K + G Complex Public Company Limited

Report and financial statements
31 December 2022

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 (Resigned on 16/11/2022)
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 28th April 2023.***

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 2022 we confirm that, to the best of our knowledge:

(a) the annual consolidated and separate financial statements which are presented on pages 16 to 62:

(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 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 provides 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)	
Antonis Antoniou Latouros (Director)	

Responsible for the preparation of the financial statements

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

Limassol, 28th April 2023

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 2022.

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

Changes in the Group / Company

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

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

4 The Group didn’t realise any plots sales in the current year, therefore there was no revenue in the year 2022, compared to €12.700 thousand in 2021. Due to the decrease in revenue, the operating profit amounted to €272 thousand compared to €8.651 thousand in 2021.

The Group’s net profit for the year 2022 amounted to €11.560 thousand compared to €9.804 thousand in the year 2021. This is due to the significantly improved results of its associated company, The Cyprus Cement Company Public Ltd. The increase in the net profit of the associated company mainly resulted from the gain on revaluation of investment property at fair value.

At 31st December 2022, the Group’s total assets amounted to €126.060 thousand (2021: €114.668 thousand) and the net assets amounted to €125.879 thousand (2021: €114.178 thousand).

5 The Company’s net profit for the year 2022 amounted to €714 thousand compared to €9.273 thousand in 2021. This is since the Company did not realise any plots sales in 2022.

Furthermore, the Company received dividends from its associated company, The Cyprus Cement Public Company Ltd of €773 thousand, and from its subsidiary Galatex Tourist Enterprises Ltd of €54 thousand (2021: dividends from the associate, The Cyprus Cement Public Company Ltd amounted to €773 thousand and from its subsidiary, Galatex Tourist Enterprises Ltd €56 thousand).

At 31st December 2022, the total assets of the Company amounted to €47.496 thousand (2021: €46.784 thousand) and the total net assets amounted to €44.235 thousand (2021: €43.521 thousand).

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

Non-financial information

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

- The impact on world economy and Cyprus economy from any possible spread of additional variants of coronavirus (COVID-19).
- National and international economic and geopolitical factors.
- The war between Russia and Ukraine and the sanctions imposed on Russia by the European Union, the United States, and other countries.

The Group/Company monitors these risks through various mechanisms and revises its strategy 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 Board of Directors.

Fair value interest rate risk

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. The Group/Company holds cash and cash equivalents that bear a floating interest rate, however the interest rate risk related to cash flows is not considered significant.

12 At 31st December 2022, the Group's/Company's interest-bearing assets and liabilities issued at fixed interest rate amounted to €12.327/€12.327 thousand and €0/€3.107 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.

Management Report (continued)

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 from contractual cash flows of debt investments carried at amortised cost, including outstanding receivables.

14 For banks and financial institutions, only organizations that are rated by independent parties are accepted. The Management estimates the contracting parties' credit quality, taking into consideration its financial performance, past experience and other factors.

Liquidity risk

15 The Management controls current liquidity based on 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.

Expected development of the Company and the Group

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

Results

17 The Group's results for the year are set out on pages 16 and the Company's results are set out on page 17. Having assessed both the availability of profits for distribution and the Group's/Company's liquidity, the Board of Directors did not propose any dividend payment.

Dividends

18 At the Annual General Meeting of Company's Shareholders on 20th June 2022, 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.

Board of Directors

20 The members of the Board of Directors at 31 December 2022 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 2022 except Mr. Michalis Mousiouttas who resigned on 16/11/2022.

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

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

Management Report (continued)

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 in the Alternative Market of the Cyprus Stock Exchange. The main reason for the non-adoption of the Corporate Governance Code is that the Board of Directors expects that the costs to be incurred for 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 includes members from a wide range of ages and educational and professional backgrounds so as to capture a wide range of experience and facilitate the extraction of a variety of independent opinions and critical challenges. Regarding the recommendation of the Corporate Governance Code for gender diversity amongst the board members, this was taken into account by the Board of Directors which intends in future appointments to positively consider candidates which promote gender diversity, without adversely affecting the educational and professional background diversification of the Board of Directors.

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

26 The Audit Committee consists of the following members:

- Antonis Latouros - President of the Committee
- Michalis Christoforou - Member of the Committee
- Christophoros Christophi - Member of the Committee (appointed on 15/02/2023)
- Michalis Mousiouttas - Member of the Committee (resigned on 16/11/2022)

27 The members of the Audit Committee after the resignation of Mr. Michalis Mousioutta on 16th November 2022, are not in their majority independent from the Company. The appointment of Mr. Christophoros Christophis as a member of the Audit Committee was made by the Board of Directors on February 15, 2023. The complete constitution of the Audit Committee is in progress and will be completed with the appointment of Mr. Christophoros Christophis by the general meeting of shareholders. 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

28 The shareholders who held more than 5% of the issued share capital of the Company with voting rights on 28th April 2023, 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.

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

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

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

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

33 The Board of Directors consisted of 6 members until 16/11/2022 and 5 members from 16/11/2022. Meetings are convened at regular intervals. The Board of Directors approves the Company's strategy and supervises the adoption and realization of the Company's and Group's strategic development.

Directors' interest in the Company's share capital

34 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 2022 and on 28th April 2023 was as follows:

	28th April 2023 %	**31 December 2022 %**
George St. Galatariotis (1)	83,81	83,81
Costas St. Galatariotis (1)	-	-
Stavros G. St. Galatariotis (1)	-	-
Michalis Christoforou	-	-
Antonis Antoniou Latouros	-	-

(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.

Management Report (continued)

Contracts with Directors and related parties

35 Other than the transactions and the balances with 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 as at 31 December 2022 in which the Directors or related parties had a significant 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.

Events after the balance sheet date

36 The material post balance sheet events, which have a bearing on the understanding of the financial statements are presented in Note 29.

Branches

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

Climate changes

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

Independent auditors

39 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, 28th April 2023

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 (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 2022, 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 62 and comprise:

- the consolidated balance sheet as at 31 December 2022;
- the balance sheet of the Company as at 31 December 2022;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the Company's statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the Company's statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the Company's statement of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include 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.

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.

