



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Report and Consolidated Interim Financial Statements
Six months ended 30 June 2020



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

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VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Report for the Six Months Ended 30 June 2020

On July 30th 2020, the Board of Directors of Vassiliko Cement Works Public Company Ltd approved the financial results of the Group for the first half of the year that ended 30 June 2020.

Financial results

The restrictive measures taken by the authorities due to the COVID-19 pandemic had a significant impact on the operations of the Company and the financial results of the first half of the year. As a result, revenues for the first half of 2020 decreased to €44.512.000 compared to €53.996.000 for the corresponding period of 2019, which in turn had an impact on the overall profitability. The profit for the first six months of 2020 was €4.858.000 versus €10.411.000 for the first half of 2019.

The management of the Company has implemented a crisis management plan and is taking additional measures to improve the operational cost structure and liquidity in response to the uncertainty of the market conditions as a result of the COVID-19 pandemic.

Transactions with related parties

The transactions with related parties for the first half of 2020 are presented on note 4 of the consolidated interim financial statements.

Main risks and uncertainties

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

Prospects for the year

The construction industry resumed operations in May, following a lockdown of 40 days. Some important sectors of the economy are still suffering from the consequences of the restrictive measures and it is not clear yet as to the negative impact that these may have on the domestic or the world economy or on the demand in the construction industry in the months to come.


VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD
Consolidated Statement of Profit or Loss and Other Comprehensive Income
Six months ended 30 June 2020

	Six months ended 30 June	
	2020 €000	2019 €000
Revenue	44.512	53.996
Cost of sales	(34.460)	(38.742)
Gross profit	10.052	15.254
Other operating income	827	596
Distribution expenses	(2.122)	(2.324)
Administrative expenses	(2.053)	(1.860)
Other operating expenses	(1.220)	(751)
Operating profit before financing costs	5.484	10.915
Financial income	9	21
Financial expenses	(108)	(152)
Net financial expenses	(99)	(131)
Profit from investing activities	5	-
Gain on disposal of equity-accounted investees	-	787
Share of profit from equity-accounted investees	283	285
Profit before tax	5.673	11.856
Taxation expense	(815)	(1.445)
Profit for the financial period	4.858	10.411
Other comprehensive (loss)/income		
Revaluation (loss) / gain on financial assets at fair value through other comprehensive income	(53)	9
Other comprehensive (loss)/income for the period	(53)	9
Total comprehensive income for the period	4.805	10.420
Profit attributable to:		
Equity holders of the parent	4.858	10.411
Non-controlling interest	-	-
	4.858	10.411
Total comprehensive income attributable to:		
Equity holders of the parent	4.805	10.420
Non-controlling interest	-	-
	4.805	10.420
Basic and diluted earnings per share (cents)	6,8	14,5



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Consolidated Statement of Financial Position

30 June 2020

	30 June 2020	31 December 2019
	€000	€000
ASSETS		
Property, plant and equipment	227.078	229.127
Intangible assets	12.416	12.416
Investment property	5.749	6.030
Investments in equity-accounted investees	1.449	1.202
Financial assets at fair value through other comprehensive income	204	258
Total non-current assets	246.896	249.033
Inventories	28.714	30.929
Trade and other receivables	7.132	7.023
Cash and cash equivalents	10.888	4.006
Total current assets	46.734	41.958
Total assets	293.630	290.991
EQUITY AND LIABILITIES		
Equity and reserves		
Share capital	30.932	30.932
Reserves	214.661	209.856
Total equity attributable to equity holders of the parent	245.593	240.788
Non-controlling interest	-	-
Total equity	245.593	240.788
LIABILITIES		
Interest bearing-loan and borrowings	7.894	8.970
Deferred tax liabilities	24.409	24.009
Provisions	300	300
Total non-current liabilities	32.603	33.279
Interest bearing-loan and borrowings	8.834	8.371
Trade and other payables	6.600	8.553
Total current liabilities	15.434	16.924
Total liabilities	48.037	50.203
Total equity and liabilities	293.630	290.991


VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD
Consolidated Statement of Changes in Equity
Six months ended 30 June 2020

	Share Capital	Share premium reserve	Revaluation reserve	Fair value reserve	Retained profits	Equity attributable to holders of parent	Non-controlling interest	Total equity
	€000	€000	€000	€000	€000	€000	€000	€000
Six months ended 30 June 2020								
Balance 1 January 2020	30.932	45.388	36.830	(373)	128.011	240.788	-	240.788
Profit for the period	-	-	-	-	4.858	4.858	-	4.858
Other comprehensive loss for the period	-	-	-	(53)	-	(53)	-	(53)
Total comprehensive income for the period	-	-	-	(53)	4.858	4.805	-	4.805
Balance 30 June 2020	30.932	45.388	36.830	(426)	132.869	245.593	-	245.593
Six months ended 30 June 2019								
Balance 1 January 2019	30.932	45.388	38.242	-	118.788	233.350	-	233.350
Profit for the period	-	-	-	-	10.411	10.411	-	10.411
Other comprehensive income for the period	-	-	-	9	-	9	-	9
Total comprehensive income for the period	-	-	-	9	10.411	10.420	-	10.420
Balance 30 June 2019	30.932	45.388	38.242	9	129.199	243.770	-	243.770



