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## **AKTOR CONCESSIONS (CYPRUS) LIMITED**

**REPORT AND FINANCIAL STATEMENTS**  
31 December 2020

# **AKTOR CONCESSIONS (CYPRUS) LIMITED**

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## **REPORT AND FINANCIAL STATEMENTS**

Year ended 31 December 2020

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# **AKTOR CONCESSIONS (CYPRUS) LIMITED**

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## **BOARD OF DIRECTORS AND OTHER OFFICERS**

**Board of Directors:**

Andreas Mavromatis

**Company Secretary:**

Brena Services Limited  
8 Zinonos Kitieos, Kato Lakatamia  
2322 Nicosia  
Cyprus

**Independent Auditors:**

Crowe Cyprus Limited  
Certified Public Accountants and Registered Auditors  
Photiades Business Centre  
1st floor, 8 Stassinos Avenue  
P.O. Box 22545  
1522 Nicosia

**Registered office:**

3 Theokritou, Maroulla Court, Flat 1, Agios Antonios  
1060 Nicosia  
Cyprus

# AKTOR CONCESSIONS (CYPRUS) LIMITED

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## MANAGEMENT REPORT

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2020.

### **Principal activities and nature of operations of the Company**

The principal activities of the Company, which are unchanged from last year, are the holding of investments and the provision of finance.

### **Review of current position, future developments and performance of the Company's business**

The Company's development to date, financial results and position as presented in the financial statements are not considered satisfactory and the Board of Directors is making an effort to reduce the Company's losses.

### **Principal risks and uncertainties**

The principal risks and uncertainties faced by the Company are disclosed in notes 6 and 7 of the financial statements.

### **Results**

The Company's results for the year are set out on page 6. The net loss for the year is carried forward.

### **Share capital**

There were no changes in the share capital of the Company during the year under review

### **Board of Directors**

The members of the Company's Board of Directors as at the date of this report are presented on page 1. Mr Alexandros Exarchou who was appointed director on 10 September 2018 was resigned on 27 January 2021.

In accordance with the Company's Articles of Association the sole Director presently member of the Board continues in office.

### **Events after the reporting period**

Any significant events that occurred after the end of the reporting period are described in note 17 to the financial statements.

### **Independent Auditors**

The Independent Auditors, Crowe Cyprus Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



Andreas Mavromatis  
Director

Nicosia, 25 May 2021

## **Independent Auditor's Report**

### **To the Members of Aktor Concessions (Cyprus) Limited**

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

We have audited the financial statements of Aktor Concessions (Cyprus) Limited (the "Company"), which are presented in pages 6 to 20 and comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows 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.

##### **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 Financial Statements" section of our report. We are independent of the Company 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 financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Other information**

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

# **Independent Auditor's Report (continued)**

## **To the Members of Aktor Concessions (Cyprus) Limited**

### **Responsibilities of the Board of Directors for the Financial Statements**

The Board of Directors is responsible for the preparation of 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing 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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors 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.

## **Independent Auditor's Report (continued)**

### **To the Members of Aktor Concessions (Cyprus) Limited**

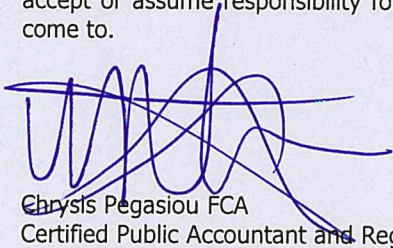
#### **Report on Other Legal Requirements**

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

- In our opinion, 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 financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.

#### **Other Matter**

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with 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.



