K + G Complex Public Company Limited

Report and financial statements
31 December 2021

Contents

K + G Complex Public Company Limited

Board of Directors and other officers

Board of Directors

George St. Galatariotis, Executive Chairman
Costas St. Galatariotis, Director
Stavros G. St. Galatariotis, Director
Michalis Christoforou, Director
Michalis Mousiouttas, Director
Antonis Antoniou Latouros, Director

Financial Manager

Elena Stylianou

Company Secretary

C.C.C. Secretarial Limited
197 Makarios III Avenue
Gala Tower
CY-3030 Limassol
Cyprus

Auditors

PriceWaterhouseCoopers Ltd
City House
Karaiskaki 6
3032 Limassol

Registered office

197 Makarios III Avenue
Gala Tower
CY-3030 Limassol
Cyprus

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

K + G Complex Public Company Limited

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

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

(a) the annual consolidated and separate financial statements which are presented on pages 16 to 67:

  (i) have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and in accordance with the provisions of Article 9, section (4) of the Law, and

  (ii) give a true and fair view of the assets and liabilities, the financial position and the profit or loss of K+G Complex Public Company Limited and the businesses that are included in the consolidated accounts as a total, and

(b) the Management Report provide a fair review of the developments and the performance of the business as well as the financial position of K+G Complex Public Company Limited and the businesses that are included in the consolidated accounts as a total, together with a description of the main risks and uncertainties that they are facing.

Members of the Board of Directors

Name and surname	**Signature**
George St. Galatariotis (Executive Chairman)	
Costas St. Galatariotis (Director)	
Stavros G. St. Galatariotis (Director)	
Michalis Christoforou (Director)	
Michalis Mousiouttas (Director)	
Antonis Antoniou Latouros (Director)	

Responsible for the preparation of the financial statements

Name and surname	**Position**	**Signature**
Elena Stylianou	Financial Manager	

Limassol, 29th April 2022

K + G Complex Public Company Limited

Management Report

1 The Board of Directors of K+G Complex Public Company Limited (the “Company”), and its subsidiary collectively referred to as the ‘Group’, presents its management report together with the audited consolidated financial statements of the Group and the audited separate financial statements of the Company for the year ended 31 December 2021.

Principal activities

2 The principal activities of the Company and the Group, which are unchanged from last year, are the following:

(a) Development and sale of land located in the Amathus area of Limassol
(b) Holding of investments

3 There has been no change in the structure of the Company/Group during the year. The Company/Group does not intend to make any redemption or merger.

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

4 The Group’s operating profit for 2021 is significantly increased compared to 2020, (€12.700 thousand in 2021 compared to €675 thousand in 2020). This is due to increased sales of land.

The share of profit from its’ associate The Cyprus Cement Public Company Ltd amounted to €1.307 thousand in 2021 compared to €14.055 thousand in 2020. The share of profit from the associate was significantly increased in 2020, due to the profit from the revaluation of the investment property at fair value.

The net profit of the Group for the year 2021, amounted to €9.804 thousand compared to €13.987 thousand in 2020.

At 31st December 2021, the Group’s total assets amounted to €114.668 thousand (2020: €114.610 thousand) and the net assets amounted to €114.178 thousand (2020: €104.448 thousand).

5 The Company’s net profit for the year 2021 amounted to €9.273 thousand compared to €227 thousand in 2020. This is due to increased sales of land.

Furthermore, the Company received dividends from its associate, The Cyprus Cement Public Company Ltd of €773 thousand, and from its subsidiary Galatex Tourist Enterprises Ltd of €56 thousand (2020: dividends from the associate, The Cyprus Cement Public Company Ltd amounted to €309 thousand and from its subsidiary, Galatex Tourist Enterprises Ltd €63 thousand).

At 31st December 2021, the total assets of the Company amounted to €46.784 thousand (2020: €47.184 thousand) and the total net assets amounted to €43.521 thousand (2020: €34.248 thousand).

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

K + G Complex Public Company Limited

Management Report (continued)

Non-financial information's

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

Principal risks and uncertainties

8 The Group's/Company's major risks and uncertainties are disclosed in Notes 1, 6, 28 and 29. The Group's and the Company's activities are subject to various risks and uncertainties, the most significant of which are the risks connected to the construction and tourist industry. These activities are influenced by a number of factors which include, but are not limited to:

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

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

Use of financial instruments by the Group and the Company

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

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

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

Management Report (continued)

Interest rate risk associated with cash flow and fair value

12 At 31st December 2021, the Group's/Company's interest-bearing assets and liabilities issued at fixed interest rate amounted to €8.376/€8.376 thousand and €0/€3.106 thousand respectively. The Group's/Company's liabilities bearing floating interest rate amounted to €0/€0 thousand, respectively. The Group's/Company's management monitors the fluctuations in interest rates on a continuous basis and acts accordingly. The Group/Company does not apply hedge accounting for fair value interest rate risk.

Credit risk

13 Credit risk arises from deposits with banks and financial institutions as well as from exposure to credits from sales to customers and balances with related companies, including outstanding receivables and binding transactions. The Management does not expect any damages from non-fulfilment of obligations on behalf of these parties.

14 For banks and financial institutions, only organizations that are rated by independent parties are accepted. The Management estimates the customer's credit quality, taking into account his financial situation, past experience and other factors.

Liquidity risk

15 The Management controls current liquidity on the basis of expected cash flows. Prudent liquidity risk management involves the management of sufficient cash and the availability of finance through a sufficient amount of blocked credit facilities. The Group/Company Management believes that it is successful in managing the Group/Company exposure to liquidity risk.

Future developments of the Company and the Group

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

Results

17 The results of the Group and the Company for the year are set out on pages 16 and 17 respectively. After the evaluation of the availability of profits distribution and the liquidity of the Group/Company the shareholders approved the dividends distribution as shown below.

Dividends

18 At the Annual General Meeting of Company's Shareholders on 18th June 2021, the Board of Directors did not propose any dividend payment.

Share capital

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

Board of Directors

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

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

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

Corporate Governance Code

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

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

25 The Audit Committee consists of the following members:

- Antonis Latouros - President of the Committee
- Michalis Mousiouttas - Member of the Committee
- Michalis Christoforou - Member of the Committee

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

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

27 The shareholders who held more than 5% of the issued share capital of the Company with voting rights on 29th April 2022, are as follows:

	% holding
C.C.C. Holdings & Investments Limited *	83,81

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

Management Report (continued)

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

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

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

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

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

Directors' interest in the Company's share capital

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

	29th April 2022 %	**31 December 2021 %**
George St. Galatariotis (1)	83,81	83,81
Costas St. Galatariotis (1)	-	-
Stavros G. St. Galatariotis (1)	-	-
Michalis Christoforou	-	-
Antonis Antoniou Latouros	-	-
Michalis Mousiouttas	-	-

(1) The participation percentage share held by Mr. George St. Galatariotis includes his indirect participation resulting from family relationships between himself and Stavros G. St. Galatariotis and Costas St. Galatariotis and their indirect participation in C.C.C. Holdings & Investments Limited.

Contracts with Directors and related parties

34 Other than the transactions and the balances with the Directors and related parties referred to in Note 27 of the financial statements, there were no other significant contracts with the Company, or its subsidiaries at 31 December 2021 in which the Directors or related parties had a material interest. Related persons include the spouse, minor children and companies in which Directors hold directly or indirectly at least 20% of the voting rights in a general meeting.

K + G Complex Public Company Limited

Management Report (continued)

Events after the reporting period

35 The important events occurred after the reporting period are disclosed on note 29. There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

Branches

36 The Company and Group did not operate through any branches during the year.

Independent auditors

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

By Order of the Board

C.C.C. Secretarial Limited
Secretary

Limassol, 29th April 2022

Independent Auditor's Report

To the Members of The K + G Complex Public Company Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Our opinion

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

What we have audited

We have audited the consolidated and separate financial statements which are presented in pages 16 to 67 and comprise:

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

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

PricewaterhouseCoopers Ltd, City House, 6 Karaiskakis Street, CY-3032 Limassol, Cyprus
P O Box 53034, CY-3300 Limassol, Cyprus
T: +357 25 - 555 000, F:+357 - 25 555 001, www.pwc.com.cy

Basis for opinion

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

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

Independence

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

Audit approach

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

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

Key Audit Matter	*How our audit addressed the Key Audit Matter*
Investments in associate We focused on this matter due to the size of the carrying value of the investment in associate of €103.550 thousands compared to the total assets of the Group, given that the profit of the Group is significantly affected from the share of the associate's profit as well as by the main characteristics that affect the above. In particular, the significant matter that has affected the carrying value of the investment is as follows:	For the fair value of the land for development held by the associate, we discussed with the Group's management and assessed the data, assumptions, the valuation methodology and calculations made by the associate's management for the estimation of the fair value of the property, which is based on data and assumptions of high subjectivity, particularly in relation to the separation of the property into notional zones. Internal experts of our office, with the required knowledge and skills, have been involved to support us in our assessment of the fair value measurement of the property performed by the associate's management. More specifically, with the support of internal experts, we examined the calculations made by

- **Fair value of land for development**

In accordance with IAS 40 'Investment Property' and the associate's accounting policy, the land for development held in anticipation of capital growth and not used by the associate is classified as an investment property under IAS 40 and is presented in at fair value at each balance sheet date.