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

Independence

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

Audit approach

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

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter referred to below relates to the consolidated financial statements. There was no key audit matter for the separate financial statements.

Key Audit Matter	*How our audit addressed the Key Audit Matter*
Investment in the associate company The Cyprus Cement Public Company Limited ("CCC")	
We focused on this matter due to the size of the carrying value of the investment in the associate company The Cyprus Cement Public Company Limited ("CCC") of €111.256 thousand at 31 December 2022 as compared to the total assets of the Group, and due to the size of the share of profit of CCC which was recognised during the year 2022 of €11.305 thousand.	For the fair value of investment property held by CCC, we discussed with the Group's management and assessed the main data, the main assumptions, the valuation methodology and calculations made by the management of CCC for the estimation of the fair value of the property, which is based on data and assumptions of high subjectivity.
In particular, the significant area which affected the carrying value of the investment and the share of profit of CCC for the year is the fair value of land which is classified as 'Investment property' in the financial statements of CCC.	Internal experts of our firm, with the necessary knowledge and skills, have been involved to support us in our assessment of the fair value of the property performed by the management of CCC, which was based on a valuation conducted by an independent certified valuer.
In accordance with the International Accounting Standard IAS 40 'Investment Property' and the accounting policy of CCC, the land for development held in anticipation of capital growth and not used by CCC is classified as an investment property under IAS 40 and is presented in at fair value at each balance sheet date.	More specifically, with the support of our internal experts, we examined the calculations made by the management of CCC, the mathematical accuracy of the valuation model, the appropriateness of the change in the valuation method and the reasonableness of the significant assumptions made by the management of CCC through a comparison with observable market data.

The fair value of the investment property of CCC at 31 December 2022 amounted to €321.054 thousand (2021: €283.878 thousand) and the gain that was recognised during the year 2022 from the revaluation of investment property at fair value amounted to €37.000 thousand less deferred tax of €4.500 thousand. The Group holds a 32.07% interest in CCC and is affected through its share of the consolidated balance sheet and consolidated results. For the purposes of estimating the fair value of the properties, the management of CCC used the method of discounted cash flows associated with the proposed development of the properties, taking into account the planning permit obtained, the plan for potential development of the properties, the size and the uniqueness of the properties and their urban characteristics. The estimate of the management of CCC for determining the fair value of the land for development as at 31 December 2022 was based on a valuation conducted by an independent certified valuer. In prior year, the fair value estimate was based on the comparative method as adjusted by the management of CCC to take into account the uncertainties created within the real estate market by the COVID-19 pandemic. The above estimates have been reviewed and adopted by the Group's management. Details are disclosed in Notes 4, 7 and 19 of the financial statements.	We have assessed the objectivity, adequacy and competence of the external valuer used by the management of CCC. In addition, we evaluated the adequacy and the mathematical accuracy of the sensitivity analysis in relation to the effect on the carrying value of the investment in CCC from the change in the main assumptions for the valuation of the property. Finally, we evaluated the adequacy of the disclosures made in Notes 4, 7 and 19 of the financial statements in relation to the data, key assumptions and sensitivity analysis on specific assumptions. The results of the above procedures were satisfactory for the purposes of our audit.

Reporting on other information

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

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

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

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

Appointment of the Auditor and Period of Engagement

We were first appointed as auditors of the Company in 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 18 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 28 April 2023 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 2022 comprising an XHTML file which includes the consolidated and separate financial statements for the year then ended and XBRL files with the marking up carried out by the entity of the consolidated statement of financial position as at 31 December 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and all disclosures made in the consolidated financial statements or made by cross-reference therein to other parts of the annual financial report for the year ended 31 December 2022 that correspond to the elements of Annex II of the EU Delegated Regulation 2019/815 of 17 December 2018 of the European Commission, as amended from time to time (the "ESEF Regulation") (the "digital files").

The Board of Directors of K + G Complex Public Company Limited is responsible for preparing and submitting the consolidated and separate financial statements for the year ended 31 December 2022 in accordance with the requirements set out in the ESEF Regulation.

Our responsibility is to examine the digital files prepared by the Board of Directors of 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 files 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 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.

- As referred to in the Management Report of the consolidated and separate financial statements, following the resignation of an independent non-executive director from the Board of Directors of the Company on 16 November 2022, the Company was not in compliance with the Auditors Law 53(I)/2017, article 78(3) as the majority of the members of the Audit Committee were not independent. A new member of the Audit Committee was appointed by a resolution from the Board of Directors on 15 February 2023, but this member is not a member of the Board of Directors. In accordance with article 78(1)(b) of the Auditors Law of 2017, the Audit Committee must comprise non-executive members of the Board and/or members from the regulator of the entity and/or members appointed by the shareholders of the General Meeting. As a result, the composition of the Audit Committee is not in compliance with the Auditors Law of 2017 as at 31 December 2022 and at the date of issuance of the consolidated and separate financial statements.

Other Matter

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Yiangos Kaponides.

Yiangos Kaponides
Certified Public Accountant and Registered Auditor
for and on behalf of

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

Limassol, 28 April 2023

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022

	Note	2022 €000	2021 €000
Sales	9	-	12.700
Cost of sales	11	-	(3.523)
Gross profit		-	9.177
Administrative expenses	12	(267)	(420)
Selling and marketing expenses	12	-	(281)
Other income	10	539	175
Operating profit		272	8.651
Finance cost	14	-	(147)
Share of profit of investments in associated companies	19	11.305	1.307
Profit before tax		11.577	9.811
Tax	15	(7)	(7)
Profit for the year		11.560	9.804
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Share of movement of reserves of associated companies	19	140	(72)
Total comprehensive income for the year		11.700	9.732
Profit per share (cent per share):			
- Basic and fully diluted	16	8,99	7,62

The notes on pages 24 to 62 are an integral part of these financial statements.

K + G Complex Public Company Limited

Company's statement of profit or loss and other comprehensive income for the year ended 31 December 2022

	Note	**2022 €000**	2021 €000
Sales	9	**-**	12.700
Cost of sales	11	**-**	(3.523)
Gross profit		**-**	9.177
Administrative expenses	12	**(256)**	(411)
Selling and marketing expenses	12	**-**	(281)
Other income	10	**1.040**	1.004
Operating profit		**784**	9.489
Finance cost	14	**(70)**	(217)
Profit before tax		**714**	9.272
Tax	15	**-**	1
Profit for the year		**714**	9.273
Other comprehensive income		**-**	-
Total comprehensive income for the year		**714**	9.273

The notes on pages 24 to 62 are an integral part of these financial statements.

