(16)
	4.149	2.304	**4.040**	2.221
Recognised in other comprehensive income				
Deferred tax on revaluation of property (note 25)	**-**	(64)	**-**	(64)

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

Reconciliation of tax based on taxable income and tax based on accounting profits	Group 2023 €000	Group Restated 2022 €000	Company 2023 €000	Company Restated 2022 €000
Accounting profit before tax	**31.989**	15.022	**31.739**	14.880
Tax calculated at the applicable tax rates	**3.999**	1.881	**3.967**	1.863
Tax effect of expenses not deductible for tax purposes	**1.967**	2.129	**1.967**	2.147
Tax effect of allowances and income not subject to tax	**(789)**	(1.045)	**(757)**	(1.045)
Prior year tax	**2**	(16)	**2**	(16)
Deferred tax	**(1.139)**	(728)	**(1.139)**	(728)
Share of tax from associates	**109**	83	**-**	-
Tax charge for the year	**4.149**	2.304	**4.040**	2.221

12 Earnings per share

The calculation of basic and fully diluted earnings per share was based on the profit attributable to ordinary shareholders of €27.840 thousand (2022: €12.718 thousand) and the weighted average number of ordinary shares outstanding during the year of 71.935.947 (2022: 71.935.947). There are no dilutive potential ordinary shares in issue.

The calculation of earnings per share in the Company's statement of profit or loss and other comprehensive income was based on the profit for the year of €27.699 thousand (2022: €12.659 thousand).

13 Property, plant and equipment

Group	Land	Quarries	Production facilities	Vassiliko port	Equipment	Photovoltaic Park	Assets under construction	Total
	€000	€000	€000	€000	€000	€000	€000	€000
Cost or valuation								
Restated balance at 1 January 2022	26.525	173	332.789	24.438	10.228	6.571	599	401.323
Additions	188	102	4.973	107	690	-	-	6.060
Additions to assets under construction	-	-	-	-	-	-	10.200	10.200
Revaluation of assets	630	-	-	-	-	-	-	630
Disposals	(79)	-	-	-	(488)	-	-	(567)
Capitalised assets	-	-	-	-	-	-	(5.770)	(5.770)
Restated balance at 31 December 2022	27.264	275	337.762	24.545	10.430	6.571	5.029	411.876
Balance at 1 January 2023	**27.264**	**275**	**337.762**	**24.545**	**10.430**	**6.571**	**5.029**	**411.876**
Additions	**-**	**75**	**2.720**	**38**	**678**	**24**	**-**	**3.535**
Additions to assets under construction	**-**	**-**	**-**	**-**	**-**	**-**	**5.859**	**5.859**
Revaluation of assets	**(1)**	**-**	**-**	**-**	**-**	**-**	**-**	**(1)**
Transfer to investment property	**(4.617)**	**-**	**-**	**-**	**-**	**-**	**-**	**(4.617)**
Disposals	**-**	**-**	**-**	**-**	**(275)**	**-**	**-**	**(275)**
Capitalised assets	**-**	**-**	**-**	**-**	**-**	**-**	**(3.460)**	**(3.460)**
Balance at 31 December 2023	**22.646**	**350**	**340.482**	**24.583**	**10.833**	**6.595**	**7.428**	**412.917**
Depreciation								
Restated balance at 1 January 2022	-	-	163.542	12.877	6.957	631	-	184.007
Charge for the year on historical cost	-	-	13.065	964	749	330	-	15.108
Disposals	-	-	-	-	(488)	-	-	(488)
Restated balance at 31 December 2022	-	-	176.607	13.841	7.218	961	-	198.627
Restated balance at 1 January 2023	**-**	**-**	**176.607**	**13.841**	**7.218**	**961**	**-**	**198.627**
Charge for the year on historical cost	**-**	**-**	**12.053**	**973**	**743**	**330**	**-**	**14.099**
Disposals	**-**	**-**	**-**	**-**	**(190)**	**-**	**-**	**(190)**
Balance at 31 December 2023	**-**	**-**	**188.660**	**14.814**	**7.771**	**1.291**	**-**	**212.536**
Carrying amounts								
At 1 January 2022 -restated	26.525	173	169.247	11.561	3.271	5.940	599	217.316
At 31 December 2022-restated	27.264	275	161.155	10.704	3.212	5.610	5.029	213.249
At 1 January 2023	**27.264**	**275**	**161.155**	**10.704**	**3.212**	**5.610**	**5.029**	**213.249**
At 31 December 2023	**22.646**	**350**	**151.822**	**9.769**	**3.062**	**5.304**	**7.428**	**200.381**