We focused on this matter due to the size of the fair value of the land for development of the associate amounting to €283.878 thousands at 31 December 2021 and due to the complexity and high degree of subjectivity of the associate's management's assessment of the fair value of the property, including the high degree of subjectivity in the method used to separate the property into notional zones.

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

For the purposes of calculating the fair value of the investment property, the associate's management used the comparable approach method, adjusted with assumptions due to the special nature, size and uniqueness of the properties and their urban characteristics. The associate's management estimate for the fair value of the investment property has not significantly changed from the fair value as determined on 31 December 2020, which was based on the independent assessment conducted by independent certified valuers. Refer to Note 19 of the consolidated and separate financial statements for further information.

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

Refer to Notes 7 and 19 of the consolidated and separate financial statements for further information.

the associate's management and the technical and mathematical accuracy of the valuation model. We also evaluated the reasonableness of the significant assumptions made by the associate's management through a comparison with observable market data.

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

Finally, we evaluated the adequacy of the disclosures made in Notes 7 and 19 of the consolidated and separate financial statements in relation to the data, key assumptions and sensitivity analysis on specific assumptions. Note 7 explains that there is material valuation uncertainty in relation to the assessment of the fair value of investment property of the associate.

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

Reporting on other information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

Appointment of the Auditor and Period of Engagement

We were first appointed as auditors of the Company in 1996 by the Board of Directors for the audit of the financial statements for the year ended 31 December 1996. Our appointment was renewed annually, since then, by shareholder resolution. On 12 May 2005, the Cyprus Stock Exchange was first included in the list of regulated markets prepared by the European Commission and published in the Official Journal of the European Union and as a result, the first financial year in which the Company was designated as a Public Interest Entity (PIE) in the European Union was the year ended 31 December 2005. Since then, including our reappointment following the tendering process for the year ended 31 December 2018, the total period of uninterrupted engagement appointment was 17 years.

Consistency of the Additional Report to the Audit Committee

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

Provision of Non-audit Services

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

European Single Electronic Format

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

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

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

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

Other Legal Requirements

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

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

Other Matter

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

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

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

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

Limassol, 29 April 2022

Consolidated income statement and other comprehensive income for the year ended 31 December 2021

	Note	**2021** **€000**	2020 €000
Sales	9	**12.700**	675
Cost of sales	11	**(3.523)**	(71)
Gross profit		**9.177**	604
Administrative expenses		**(420)**	(444)
Selling and marketing expenses		**(281)**	(163)
Other income	10	**175**	249
Operating profit		**8.650**	246
Finance costs	14	**(147)**	(314)
Share of profit of investment in associates	19	**1.307**	14.055
Profit before tax		**9.811**	13.987
Tax	15	**(7)**	-
Profit for the year		**9.804**	13.987
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Share of movement of reserves of associates	19	**(72)**	370
Total comprehensive income for the year		**9.732**	14.357
Profit per share (cents per share):			
- Basic and fully diluted	16	**7,62**	10,88

The notes on pages 24 to 67 are an integral part of these financial statements.

Company’s income statement and other comprehensive income for the year ended 31 December 2021

	Note	2021 €000	2020 €000
Sales	9	**12.700**	675
Cost of sales	11	**(3.523)**	(71)
Gross profit		**9.177**	604
Administrative expenses		**(411)**	(435)
Selling and marketing expenses		**(281)**	(163)
Other income	10	**1.004**	620
Operating profit		**9.489**	626
Finance costs	14	**(217)**	(399)
Profit before tax		**9.272**	227
Tax	15	**1**	-
Profit for the year		**9.273**	227
Other comprehensive income		**-**	-
Total comprehensive income for the year		**9.273**	227

The notes on pages 24 to 67 are an integral part of these financial statements.

Consolidated balance sheet at 31 December 2021

	Note	**2021 €000**	2020 €000
Assets			
Non-current assets			
Property, plant and equipment	18	**18**	27
Investments in associates	19	**103.550**	103.088
		103.568	103.115
Current assets			
Inventories	21	**300**	3.824
Current receivables	22	**8.402**	7.575
Tax refundable		**10**	10
Cash and cash equivalents	23	**2.388**	86
		11.100	11.495
Total assets		**114.668**	114.610
Equity and liabilities			
Capital and reserves			
Share capital	24	**21.860**	21.860
Share premium	24	**1.757**	1.757
Reserve of changes in equity of associate company		**537**	609
Reserve arising on translation of share capital into Euro		**86**	86
Retained earnings		**89.939**	80.136
Total equity		**114.178**	104.448
Current liabilities			
Trade and other payables	26	**490**	532
Borrowings	25	**-**	9.631
		490	10.162
Total current liabilities		**490**	10.162
Total liabilities		**490**	10.162
Total equity and liabilities		**114.668**	114.610

On 29th April 2022 the Board of Directors of K + G Complex Public Company Limited authorised these financial statements for issue.

George St. Galatariotis, Executive Chairman

Costas St. Galatariotis, Director

The notes on pages 24 to 67 are an integral part of these financial statements.

Company's balance sheet at 31 December 2021

	Note	2021 €000	2020 €000
Assets			
Non current assets			
Property, plant and equipment	18	**18**	27
Investments in subsidiaries	20	**2.722**	2.722
Investments in associates	19	**32.958**	32.958
		35.698	35.707
Current assets			
Inventories	21	**300**	3.824
Financial assets held at amortised cost	22	**8.400**	7.574
Cash and cash equivalents at bank	23	**2.386**	79
		11.086	11.477
Total assets		**46.784**	47.184
Equity and liabilities			
Capital and reserves			
Share capital	24	**21.860**	21.860
Share premium	24	**1.757**	1.757
Reserve arising on translation of share capital into Euro		**86**	86
Retained earnings		**19.818**	10.545
		43.521	34.248
Non current liabilities			
Borrowings	25	**3.106**	3.102
		3.106	3.102
Current liabilities			
Borrowings	25	**-**	9.631
Trade and other payables	26	**157**	203
		157	9.834
Total liabilities		**3.263**	12.935
Total equity and liabilities		**46.784**	47.184

On 29th April 2022 the Board of Directors of K + G Complex Public Company Limited authorised these financial statements for issue.

George St. Galatariotis, Executive Chairman

Costas St. Galatariotis, Director

The notes on pages 24 to 67 are an integral part of these financial statements.

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

	Share capital €000	Share premium (2) €000	Reserve arising on translation of share capital into Euros(2) €000	Reserve of changes in equity of associated company (2) €000	Retained earnings (1) €000	Total €000
Balance at 1 January 2020	21.860	1.757	86	239	66.208	90.150
Comprehensive income						
Profit for the year	-	-	-	-	13.987	13.987
Other comprehensive income						
Share of reserves of associates (Note 19)	-	-	-	370	-	370
Total comprehensive profit for the year 2020	-	-	-	370	13.987	14.357
Transactions with owners						
Defence/GHS on deem dividend distribution -out of profits of 2018	-	-	-	-	(59)	(59)
Total transactions with owners	-	-	-	-	(59)	(59)
Balance at 31 December 2020/ 1 January 2021	21.860	1.757	86	609	80.136	104.448
Comprehensive income						
Profit for the year	-	-	-	-	9.804	9.804
Other comprehensive income						
Share of reserves of associates (Note 19)	-	-	-	(72)	-	(72)
Total comprehensive income for the year 2021	-	-	-	(72)	9.804	9.732
Balance at 31 December 2021	21.860	1.757	86	537	89.939	114.178

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

(2) The share premium reserve, the reserve of changes in equity of associates and the reserve arising on translation of share capital into Euro are not available for distribution in the form of dividends.

The notes on pages 24 to 67 are an integral part of these financial statements.