Consolidated balance sheet at 31 December 2022

	Note	2022 €000	2021 €000
Assets			
Non-current assets			
Property, plant and equipment	18	**9**	18
Investments in associated companies	19	**111.282**	103.550
		111.291	103.568
Current assets			
Inventories	21	**300**	300
Financial assets at amortised cost	22	**12.363**	8.402
Tax refundable		**4**	10
Cash and cash equivalents at bank	23	**2.102**	2.388
		14.769	11.100
Total assets		**126.060**	114.668
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 associates		**677**	537
Reserve arising on translation of share capital into Euro		**86**	86
Retained earnings		**101.499**	89.939
Total equity		**125.879**	114.178
Current liabilities			
Trade and other payables	26	**164**	490
Tax payable	15	**17**	-
Total current liabilities		**181**	490
Total liabilities		**181**	490
Total equity and liabilities		**126.060**	114.668

On 28th April 2023 the Board of Directors of K + G Complex Public Company Limited authorised these financial statements for issue.

George St. Galatariotis, Chairman

Costas St. Galatariotis, Director

The notes on pages 24 to 62 are an integral part of these financial statements.

K + G Complex Public Company Limited

Company's balance sheet at 31 December 2022

	Note	2022 €000	2021 €000
Assets			
Non current assets			
Property, plant and equipment	18	**9**	18
Investment in subsidiary	20	**2.722**	2.722
Investments in associated companies	19	**30.018**	32.958
		32.749	35.698
Current assets			
Inventories	21	**300**	300
Financial assets at amortised cost	22	**12.362**	8.400
Cash and cash equivalents at bank	23	**2.085**	2.386
		14.747	11.086
Total assets		**47.496**	46.784
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		**20.532**	19.818
		44.235	43.521
Non current liabilities			
Borrowings	25	**3.107**	3.106
		3.107	3.106
Current liabilities			
Trade and other payables	26	**154**	157
		154	157
Total liabilities		**3.261**	3.263
Total equity and liabilities		**47.496**	46.784

On 28th April 2023 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 62 are an integral part of these financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2022

	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 2021	21.860	1.757	86	609	80.135	104.446
Comprehensive income						
Profit for the year	-	-	-	-	9.804	9.804
Other comprehensive income						
Share of reserves of associated companies (Note 19)	-	-	-	(72)	-	(72)
Total comprehensive profit for the year 2021	-	-	-	(72)	9.804	9.732
Balance at 31 December 2021/ 1 January 2022	21.860	1.757	86	537	89.939	114.179
Comprehensive income						
Profit for the year	-	-	-	-	11.560	11.560
Other comprehensive income						
Share of reserves of associated companies (Note 19)	-	-	-	140	-	140
Total comprehensive income for the year 2022	-	-	-	140	11.560	11.700
Balance at 31 December 2022	21.860	1.757	86	677	101.499	125.879

(1) Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at the rate of 17% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents and domiciled. From 1st March 2019, the deemed dividend distribution for Cyprus residents, natural persons are subject to a contribution of 1,70% to the General Health System, which increased to 2,65% from 1st March 2020, with the exception of April 2020 until June 2020 where the rate of 1,70% applied. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders.

(2) The reserve of changes in equity of associated company concerns the share of the fair value reserves of the associated companies. The share premium reserve, the reserve of changes in equity of an associated company and the reserve from the conversion of share capital into Euros are not available for distribution in the form of dividends.

The notes on pages 24 to 62 are an integral part of these financial statements.

Company's statement of changes in equity for the year ended 31 December 2022

	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 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/ 1 January 2022	21.860	1.757	86	19.818	43.521
Comprehensive income					
Profit for the year	-	-	-	714	714
Total comprehensive profit for the year 2022	-	-	-	714	714
Balance at 31 December 2022	21.860	1.757	86	20.532	44.235

(1) Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at the rate of 17% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents and domiciled. From 1st March 2019, the deemed dividend distribution for Cyprus residents, natural persons are subject to a contribution of 1,70% to the General Health System, which increased to 2,65% from 1st March 2020, with the exception of April 2020 until June 2020 where the rate of 1,70% applied. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders.

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

The notes on pages 24 to 62 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 2022

	Note	2022 €000	2021 €000
Cash flows from operating activities			
Profit before tax		**11.577**	9.811
Adjustments for:			
Interest expense	14	**-**	147
Interest income	10	**(213)**	(175)
Depreciation of property, plant and equipment	12	**9**	9
Share of profit of associated companies	19	**(11.305)**	(1.307)
		68	8.485
Changes in working capital:			
Inventories		**-**	3.523
Financial assets held at amortised cost		**(10)**	70
Trade and other payables		**(328)**	(46)
Cash generated (used in)/from operations		**(270)**	12.033
Tax received/(paid)		**10**	(3)
Net cash generated (used in)/from operating activities		**(260)**	12.030
Cash flows from investing activities			
Loans granted to related parties	27 (vi)	**(26)**	(10)
Repayments of loans from related parties	27 (vi)	**-**	60
Net cash generated (used in)/from investing activities		**(26)**	50
Cash flows from financing activities			
Repayments of bank loan	23	**-**	(9.631)
Interest paid	23	**-**	(147)
Net cash used in financing activities		**-**	(9.778)
Net (decrease)/increase in cash and cash equivalents		**(286)**	2.302
Cash and cash equivalents at the beginning of the year		**2.388**	86
Cash and cash equivalents at the end of the year	23	**2.102**	2.388

For non-cash transactions refer to note 23.

The notes on pages 24 to 62 are an integral part of these financial statements.