Company	Land €000	Quarries €000	Production facilities €000	Vassiliko port €000	Equipment €000	Photovoltaic Park €000	Assets under construction €000	Total €000
Cost or valuation								
Restated balance at 1 January 2022	26.525	173	332.789	24.438	10.228	6.571	599	401.323
Additions	188	102	4.973	107	690	-	-	6.060
Additions to assets under construction	-	-	-	-	-	-	10.200	10.200
Revaluation of assets	630	-	-	-	-	-	-	630
Disposals	(79)	-	-	-	(488)	-	-	(567)
Capitalised assets	-	-	-	-	-	-	(5.770)	(5.770)
Restated balance at 31 December 2022	27.264	275	337.762	24.545	10.430	6.571	5.029	411.876
Restated balance at 1 January 2023	**27.264**	**275**	**337.762**	**24.545**	**10.430**	**6.571**	**5.029**	**411.876**
Additions	**-**	**75**	**2.720**	**38**	**678**	**24**	**-**	**3.535**
Additions to assets under construction	**-**	**-**	**-**	**-**	**-**	**-**	**5.859**	**5.859**
Revaluation of assets	**(1)**	**-**	**-**	**-**	**-**	**-**	**-**	**(1)**
Transfer to investment property	**(4.617)**	**-**	**-**	**-**	**-**	**-**	**-**	**(4.617)**
Disposals	**-**	**-**	**-**	**-**	**(275)**	**-**	**-**	**(275)**
Capitalised assets	**-**	**-**	**-**	**-**	**-**	**-**	**(3.460)**	**(3.460)**
Balance at 31 December 2023	**22.646**	**350**	**340.482**	**24.583**	**10.833**	**6.595**	**7.428**	**412.917**
Depreciation								
Restated balance at 1 January 2022	-	-	163.542	12.877	6.957	631	-	184.007
Charge for the year on historical cost	-	-	13.065	964	749	330	-	15.108
Disposals	-	-	-	-	(488)	-	-	(488)
Restated balance at 31 December 2022	-	-	176.607	13.841	7.218	961	-	198.627
Restated balance at 1 January 2023	**-**	**-**	**176.607**	**13.841**	**7.218**	**961**	**-**	**198.627**
Charge for the year on historical cost	**-**	**-**	**12.053**	**973**	**743**	**330**	**-**	**14.099**
Disposals	**-**	**-**	**-**	**-**	**(190)**	**-**	**-**	**(190)**
Balance at 31 December 2023	**-**	**-**	**188.660**	**14.814**	**7.771**	**1.291**	**-**	**212.536**
Carrying amounts								
At 1 January 2022 -restated	26.525	173	169.247	11.561	3.271	5.940	599	217.316
At 31 December 2022-restated	27.264	275	161.155	10.704	3.212	5.610	5.029	213.249
At 1 January 2023	**27.264**	**275**	**161.155**	**10.704**	**3.212**	**5.610**	**5.029**	**213.249**
At 31 December 2023	**22.646**	**350**	**151.822**	**9.769**	**3.062**	**5.304**	**7.428**	**200.381**

During the year, Management revised certain categories of property, plant and equipment to more accurately reflect the nature and use of those categories. As a result, the categories “Land and Buildings” and “Machinery and Equipment” that existed until 2022 were replaced by the categories “Land”, “Quarries”, “Production Facilities”, “Equipment” and “Assets under construction”. The accounting policies concerning the above categories were adjusted, without having any substantial impact on the financial statements.

Fair value hierarchy

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

Land

The land's net book value, if the cost method was used, would have been €4.046 thousand (2022 : €4.650 thousand).

A revaluation exercise for land was performed in November 2022 by independent professional valuers.

Valuation technique

For land, the comparable sales approach was used that reflects observed prices for recent market transactions for similar properties per m^2 and incorporates adjustments for specific factors.

Significant Unobservable Inputs

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

The following table shows the significant unobservable inputs used in measuring the fair value of land in 2022.

Property location	Significant unobservable Inputs	Inter-relationship between key
Property in Choirokoitia	€4 to €5	The estimated fair value would increase/(decrease) if selling price per m^2 was higher/(lower).
Property in Kalavasos	€4 to €110	
Property in Mari	€4 to €200	
Property in Tochni	€4 to €100	
Property in Asgata	€4 to €5	
Property in Psematismenos	€4 to €5	
Property in Armenochori	€5 to €6	

Quarries

Quarry land is recognised at cost less any accumulated depreciation. The depreciation rate is determined by dividing the cost of the land less its residual value by its estimated useful life. The residual value of the quarry land at the condition is expected at the end of its useful life, is higher than the cost value, so depreciation charge is nil.

Port
The fair value measurement for the port has been categorised as a Level 3. As at 31 December 2023 and 31 December 2022, the carrying amount of the port approximates its fair value. An impairment exercise was performed by management as at 31 December 2023, with no changes in the value of the port.

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.

The fair value of the port is based on the income approach through the discounted cash flow methodology. Cash flow calculations are assessed annually by the Management. Those calculations use post-tax cash flow projections based on past experience, actual operating results and budgeted forecasts for the port activity until the end of the lease term in 2033.

The key unobservable input used in estimating the fair value is the post tax discount rate of 13,47% (2022: 13,31%). A 1% increase in the post-tax discount rate would decrease the value of the port by €336 thousand (2022: €376 thousand), while a 1% decrease in the post-tax discount rate would increase the value by €357 thousand (2022: €204 thousand). This analysis assumes that all other variables remain constant.

Security
Bank loans of €12.524 thousand (2022: €15.703 thousand) and limits in overdraft accounts of €8.000 thousand, are secured by fixed charges of €14.250 thousand (2022:€14.250 thousand).

14 Investment property

	Group		Company	
	2023	**2022**	**2023**	**2022**
	€000	**€000**	**€000**	**€000**
Balance at 1 January	5.608	5.533	5.405	5.318
Transfer from property, plant and equipment	4.617	-	4.617	-
Change in fair value	(38)	75	(38)	87
Balance at 31 December	**10.187**	5.608	**9.984**	5.405

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 January 2024.