K + G Complex Public Company Limited

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

	Share Capital €000	Share premium [2] €000	Reserve arising on translation of share capital into Euro [2] €000	Retained earnings [1] €000	Total €000
Balance at 1 January 2020	21.860	1.757	86	10.377	34.080
Comprehensive income					
Profit for the year	-	-	-	227	227
Total comprehensive profit for the year 2029	-	-	-	227	227
Transactions with owners					
Defence/GHS on deem dividend distribution- out of profits of 2018	-	-	-	(59)	(59)
Total transactions with owners	-	-	-	(59)	(59)
Balance at 31 December 2020/ 1 January 2021	21.860	1.757	86	10.545	34.248
Comprehensive income					
Profit for the year	-	-	-	9.273	9.273
Total comprehensive profit for the year 2021	-	-	-	9.273	9.273
Balance at 31 December 2021	21.860	1.757	86	19.818	43.521

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

(2) The share premium reserve, the reserve arising on translation of share capital into Euro are not available for distribution in the form of dividends.

The notes on pages 24 to 67 are an integral part of these financial statements.

K + G Complex Public Company Limited

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

	Note	**2021 €000**	2020 €000
Cash flows from operating activities			
Profit before tax		**9.811**	13.987
Adjustments for:			
Interest expense	14	**147**	314
Interest income	10	**(175)**	(249)
Depreciation of property, plant and equipment	12	**9**	9
Share of profit of associates	19	**(1.307)**	(14.055)
		8.485	6
Changes in working capital:			
Inventories		**3.523**	38
Financial assets held at amortised cost		**70**	74
Trade and other payables		**(46)**	(1)
Cash generated from operations		**12.033**	117
Tax (received)/paid		**(3)**	6
Net cash generated from operating activities		**12.030**	123
Cash flows from investing activities			
Loans granted to related parties	27 (vi)	**(10)**	(15)
Repayments of loans from related parties	27 (vi)	**60**	240
Interest received		**-**	8
Dividend received		**-**	309
Net cash generated from investing activities		**50**	542
Cash flows from financing activities			
Repayments of bank loan	23	**(9.631)**	(331)
Interest paid	23	**(147)**	(314)
Net cash used in financing activities		**(9.778)**	(645)
Net increase in cash and cash equivalents		**2.302**	21
Cash and cash equivalents at the beginning of the year		**86**	65
Cash and cash equivalents at the end of the year	23	**2.388**	86

For non-cash transactions refer to note 23.

The notes on pages 24 to 67 are an integral part of these financial statements.

K + G Complex Public Company Limited

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

	Note	2021 €000	2020 €000
Cash flows from operating activities			
Profit before tax		**9.272**	227
Adjustments for:			
Interest income	10	**(175)**	(248)
Interest expense	14	**217**	399
Dividend Income	10, 27 (iii)	**(829)**	(373)
Depreciation of property, plant and equipment	12	**9**	9
		8.494	14
Changes in working capital:			
Inventories		**3.523**	38
Financial assets held at amortised cost		**71**	76
Trade and other payables		**(46)**	(1)
Cash generated from operations		**12.042**	127
Tax received		**1**	-
Net cash generated from operating activities		**12.043**	127
Cash flows from investing activities			
Loans granted to related parties	27 (vi)	**(10)**	(15)
Proceeds from repayment of loans from related parties	27 (vi)	**60**	240
Interest received		**-**	7
Dividend received		**-**	309
Net cash from investing activities		**50**	541
Cash flows from financing activities			
Repayment of loans from related parties	27 (v)	**(9)**	(8)
Repayment of bank loan	23	**(9.631)**	(331)
Interest paid	23	**(147)**	(314)
Net cash used in financing activities		**(9.787)**	(653)
Net increase in cash and cash equivalents		**2.307**	15
Cash and cash equivalents at the beginning of the year		**79**	64
Cash and cash equivalents at the end of the year	23	**2.386**	79

For non-cash transactions refer to note 23.

The notes on pages 24 to 67 are an integral part of these financial statements.

Notes to the financial statements

1 General Information

Country of incorporation

K+G Complex Public Company Limited (the "Company") was incorporated in Cyprus in June 1980, as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113, and in May 1981 became a public company. The Company is listed on the Cyprus Stock Exchange. Its registered office of the Company is at 197 Makarios III Avenue, Gala Tower, CY-3030 Limassol, Cyprus.

Principal activities

The principal activities of the Company and the Group, which are unchanged from last year, are the following:

(a) Development and sale of land located in the Amathus area of Limassol
(b) Holding of investments

Operating environment of the Group and the Company

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

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

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

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

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

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

2 Basis of preparation

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

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

The principal accounting policies applied in the preparation of these financial statements are set out below in note 4.

The financial statements have been prepared under the historical cost convention.

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

3 Adoption of new and revised IFRSs

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

4 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Group/Company 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 transaction price. The Group/Company includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

4 Summary of significant accounting policies (continued)

Revenue (continued)

Recognition and measurement (continued)

The Group/Company 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/Company 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/Company's future cash flows is expected to change as a result of the contract), it is probable that the Group/Company 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/Company's contracts with customers.

The Group/Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Company considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the income statement in the period in which the circumstances that give rise to the revision become known by management.

Identification of performance obligations

The Group/Company 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 price. 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/Company'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).

- **Sale of properties**

Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group/Company due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer.

The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when legal title has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component.

4 Summary of significant accounting policies (continued)

Financing component

The Group/Company 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/Company elects to use the practical expedient and does not adjust any of the transaction prices for the time value of money.

- **Interest income**

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised as “Other income” in the Income statement and other comprehensive income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets (Stage 3), the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). For Stage 1 and Stage 2 the effective interest rate is applied to the gross amount of financial assets.

- **Dividend income**

Dividend income is recognised as “other income” in the Company’s and Group’s Income Statement when the Company’s/Group’s right to receive payment is established.

Financial assets – Classification

The classification depends on the Group/Company's business model for managing the related assets portfolio and the contractual cash flow of the financial assets. The management determines the classification of assets on initial recognition.

The Group/Company classifies its financial assets at amortised cost. Financial assets at amortised cost are held to collect contractual cash flows and their cash flows represent only capital and interest payments. They are included in current assets other than those which have expired more than 12 months after the balance sheet date. These are classified as non-current assets.

The Group/Company's financial assets at amortised costs include: cash and equivalents, loan receivables and other receivables.

Financial assets - Recognition and derecognition

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group/Company has transferred substantially all the risks and rewards of ownership. Any gain or loss resulting from the write-off shall be recognised directly in the profit and loss.

4 Summary of significant accounting policies (continued)

Financial assets – Measurement

At initial recognition, the Group/Company measures a financial asset at its fair value and additionally adds transaction costs that are directly attributable to the acquisition of the financial asset. These are then measured at amortized costs.

Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price, which can be evidenced by other observable current market transactions in the same instrument or by valuation techniques whose inputs include only data from observable markets.

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

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

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognized in the income statement and other comprehensive income.

Debt assets measured at amortised cost are presented in the balance sheet net of the allowance for ECL.

The impairment methodology applied by the Group / Company for the calculation of expected credit losses depends on the type of financial asset estimated for impairment. See Note 6, in the Credit Risk section, for a description of the impairment methodology used by the Company / Group to calculate the expected credit losses for debit financial assets at amortized cost.

Financial assets – Reclassification

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

Financial assets – write-off

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

Financial Assets – Amendments

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

4 Summary of significant accounting policies (continued)

Financial Assets – Amendments (continued)

If the amended terms are material, the cash flow rights from the original asset expire and the Group/Company deletes the original financial asset and recognises a new asset at fair value. The renegotiation date shall be considered as the date of initial recognition for the purposes of calculating a subsequent impairment, including the determination of whether a significant increase in credit risk ("SICR") has occurred. The Group/Company also assesses whether a new loan or debit financial asset meets the SICR criterion. Any difference between the carrying value of the original asset written off and the fair value of the new significantly modified asset shall be recognised in the profit or loss, unless the substance of the modification is attributed to capital transactions with the owners.

If the renegotiation was due to the counterparty's financial difficulties and an inability to execute the initially agreed payments, the Group/Company shall compare the initial and revised expected cash flows to assess whether the risks and benefits of the asset have significantly diversified as a result of the contractual modification. If the risks and benefits do not change, the modified asset is not substantially different from the original asset and the modification does not lead to write-off. The Group/Company recalculates the gross book value by discounting the modified contractual cash flows at the initial effective interest rate and recognises the change profit or loss in the results.