Company's statement of cash flows for the year ended 31 December 2022

	Note	2022 €000	2021 €000
Cash flows from operating activities			
Profit before tax		**714**	9.272
Adjustments for:			
Interest income	10	**(213)**	(175)
Interest expense	14	**70**	217
Dividend Income	10, 27 (iii)	**(827)**	(829)
Depreciation of property, plant and equipment	12	**9**	9
		(247)	8.494
Changes in working capital:			
Inventories		**-**	3.523
Financial assets held at amortised cost		**(12)**	71
Trade and other payables		**(1)**	(46)
Cash generated from operations		**(260)**	12.042
Tax received		**-**	1
Net cash generated (used in)/from operating activities		**(260)**	12.043
Cash flows from investing activities			
Loans granted to related parties	27 (vi)	**(26)**	(10)
Proceeds from repayment of loans from related parties	27 (vi)	**-**	60
Net cash generated (used in)/from investing activities		**(26)**	50
Cash flows from financing activities			
Repayment of loans from related parties	27 (v)	**(15)**	(9)
Repayment of bank loan	23	**-**	(9.631)
Interest paid	23	**-**	(147)
Net cash used in financing activities		**(15)**	(9.787)
Net (decrease)/increase in cash and cash equivalents		**(301)**	2.307
Cash and cash equivalents at the beginning of the year		**2.386**	79
Cash and cash equivalents at the end of the year	23	**2.085**	2.386

For non-cash transactions refer to note 23.

The notes on pages 24 to 62 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

Operational environment of Cyprus

Pandemic COVID-19

The year 2022 continuous to be affected to some extent by the effects of the COVID-19 pandemic, the emergence of variants and the related measures implemented by various governments globally with the aim of limiting the spread of the disease, safeguard public health and ensure the economic survival of working people, businesses, vulnerable groups, and the economy at general. To this end, the government of the Republic of Cyprus continued to implement certain measures with the aim of protecting the population from further spread of the disease. These measures have gradually been lifted or ceased to be in effect, however at the balance sheet date and the date of approval of these financial statements, the possibility remains that the authorities will impose additional restrictions in the near future to limit the spread of additional variants of the virus.

Russia - Ukraine conflict

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

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

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.

1 General Information (continued)

Operating environment (continued)

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

2 Basis of preparation

The consolidated financial statements of 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 2022 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 2022. 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.

4 Summary of significant accounting policies (continued)

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.

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 statement of profit or loss and other comprehensive income 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 based on 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.

4 Summary of significant accounting policies (continued)

- **Sale of properties (continued)**

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.

Employee benefits

The Company/Group and the employees contribute to the Government Social Insurance Fund based on the salaries of the employees. The contributions of the Company/Group are recognized in the period they relate to and are included in personnel costs. The Company/Group has no additional obligations after the contributions have been paid. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in future payments is probable.

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.

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.

4 Summary of significant accounting policies (continued)

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 using an allowance account, and the amount of the loss is recognized in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets". Subsequent recoveries of amounts for which a credit loss was previously recognized are credited to the same item in the statement of profit or loss and other comprehensive income.

Debt assets measured at amortised cost are presented in the Company's balance sheet and consolidated 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 – 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.

If the amended terms are significant, 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.

4 Summary of significant accounting policies (continued)

Financial Assets – Amendments (continued)

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 deposits held at 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 their value. Cash and cash equivalents are recognized at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not classified at fair value through profit or loss.

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.

Interest income

Interest income on financial assets at amortized cost is calculated using the original effective interest method, and is recognized in the consolidated statement of profit or loss and other comprehensive income and company's statement of profit or loss and other comprehensive income as "Revenue". Interest income is calculated by applying the original effective interest rate to the gross carrying amount of a financial asset, with the exception of the financial assets that subsequently become credit-impaired.

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) Subsidiary companies

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) Subsidiary companies (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.

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

4 Summary of significant accounting policies (continued)

Consolidated financial statements (continued)

(1) Subsidiary companies (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 associated company, 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) Associated companies

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

Dividends received or receivable from 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 statement of profit or loss and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. When the Group’s share of losses in an associated company equal 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.

The share capital reduction of the associated company is accounted for as a reduction in the book value of the investment.

4 Summary of significant accounting policies (continued)

Separate financial statements of the Company

(1) Subsidiary companies

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 could 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) Associated companies

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

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

The share capital reduction of its associated company is calculated as a reduction in the book value of the investment.

Dividend income

Credit dividends are recognised when the Company's right to receive payment is established. In the Company's separate financial statements, dividends received from subsidiaries, associated companies are recognized in the Company's statement of profit or loss and other comprehensive income as "Other Income". Refer to the relevant accounting policy for the accounting treatment in the Group's consolidated financial statements for dividends from subsidiaries and associated companies.

Segment reporting

Operating segments are 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.

4 Summary of significant accounting policies (continued)

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.

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

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

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.

4 Summary of significant accounting policies (continued)

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.

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.

4 Summary of significant accounting policies (continued)

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.

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. Borrowing is classified as a short-term liability, unless the Company/Group has the unconditional right to defer repayment of the liability for at least twelve months after the balance sheet date.

4 Summary of significant accounting policies (continued)

Borrowings (continued)

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».

Borrowing costs are interest and other costs incurred by the Company/Group in connection with the borrowing of funds, including borrowing interest, amortization of discounts or commissions related to borrowing, amortization of additional costs related to the arrangement of borrowing and exchange differences that arise from borrowing in foreign currency in case they are considered as an adjustment to debit interest.

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.

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 profit or loss, unless the economic substance of the difference in book values is attributable to capital differences with the owners and is recognised directly in own funds.

Trade and other payables

Trade and other payables are obligations for payment of goods or services acquired in the ordinary course of business of the Company/Group, from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business of the Company/Group if longer). If not, they are presented as non-current liabilities. Trade and other 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 several new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2022 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.

- **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. Long term borrowings represent borrowings from related parties. Interest bearing assets and borrowings issued at fixed rates expose the Group/Company to fair value interest rate risk. The Group/Company holds cash and cash equivalents that bear a floating interest rate, however the interest rate risk related to cash flows is not considered significant.

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 equivalent, contractual cash flows from debt assets measured at amortized cost and deposits with banks and financial institutions, including outstanding receivables.

(a) Risk Management

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

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

If customers are independently rated, then these ratings are used by the Company/Group. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, considering its financial position, past experience and other factors.

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

(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:

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.

6 Financial risk management (continued)

(i) Financial risk factors (continued)

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

The assessment shall consider 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.