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 categorised 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 consideration 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 Selling price per m²:**	**Inter-relationship between key unobservable inputs and fair value measurement**
Property in Choirokoitia	€4 to €12 (2022: €4 to €19)	The estimated fair value would increase/(decrease) if selling price per m² was higher/(lower).
Property in Kalavasos	€18 to €51 (2022: €18 to €51)	
Property in Mari	€3 to €10 (2022: €3 to €57)	
Property in Strovolos	€310 to €717 (2022: €312 to €717)	
Property in Drousia	€12 to €49 (2022: €13 to €37)	
Property in Pissouri	€9 to €12 (2022: €9 to €15)	
Property in Ipsonas	€40 to €98 (2022: €52 to €68)	
Property in Pegeia	€5 to €16 (2022: €5 to €19)	
Property in Gourri	€1 to €4 (2022: €1 to €3)	
Property in Asgata	€3 to €6 (2022: €4 to €5)	
Property in Armenochori	€5 to €10 (2022: €5 to €6)	
Property in Chrisopolitissa	€671 to €1.261 (2022: €671 to €980)	
Property in Ayious Omologites	€1.364 (2022: €848 to €1.056)	

15 Intangible assets

Group	Goodwill €000	Software €000	Total €000
Cost			
Balance at 1 January 2022	12.328	248	12.576
Acquisitions	-	11	11
Balance at 31 December 2022	12.328	259	12.587
Balance at 1 January 2023	**12.328**	**259**	**12.587**
Acquisitions	**-**	**9**	**9**
Balance at 31 December 2023	**12.328**	**268**	**12.596**
Amortisation and impairment charge			
Balance at 1 January 2022	-	244	244
Amortisation for the year	-	5	5
Balance at 31 December 2022	-	249	249
Balance at 1 January 2023	**-**	**249**	**249**
Amortisation for the year	**-**	**11**	**11**
Balance at 31 December 2023	**-**	**260**	**260**
Carrying amounts			
At 1 January 2022	12.328	4	12.332
At 31 December 2022	12.328	10	12.338
At 1 January 2023	**12.328**	**10**	**12.338**
At 31 December 2023	**12.328**	**8**	**12.336**

Company	Goodwill €000	Software €000	Total €000
Cost			
Balance at 1 January 2022	12.328	248	12.576
Acquisitions	-	11	11
Balance at 31 December 2022	12.328	259	12.587
Balance at 1 January 2023	**12.328**	**259**	**12.587**
Acquisitions	**-**	**9**	**9**
Balance at 31 December 2023	**12.328**	**268**	**12.596**
Amortisation and impairment charge			
Balance at 1 January 2022	-	244	244
Amortisation for the year	-	5	5
Balance at 31 December 2022	-	249	249
Balance at 1 January 2023	**-**	**249**	**249**
Amortisation for the year	**-**	**11**	**11**
Balance at 31 December 2023	**-**	**260**	**260**
Carrying amounts			
At 1 January 2022	12.328	4	12.332
At 31 December 2022	12.328	10	12.338
At 1 January 2023	**12.328**	**10**	**12.338**
At 31 December 2023	**12.328**	**8**	**12.336**

Impairment testing for cash-generating units containing goodwill

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 2024 extrapolated forward for the 10-year period 2024-2033. A post-tax discount rate of 13,47% (2022: 13,31%) has been used in discounting the projected cash flows.

16 Group entities

Name and country of incorporation	Principal Activity	Ownership 2023	Ownership 2022
Venus Beton Limited - Cyprus	Dormant company	**100,0%**	100,0%
Vassiliko Cement Clean Energy Supply Ltd - Cyprus	Dormant company	**100,0%**	100,0%

17 Investments in subsidiaries

	2023 €000	2022 €000
Balance at 1 January	**10**	-
Additions	**-**	10
Balance at 31 December	**10**	10
Venus Beton Limited - Cyprus	**-**	-
Vassiliko Cement Clean Energy Supply Ltd	**10**	10
	10	10

There are no significant restrictions regarding the Company's ability to access or use the Group's assets and liabilities.

18 Investment in associate (equity-accounted investee)

Name and country of incorporation	**Principal Activity**	**Ownership** **2023**	2022
Enerco - Energy Recovery Limited - Cyprus	Waste Management	**50%**	50%

	2023 €000	2022 €000
Balance at 1 January	**1.697**	1.625
Share of profit from equity-accounted investee	**854**	603
Share of tax from equity-accounted investee	**(109)**	(83)
Dividends from equity-accounted investee	**(600)**	(448)
Balance at 31 December	**1.842**	1.697
Enerco - Energy Recovery Limited - Cyprus	**1.842**	1.697
	1.842	1.697

In the Company's statement of financial position, the investment in associate is stated at cost:

	2023 €000	2022 €000
Balance at 1 January	**500**	500
Balance at 31 December	**500**	500

The following table summarises 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 2023 and 2022.

	Enerco - Energy Recovery Limited **2023 €000**	**2022 €000**
Non-current assets	**4.398**	4.480
Current assets	**1.415**	1.430
Non-current liabilities	**845**	1.182
Current liabilities	**933**	981
Net assets (100%)	**4.035**	3.747
Group's share of net assets	**2.018**	1.873
Revenue	**6.796**	5.851
Profit from continued operations	**1.489**	1.041
Total comprehensive income	**1.489**	1.041

19 Financial assets at fair value through other comprehensive income

	Group		Company	
	2023	**2022**	**2023**	**2022**
	€000	**€000**	**€000**	**€000**
At 1 January	**280**	232	**280**	232
Change in fair value	**83**	48	**83**	48
At 31 December	**363**	280	**363**	280

	Valuation		Valuation	
	2023	**2022**	**2023**	**2022**
	€000	**€000**	**€000**	**€000**
Non-current investments				
Equity securities at fair value through other comprehensive income	**363**	280	**363**	280
	363	280	**363**	280

Equity securities designated as at fair

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 2023**	**31 December 2023**	**31 December 2022**
	€000	**€000**	**€000**
KEO Plc	9	**219**	187
Hellenic Bank Public Company Ltd	-	**143**	93

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).