Classification as cash and cash equivalents

In the statement of cash flows of the Group/Company, cash and cash equivalents includes cash in hand, deposits held at call with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. In Group's/Company's balance sheet, bank overdrafts are included in the current asset liabilities (short-term liabilities). Cash and cash equivalents are carried at amortised cost: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Classification of financial assets at amortised cost

Amounts arising from transactions not in Group's/Company's ordinary operational cycle are held for the purpose of collecting their contractual cash flows and these represent only capital and interest payments. Consequently, they are measured at amortised cost using the effective interest rate method, excluding any provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or based on the ordinary operational cycle of the Group's/Company's turnover if higher). If not, they are classified as non-current assets.

Consolidated financial statements

The consolidated financial statements include the financial statements of K+G Complex Public Company Limited (the "Company"), and its subsidiary company, which are collectively referred to as the "Group".

(1) Subsidiaries

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

4 Summary of significant accounting policies (continued)

Consolidated financial statements (continued)

(1) Subsidiaries (continued)

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

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

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

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

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

4 Summary of significant accounting policies (continued)

Consolidated financial statements (continued)

(1) Subsidiaries (continued)

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

(2) Associates

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

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

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

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

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

After application of the equity method, including recognising the associates’ losses, the carrying amount of the investment in associate which includes the goodwill arising on acquisition is tested for impairment by comparing its recoverable amount with its carrying amount whenever there is an indication of impairment and recognizes the amount adjacent to 'share of profit/(loss)' of associates in the profit or loss.

4 Summary of significant accounting policies (continued)

Separate financial statements of the Company

(1) Investments in subsidiaries

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

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

(2) Investments in associates

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

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

Segment reporting

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

Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

4 Summary of significant accounting policies (continued)

Current and deferred income tax

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

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

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

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

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

Dividend distribution

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

Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of property, plant and equipment.

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

	%
Motor vehicles	20
Furniture and office equipment	10

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

4 Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

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

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

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

Impairment of non-financial assets

Assets that have an indefinite useful life, including goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Offsetting financial instruments

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

Share capital

Ordinary shares are classified as equity.

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

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

4 Summary of significant accounting policies (continued)

Earnings per share

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

Provisions

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

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

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment (for liquidity services) and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Financial liabilities – amendments

An exchange between the Company/Group and the original lenders of the debt instruments on substantially different terms, as well as substantial changes to the terms and conditions of the existing financial obligations, shall be deemed to be a termination of the initial financial obligation and recognition of a new financial liability. Terms are considered substantially different if the discounted present value of cash flows under the new terms, including any fees paid after deduction of any fees received and discounted at the initial effective interest rate, is at least 10% different from the discounted present value of the cash flows remaining from the original financial liability.

If an exchange of debt instruments or a modification of the terms is deemed to be redemption, any cost or fee is recognised as part of the profit or loss from the repayment. If the exchange or modification is not deemed to be repayment, any costs or fees incurred shall adjust the carrying amount of the obligation and shall be amortised throughout the remainder of the amended obligation.

4 Summary of significant accounting policies (continued)

Financial liabilities – amendments (continued)

Amendments to liabilities which do not result in repayment shall be accounted for as a change in the estimate using the cumulative cover method, with any gain or loss recognised in the results, unless the economic substance of the difference in book values is attributed to capital differences with the owners and is recognised directly in own funds.

Lending cost are interest and other expenses incurred by the Company/Group in connection with the borrowing of funds, including interest on borrowing, amortization of loan-related deductions or bonuses, amortization of additional costs related to the settlement of borrowing, financial lease charges and foreign exchange differences arising from foreign currency lending if they are considered as an adjustment to interest.

Lending Costa loans directly related to the purchase, construction or production of an asset that meets the criteria, an asset that compulsorily takes a significant amount of time to prepare for its intended use or sale, are capitalized as part of the cost of that asset, when it is likely that they will bring future economic benefits to the Company/Group and the costs can be reliably calculated.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

5 New accounting pronouncements

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

6 Financial risk management

(i) Financial risk factors

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

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

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Market risk**

Cash flow and fair value interest rate risk

The Group's/Company's interest rate risk arises from interest-bearing assets and long-term borrowings. The interest bearing assets represent loans receivable from related parties and bank deposits. Long term borrowings represent bank borrowings and borrowings from related parties. Interest-bearing assets and borrowings at variable rates expose the Group/Company to cash flow interest rate risk. Interest bearing assets and borrowings issued at fixed rates expose the Group/Company to fair value interest rate risk.

The exposure of the Group/Company into fair value interest rate risk is not significant.

The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

- **Credit risk**

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

(a) Risk Management

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

For banks and financial institutions, only independently rated parties are accepted.

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

(b) Impairment of financial assets

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

- financial assets at amortised cost (loans to related parties and other receivables)
- cash and cash equivalents.

The impairment methodology applied by the Group/Company for the calculation of expected credit losses depends on the type of financial asset estimated for impairment. More specifically:

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

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

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

Significant increase in credit risk. The Group/Company shall consider the likelihood of default at the initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period. In order to assess whether there is a significant increase in credit risk, the Group/Company compares the default risk on the reference date with the default risk at the date of initial recognition.

The assessment shall take into account the available reasonable and supportive information relating to the future. Especially the following indicators are incorporated:

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

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

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

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **<u>Credit risk (continued)</u>**

Default. The default of a financial asset is where the counterparty has not made contractual payments within 90 days of the maturity date of the debt.

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

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

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

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

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

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

Loans to related parties amounted to €8.376 thousand (2020: €7.479 thousand) and other receivables amounted to €24 thousand (2020: €95 thousand) represent the maximum exposure of the Company at credit risk for the assets as at 31 December 2021 and 31 December 2020.

Loans to related parties amounted to €8.376 thousand (2020: €7.479 thousand), and other receivables amounted to €26 thousand (2020: €96 thousand) represent the maximum exposure of the Group at credit risk for the assets as at 31 December 2021 and 31 December 2020.

Cash and cash equivalents

The Group/Company assess on individual basis its exposure to the credit risk as a result of cash and cash equivalents based on external credit ratings.

The following tables contains an analysis of the credit risk exposure of cash and cash equivalents based on external credit rating by Moody's Investors Service which represents the Group's/Company's maximum exposure to credit risk on these assets as at 31 December 2021 and 31 December 2020:

The Group

The Group **External credit rating**	**Carrying amount (net of impairment provision) €000**
As at 31 December 2021	
B3	2.362
Caa1	26
Total cash and cash equivalents	2.388
As at 31 December 2020	
B3	9
Caa1	77
Total cash and cash equivalents	86

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

Cash and cash equivalents (continued)

The Company

External credit rating	Carrying amount (net of impairment provision) €000
As at 31 December 2021	
B3	2.362
Caa1	24
Total cash and cash equivalents	2.386
As at 31 December 2020	
B3	2
Caa1	77
Total cash and cash equivalents	79

The Group/Company has no mortgage as a guarantee.

The cash and cash equivalents are subject to the impairment model of IFRS 9. In accordance with the general credit loss model, the expected credit loss as at 31 December 2021 and 31 December 2020 was not significant. The cash and cash equivalents are classified as Stage 1 as at 31 December 2021 and 31 December 2020.

- **Liquidity risk**

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

The Board of Directors monitors rolling forecasts of the Company's and the Group liquidity reserve (comprises undrawn borrowing facility (Note 25) and cash and cash equivalents (Note 23) on the basis of expected cash flow.

The Company and the Group have the following unused credit facilities:

	The Group		The Company	
	2021	2020	**2021**	2020
	€000	€000	**€000**	€000
Floating rate:				
- Within one year	**218**	1.518	**200**	1.500

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

6 Financial risk management (continued)

(i) Financial risk factors

- **Liquidity risk (continued)**

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

The Group

	Less than 1 year €000	Between 1 and 2 years €000	Between 2 to 5 years €000
At 31 December 2020			
Borrowings	9.918	-	-
Trade and other payables	532	-	-
	10.450	-	-
At 31 December 2021			
Borrowings	-	-	-
Trade and other payables	490	-	-
	490	-	-

The Company

	Less than 1 year €000	Between 1 and 2 Years €000	Between 2 to 5 Years €000
At 31 December 2020			
Borrowings	9.918	-	3.365
Trade and other payables	203	-	-
	10.121	-	3.365
At 31 December 2021			
Borrowings	-	-	-
Trade and other payables	157	3.248	-
	157	3.248	-

(ii) Capital risk management

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

In order to maintain or adjust the capital structure, the Company/Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company and the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

6 Financial risk management (continued)

(ii) Capital risk management (continued)

The gearing ratios as at 31 December 2021 and 2020 were as follows:

	The Group		The Company	
	2021	2020	**2021**	2020
	€000	€000	**€000**	€000
Total borrowings (Note 25)	**-**	9.631	**3.106**	12.733
Less: cash and cash equivalents (Note 23)	**-**	(86)	**(2.386)**	(79)
Net debt	**-**	9.545	**721**	12.654
Total equity	**114.178**	104.448	**43.521**	34.248
Total capital as defined by the board	**114.178**	113.993	**44.241**	46.902
Gearing ratio	**0%**	8%	**2%**	27%

(iii) Fair value estimation

There were no financial assets and financial liabilities that are measured at fair value at 31 December 2021 and 31 December 2020.