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.

Write off. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. The Group/Company categorises a 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.

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

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

Category	Group/Company definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Performing (Stage 1)	Counterparties for which the credit risk is consistent with initial forecasts	For loans receivables from 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 other receivables, expected credit losses are measured at 12 months expected losses. When the expected life of an asset is less than 12 months, the expected loss is measured at its expected life.	Gross carrying amount

Based on the above table the expected credit loss for the loans receivable from related parties and other receivables as at 31 December 2021 and 31 December 2022 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.

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

Loans receivables from related parties amounted to €12.327 thousand (2021: €8.376 thousand) and other receivables amounted to €35 thousand (2021: €24 thousand) represent the maximum exposure of the Company at credit risk for the assets at 31 December 2022 and 31 December 2021.

Loans to related parties amounted to €12.327 thousand (2021: €8.376 thousand), and other receivables amounted to €36 thousand (2021: €26 thousand) represent the maximum exposure of the Group at credit risk for the assets as at 31 December 2022 and 31 December 2021.

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 2022 and 31 December 2021:

The Group	**Carrying amount) €000**
External credit rating	
As at 31 December 2022	
Ba2	2.102
Total cash and cash equivalents	2.102
As at 31 December 2021	
B2	2.362
Caa1	26
Total cash and cash equivalents	2.388

The Company	**Carrying amount €000**
External credit rating	
As at 31 December 2022	
Ba2	2.085
Total cash and cash equivalents	2.085
As at 31 December 2021	
B2	2.362
Caa1	24
Total cash and cash equivalents	2.386

The Group/Company has no mortgage as a guarantee.

6 Financial risk management (continued)

(i) Financial risk factors (continued)

- **Credit risk (continued)**

The expected credit loss as at 31 December 2022 and 31 December 2021 was not significant. The cash and cash equivalents are classified as Stage 1 at 31 December 2022 and 31 December 2021.

- **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 limits.

The Board of Directors monitors floating 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	
	2022	2021	**2022**	2021
	€000	€000	**€000**	€000
Floating rate:				
- Within one year	**218**	218	**200**	200

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

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 (except for 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 2021			
Trade and other payables	490	-	-
	490	-	-
At 31 December 2022			
Trade and other payables	164	-	-
	164	-	-

6 Financial risk management (continued)

(i) Financial risk factors(continued)

- **Liquidity risk (continued)**

The Company

	Less than 1 year €000	Between 1 and 2 Years €000	Between 2 to 5 Years €000
At 31 December 2021			
Borrowings	-	3.248	-
Trade and other payables	157	-	-
	157	3.248	-
At 31 December 2022			
Borrowings	-	-	3.427
Trade and other payables	154	-	-
	154	-	3.427

(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 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.

The Group has no debt while the Company has €3.107 thousand from its subsidiary.

(iii) Fair value estimation

There were no financial assets and financial liabilities that are measured at fair value at 31 December 2022 and 31 December 2021.

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 at associated company**

Details are disclosed in Note 19 of the Group's and Company's financial statements.

- **Impairment of financial assets**

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

- **Impairment of investments in subsidiary companies**

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

On December 31, 2021, and 2022, no impairment indicators were identified in relation to the Company's/Group's investments.

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.

8 Segment information (continued)

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 2022

	Development and sale of land	Holding of investments	Total
	€000	€000	€000
Sales	-	-	-
(Loss)/Profit before interest, taxes, and depreciation	(258)	539	281
Depreciation	9	-	9
Share of profit of associated companies	-	11.305	11.305
Total segment assets	2.451	123.609	126.060
Total assets include:			
Investments in associated companies	-	111.282	111.282
Total segment liabilities	164	17	181

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 associated companies	-	1.307	1.307
Total segment assets	2.742	111.926	114.668
Total assets include:			
Investments in associated companies	-	103.550	103.550
Total segment liabilities	486	4	490

8 Segment information (continued)

Reconciliation of segment results

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

	2022 €000	2021 €000
Profit before interest, taxes, and depreciation	**281**	8.659
Depreciation	**(9)**	(9)
Operating profit	**272**	8.650
Finance costs	**-**	(147)
Share of profit of associated companies	**11.305**	1.307
Profit before tax	**11.577**	9.811

9 Revenue

Breakdown of Revenue from Contracts with Customers

Analysis of Revenue by Category:

	The Group		The Company	
	2022 €000	2021 €000	**2022 €000**	2021 €000
Sales of development land recognized at a point in time	**-**	12.700	**-**	12.700

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

10 Other income

	The Group		The Company	
	2022 €000	2021 €000	**2022 €000**	2021 €000
Interest income:				
Loans to related parties (Note 27 (ii))	**212**	**175**	**212**	175
Other interest income	**1**	**-**	**1**	-
Total interest income	**213**	**175**	**213**	175
Income from write-off credit balances	**326**	**-**	**-**	-
Dividend income (Note 27 (iii))	**-**	**-**	**827**	829
	539	**175**	**1.040**	1.004

11 Cost of sales

	The Group		The Company	
	2022 €000	2021 €000	**2022 €000**	2021 €000
Cost of sales	**-**	3.523	**-**	3.523

12 Expenses by nature

	The Group		The Company	
	2022	2021	**2022**	2021
	€000	€000	**€000**	€000
Tax and licences	**3**	15	**3**	23
Legal and professional fees	**7**	17	**7**	17
Management and other administrative services fees (Note 27 (i))	**156**	284	**150**	280
Directors' fees (Note 27 (iv))	**4**	4	**4**	4
Staff and related costs (Note 13, 27 (iv))	**34**	34	**34**	34
Auditor's remuneration	**26**	26	**23**	23
Depreciation of property, plant and equipment (Note 18)	**9**	9	**9**	9
Other expenses	**28**	32	**26**	23
Cost of sales (Note 11)	**-**	3.523	**-**	3.523
Selling and distribution expenses (Note 27 (i))	**-**	280	**-**	280
Total expense and cost of sales	**267**	4.224	**256**	4.215

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 2022 amounted to €26 thousand/€23 thousand (2021: €26 thousand/€23 thousand).