Information about the Group's exposure to credit and market risks for financial assets at fair value through other comprehensive income is included in note 33.

20 Inventories

	Group		Company	
	2023	**2022**	**2023**	**2022**
	€000	**€000**	**€000**	**€000**
Raw materials and work in progress	**4.215**	3.971	**4.215**	3.971
Finished goods	**8.159**	6.696	**8.159**	6.696
Fuel stocks	**3.630**	12.592	**3.630**	12.592
Spare parts and consumables	**19.342**	18.340	**19.342**	18.340
CO_2 Emission Rights	**11.986**	4.633	**11.986**	4.633
	47.332	46.232	**47.332**	46.232

In 2023, inventories of €119.045 thousand (2022: €119.381 thousand) were recognised as an expense during the year and were included in cost of sales.

21 Trade and other receivables

	Group		Company	
	2023	**2022**	**2023**	**2022**
	€000	**€000**	**€000**	**€000**
Trade and other receivables	**10.790**	10.031	**10.790**	10.031
Amount owed by subsidiary companies (note 27)	**-**	-	**561**	561
Amount owed by associate companies (note 27)	**281**	397	**281**	397
Other receivables and prepayments	**673**	2.976	**673**	2.976
	11.744	13.404	**12.305**	13.965
Less provision for impairment	**(681)**	(797)	**(697)**	(813)
	11.063	12.607	**11.608**	13.152
Impairment movement				
At 1 January	**797**	794	**813**	810
Movement during the year	**(116)**	3	**(116)**	3
At 31 December	**681**	797	**697**	813

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.

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.

Impairment losses are included in other operating expenses.

Information about the Group's exposure to credit and market risks for trade and other receivables is included in note 33.

22 Cash and cash equivalents

	Group		Company	
	2023	**2022**	**2023**	**2022**
	€000	**€000**	**€000**	**€000**
Cash in hand	**77**	139	**77**	139
Cash at bank	**18.104**	2.070	**18.094**	2.060
Cash and cash equivalents in the statement of financial position	**18.181**	2.209	**18.171**	2.199
Cash and cash equivalents in the statement of cash flows	**18.181**	2.209	**18.171**	2.199

Information about the Group's exposure to credit and market risks for cash and cash equivalents is included in note 33.

23 Capital and reserves

Share capital	**2023**	**2022**
	No. of shares	**No. of shares**
Authorised:		
Ordinary shares of €0,43 each	**72.000.000**	72.000.000

	2023	**2022**	**2023**	**2022**
	No. of shares	**No. of shares**	**€000**	**€000**
Allotted, called up and fully paid:				
Ordinary shares of €0,43 each	**71.935.947**	71.935.947	**30.932**	30.932

Authorized and issued share capital
All shares issued are ordinary shares, have the same rights and there is no restriction on the distribution of dividends.

Shares of the Company
No shares of the Company are held by the Company, its subsidiaries or affiliates.

Right to issue shares
No share warrants have been issued and no rights have been granted for the issuance of Company shares nor is there any agreement/commitment for the issuance and sale of Company shares.

Reserves

Revaluation reserve
Revaluation reserve comprises the cumulative net change in the fair value of land and Vassiliko port. The revaluation reserve is not distributable. When revalued item is sold, the portion of the revaluation reserve that relates to that asset, and that is effectively realised, is transferred directly to retained earnings.

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.

24 Interest-bearing loans and borrowings

	Group		Company	
	2023	**2022**	**2023**	**2022**
	€000	**€000**	**€000**	**€000**
Non-current portion of secured bank loans	**9.023**	12.249	**9.023**	12.249
Current portion of secured bank loans	**3.501**	3.454	**3.501**	3.454
Analysis of maturity of debt:				
Within one year or on demand	**3.501**	3.454	**3.501**	3.454
Between one and two years	**3.505**	3.483	**3.505**	3.483
Between two and five years	**4.299**	7.141	**4.299**	7.141
After five years	**1.219**	1.625	**1.219**	1.625
	12.524	15.703	**12.524**	15.703

The bank loans are secured as follows:

- By mortgage against immovable property of the Company for €1.000 thousand (2022: €1.000 thousand).
- Fixed charge on the Company's financed plant and machinery for €14.250 thousand (2022: €14.250 thousand).

Weighted average effective interest rate
The weighted average rate of interest payable on the loans as at 31 December 2023 was 2,59% (2022: 2,41%).

Reconciliation of liabilities that derive from financing activities:

	Interest-bearing loans and borrowings €000	Lease liabilities €000	Total liabilities that derive from financing activities €000
At 1 January 2022	4.760	1.657	6.417
Cash flow transactions:			
Additions	16.790	-	16.790
Capital repayment	(5.847)	(115)	(5.962)
Interest charge	379	-	379
Repayment of interest	(379)	-	(379)
Non cash flow transactions:			
Interest charge	-	44	44
At 31 December 2022	**15.703**	**1.586**	**17.289**

	Interest-bearing loans and borrowings €000	Lease liabilities €000	Total liabilities that derive from financing activities €000
At 1 January 2023	15.703	1.586	17.289
Cash flow transactions:			
Capital repayment	(3.179)	(116)	(3.295)
Interest charge	390	-	390
Repayment of interest	(390)	-	(390)
Non cash flow transactions:			
Interest charge	-	44	44
Other non cash flow transactions	-	14	14
At 31 December 2023	**12.524**	**1.528**	**14.052**

Information about the Group's exposure to credit and market risks for interest-bearing loans and borrowings is included in note 33.