7 Critical accounting estimates and judgments

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

(i) Critical accounting estimates and assumptions

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

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

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

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

7 Critical accounting estimates and judgments (continued)

(i) Critical accounting estimates and assumptions (continued)

The assessment of the fair value of the investment property by the associate's management, was based on valuation techniques which incorporate observable comparable sale prices, where these are available, adjusted to reflect the uniqueness, nature and the size of the properties, and their urban planning characteristics.

For the purposes of the comparative method for estimating the fair value of the investment property, the associate's management used the zoning method where the property was divided into five notional zones, taking into account the terms of the planning permit secured, the development prospects of the land, the plan for possible development of the property according the uses determined by the development chapters of the Limassol District Plan, the non-uniformity in the shape of the land and the geographical advantages of each zone. Due to the high degree of subjectivity in the division of the land into the notional zones, the associate's management presents a sensitivity analysis in Note 19, to show the impact on the fair value of the investment property due to the change on the allocation of the total surface of the land to the different zones, and the price per square meter er zone.

The main assumptions used for the valuation of the investment property are disclosed in Note 19.

As a result, the associate's management considers that the valuation of the investment is subject to a significant degree of subjectivity and an increased likelihood that the value of the investment property will be different.

Any changes in the assumptions used will result in a significant change in the fair value of the investment property (Note 19).

- **Fair value of financial asset at fair value through other comprehensive income**

The fair value of the investment (which is classified as an investment at fair value through other comprehensive income) that is not traded in an active market is determined using valuation techniques. The associate's management uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date.

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

- **Impairment of investments in subsidiary companies**

The Company and the Group follows the guidance of IAS 36 "Impairment of assets" in determining whether a non-current asset is impaired. The Company and the Group review the carrying value for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

7 Critical accounting estimates and judgments (continued)

(i) Critical accounting estimates and assumptions (continued)

As at 31 December 2021, the Company assessed whether the investments in subsidiary companies have been impaired, in accordance with the accounting policies disclosed in Note 4. The recoverable amounts of the assets or the cash generating units have been determined based on their fair value. The fair value calculations are based on the fair value of the subsidiary companies' net assets. The recoverable amounts have been compared with the carrying values of the investments as at 31 December 2021. Following the impairment test, the Company did not recognise any impairment charge for 2021.

8 Segment information

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

The basic operating segments of the Group for which segment information is presented are as follows:

(1) Development and sale of land
(2) Holding of investments

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

The segment information provided to the Board of Directors of the Company/Group for the reportable segments is as follows:

For the year ended 31 December 2021

	Development and sale of land	Holding of investments	Total
	€000	€000	€000
Sales	12.700	-	12.700
Profit before interest, taxes, and depreciation	8.485	175	8.659
Depreciation	9	-	9
Share of profit of associates	-	1.307	1.307
Total segment assets	2.742	111.926	114.668
Total assets include:			
Investments in associates	-	103.550	103.550
Total segment liabilities	486	4	490

8 Segment information (continued)

For the year ended 31 December 2020

	Development and sale of land	Holding of investments	Total
	€000	€000	€000
Sales	675	-	675
Profit before interest, taxes, and depreciation	5	249	255
Depreciation	9	-	9
Share of profit of associates	-	14.055	14.055
Total segment assets	4.030	110.580	114.610
Total assets include:			
Investments in associates	-	103.088	103.088
Total segment liabilities	531	9.631	10.162

Reconciliation of segment results

Results before interest, taxes, depreciation and amortization differs from the profit before tax as follows:

	2021	2020
	€000	€000
Profit before interest, taxes, and depreciation	**8.659**	255
Depreciation	**(9)**	(9)
Operating profit	**8.650**	246
Finance costs	**(147)**	(314)
Share of profit of associates	**1.307**	14.055
Profit before tax	**9.811**	13.987

9 Revenue

Breakdown of Revenue from Contracts with Customers

Analysis of Revenue by Category:

	The Group		**The Company**	
	2021	2020	**2021**	2020
	€000	€000	**€000**	€000
Sale of plots	**12.700**	675	**12.700**	675

In 2021, sale of plots of €12.700 thousand occurred from two clients located in Cyprus.

In 2020, sale of plots of €675 thousand occurred from a client located in Cyprus.

10 Other income

	The Group		The Company	
	2021	2020	**2021**	2020
	€000	€000	**€000**	€000
Interest income:				
Loans to related parties (Note 27 (ii))	**175**	241	**175**	241
Other interest income	**-**	8	**-**	7
Total interest income	**175**	249	**175**	248
Dividend income (Note 27 (iii))	**-**	-	**829**	372
	175	249	**1.004**	620

11 Cost of sales

	The Group		The Company	
	2021	2020	**2021**	2020
	€000	€000	**€000**	€000
Cost of sales	**3.523**	71	**3.523**	71

12 Expenses by nature

	The Group		The Company	
	2021	2020	**2021**	2020
	€000	€000	**€000**	€000
Tax and licences	**15**	22	**23**	21
Legal and professional fees	**17**	5	**17**	5
Management and other administrative services fees (Note 27 (i))	**284**	328	**280**	323
Directors' fees (Note 27 (iv))	**4**	4	**4**	4
Staff and related costs (Note 13, 27 (iv))	**34**	33	**34**	33
Auditor's remuneration	**26**	19	**23**	17
Depreciation of property, plant and equipment (Note 18)	**9**	9	**9**	9
Other expenses	**32**	25	**23**	23
Selling and distribution expenses (Note 27 (i))	**280**	163	**280**	163
Cost of sales (Note 11)	**3.523**	71	**3.523**	71
Total cost of sales, selling costs and administrative expenses	**4.224**	678	**4.215**	669

The total fees charged by the statutory audit firm for the statutory audit of the annual financial statements of the Group/Company for the year ended 31 December 2021 amounted to €26 thousand/€23 thousand (2020: €19 thousand/€17 thousand).

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

13 Staff costs

	The Group		The Company	
	2021	2020	**2021**	2020
	€000	€000	**€000**	€000
Salaries	**32**	32	**32**	32
Employer's contributions	**2**	1	**2**	1
Total (Note 27 (iv))	**34**	33	**34**	33
Average number of staff during the year	**1**	1	**1**	1

14 Finance costs

	The Group		The Company	
	2021	2020	**2021**	2020
	€000	€000	**€000**	€000
Interest expense:				
Bank borrowings and overdrafts	**147**	314	**147**	314
Loan from subsidiary company (Note 27 (ii))	**-**	-	**70**	85
	147	314	**217**	399

15 Income tax expense

	The Group		The Company	
	2021	2020	**2021**	2020
	€000	€000	**€000**	€000
Current tax charge:				
Income tax	**8**	-	**-**	-
Prior year tax charge:				
Income tax	**(1)**	-	**(1)**	-
Tax charge	**7**	-	**(1)**	-

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

	The Group		The Company	
	2021	2020	**2021**	2020
	€000	€000	**€000**	€000
Profit before tax	**9.811**	13.987	**9.272**	227
Tax calculated at the applicable corporation tax rate of 12,5%	**1.226**	1.748	**1.159**	28
Tax effect of expenses not deductible for tax purposes	**4**	4	**4**	4
Tax effect of allowances and income not subject to tax	**(885)**	(65)	**(988)**	(122)
Tax effect on share of profit from associated companies	**(164)**	(1.757)	**-**	-
Tax effect of losses for which no deferred tax asset has been recognised	**51**	80	**51**	80
Tax effect of the use of accumulated losses of previous years	**(225)**	-	**(225)**	-
Tax of previous years	**(1)**	-	**(1)**	-
Tax effect of Group relief	**-**	(10)	**-**	(10)
Tax charge	**7**	0	**(1)**	0

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

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

15 Income tax expense (continued)

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

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

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

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

Tax effects of components of other comprehensive income

The Group

	Year ended 31 December					
	2021			2020		
	Before tax €000	**Tax (charge)/ credit €000**	**After tax €000**	Before tax €000	Tax (charge)/ credit €000	Before tax €000
Associated companies:						
Share of other comprehensive income	**(72)**	**-**	**(72)**	370	-	370
Other comprehensive income	**(72)**	**-**	**(72)**	370	-	370

16 Earnings per share

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

Basic and fully diluted

	2021	2020
Profit attributable to the equity holders of the Company (€000)	**9.804**	13.987
Weighted average number of ordinary shares in issue	**128.586.161**	128.586.161
Profit per share - Basic and diluted (cent per share)	**7,62**	10,88

17 Dividend per share

At the Annual General Meeting of Company’s Shareholders on 18th June 2021 and on 30th July 2020, the Board of Directors did not propose any dividend payment.