Chrysis Pegasiou FCA  
Certified Public Accountant and Registered Auditor  
for and on behalf of  
**Crowe Cyprus Limited**  
**Certified Public Accountants and Registered Auditors**

Nicosia, 25 May 2021

## AKTOR CONCESSIONS (CYPRUS) LIMITED

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Year ended 31 December 2020

	Note	2020 €	2019 €
<b>Loan interest income</b>		-	731
Administration expenses		(7.130)	(6.541)
Net impairment profit/(loss) on financial and contract assets		<u>2.537</u>	<u>(11.250)</u>
<b>Operating loss</b>		<b>(4.593)</b>	(17.060)
Net finance costs	9	<u>(1.416)</u>	(991)
<b>Loss before tax</b>		<b>(6.009)</b>	(18.051)
Tax	10	<u>-</u>	-
<b>Net loss for the year</b>		<b>(6.009)</b>	(18.051)
<b>Other comprehensive income</b>		<u>-</u>	-
<b>Total comprehensive expense for the year</b>		<b><u>(6.009)</u></b>	<b><u>(18.051)</u></b>

The notes on pages 10 to 20 form an integral part of these financial statements.



# AKTOR CONCESSIONS (CYPRUS) LIMITED

## STATEMENT OF FINANCIAL POSITION 31 December 2020

	Note	2020 €	2019 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in associate	11	<u>1</u>	<u>1</u>
		<u>1</u>	<u>1</u>
<b>Current assets</b>			
Trade and other receivables	12	1.547	5.464
Cash at bank	13	<u>29.659</u>	<u>32.379</u>
		<u>31.206</u>	<u>37.843</u>
<b>Total assets</b>		<u><b>31.207</b></u>	<u>37.844</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	7.006	7.006
Share premium		473.994	473.994
Accumulated losses		<u>(452.782)</u>	<u>(446.773)</u>
<b>Total equity</b>		<u><b>28.218</b></u>	<u>34.227</u>
<b>Current liabilities</b>			
Trade and other payables	15	<u>2.989</u>	<u>3.617</u>
		<u>2.989</u>	<u>3.617</u>
<b>Total equity and liabilities</b>		<u><b>31.207</b></u>	<u>37.844</u>

On 25 May 2021 the Board of Directors of Aktor Concessions (Cyprus) Limited authorised these financial statements for issue.



Andreas Mavromatis  
Director

The notes on pages 10 to 20 form an integral part of these financial statements.

## AKTOR CONCESSIONS (CYPRUS) LIMITED

### STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2020

	Note	Share capital €	Share premium €	Accumulated losses €	Total €
<b>Balance at 1 January 2019</b>		<b>7.005</b>	<b>453.995</b>	<b>(428.722)</b>	<b>32.278</b>
Total comprehensive expense for the year		-	-	(18.051)	(18.051)
Issue of share capital	14	1	19.999	-	20.000
<b>Balance at 31 December 2019/ 1 January 2020</b>		<b>7.006</b>	<b>473.994</b>	<b>(446.773)</b>	<b>34.227</b>
Total comprehensive expense for the year		-	-	(6.009)	(6.009)
<b>Balance at 31 December 2020</b>		<b>7.006</b>	<b>473.994</b>	<b>(452.782)</b>	<b>28.218</b>

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, from 2019 (deemed dividend distribution of year 2017 profits), the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65% (31.12.2019: 1,70%), when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

The notes on pages 10 to 20 form an integral part of these financial statements.

# AKTOR CONCESSIONS (CYPRUS) LIMITED

## STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Note	2020 €	2019 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Loss before tax</b>		<b>(6.009)</b>	(18.051)
Adjustments for:			
Impairment charge - trade receivables	12	-	11.250
Interest income		-	731
		<b>(6.009)</b>	(6.070)
<b>Changes in working capital:</b>			
Decrease/(increase) in trade and other receivables		<b>3.917</b>	(16.736)
(Decrease)/increase in trade and other payables		<b>(628)</b>	629
<b>Cash used in operations</b>		<b>(2.720)</b>	(22.177)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Loans repayments received		-	27.818
Interest received		-	731
<b>Net cash generated from investing activities</b>		-	28.549
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of share capital		-	20.000
<b>Net cash generated from financing activities</b>		-	20.000
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2.720)</b>	26.372
Cash and cash equivalents at beginning of the year		<b>32.379</b>	6.007
<b>Cash and cash equivalents at end of the year</b>	13	<b>29.659</b>	32.379

The notes on pages 10 to 20 form an integral part of these financial statements.