The total fees charged by the statutory audit firm of the Group/Company for the year ended 31 December 2022 for non-audit services amounted to €2 thousand (2021: €0 thousand).

13 Staff costs

	The Group		The Company	
	2022	2021	**2022**	2021
	€000	€000	**€000**	€000
Salaries	**32**	32	**32**	32
Employer's contributions	**2**	2	**2**	2
Total (Note 27 (iv))	**34**	34	**34**	34
Average number of staff during the year	**1**	1	**1**	1

14 Finance cost

	The Group		The Company	
	2022	2021	**2022**	2021
	€000	€000	**€000**	€000
Interest expense:				
Bank borrowings and overdrafts	**-**	147	**-**	147
Loan from subsidiary company (Note 27 (ii))	**-**	-	**70**	70
	-	147	**70**	217

15 Income tax expense

	The Group		The Company	
	2021	2020	**2021**	2020
	€000	€000	**€000**	€000
Current tax charge:				
Income tax	**17**	8	**-**	-
Prior year tax charge:				
Income tax	**-**	(1)	**-**	(1)
Tax charge	**17**	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	
	2022	2021	**2022**	2021
	€000	€000	**€000**	€000
Profit before tax	**11.577**	9.811	**714**	9.272
Tax calculated at the applicable corporation tax rate of 12,5%	**1.447**	1.226	**89**	1.159
Tax effect of expenses not deductible for tax purposes	**8**	4	**8**	4
Tax effect of allowances and income not subject to tax	**-**	(885)	**(103)**	(988)
Tax effect on share of profit from associated companies	**(1.413)**	(164)	**-**	-
Tax effect of losses for which no deferred tax asset has been recognised	**6**	51	**-**	51
Tax effect of the use of accumulated losses of previous years	**-**	(225)	**-**	(225)
Tax of prior years	**-**	(1)	**-**	(1)
Offsetting losses with other companies of the Group	**(31)**	-	**7**	-
Tax charge	**17**	7	**-**	(1)

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

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

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

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.

15 Income tax expense (continued)

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					
	2022			2021		
	Before tax €000	**Tax (charge)/ credit €000**	**After tax €000**	Before tax €000	Tax (charge)/ credit €000	Before tax €000
Associated companies:						
Share of reserves	**140**	**-**	**140**	(72)	-	(72)
Other comprehensive income	**140**	**-**	**140**	(72)	-	(72)

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

	2022	2021
Profit attributable to the equity holders of the Company (€000)	**11.560**	9.804
Weighted average number of ordinary shares in issue	**128.586.161**	128.586.161
Profit per share - Basic and diluted (cent per share)	**8,99**	7,62

17 Dividend per share

At the Annual General Meeting of Company’s Shareholders on 20th June 2022 and on 18th June 2021, the Board of Directors did not propose any dividend payment.

18 Property, plant and equipment

The Group/The Company

	Motor Vehicles €000	Total €000
At 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 2021/1 January 2022		
Cost	45	45
Accumulated depreciation	(27)	(27)
Net book value	18	18
Year ended 31 December 2022		
Net book amount at the beginning of the year	18	18
Depreciation charge (Note 12)	(9)	(9)
Net book value	9	9
At 31 December 2022		
Cost	45	45
Accumulated depreciation	(36)	(36)
Net book value	9	9

19 Investments in associated companies

	The Group		The Company	
	2022	2021	**2022**	2021
	€000	€000	**€000**	€000
At beginning of year	**103.550**	103.088	**32.958**	32.958
Share of profit after tax	**11.305**	1.307	**-**	-
Share of reserves	**140**	(72)	**-**	-
Dividends (Note 27 (iii))	**(773)**	(773)	**-**	-
Reduction of share capital (Note 27 (vi))	**(2.940)**	-	**(2.940)**	-
At end of year	**111.282**	103.550	**30.018**	32.958

Set out below are the Group/Company's associated companies. The associated companies 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 Statements**
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
2022					
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 the production and sale of cement.

During the year ended at 31 December 2022, the associated company The Cyprus Cement Public Company Ltd proceeded with a share capital reduction of €2.940 thousand, which was recognized against the book value of the investment (Note 23). The share capital reduction of the associated company did not affect the % of shareholding of the Company's/Group's in the associated company.

As at 31 December 2022, the market capitalisation of the Company's/Group interest in The Cyprus Cement Public Company Limited (the "associated"), which is listed in the Cyprus Stock Exchange, was €26.040 thousand (2021: €22.730 thousand).

Significant 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.

19 Investments in associated companies (continued)

Capital commitments and contingencies

Capital commitments

At 31 December 2022, the capital expenditure for the associated company The Cyprus Cement Company Public Limited, which has been committed at the balance sheet but not yet incurred amounts to €2.568 thousand.

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

The carrying amount of the investment and the share of profit recognized for The Cyprus Cement Company Limited is affected to a large extent by the fair value of its land, which was categorized as 'Investment property' in the financial statements of The Cyprus Cement Company Limited.

Based on IAS 40 'Investment Property' and the accounting policy of The Cyprus Cement Company Public Limited, development land held in anticipation of capital appreciation and not used by the associated company is classified as 'Investment Property' under IAS 40 and is presented at fair value at each balance sheet date.

The fair value of the investment property of The Cyprus Cement Company Public Limited at 31 December 2022 amounted to €321.054 thousand (2021: €283.878 thousand) and the gain that was recognised during the year 2022 from the revaluation of the investment property at fair value amounted to €37.000 thousand less deferred tax of €4.500 thousand.

For the purpose of estimating the fair value of the investment property, the management of the associated used the discounted cash flows method associated with the proposed development of the land, taking into account the planning permission obtained, the plan for the development of the properties, the size and the uniqueness of the properties and their urban characteristics.The estimate of the management of the associated for calculating the fair value of the land was based on the valuation carried out by an independent certified valuer. Due to the special nature, size and uniqueness of the properties, this assessment is subject to a high degree of subjectivity.