25 Deferred taxation

	Group		Company	
		Restated		Restated
	2023 €000	2022 €000	2023 €000	2022 €000
Accelerated capital allowances	**14.809**	15.824	**14.809**	15.824
Revaluation of properties	**6.663**	6.787	**6.663**	6.787
	21.472	22.611	**21.472**	22.611

	2023 €000	2022 €000	2023 €000	2022 €000
At 1 January before restatements	22.611	23.910	22.611	23.910
Restatements (note 37)	-	(507)	-	(507)
At 1 January restated	**22.611**	23.403	**22.611**	23.403
Deferred tax charge in statement of comprehensive income (note 11)	**(1.139)**	(728)	**(1.139)**	(728)
Transfer from revaluation reserve	**-**	(64)	**-**	(64)
At 31 December	**21.472**	22.611	**21.472**	22.611

26 Trade and other payables

	Group		Company	
	2023	**2022**	**2023**	**2022**
	€000	**€000**	**€000**	**€000**
Current				
Trade payables	**7.612**	10.688	**7.607**	10.688
Amounts owed to related companies (note 27)	**46**	52	**46**	51
Other payables	**2.853**	1.111	**2.853**	1.111
Accrued interest	**11**	-	**11**	-
Payable dividends	**340**	348	**340**	348
	10.862	12.199	**10.857**	12.198

Information about the Group's exposure to credit and market risks for trade and other payables is included in note 33.

27 Related parties

i. Transactions with related parties

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 services and the provision of technical services on local raw materials and quarrying activities at an annual fee of €54.000. The duration of the agreement is for a two-year period, commencing on 1 July 2023 and ending on 30 June 2025.

- With C.C.C. 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 2024.

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

	Sales		Purchases	
	2023	**2022**	**2023**	**2022**
	€000	**€000**	**€000**	**€000**
Hellenic Mining Group	**-**	-	**177**	152
KEO Plc	**-**	-	**23**	24
C.C.C. Secretarial Limited	**-**	-	**120**	120
Enerco - Energy Recovery Limited	**2.469**	2.227	**1.866**	1.945
Heidelberg Materials	**-**	-	**47**	38
HM Trading Global GMBH	**3.019**	8.596	**-**	-
	5.488	10.823	**2.233**	2.279

ii. Transactions with key management personnel

Key management personnel remuneration, including total employer contributions for 2023, was €1028 thousand (2022: €968 thousand). In addition to salaries, the Group also contributes to the Provident Fund which is a defined contributions plan and to National Health System (note 31). Contributions to Provident Fund for key management personel in 2023, were €50 thousand (2022 €46 thousand) and to National Health System €22 thousand in 2023 (2022 €21 thousand).

There were no other transactions or contracts between the Group and members of the Board of Directors, as well as with key management personnel or related persons, during both the current and previous year.

iii. Balances with related parties

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

	Group	
	2023	**2022**
	€000	**€000**
Amounts due to related parties		
Hellenic Mining Group	**16**	28
C.C.C. Secretarial Limited	**12**	12
KEO Plc	**14**	10
Heidelberg Materials	**4**	2
	46	52

The above balances relate to trading activities.

There are no collaterals or corporate guarantees issued for the related parties.

iv. Balances with equity-accounted

	Group		Company	
	2023	**2022**	**2023**	**2022**
	€000	**€000**	**€000**	**€000**
Enerco - Energy Recovery Limited (note 21)	**281**	397	**281**	397

The above balance relates to trading activities and does not bear any interest.

There are no collaterals or corporate guarantees from or to the equity-accounted investee.

v. Balances with Group entities

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

	Company 2023 €000	Company 2022 €000
Balances due from Group entities		
Venus Beton Limited	**559**	559
Vassiliko Cement Clean Energy Supply Ltd	**2**	2
	561	561
Less impairment	**(378)**	(378)
	183	183

The impairment amount of €378 thousand relates to the amount due from Venus Beton Limited.

There are no guarantees or corporate guarantees from or to the Group entities.

28 Dividends

	Company 2023 €000	Company 2022 €000
Interim dividend of 2023 at €0,08 (2022: Year 2022 at €0,06) per share	**5.755**	4.316
Final dividend of 2022 and 2021 at €0,13 (2022: Year 2020 at €0.13) per share	**9.352**	9.352
	15.107	13.668

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

29 Directors' interest in the share capital of the Company

At 31 December 2023, 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 2023		06 April 2024	
	Directly	**Directly & Indirectly**	**Directly**	**Directly & Indirectly**
Antonios Antoniou	0,111%	0,174%	0,111%	0,174%
Stavros G. Galatariotis	0,013%	0,013%	0,013%	0,013%
	0,124%	0,187%	0,124%	0,187%

At 31 December 2023, the Company had no material agreements in which Directors of the Company, or their related parties, had a direct or indirect interest.

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

At 31 December 2023 , 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 2023		06 April 2024	
	Directly	**Directly & Indirectly**	**Directly**	**Directly & Indirectly**
Holy Archbishopric of Cyprus [1]	19,52%	26,01%	19,52%	26,01%
Heidelbergcement AG [2]	-	25,98%	-	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%
	50,16%	82,63%	50,16%	82,63%

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 S.a.s and 16,27% of Italmed Cement Company Ltd in the issued share capital of the Company.

31 Employee contribution schemes

The Group contributes to the Vassiliko Cement Works Ltd Employees' Provident Fund, which is a defined contribution scheme and to the National Healthcare System. According to the Provident Fund, the employees are entitled to payment of certain benefits upon retirement, prior termination of service or sickness. The contributions of the Group and the Company to the above for the year were €1.038 thousand (2022: €902 thousand).

32 Leases

Leases as lessee
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.

The Group also leased a piece of land close to the factory to be used for storage of materials used in the production process.