18 Property, plant and equipment

The Group

	Motor Vehicles €000	Total €000
At 1 January 2020		
Cost	45	45
Accumulated depreciation	(9)	(9)
Net book value	36	36
Year ended 31 December 2020		
Opening net book amount at the beginning of the year	36	36
Depreciation charge (Note 12)	(9)	(9)
Net book value	27	27
At 31 December 2020/1 January 2021		
Cost	45	45
Accumulated depreciation	(18)	(18)
Net book value	27	27
Year ended 31 December 2021		
Net book amount at the beginning of the year	27	27
Depreciation charge (Note 12)	(9)	(9)
Net book value	18	18
At 31 December 2021		
Cost	45	45
Accumulated depreciation	(27)	(27)
Net book value	18	18

18 Property, plant and equipment (continued)

The Company

	Motor Vehicles €000	Total €000
At 1 January 2020		
Cost	45	45
Accumulated depreciation	(9)	(9)
Net book value	36	36
Year ended 31 December 2020		
Opening net book amount at the beginning of the year	36	36
Depreciation charge (Note 12)	(9)	(9)
Net book value	27	27
Year ended 31 December 2020/1 January 2021		
Cost	45	45
Accumulated depreciation	(18)	(18)
Net book value	27	27
Year ended 31 December 2021		
Opening net book amount at the beginning of the year	27	27
Depreciation charge (Note 12)	(9)	(9)
Net book value	18	18
At 31 December 2021		
Cost	45	45
Accumulated depreciation	(27)	(27)
Net book value	18	18

19 Investments in associates

	The Group		The Company	
	2021 €000	2020 €000	**2021 €000**	2020 €000
At beginning of year	**103.088**	88.972	**32.958**	32.958
Share of profit after tax	**1.307**	14.055	**-**	-
Share of reserves	**(72)**	370	**-**	-
Dividends (Note 27 (iii))	**(773)**	(309)	**-**	-
At end of year	**103.550**	103.088	**32.958**	32.958

The increase in the share of profit after tax for the year ended 31 December 2020 is due to the profit recognized in associate's consolidated income statement and other comprehensive income for the revaluation of the investment property at fair value.

19 Investments in associates (continued)

Set out below are the associates of the Company and the Group. The associates listed below have share capital consisting exclusively of ordinary shares, held directly by the Company and the Group; the country of incorporation or registration is the place of business.

Name	Place of operations/ Country of incorporation	% of ownership interest	Principal Activities	Measurement Method in Consolidated Financial statement	Measurement Method in Company's Financial Statement
2020					
C.C.C. Secretarial Limited	Cyprus	30,00	Note 1	Equity Method	Cost Method
The Cyprus Cement Public Company Ltd	Cyprus	32,07	Note 2	Equity Method	Cost Method
2021					
C.C.C. Secretarial Limited	Cyprus	30,00	Note 1	Equity Method	Cost Method
The Cyprus Cement Public Company Ltd	Cyprus	32,07	Note 2	Equity Method	Cost Method

Note 1: C.C.C. Secretarial Limited is acting as the secretary of companies and meanwhile providing management and administrative services.

Note 2: The principal activities of The Cyprus Cement Public Company Limited are the development/exploitation of land and the undertaking of strategic investments in companies operating in hotel and tourism industry and in the production and sale of cement.

As a 31 December 2021, the fair value of the Company’s/Group interest in The Cyprus Cement Public Company Limited (the “associate”), which is listed on the Cyprus Stock Exchange, was €22.730 thousand (2020: €15.889 thousand). The market price listed on the stock exchange is not representative since these shares are not traded in an active market.

Important restrictions

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

Key issues that have affected the carrying amount of the investment in the associated company The Cyprus Cement Public Company Limited

(1) Fair value of investment property

On February 5th, 2021, the Town Planning Department has issued the Planning Permit, ΛΕΜ/00184/2017, for the “Master Plan” of the land belonging to the 100% subsidiary of its associated company.

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

19 Investments in associates (continued)

Key issues that have affected the carrying amount of the investment in the associated company The Cyprus Cement Public Company Limited (continued)

(1) Fair value of investment property (continued)

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

At 31 December 2020, the associate's management proceeded with a revaluation of property investment based on the independent assessment carried out by an certified valuer, taking into account the terms of the Planning Permit and the prospects of the investment property. The revaluation of the investment property at fair value resulted in a profit of €45.700 thousand.

(i) Valuation method and key assumptions

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

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

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

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

19 Investments in associates (continued)

Key issues that have affected the carrying amount of the investment in the associated company The Cyprus Cement Public Company Limited (continued)

(1) Fair value of investment property (continued)

(i) Valuation method and key assumptions (continued)

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

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

The valuation of the associate's investment property at fair value has been classified as level 3 valuation since the valuation techniques used incorporate significant non-observable inputs.

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

The table below shows the possible impact of the fair value of the investment property due to a change in the non-observable inputs (level 3).

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

Property	Valuation (€000)	Valuation method	Non-observable inputs	Change in input	Deviation/ Sensitivity
Land for development In Cyprus	283.858	Comparative method	Area allocation into notional zones ('000/ %)	Zone A – 211/ 20% Zone B – 106/ 10% Zone C – 106/ 10% Zone D – 158/ 15% Zone E – 475/ 45%	€19.100 thousands decrease
				Zone A – 211/ 20% Zone B – 53/ 5% Zone C – 158/ 15% Zone D – 211/ 20% Zone E – 422/ 40%	€20.100 thousands decrease

19 Investments in associates (continued)

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

Land for development In Cyprus	283.858	Comparative method	Price per square meter €	Zone A – 380 Zone B – 304 Zone C – 266 Zone D – 190 Zone E – 171	€14.100 thousands increase
				Zone A – 360 Zone B – 288 Zone C – 252 Zone D – 180 Zone E – 162	€28.300 thousands decrease
Land for development In Cyprus	283.858	Comparative method	Price per Zone (%/€)	Zone A – 100%/ 400 Zone B – 75%/ 300 Zone C – 50%/ 200 Zone D – 40%/ 160 Zone E – 33%/ 132	€38.200 thousands increase

(2) Financial assets held at fair value through other comprehensive income

On 9th April 2021, the agreement of the associate company's subsidiary for the sale of 24,98% of the issued shares held in Parklane Hotels Limited, was completed.

According with the Share Purchase Agreement signed, the associate's subsidiary sold of 24,98% of the issued shares held in Parklane to Emerald Coast Properties Ltd, which owned the rest of 75,02% of the issued shares in Parklane Hotels Limited. Simultaneously, Emerald Coast Properties Ltd, with a separate Agreement, sold of 100% of the issued shares of Parklane Hotels Limited to MHV Mediterranean Hospitality Venture Limited.

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

For the valuation of the investment in Parklane Hotels Limited on 31st December 2020 the associate's management considered the following: On the 23rd of October 2020, the associate's subsidiary, signed a Memorandum of Understanding with Emerald Properties Limited, which owns the remaining issued shares of Parklane Hotels Limited, and the potential investor for the acquisition of 100% of the issued shares of Parklane Hotels Limited.

19 Investments in associates (continued)

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

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

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

The table below presents the summarised financial information for the associated companies.