# AKTOR CONCESSIONS (CYPRUS) LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

### 1. Incorporation and principal activities

#### Country of incorporation

The Company Aktor Concessions (Cyprus) Limited (the "Company") was incorporated in Cyprus on 1 June 2011 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 3 Theokritou, Maroulla Court, Flat 1, Agios Antonios, 1060 Nicosia, Cyprus.

#### Principal activities

The principal activities of the Company, which are unchanged from last year, are the holding of investments and the provision of finance.

### 2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. The financial statements have been prepared under the historical cost convention.

These financial statements are the separate financial statements. The Company did not prepare consolidated financial statements on the basis of the exemption in paragraph 4(a) of IFRS10 'Consolidated Financial Statements'. Its ultimate parent company Ellaktor SA, an entity incorporated in Greece, produces consolidated financial statements for public use that have been prepared in accordance with International Financial Reporting Standards. These consolidated financial statements can be obtained in <http://www.aktor.gr>.

### 3. Adoption of new or revised standards and interpretations

During the current year the 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 2020. This adoption did not have a material effect on the accounting policies of the Company.

### 4. Significant accounting policies

The principal accounting policies adopted 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.

#### Associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associated undertakings are stated at cost less provision for permanent diminution in value, which is recognised as an expense in the period in which the diminution is identified.

#### Revenue

##### Recognition and measurement

Revenue represents the amount of consideration to which the 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 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 recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Company's experience with similar contracts and forecasted sales to the customer.

# AKTOR CONCESSIONS (CYPRUS) LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

### 4. Significant accounting policies (continued)

#### Revenue recognition (continued)

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

The 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.

- **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method.

#### Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

#### Financial instruments

##### Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

# AKTOR CONCESSIONS (CYPRUS) LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

### 4. Significant accounting policies (continued)

#### Financial instruments (continued)

##### 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 Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity 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 Company has transferred substantially all the risks and rewards of ownership.

##### Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. 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 a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

##### Financial assets - impairment - credit loss allowance for ECL

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

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised 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 loss allowance was previously recognised are credited against the same line item.

Debt instruments measured at AC are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.

# AKTOR CONCESSIONS (CYPRUS) LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

### 4. Significant accounting policies (continued)

#### Financial instruments (continued)

##### Financial assets - impairment - credit loss allowance for ECL (continued)

For all other financial instruments that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The 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 -Reclassification

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

##### Financial assets - write-off

Financial assets are written-off, in whole or in part, when the 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 Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

##### Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

##### Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

# AKTOR CONCESSIONS (CYPRUS) LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

### 4. Significant accounting policies (continued)

#### Financial instruments (continued)

##### Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

##### Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

##### Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

##### Share capital

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

### 5. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

### 6. Financial risk management

#### Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

##### 6.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.



# AKTOR CONCESSIONS (CYPRUS) LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

### 6. Financial risk management (continued)

#### 6.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets.

##### *(i) Risk management*

Credit risk is managed on a group basis. For banks and financial institutions, the Company has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of 'C'.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Company's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

These policies enable the Company to reduce its credit risk significantly.

##### *(ii) Impairment of financial assets*

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

- financial assets at amortised cost
- cash and cash equivalents

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

- For trade receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.
- For all other financial assets that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The 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 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 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 impairment losses on financial and contract assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

#### **Cash and cash equivalents**

The Company assesses, on a group basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

# AKTOR CONCESSIONS (CYPRUS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

### 6. Financial risk management (continued)

#### 6.2 Credit risk (continued)

(iii) Net impairment losses on financial and contract assets recognised in profit or loss

During the year, the following gains/(losses) were recognised in profit or loss in relation to impaired financial assets and contract assets:

Impairment losses	2020	2019
	€	€
Impairment charge - other receivables	-	(11.250)
Reversal of impairment of other receivables	<u>2.537</u>	-
<b>Net impairment profit/(loss) on financial and contract assets</b>	<u><b>2.537</b></u>	<u><b>(11.250)</b></u>

#### 6.3 Liquidity risk

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

#### 6.4 Capital risk management

Capital includes equity shares and share premium.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

### 7. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments 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.

# AKTOR CONCESSIONS (CYPRUS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

### 7. Critical accounting estimates and judgments (continued)

#### *Judgments*

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:

- **Calculation of loss allowance**

When measuring expected credit losses the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

#### *Critical judgements in applying the Company's accounting policies*

- **Impairment of investments in associates**

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

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 6, Credit risk section.