The Company has secured the usage of the specific plots through the expropriation process made by the Cyprus Government, for the purposes of encouraging the cement industry under the Licence 1966 granted to the Company. The compensation amounts for the expropriation of each plot were paid in full by the Company to the Department of Land and Surveys of the Cyprus Government in advance.

Information about leases for which the Group is a lessee is presented below.

i. Right-of-use of assets	**Group**		**Company**	
		Restated		**Restated**
	2023	**2022**	**2023**	**2022**
	€000	**€000**	**€000**	**€000**
Balance at 1 January before restatements	2.508	1.583	2.508	1.583
Restatements (note 37)	-	1.065	-	1.065
Balance at 1 January restated	**2.508**	2.648	**2.508**	2.648
Additions	**14**	-	**14**	-
Depreciation charge for the year	**(145)**	(140)	**(145)**	(140)
Balance at 31 December	**2.377**	2.508	**2.377**	2.508

At 31 December 2023,the net book value of the land lease was €2.313 thousand (2022: €2.448 thousand), and thenet book value of the port facilities was €64 thousand (2022: €60 thousand).

ii. Lease Liabilities	**Group**		**Company**	
	2023	**2022**	**2023**	**2022**
	€000	**€000**	**€000**	**€000**
Non-current portion of lease liabilities	**1.412**	1.471	**1.412**	1.471
Current portion of lease liabilities	**116**	115	**116**	115

iii. Amounts recognised in statement of profit or loss	**Group**		**Company**	
	2023	**2022**	**2023**	**2022**
	€000	**€000**	**€000**	**€000**
Interest on lease liabilities	**44**	44	**44**	44

iv. Amounts recognised in statement of cash flows	**Group**		**Company**	
	2023	**2022**	**2023**	**2022**
	€000	**€000**	**€000**	**€000**
Total cash outflow for leases	**116**	115	**116**	115

33 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 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 24.

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 €125 thousand (2022: €157 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 Group's 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** **31 December 2023**	**US$000** **31 December 2022**
Trade receivables	**8**	2
Trade payables	**(4)**	(69)
Net exposure	**4**	(67)

Company	**US$000** **31 December 2023**	**US$000** **31 December 2022**
Trade receivables	**8**	2
Trade payables	**(4)**	(69)
Net exposure	**4**	(67)

The following significant exchange rates were applied during the year:

	Average rate		**Reporting date spot rate**	
	2023	**2022**	**2023**	**2022**
US$ 1	**0,922**	0,939	**0,922**	0,939

Sensitivity analysis

A 10% strengthening of the Euro against the United States Dollar at 31 December 2023 would have increased equity and profit or loss by €0,3 thousand (2022: €6 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 **Carrying amount**		**Company** **Carrying amount**	
	2023 **€000**	**2022** **€000**	**2023** **€000**	**2022** **€000**
Trade and other receivables	**10.790**	10.031	**10.790**	10.031
Amount receivable from related parties	**281**	397	**281**	397
Other receivables	**-**	2.543	**-**	2.543
Financial assets at fair value through other comprehensive income	**363**	280	**363**	280
Cash at bank	**18.104**	2.070	**18.094**	2.060
Total credit risk exposure	**29.538**	15.321	**29.528**	15.311

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:

		Group			**Company**	
Bank group based on credit ratings by Moody's	**No. of banks 2023**	**2023** **€000**	**2022** **€000**	**No. of banks 2023**	**2023** **€000**	**2022** **€000**
Ba2	1	**97**	1.359	1	**97**	1.349
Aa2	1	**15.797**	684	1	**15.797**	684
Ba1	1	**26**	27	1	**26**	27
Baa3	3	**2.184**	-	3	**2.174**	-
		18.104	2.070		**18.094**	2.060

The following table provides information about estimated exposure to credit risk and ECL's for trade receivables and contract assets from individual customers and for corporate customers as at 31 December 2023 :

	Net carrying amount	Specific provisions	Weighted average loss rate	Loss allowances
Current (not past due)	9.496	-	0,0%	-
1-30 days past due	1.142	-	0,0%	-
31-60 days past due	11	-	0,0%	-
61-90 days past due	-	-	0,0%	-
More than 90 days past due	141	104	0,0%	-
	10.790	104		-

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.

The following table provides information about estimated exposure to credit risk and ECL's for trade receivables and contract assets from individual customers and for corporate customers as at 31 December 2022:

	Net carrying amount	Specific provisions	Weighted average loss rate	Loss allowances
Current (not past due)	8.982	-	0,00%	-
1-30 days past due	592	-	0,00%	-
31-60 days past due	142	-	0,00%	-
61-90 days past due	33	-	0,00%	-
More than 90 days past due	282	204	0,00%	-
	10.031	204		-

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 €000	6 - 12 months €000	1 - 2 years €000	2 - 5 years €000	More than 5 years €000
31 December 2023							
Secured bank loans	12.524	(13.167)	(1.887)	(1.880)	(3.710)	(5.690)	-
Trade and other payables	10.511	(10.511)	(10.511)	-	-	-	-
	23.035	(23.678)	(12.398)	(1.880)	(3.710)	(5.690)	-
31 December 2022							
Secured bank loans	15.703	(17.573)	(1.921)	(1.913)	(871)	(10.631)	(2.237)
Trade and other payables	11.851	(11.851)	(11.851)	-	-	-	-
	27.554	(29.424)	(13.772)	(1.913)	(871)	(10.631)	(2.237)

Company

Non-derivative financial liabilities	Carrying amount €000	Contractual cash flow €000	Payable on demand and up to 6 months €000	6 - 12 months €000	1 - 2 years €000	2 - 5 years €000	More than 5 years €000
31 December 2023							
Secured bank loans	12.524	(13.167)	(1.887)	(1.880)	(3.710)	(5.690)	-
Trade and other payables	10.506	(10.506)	(10.506)	-	-	-	-
	23.030	(23.673)	(12.393)	(1.880)	(3.710)	(5.690)	-
31 December 2022							
Secured bank loans	15.703	(17.573)	(1.921)	(1.913)	(871)	(10.631)	(2.237)
Trade and other payables	11.850	(11.850)	(11.850)	-	-	-	-
	27.553	(29.423)	(13.771)	(1.913)	(871)	(10.631)	(2.237)

The Group has access to financing facilities of €33.933 thousand, of which €21.409 thousand were unused at the end of the reporting period. The Group expects to meet its other obligations from operating cash flows.