The main assumptions that have been adopted to estimate the fair value of land for development are the following:

Property	Valuation (€000)	Valuation method	Unobservable inputs	Change in input	Deviation /Sensitivity (€000)
Land in Cyprus	320.194	Discounted cash flow	Average sales price of property per sq.m.	Deviation by +/- 5%	+ €11.180 - €11.180
			Property sales rate	Deviation by +/- 1 year	- €6.706 + €7.091
			Average construction cost	Deviation by +/- 5%	- €6.436 + €6.436
			Discount Rate (WACC)	Deviation by +/- 0,5%	- €4.882 + €5.130

19 Investments in associated companies (continued)

For the year ended 31 December 2021 the fair value of investment properties was estimated using the comparable method considering comparable sales which were adjusted to take into account the uncertainties created within the real estate market by the COVID-19 pandemic. The associate's management proceeded to change the valuation method as it considers that the discounted cash flow method is more appropriate, considering the characteristics and particularities of the property, the proposed large-scale development that will include multiple uses based on the planning permission that has been secured, but also the infrastructure works which have been planned and started at the beginning of the year 2023.

The above estimates have been examined and adopted by the Group's management.

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	
	2022	2021	**2022**	2021	**2021**	2020
	€000	€000	**€000**	€000	**€000**	€000
Current Assets						
Cash and cash at banks	**4**	31	**12.448**	23.751	**12.452**	23.782
Other current assets	**44**	100	**8.688**	13.754	**8.732**	13.854
Total current assets	**48**	131	**21.136**	37.505	**21.184**	37.636
Other current liabilities (including trade payables)	**(217)**	(273)	**(456)**	(7.129)	**(673)**	(7.402)
Total current liabilities	**(217)**	(273)	**(456)**	(7.129)	**(673)**	(7.402)
Non-current assets						
Investment property	**-**	-	**321.054**	283.878	**321.054**	283.878
Right of use asset	**95**	198	**-**	-	**95**	198
Other assets	**161**	125	**60.415**	60.174	**60.576**	60.299
Other liabilities (including lease agreements)	**-**	(92)	**(55.426)**	(50.926)	**(55.426)**	(51.018)
Total non-current liabilities	**-**	(92)	**(55.426)**	(50.926)	**(55.426)**	(51.018)
Net assets	**87**	88	**346.723**	323.502	**346.810**	323.591
Net assets attributable to shareholders	**87**	88	**346.723**	322.779	**346.810**	322.867

19 Investments in associated companies (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	
	2022	2021	**2021**	2021	**2021**	2021
	€000	€000	**€000**	€000	**€000**	€000
Revenue	**1.157**	1.237	**356**	275	**1.513**	1.512
Depreciation	**(136)**	(166)	**-**	-	**(136)**	(166)
Profit from revaluation of investments at fair value	**-**	-	**37.000**	-	**37.000**	-
Share of profit of investments accounted for using the equity method	**-**	-	**3.263**	4.429	**3.263**	4.429
Finance cost	**(4)**	(4)	**(24)**	(22)	**(28)**	(26)
Profit before tax	**5**	47	**39.730**	3.991	**39.735**	4.038
Tax charge	**(5)**	(6)	**(4.500)**	-	**(4.505)**	(6)
Profit for the year	**-**	41	**35.230**	3.991	**35.230**	4.032
Other comprehensive income/(losses)	**-**	-	**436**	(287)	**436**	(287)
Total comprehensive income for the year	**-**	41	**35.666**	3.704	**35.666**	3.745

The above information reflects the amounts presented in the financial statements of the associated companies (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 associated companies 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	
	2022	2021	**2022**	2021	**2022**	2021
	€000	€000	**€000**	€000	**€000**	€000
Summarised financial information						
Opening net assets attributable to shareholders	**88**	47	**322.779**	321.372	**322.867**	**321.419**
Profit for the year	**-**	41	**35.251**	4.040	**35.251**	**4.081**
Other comprehensive income	**-**	-	**436**	(224)	**436**	**(224)**
Dividend distribution	**(1)**	-	**(2.409)**	(2.409)	**(2.410)**	**(2.409)**
Purchase of own shares	**-**	-	**(183)**	-	**(183)**	**-**
Reduction of share capital and share premium	**-**	-	**(9.153)**	-	**(9.153)**	**-**
Closing net assets attributable to shareholders	**87**	88	**346.722**	322.779	**346.808**	**322.867**
Interests in associated companies (2022, 2021: 30%, 32,07%)	**26**	26	**111.256**	103.524	**111.282**	**103.550**

20 Investments in subsidiaries companies

	2022 €000	2021 €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	Inactive (previously property development)

21 Inventories

	The Group		The Company	
	2022 €000	2021 €000	2022 €000	2021 €000
Land and development costs	**300**	300	**300**	300
	300	300	**300**	300

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 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 asset at amortised cost

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

	The Group		The Company	
	2022 €000	2021 €000	2022 €000	2021 €000
Current				
Loans to related parties (Note 27 (vi))	**12.327**	8.376	**12.327**	8.376
Other receivables	**36**	26	**35**	24
	12.363	8.402	**12.362**	8.400

All loans to related parties are receivable on demand, bear annual interest rate 2,25% (2021: 2,25%) and are secured (Note 27 (vi)).

22 Financial asset at amortised cost (continued)

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	
	2022	2021	**2022**	2021
	€000	€000	**€000**	€000
Euro	**12.363**	8.402	**12.362**	8.400

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	
	2022	2021	**2022**	2021
	€000	€000	**€000**	€000
Cash at bank and in hand	**2.102**	2.388	**2.085**	2.386
	2.102	2.388	**2.085**	2.386

All cash and cash equivalents are denominated in Euro.

Non-cash transactions

The non-cash transactions of the Group for the year 2022 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 (Note 27(vi)).

- The assignment of the amount receivable from its associated company The Cyprus Public Company Ltd for share capital and share premium reduction of €2.940 thousand, to the parent and ultimate parent company (Note 27(vi)).

The non-cash transactions of the Company for the year 2022 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 (Note 27(vi)).

- The offset of dividends receivable of €54 thousand against the loan payable from the subsidiary company (Note 27 (vi)).

23 Cash and cash equivalents (continued)

- The assignment of the amount receivable from its associated company The Cyprus Public Company Ltd for share capital and share premium reduction of €2.940 thousand, to the parent and ultimate parent company (Note 27(vi)).

The non-cash transactions of the Group for the year 2021 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 (Note 27 (vi)).