Summarised balance sheet

	C.C.C Secretarial Limited		**The Cyprus Cement Public Company Limited**		**Total**	
	As at 31 December		**As at 31 December**		**As at 31 December**	
	2021	2020	**2021**	2020	**2021**	2020
	€000	€000	**€000**	€000	**€000**	€000
Current Assets						
Cash at banks	**31**	15	**23.751**	1.697	**23.782**	1.711
Other current assets	**100**	127	**13.754**	11.951	**13.854**	12.078
Total current assets	**131**	142	**37.505**	13.647	**37.636**	13.789
Other current liabilities (including trade payables)	**(273)**	(283)	**(7.129)**	(110)	**(7.402)**	(393)
Total current liabilities	**(273)**	(283)	**(7.129)**	(110)	**(7.402)**	(393)
Non-current assets						
Assets	**125**	54	**344.052**	366.384	**344.177**	366.438
Right of use asset	**198**	541	**-**	-	**198**	541
Other liabilities (including lease agreements)	**(92)**	(406)	**(50.926)**	(51.226)	**(51.018)**	(51.632)
Total non-current liabilities	**(92)**	(406)	**(50.926)**	(51.226)	**(51.018)**	(51.632)
Net assets	**88**	48	**323.502**	328.695	**323.590**	328.743
Net assets distributed to shareholders	**88**	48	**322.779**	321.372	**322.867**	321.420

19 Investments in associates (continued)

Summarised statement of comprehensive Income

	C.C.C. Secretarial Limited		The Cyprus Cement Public Company Limited		Total	
	As at 31 December		As at 31 December		As at 31 December	
	2021	2020	**2021**	2020	**2021**	2020
	€000	€000	**€000**	€000	**€000**	€000
Revenue	**1.237**	1.202	**275**	328	**1.512**	1.530
Depreciation	**(166)**	(170)	**(9)**	(9)	**(175)**	(179)
Finance costs	**4**	(17)	**(22)**	-	**(18)**	(17)
Profit before tax	**47**	14	**3.991**	49.518	**4.038**	49.532
Tax charge	**(6)**	(4)	**-**	(5.713)	**(6)**	(5.717)
Profit for the year	**41**	10	**3.991**	43.805	**4.032**	43.815
Other comprehensive income/(losses)	**-**	-	**(288)**	1.741	**(288)**	1.741
Total comprehensive income for the year	**41**	10	**3.704**	45.547	**3.745**	45.557

The above information reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts).

Reconciliation of financial information

Reconciliation of the summarised financial results are presented at the currying amount of investments in associates that are accounted using the equity method in the consolidated financial statements of the Group are as follows:

	C.C.C. Secretarial Limited		The Cyprus Cement Public Company Limited		Total	
	As at 31 December		As at 31 December		As at 31 December	
	2021	2020	**2021**	2020	**2021**	2020
	€000	€000	**€000**	€000	**€000**	€000
Summarised financial information						
Opening net assets 1 January	**47**	25	**321.372**	277.356	**321.419**	277.398
Profit for the year	**41**	8	**3.991**	43.826	**4.032**	43.834
Other comprehensive income	**-**	-	**(288)**	1.153	**(288)**	1.153
Dividend distribution	**-**	(4)	**(2.409)**	(963)	**(2.409)**	(967)
Closing net assets attributable to shareholders	**88**	30	**322.779**	321.372	**322.867**	321.420
Interests in associates (2021, 2020: 30%, 32,07%)	**26**	9	**103.515**	103.064	**103.541**	103.078

20 Investments in subsidiaries

	2021 €000	2020 €000
At the beginning of the year	**2.722**	2.722
At the end of the year	**2.722**	2.722

Set out below is presented the subsidiary, which is registered in Cyprus. The subsidiary has a share capital consisting exclusively of ordinary share held directly by the Company, and voting rights equal to the percentage of ownership rights that Company holds.

The country of Incorporation is also its principal place of business.

Name	Participation	Country of incorporation	Principal activities
Galatex Tourist Enterprises Limited	100%	Cyprus	Property development

21 Inventories

	The Group		The Company	
	2021 €000	2020 €000	2021 €000	2020 €000
Land and development costs	**300**	3.824	**300**	3.824
	300	3.824	**300**	3.824

The cost of inventories recognized as expense in the cost of sales amounts to €3.523 thousand and €3.523 thousand in Group and Company's result respectively.

Inventories are stated at cost. There were no inventories for which the net book value should decrease to the net realizable value.

The Company's/Group's borrowings at 31 December 2020 were secured on inventories for the amount of €20.000 thousand (Note 25).

The bank loans have been repaid in full on 14th June 2021 and all guarantees in the Company/Group's reserves have been eliminated.

22 Financial assets at amortised cost

The financial assets at amortised cost includes the following debt investments:

	The Group		The Company	
	2021 €000	2020 €000	2021 €000	2020 €000
Current				
Loans to related parties (Note 27 (vi))	**8.376**	7.479	**8.376**	7.479
Other receivables	**26**	96	**24**	95
	8.402	7.575	**8.400**	7.574

All loans to related parties are receivable on demand, bear annual interest rate 2,25% (2020: 3,25%) and are secured (Note 27 (vi)).

22 Financial assets at amortised cost (continued)

The carrying amount of the current financial assets at amortised cost at the balance sheet date is considered to be the same with the fair value.

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

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

	The Group		The Company	
	2021	2020	**2021**	2020
	€000	€000	**€000**	€000
Euro	**8.402**	7.575	**8.400**	7.574

Impairment and risk exposure

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

The maximum exposure to credit risk at the balance sheet date is the carrying value of each category of financial asset at amortised cost.

23 Cash and cash equivalents at bank

	The Group		The Company	
	2021	2020	**2021**	2020
	€000	€000	**€000**	€000
Cash at bank and in hand	**2.388**	86	**2.386**	79
	2.388	86	**2.386**	79

All cash and cash equivalents are denominated in Euro.

Non-cash transactions

The non-cash transactions of the Group for the current year were the following:

- the assignment of dividends receivable from its associated company The Cyprus Cement Public Company Ltd of €773 thousand, to the loan receivable from the parent company.

The non-cash transactions of the Company for the current year were the following:

- the assignment of dividends receivable from its associated company The Cyprus Cement Public Company Ltd of €773, thousand to the loan receivable from the parent company.

- The netting of dividends receivable of €56 thousand against the loan payable from the subsidiary company (Note 27 (vi)).

There were no non-cash transaction of the Group for the year 2020.

23 Cash and cash equivalents (continued)

The non-cash transactions of the Company for the year 2020 were the following:

- The netting of dividends receivable of €63 thousand against the loan payable from the subsidiary company (Note 27 (vi)).

Reconciliation of obligations arising from financing activities for the year 2021:

The Company

	Bank loans €000	Loans from related parties €000	Total borrowings from financing activities €000
Balance at 1 January 2021	9.631	3.102	12.733
Cash transactions:			
Repayment of borrowings	(9.631)	(9)	(9.640)
Repayment of interest	(147)	-	(147)
Non-Cash transactions:			
Dividends	-	(56)	(56)
Interest expenses	147	70	217
Balance at 31 December 2021	-	3.106	3.106

The Group

	Bank loans €000	Total borrowings from financing activities €000
Balance at 1 January 2021	9.631	9.631
Cash transactions:		
Repayment of borrowings	(9.631)	(9.631)
Repayment of interest	(147)	(147)
Interest expenses	147	147
Balance at 31 December 2021	-	-

Reconciliation of obligations arising from financing activities for the year 2020:

The Company

	Bank loans €000	Loans from related parties €000	Total borrowings from financing activities €000
Balance at 1 January 2020	9.962	3.088	13.050
Cash transactions:			
Repayment of borrowings	(331)	(8)	(339)
Repayment of interest	(314)	-	(314)
Non-Cash transactions:			
Dividends	-	(63)	(63)
Interest expenses	314	85	399
Balance at 31 December 2020	9.631	3.102	12.733

23 Cash and cash equivalents (continued)

Reconciliation of obligations arising from financing activities for the year 2020:

The Group

	Bank loans €000	Total borrowings from financing activities €000
Balance at 1 January 2020	9.962	9.962
Cash transactions:		
Repayment of borrowings	(331)	(331)
Repayment of interest	(314)	(314)
Interest expenses	314	314
Balance at 31 December 2020	9.631	9.631

24 Share capital and share premium

	Number of shares	Share capital €000	Share premium €000	**Total €000**
At 1 January 2020/31 December 2020/ 31 December 2021	128.586.161	21.860	1.757	**23.617**

The total authorized number of ordinary shares is 500.000.000 shares (2020: 500.000.000 shares) with a par value of €0,17 per share (2020: €0,17 per share).

All issued shares are fully paid and carry equal voting rights.