The Group has secured bank loans that contain loan covenants. A future breach of covenants may require the Group to repay the loan earlier than indicated in the above table. Under the agreement, the covenants are 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 Eastern Mediterranean region has experienced heightened geopolitical tensions that could lead to political instability, affecting business confidence, investment climate, and regulatory frameworks. Geopolitical uncertainties can contribute to increased market volatility, affecting currency exchange rates, commodity prices, and investor sentiment. Fluctuations in financial markets may impact our revenues, costs, and access to capital.

Increased costs of production (e.g. because of increased energy costs or inflation) have implications on the Company's working capital. The Company has adequate working capital facilities to continue its operations and has further taken measure to increase the availability of such facilities to cover against any additional future needs.

The event is reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2023. The Company's management has assessed:

1. whether any impairment allowances are deemed necessary for the Company's financial assets, non-financial assets (e.g., property, plant & equipment) by considering the economic situation and outlook at the end of the reporting period.
2. whether the net realisable value for the Company's inventory exceeds cost.
3. the ability of the Company to continue as a going concern

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty though, due to the pace at which the outbreak expands and the high level of uncertainties arising from the inability to reliably predict the outcome. Management's current expectations and estimates could differ from actual results.

Management has considered the unique circumstances that had a material impact on the business operations and the risk exposures of the Company and has concluded that the main impacts on the Company's profitability/liquidity position have arisen from:

- interruption of production,
- supply chain disruptions,
- unavailability of personnel,
- reduction in sales due to closure of facilities and stores and search for alternatives,
- delays in planned business expansion

Management has assessed and is in the process of reassessing the trading and relevant cash flows using revised assumptions and incorporating downside scenarios in assessing actual and potential financing needs, taking into consideration the main impacts identified above.

From the analysis performed no additional liquidity needs/impact on financial covenants have been identified.

Management will continue to monitor the situation closely and assess additional measures as a fall back plan in case the period of disruption becomes prolonged.

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.

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.

The Group monitors capital based on the ratio of borrowings to total equity. This ratio is calculated as net debt divided by total equity. For the Group and the Company, net debt is calculated as the total of loans and bank overdrafts less cash on hand and at banks. Total capital corresponds to 'equity' as presented in the statement of financial position.

The ratio of net debt to total equity is calculated as follows:

	Group Carrying amount		Company Carrying amount	
	2023 €000	**2022 €000**	**2023 €000**	**2022 €000**
Total secured bank loans (note 24)	**12.524**	15.703	**12.524**	15.703
Less cash in hand and at bank (note 22)	**(18.181)**	(2.209)	**(18.171)**	(2.199)
Net position	**(5.657)**	13.494	**(5.647)**	13.504
Net Debt	**-**	13.494	**-**	13.504
Total equity	**257.244**	244.429	**256.249**	243.575
Net debt to equity ratio	**-**	0,06	**-**	0,06

34 Fair values

The fair value of the investments in securities quoted on the Cyprus Stock Exchange is disclosed in note 19. The fair value of investment property is disclosed in note 14. The fair values of the other monetary assets and liabilities are approximately the same as their book values.

35 Contingent Liabilities

As at 31 December 2023, 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 €572 thousand (2022 : €626 thousand).

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

36 Commitments

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

	Group Carrying amount		Company Carrying amount	
	2023 €000	**2022 €000**	**2023 €000**	**2022 €000**
Property, plant and equipment	**3.370**	3.458	**3.370**	3.458

37 Changes in accounting policies

During 2023, the Company made a decision to change the accounting policy for the recognition of quarries. These quarries are now reflected in the financial statements at cost instead of fair value, and this change has been applied retrospectively.

The Company has secured over the years the usage of specific plots through the expropriation process facilitated by the Cyprus Government, under License 1966 granted to the Company. Compensation for the expropriation of each plot was paid in full by the Company to the Department of Land and Surveys of the Cyprus Government in advance. In line with accounting standards, the compensation amount is being amortized over the license life, with depreciation applied retrospectively. The Company has decided to reclassify this land under rights of use assets instead of land, as previously categorized. This change is reflected in our financial statements to provide a more accurate representation of our assets and their usage.