### 8. Expenses by nature

	2020	2019
	€	€
Annual levy	350	350
Accounting fees	2.142	1.964
Other professional fees	1.306	1.014
Administration expenses	3.332	3.213
<b>Total expenses</b>	<b>7.130</b>	<b>6.541</b>

# AKTOR CONCESSIONS (CYPRUS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

### 9. Finance costs

	2020 €	2019 €
Sundry finance expenses	<u>1.416</u>	991
<b>Finance costs</b>	<u><b>1.416</b></u>	<u>991</u>

### 10. Tax

The tax on the Company's results before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2020 €	2019 €
Loss before tax	<u>(6.009)</u>	<u>(18.051)</u>
Tax calculated at the applicable tax rates	(751)	(2.256)
Tax effect of expenses not deductible for tax purposes	393	1.587
Tax effect of allowances and income not subject to tax	(317)	-
Tax effect of tax loss for the year	<u>675</u>	<u>669</u>
<b>Tax charge</b>	<u>-</u>	<u>-</u>

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

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

Due to tax losses sustained in the year, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years.

### 11. Investment in associate

	2020 €	2019 €
Balance at 1 January	<u>1</u>	<u>1</u>
<b>Balance at 31 December</b>	<u><b>1</b></u>	<u><b>1</b></u>

The details of the investment are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<b>2020 Holding %</b>	2019 Holding %
Ellaktor Ventures Limited	Cyprus	Holding of investments and provision of finance	<b>50</b>	50

# AKTOR CONCESSIONS (CYPRUS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

### 12. Trade and other receivables

	2020	2019
	€	€
Receivables from related companies (Note 16.2)	387.491	394.302
Less: credit loss on receivable from related company (Note 16.2)	(387.491)	(390.028)
Deferred expenses	1.547	1.190
	<u>1.547</u>	<u>5.464</u>

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 6 of the financial statements.

### 13. Cash at bank

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

	2020	2019
	€	€
Cash at bank	29.659	32.379
	<u>29.659</u>	<u>32.379</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the financial statements.

### 14. Share capital

	2020	2020	2019	2019
	Number of shares	€	Number of shares	€
<b>Authorised</b>				
Ordinary shares of €1 each	<u>7.006</u>	<u>7.006</u>	<u>7.006</u>	<u>7.006</u>
<b>Issued and fully paid</b>				
Balance at 1 January	7.006	7.006	7.005	7.005
Issue of shares	-	-	1	1
<b>Balance at 31 December</b>	<u>7.006</u>	<u>7.006</u>	<u>7.006</u>	<u>7.006</u>

### 15. Trade and other payables

	2020	2019
	€	€
Accruals	2.558	2.439
Other creditor	-	100
Payable to related company (Note 16.3)	431	1.078
	<u>2.989</u>	<u>3.617</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

# AKTOR CONCESSIONS (CYPRUS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

### 16. Related party transactions

The following transactions were carried out with related parties:

#### 16.1 Loan interest income

	2020	2019
	€	€
Aktor Concessions S.A. - Architech S.A.	-	70
Ellaktor S.A.	-	661
	<u>-</u>	<u>731</u>

#### 16.2 Receivables from related companies (Note 12)

<u>Name</u>	<u>Nature of transactions</u>	2020	2019
		€	€
Ellaktor Ventures Limited	Finance	387.491	390.028
Less: Loss allowance		(387.491)	(390.028)
Aktor Constructions International Limited		-	4.274
		<u>-</u>	<u>4.274</u>

The receivables from related companies were provided interest free, and there was no specified repayment date

#### 16.3 Payable to related company (Note 15)

	2020	2019
	€	€
Biosar Holdings Limited	-	1.078
Aktor Constructions International Limited	431	-
	<u>431</u>	<u>1.078</u>

The payable to related company were provided interest free, and there was no specified repayment date

### 17. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

**Independent auditor's report on pages 3 to 5**