25 Borrowings

	The Group		**The Company**	
	2021 €000	2020 €000	**2021 €000**	2020 €000
Current				
Bank borrowings	**-**	9.631	**-**	9.631
	-	9.631	**-**	9.631
Non-current				
Borrowings from related parties (Note 27 (v))	**-**	-	**3.106**	3.102
	-	9.631	**3.106**	3.102
Total borrowings	**-**	9.631	**3.106**	12.733
Maturities on non-current borrowings				
Between 1 to 2 years	**-**	-	**3.106**	-
Between 2 to 5 years	**-**	-	**-**	3.102
	-	-	**3.106**	3.102

25 Borrowings (continued)

The Company and The Group

The bank loan with Alpha Bank Ltd, which was payable in November 2021, has been settled on 14th June 2021. The loan has been repaid from the proceeds of the sale of land.

The loan from the subsidiary company amounting to €3.106 thousand (2020: €3.102 thousand) is repayable in 2023, bears annual interest rate of 2,25% and is not secured.

The bank loans and overdrafts of the Company/Group at 31 December 2020 were secured as follows:

(i) By Corporate guarantee of C.C.C. Holdings & Investments Limited for the amount of €1.500 thousand and €9.631 thousand, for bank overdrafts and bank loans respectively (Note 27 (vii)).

(ii) By mortgage on the Company's land for the amount of €20.000 thousand (Note 21).

(iii) Assignment of revenue from sale of plots for the amount of €11.355 thousand.

All the above securities have been eliminated with the settlement of the bank loan on 14th June 2021.

The weighted average effective interest rates at the balance sheet date were as follows:

	2021	2020
	%	%
Borrowings from subsidiary	**2,25**	2,75
Bank borrowings	**-**	3,25
Bank overdrafts	**4,00**	4,00

The Company's and Group's bank borrowings and bank overdrafts are arranged at floating rates. For borrowings at floating rates the interest rate reprises on a monthly basis exposing the Company and the Group to cash flow interest rate risk.

The exposure of the Company's and Group's borrowings to interest rate changes and the contractual reprising dates at the balance sheet dates are as follows:

	The Group		**The Company**	
	2021	2020	**2021**	2020
	€000	€000	**€000**	€000
6 months or less	**-**	9.631	**-**	9.631
	-	9.631	**-**	9.631

The carrying amount of short term bank overdrafts and bank loans is the same with their fair value.

25 Borrowings (continued)

The carrying amount of the Company's/Group's borrowings are denominated in the following currencies:

	The Group		The Company	
	2021	2020	**2021**	2020
	€000	€000	**€000**	€000
Euro	**-**	9.631	**-**	9.631

The Company and the Group have the following undrawn borrowing facilities:

	The Group		The Company	
	2021	2020	**2021**	2020
	€000	€000	**€000**	€000
Floating rate:				
- Expiring within one year	**218**	1.518	**200**	1.500

The credit facilities which expires within one year, are annual facilities and are subject to review at various dates.

26 Trade and other payables

	The Group		The Company	
	2021	2020	**2021**	2020
	€000	€000	**€000**	€000
Trade payables	**326**	346	**-**	20
Other payables and accrued expenses	**163**	185	**157**	183
	490	532	**157**	203

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

27 Related party transactions

The Company is controlled by C.C.C. Holdings & Investments Limited, which is registered in Cyprus and holds 83,81% of the share capital of the Company. The remaining issued share capital is widely held. The ultimate parent company of the Group is George S. Galatariotis & Sons Limited.

The related companies are companies under common control and companies controlled by the Directors of the Company.

The following transactions were carried out with related parties:

(i) Purchase of services from associated companies

	The Group		The Company	
	2021	2020	**2021**	2020
	€000	€000	**€000**	€000
Management and other services (Note 12)	**284**	328	**280**	323
Selling and marketing services (Note 12)	**280**	163	**280**	163
	565	491	**560**	486

27 Related party transactions (continued)

The services are charged from C.C.C. Secretarial Limited and are based on the time spent by its employees on the affairs of the Company and office space allocated to the Company/Group.

(ii) Interest on balances with related companies

	The Group		The Company	
	2021	2020	**2021**	2020
	€000	€000	**€000**	€000
Interest payable (Note 14):				
Subsidiary company	**-**	-	**70**	85
	-	-	**70**	85
Interest receivable from loans and balances (Note 10):				
Parent company	**71**	53	**71**	53
Ultimate parent company	**104**	188	**104**	188
	175	241	**175**	241

(iii) Dividends receivable

	The Company	
	2021	2020
	€000	€000
Dividends receivable (Note 10):		
Subsidiary company	**56**	63
Associate company	**773**	309
	829	372

(iv) Key management personnel and Directors compensation

The total remuneration of the key management personnel and Directors was as follows:

	The Group		The Company	
	2021	2020	**2021**	2020
	€000	€000	**€000**	€000
Director and Audit Committee Fees (Note 12)	**4**	4	**4**	4
Emoluments in their executive capacity (Note 12)	**34**	33	**34**	33
	38	37	**38**	37

27 Related party transactions (continued)

The Group and the Company

	Wages €000	Employer's contributions €000	Fees €000	Total €000
Year ended 31 December 2021				
Executive Directors [1]	32	2	4	38
Total	32	2	4	38
Year ended 31 December 2020				
Executive Directors [1]	32	2	4	37
Total	32	2	4	37

[1] The Director who has a remuneration is Mr. George St. Galatariotis and the Directors who has annual fee for their services as members of the Board of Directors and Audit Committee are Mr. George St. Galatariotis (€400), Michalis Christoforou (€800), Costas Galatariotis (€400), Stavros G. St. Galatariotis (€400), Michalis Mousiouttas (€800) and Antonis Antoniou Latouros (€800).

(v) Loans from related parties

	The Group		The Company	
	2021 €000	2020 €000	**2021 €000**	2020 €000
Borrowings from subsidiary company:				
At beginning of year	-	-	**3.102**	3.088
Loans repaid during the year	-	-	**(9)**	(8)
Loans offset against balance from dividends (Note 27 (iii))	-	-	**(56)**	(63)
Interest charged (Note 14)	-	-	**70**	85
At end of year (Note 25)	-	-	**3.106**	3.102

The loan from the subsidiary Company amounted to €3.102 thousand bears annual interest rate at 2,25% (2020: 2,75%), is unsecured and is repayable until 2023.

27 Related party transactions (continued)

(vi) Loans to related parties

	The Group		The Company	
	2021	2020	**2021**	2020
	€000	€000	**€000**	€000
Loans granted to the parent company, ultimate parent company and associated company:				
At beginning of year	**7.479**	7.463	**7.479**	7.463
Loans repaid during the year	**(60)**	(240)	**(60)**	(240)
Loans granted during the year	**10**	15	**10**	15
Loan set off against dividend payable (Note 23)	**773**	-	**773**	-
Amount assigned from ultimate parent company to the parent company	**-**	1.137	**-**	1.137
Amount taken by the parent company	**-**	(1.137)	**-**	(1.137)
Interest credit (Note 10)	**174**	241	**174**	241
At end of year (Note 22)	**8.376**	7.479	**8.376**	7.479

The loan to the ultimate parent company amounted to €4.691 thousand (2020: €4.648 thousand), is secured by corporate guarantee from Galatariotis Enterprises Ltd, is repayable on demand and bears annual interest rate of 2,25%.

The loan to the parent company, C.C.C. Holdings & Investment Limited amounted to €3.685 thousand (2020: €2.831 thousand), is secured by corporate guarantee from George S. Galatariotis & Sons Ltd, is repayable on demand and bears annual interest rate of 2,25%.

(vii) Loan guarantees from related companies

At 31 December 2021, there were no guarantees. All guarantees were eliminated with the settlement of the company's bank loan with Alpha Bank Cyprus Ltd on 14th June 2021.

At 31 December 2020, the parent company C.C.C. Holdings & Investments Limited, has guaranteed a loan and a bank overdraft provided to the Company/Group of €9.631 thousand and €1.500 thousand respectively (Note 25).

28 Contingent liabilities

The Board of Directors of the Company/Group does not expect to have any significant liabilities to the Company/Group.

29 Events after the balance sheet date

Russia - Ukraine conflict

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

29 Events after the balance sheet date (continued)

Russia - Ukraine conflict

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

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

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

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

The future effects of the above may adversely affect the future financial performance, cash flows and financial position of the Group / Company, but are currently difficult to predict and as a result Management's expectations and calculations may differ from actual results. Nevertheless, Management estimates that it takes all the necessary measures to maintain the viability of the Group / Company and the development of its / its activities in the current financial environment.

There were no material post balance sheet events, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 9 to 15.