The non-cash transactions of the Company for the year 2021 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 (Note 27 (vi)).

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

Reconciliation of obligations arising from financing activities for the year 2022:

The Company

	Loans from related parties €000	Total borrowings from financing activities €000
Balance at 1 January 2022	3.106	3.106
Cash transactions:		
Repayment of borrowings	(15)	(15)
Non-Cash transactions:		
Offset of amount against dividend income	(54)	(54)
Interest expenses	70	70
Balance at 31 December 2022	3.107	3.107

	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:			
Offset of amount against dividend income	-	(56)	(56)
Interest expenses	147	70	217
Balance at 31 December 2021	-	3.106	3.106

23 Cash and cash equivalents (continued)

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	-	-

24 Share capital and share premium

	Number of shares	Share capital €000	Share premium €000	**Total €000**
At 1 January 2021/31 December 2021/ 31 December 2022	128.586.161	21.860	1.757	**23.617**

The total authorized number of ordinary shares is 500.000.000 shares (2021: 500.000.000 shares) with a par value of €0,17 per share (2021: €0,17 per share). All issued shares are fully paid.

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

25 Borrowings

	The Group		**The Company**	
	2022 €000	2021 €000	**2022 €000**	2021 €000
Non-current				
Borrowings from related parties (Note 27 (v))	**-**	-	**3.107**	3.106
Total borrowings	**-**	-	**3.107**	3.106
Maturities on non-current borrowings				
Between 1 to 2 years	**-**	-	**-**	3.106
Between 2 to 5 years	**-**	-	**3.107**	-
	-	-	**3.107**	3.106

The Company and The Group

The bank loan with Alpha Bank Ltd settled on 14th June 2021. The loan repaid from the proceeds of the sale of land. All bank collateral has been eliminated on June 14, 2021 with the full repayment of the bank loan.

The loan from the subsidiary company amounting to €3.107 thousand (2021: €3.106 thousand) is repayable in 2025, bears annual interest rate of 2,25% and is not secured.

25 Borrowings (continued)

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

	2022	2021
	%	%
Borrowings from subsidiary	**2,25**	2,25

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

	The Group		**The Company**	
	2022	2021	**2022**	2021
	€000	€000	**€000**	€000
Euro	**-**	-	**3.107**	3.106

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**	218	**200**	200

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

26 Trade and other payables

	The Group		**The Company**	
	2022	2021	**2022**	2021
	€000	€000	**€000**	€000
Trade payables	**-**	326	**-**	-
Other payables and accrued expenses	**164**	163	**154**	157
	164	490	**154**	157

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

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.

27 Related party transactions (continued)

The following transactions were carried out with related parties:

(i) Purchase of services from associated companies

	The Group		The Company	
	2022	2021	**2022**	2021
	€000	€000	**€000**	€000
Management and other services (Note 12)	**156**	284	**150**	280
Selling and marketing services (Note 12)	**-**	280	**-**	280
	156	565	**150**	560

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	
	2022	2021	**2022**	2021
	€000	€000	**€000**	€000
Interest payable (Note 14):				
Subsidiary company	**-**	-	**70**	70
	-	-	**70**	70
Interest receivable from loans (Note 10):				
Parent company	**99**	**71**	**99**	71
Ultimate parent company	**113**	**104**	**113**	104
	212	**175**	**212**	175

(iii) Dividends receivable

	The Company	
	2022	2021
	€000	€000
Dividends receivable (Note 10):		
Subsidiary company	**54**	56
Associated company	**773**	773
	827	829

27 Related party transactions (continued)

(iv) Key management personnel and Director's compensation

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

	The Group		The Company	
	2022	2021	**2022**	2021
	€000	€000	**€000**	€000
Director and Audit Committee Fees (Note 12)	**4**	4	**4**	4
Emoluments in their executive capacity (Note 12)	**34**	34	**34**	34
	38	38	**38**	38

The Group and the Company

	Wages	Employer's contributions	Fees	Total
	€000	€000	€000	€000
Year ended 31 December 2022				
Directors [1]	32	2	4	38
Total	32	2	4	38
Year ended 31 December 2021				
Directors [1]	32	2	4	38
Total	32	2	4	38

[1] The Executive Director who has a remuneration is Mr. George St. Galatariotis and the Directors who have annual fees for their services as members of the Board of Directors and Audit Committee are Messrs. 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	
	2022	2021	**2022**	2021
	€000	€000	**€000**	€000
Borrowings from subsidiary company:				
At beginning of year	-	-	**3.106**	3.102
Loans repaid during the year	-	-	**(15)**	(9)
Loans offset against balance from dividends (Note 27 (iii))	-	-	**(54)**	(56)
Interest charged (Note 14)	-	-	**70**	70
At end of year (Note 25)	-	-	**3.107**	3.106

27 Related party transactions (continued)

The loan from the subsidiary Company amounted to €3.106 thousand bears annual interest rate at 2,25% (2021: 2,25%), is unsecured and is repayable until 2025.

(vi) Loans to related parties

	The Group		The Company	
	2022	2021	**2022**	2021
	€000	€000	**€000**	€000
Loans granted to the parent company and ultimate parent company:				
At beginning of year	**8.376**	7.479	**8.376**	7.479
Loans repaid during the year	**-**	(60)	**-**	(60)
Loans granted during the year	**26**	10	**26**	10
Interest credit (Note 10)	**212**	174	**212**	174
Amount of dividend receivable from the associated company assigned to parent company (Note 23)	**773**	773	**773**	773
Amount receivable from the associated company for reduction of share capital and share premium assigned to parent and ultimate parent company (Note 23)	**2.940**	-	**2.940**	-
At end of year (Note 22)	**12.327**	8.376	**12.327**	8.376

The loan to the ultimate parent company amounted to €6.119 thousand (2021: €4.691 thousand), is secured by a corporate guarantee of the related company 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 €6.208 thousand (2021: €3.685 thousand), is secured by a corporate guarantee of the ultimate parent company, 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 2022, 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.

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

The Board of Directors proposes the payment of a dividend of €0,0119 per share from the profits of the year 2021. If approved by the Annual General Meeting, the dividend will be paid to the shareholders who will be registered in the Cyprus Stock Exchange register on 5th July 2023 (record date).

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.