i. Consolidated statement of financial position

	Group			Company		
1 Janurary 2022	**As previously reported €000**	**Restatements €000**	**As restated €000**	**As previously reported €000**	**Restatements €000**	**As restated €000**
Property Plant and Equipment	221.837	(4.521)	217.316	221.837	(4.521)	217.316
Right of use assets	1.583	1.065	2.648	1.583	1.065	2.648
Other non current assets	19.722	-	19.722	18.382	-	18.382
Total non current assets	**243.142**	**(3.456)**	**239.686**	**241.802**	**(3.456)**	**238.346**
Total current assets	**50.575**	**-**	**50.575**	**51.118**	**-**	**51.118**
Total assets	**293.717**	**(3.456)**	**290.261**	**292.920**	**(3.456)**	**289.464**
Equity						
Share capital	30.932	-	30.932	30.932	-	30.932
Reserves	216.654	(2.949)	213.705	215.859	(2.949)	212.910
Total equity	**247.586**	**(2.949)**	**244.637**	**246.791**	**(2.949)**	**243.842**
Liabilities						
Deferred taxation	23.910	(507)	23.403	23.910	(507)	23.403
Other non-current liabilities	5.643	-	5.643	5.643	-	5.643
Total non-current liabilities	**29.553**	**(507)**	**29.046**	**29.553**	**(507)**	**29.046**
Total current liabilities	**16.578**	**-**	**16.578**	**16.576**	**-**	**16.576**
Total equity and liabilities	**293.717**	**(3.456)**	**290.261**	**292.920**	**(3.456)**	**289.464**

	Group			Company		
	As previously reported €000	**Restatements €000**	**As restated €000**	**As previously reported €000**	**Restatements €000**	**As restated €000**
31 December 2022						
Property Plant and Equipment	219.062	(5.813)	213.249	219.062	(5.813)	213.249
Right of use assets	1.466	1.042	2.508	1.466	1.042	2.508
Other non current assets	19.923	-	19.923	18.533	-	18.533
Total non current assets	**240.451**	**(4.771)**	**235.680**	**239.061**	**(4.771)**	**234.290**
Total current assets	**61.048**	**-**	**61.048**	**61.583**	**-**	**61.583**
Total assets	**301.499**	**(4.771)**	**296.728**	**300.644**	**(4.771)**	**295.873**
Equity						
Share capital	30.932	-	30.932	30.932	-	30.932
Reserves	217.605	(4.108)	213.497	216.751	(4.108)	212.643
Total equity	**248.537**	**(4.108)**	**244.429**	**247.683**	**(4.108)**	**243.575**
Liabilities						
Deferred taxation	23.274	(663)	22.611	23.274	(663)	22.611
Other non-current liabilities	13.720	-	13.720	13.720	-	13.720
Total non-current liabilities	**36.994**	**(663)**	**36.331**	**36.994**	**(663)**	**36.331**
Total current liabilities	**15.968**	**-**	**15.968**	**15.967**	**-**	**15.967**
Total equity and liabilities	**301.499**	**(4.771)**	**296.728**	**300.644**	**(4.771)**	**295.873**

ii. Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2022	Group As previously reported €000	Group Restatements €000	Group As restated €000	Company As previously reported €000	Company Restatements €000	Company As restated €000
Administration expenses	(3.979)	(23)	(4.002)	(3.978)	(23)	(4.001)
Income tax expense	(2.148)	(156)	(2.304)	(2.065)	(156)	(2.221)
Others	19.024	-	19.024	18.881	-	18.881
Profit for the year	**12.897**	**(179)**	**12.718**	**12.838**	**(179)**	**12.659**
Other comprehensive income						
Others	1.970	-	1.970	1.970	-	1.970
Deferred tax on revaluation of properties	(248)	312	64	(248)	312	64
Other comprehensive income for the year	**1.722**	**312**	**2.034**	**1.722**	**312**	**2.034**
Total comprehensive income for the year	**14.619**	**133**	**14.752**	**14.560**	**133**	**14.693**
Basic and diluted earnings per share (cents)	17,9		17,7	17,8		17,6

iii Consolidated statement of changes in equity

	Share capital €000	Share premium €000	Revaluation reserve €000	Fair value reserve €000	Retained earnings €000	Total equity attributable to equity holders of the parent €000	Non-controlling interest €000	Total equity €000
Balance at 1 January 2022 (before restatement)	30.932	45.388	34.160	(399)	137.505	247.586	-	247.586
Restatements	-	-	(859)	-	(2.090)	(2.949)	-	(2.949)
Restated balance 1 January 2022	**30.932**	**45.388**	**33.301**	**(399)**	**135.415**	**244.637**	**-**	**244.637**
Balance at 31 December 2022 (before restatement)	30.932	45.388	34.625	(351)	137.943	248.537	-	248.537
Restatements	-	-	(1.839)	-	(2.269)	(4.108)	-	(4.108)
Restated balance 31 December 2022	**30.932**	**45.388**	**32.786**	**(351)**	**135.674**	**244.429**	**-**	**244.429**

iv. Company statement of changes in equity

	Share capital €000	Share premium €000	Revaluation reserve €000	Fair value reserve €000	Retained earnings €000	Total equity attributabl e to equity holders of the parent €000
Balance at 1 January 2022 (before restatement)	**30.932**	**45.388**	**34.272**	**(399)**	**136.598**	**246.791**
Restatements	**-**	**-**	**(859)**	**-**	**(2.090)**	**(2.949)**
Restated balance 1 January 2022	**30.932**	**45.388**	**33.413**	**(399)**	**134.508**	**243.842**
Balance at 31 December 2022 (before restatement)	**30.932**	**45.388**	**34.737**	**(351)**	**136.977**	**247.683**
Restatements	**-**	**-**	**(1.839)**	**-**	**(2.269)**	**(4.108)**
Restated balance 31 December 2022	**30.932**	**45.388**	**32.898**	**(351)**	**134.708**	**243.575**

38 Events after the reporting period

The Directors proposed the payment of a dividend of €0,17 per Ordinary Share, €0,03 of which will be paid out of the profits of 2022 included in retained earnings, and €0,14 out of the profits of 2023. If approved at the Annual General Meeting , the dividend will be paid to the entitled shareholders registered as at 13 June 2024 (record date).