VASSILIKO CEMENT WORKS PUBLIC COMPANY LTD

Consolidated Statement of Cash Flows Six months ended 30 June 2020

	Six months ended 30 June	
	2020 €000	2019 €000
Cash flows from operating activities		
Profit for the period	4.858	10.411
Adjustments for:		
Depreciation and amortisation charges	7.413	7.520
Interest income	(9)	(21)
Dividends income	(5)	-
Interest expense	124	153
Share of profit of equity-accounted investees	(283)	(285)
Gain on disposal of equity-accounted investees	-	(787)
Bad debts recovered	(111)	-
Taxation expense	815	1.445
Operating profit before changes in working capital	12.802	18.436
Changes in:		
Trade and other receivables	(109)	(1.080)
Inventories	2.215	1.476
Trade and other payables	(2.344)	617
Cash generated from operations	12.564	19.449
Interest paid	(144)	(173)
Taxes paid	-	-
<i>Net cash inflow from operating activities</i>	12.420	19.276
Cash outflows to investing activities		
Proceeds from sale of investment property	421	-
Proceeds from disposal of equity-accounted investees	-	4.150
Interest received	9	21
Dividends received	5	50
Acquisition of property, plant and equipment	(5.360)	(5.979)
<i>Net cash used in investing activities</i>	(4.925)	(1.758)
Cash flows from financing activities		
Proceeds from new loans raised	3.340	2.113
Repayment of loans	(3.953)	(3.953)
<i>Net cash outflows to financing activities</i>	(613)	(1.840)
Net increase of cash and cash equivalents	6.882	15.678
Cash and cash equivalents at 1 January	4.006	259
Cash and cash equivalents at 30 June	10.888	15.937

Notes to the Consolidated Interim Financial Statements

- The interim financial statements relate to the period from 1 January to 30 June 2020, are not audited by the Company's auditors and were approved by the Board of Directors on 30 July 2020.
- The interim financial statements comply with the International Accounting Standard 34 "Interim Financial Statements".
- The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements. The interim financial statements are expressed in thousands of Euro.

4. Transactions with related companies

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

	Sales		Purchases	
	2020 €000	2019 €000	2020 €000	2019 €000
Hellenic Mining Group	1	-	69	104
KEO Plc	-	-	3	3
Cyprus Cement Group	-	-	60	60
Enerco - Energy Recovery Ltd	781	605	637	365
	782	605	769	532

5. Main risks and uncertainties

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

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

The uncertainty regarding the course of developments in the markets and the current uncertain situation with the COVID-19 pandemic, does not allow a safe prediction for the remaining of the current year, which may affect negatively the future financial performance, cash flows and financial position of the Group. Considering the above uncertainties the Group's Management is taking measures to limit exposure to certain risks and mitigate any possible negative consequences.

Other risks and uncertainties faced by the Group are detailed in note 35 of the Annual Report and Financial Statements for 2019.

Statement of the members of the Board of Directors and other responsible persons of the Company for the interim financial statements

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

- (a) The interim financial statements for the period from 1 January 2020 to 30 June 2020 that are presented on pages 1 to 6:
- i. were prepared in accordance with the International Financial Reporting Standards and in accordance with the provisions of Article 10 (4) of the Law, and
 - ii. give a true and fair view of the assets and liabilities, the financial position and the profits of Vassiliko Cement Works Public Company Ltd and the businesses that are included in the consolidated financial statements as a total, and
- (b) the interim report gives a fair review of the information required under Article 10 (6) of the Law.

Members of the Board of Directors

Antonios Antoniou - Executive Chairman

George Galatariotis

Costas Galatariotis

Stavros Galatariotis

Costas Koutsos

Charalambos Panayiotou

Maurizio Mansi Montenegro

Christophe Allouchery

Antonios Katsifos

Stelios Anastasiades



The image shows a vertical column of handwritten signatures in blue ink. From top to bottom, the signatures correspond to the names listed in the adjacent text: Antonios Antoniou, George Galatariotis, Costas Galatariotis, Stavros Galatariotis, Costas Koutsos, Charalambos Panayiotou, Maurizio Mansi Montenegro, Christophe Allouchery, Antonios Katsifos, Stelios Anastasiades, and the General Manager & Chief Financial Officer. The signature for Maurizio Mansi Montenegro includes the printed name 'Maurizio Mansi Montenegro' written below it.

Company Officials

George Sawa

General Manager &
Chief Financial Officer

Mr. Antonis Mikellides was not present during the meeting for the approval of the financial statements and therefore did not sign this statement.

30 July 2020