

CEMENTARNICA " USJE " AD - SKOPJE

Annual Report
Consolidated Financial Statements
Consolidated Annual Accounts

For the year ended 31 December 2023

CEMENTARNICA “ USJE “ AD - SKOPJE

Annual Report

For the year ended 31 December 2023



CEMENTARNICA USJE AD SKOPJE

ANNUAL REPORT 2023



Skopje, February 2024

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1. GENERAL

Cementarnica USJE AD Skopje (the "Company" or "USJE") is a joint stock company, incorporated under North Macedonian law. The Company's shares are listed on the Official market of the Macedonian Stock Exchange. The registered seat of the Company is in Republic of North Macedonia at Boris Trajkovski 94 str., 1000 Skopje.

The Company's business activities cover the production and trade of cement, concrete, aggregates, mortars and other building materials.

2. SALES PERFORMANCE

CEMENT

Following the trembling year of 2022, the economic situation stabilized in the first quarter of 2023 and remained stable in terms of prices. In 2023, the total consumption of grey cement on the domestic market decreased by 5.4% compared to previous year. Following the dropped electricity price and stable sales price, the market share at the end of the year was slightly decreased vs. 2022.

The quantities exported and sold in the Kosovo market were slightly lower, representing an insignificant variance compared to both last year and the budgeted projections. Additionally, a notable component of the export included clinker supplied to both Sharrcem and Kosjeric factories.

Main factors contributing to the decline in the domestic market share include delayed commencement of certain infrastructure projects; concurrent finalization stages of major projects characterized with low cement consumption; a moratorium on construction permits in larger cities and inclement weather during the spring and summer months.

Green Cements

Throughout the year, our main focus was on introduction of environmentally friendly, green cement to the market. Thus, we ceased the production and sales of packaged CEM II/B from the beginning of the year, with CEM IV emerging as our bestseller. A parallel shift occurred in October when we discontinued the sale of bulk CEM II/A and CEM II/B assumed its position.

VERTICAL INTEGRATION

We have sustained the positive momentum from the previous year and our RMC unit have ultimately achieved a very solid EBITDA of 370k EUR, or 249% above the budget projection. This marks the highest EBITDA achievement in our RMC operations to date. Additionally, our production of ready-mixed concrete reached 43,633 m³, exceeding the budgeted quantities by 9,1%. Compared to the previous year, we experienced a notable growth of 20,7% in concrete production and a remarkable 67% increase in EBITDA. These outstanding outcomes can be attributed to our ongoing efforts to enhance our recipes through expertise and to optimize operational efficiency, resulting in significant savings.

Moreover, our RMC Unit has remained committed to its environmental initiatives, utilizing CEM II/B V-P-L 42.5R consistently and continually refining concrete formulations to mitigate CO₂ emissions, demonstrating our corporate responsibility towards the environment.

As a company, we persist in the market as a provider of exceptionally high-quality concrete, adhering to best practices in the industry, a reputation well-regarded by our loyal customer base.

Our limestone quarry in Govrlevo continues with good operation, supplying the cement plant with limestone and our RMC with aggregates. Additionally, we are trying to penetrate the aggregates market and sell

limestone fractions to other RMCs. Due to high competition in the area and most of the RMC's having their own sources of aggregate, in 2023 we have sold 51kt to third parties which is far below our budgeted 100kt. Nevertheless, we are considering the options for new quarries in other parts of the city and country.

3. OPERATIONS

The production process was dedicated to fulfilling market demands, covering both domestic and export requirements, with a particular reference to optimizing operations, material stocks and assets. Aligned with the efforts on decreasing the use of fossil fuels, in 2023 USJE managed to replace ca. 3.5% of the heat consumption of the kilns with alternative fuel. Specific fuel heat consumption (SFHC) remains comparable to the previous year. Preheating of kilns was mainly done using natural gas. Electricity consumption for cement grinding (kWh per ton cement) was reduced by 2.3% compared to the projections for 2023, as an outcome due to constant optimization of the process parameters and use of RTO optimization software developed by TITAN Group. Additionally, the electricity consumption for clinker production has maintained a stable level, consistent with the previous year. The ratio of clinker to cement remained at a stable level with a slight decreasing trend.

4. HEALTH & SAFETY

Cementarnica Usje's number one priority is the safety and health of both our employees and contractors. As part of TITAN group, our company is committed to continuous improvement in the field of health and safety of our employees, raising awareness of employee safety, compliance with legal norms and corporate standards.

At Cementarnica Usje, we are working on developing the safety awareness of both our employees and contractors. We firmly believe that by increasing the frequency of in-plant safety audits, leading to more reported dangerous situations and activities, we will reduce the number of injuries, as simultaneously we will work on addressing and closing the corrective actions.

Guided by this belief, we conduct training for quality safety walks and audits of both our employees and contractors, which began with these reports in 2023. Thus, in 2023, a total of 279 safety walks and audits were reported, of which 75 were reported by contractors. 733 incidents were also reported, of which 52 were near misses for which a detailed analysis was made. In 2023 we also had one insignificant injury with lost working time of our employee; one injury medical case for a contractor as well as first aid injury for both an employee and a contractor. Detailed investigation has been carried out and a detailed report has been prepared, in which corrective measures have been taken, aiming to prevent the repetition of the same or similar events through the analysis of the facts. Investigating incidents as part of our system is a good practice that is carried out continuously for all events that are defined as higher risk incidents or near miss incidents. The purpose of such investigations is to identify the hidden dangers and analyze the cause, which results in the improvement of the existing procedures, equipment, as well as the culture of employees and contractors. Driven by the idea that improving the knowledge of all employees is a key factor for the development of the safety culture, in 2023 Cementarnica Usje continued with the constant organization of trainings on various topics covering safety and health aspects, for our employees and contractors. During 2023, 6300 hours of training were realized for Usje employees or an average of 26.99 hours of training per employee, while 3321 hours were realized for employees of contractors or 16.12 per employee. Health trainings were also organized, the lectures of which were given by doctors from various fields.

On the World Health and Safety Day, April 28th, the HS department organized an event to promote workplace safety, to which state institutions representatives such as the Labor Inspectorate, the Protection and Rescue Directorate, the Crisis Center and others were invited, as well as guest representatives from various companies from all over the country, collaborators, contractors etc. At the event, Cementarnica Usje shared its good practices through demonstration of scenarios, according to the main cardinal rules. Furthermore, awards were presented at the event to recognize excellence in safety, aiming to motivate employees and foster proactive engagement in the field of workplace safety and health.

5. HUMAN RESOURCES & ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (ESG)

At Cementarnica USJE, we leverage our distinctive capabilities, assets, and connections to generate value throughout our operations. We pay attention not only to what we do, but also to how we do it, making sure that we have a positive and lasting impact on all our stakeholders.

In 2023 TITAN Group published revitalized Purpose and Values which were shared and communicated with all employees. Our purpose guides us toward the impact we want to achieve - making the world a better place to live in. The purpose statement strikes the balance between humility and ambition, defining why the company exists, how it operates inclusively, and the innovative solutions it delivers to the world around us.

Our values reflect our daily behaviors and guide us in the pursuit of our purpose, while they also unify us, foster trust, and connect us with our team members, communities, partners, and customers.

GOOD GOVERNANCE

Human rights, diversity, and inclusion

Consistent with the United Nations Guiding Principles on Business and Human Rights, our company is committed to respecting and supporting human rights with regard to our employees, the communities where we operate and the business partners. Human rights are one of the key subject areas of the TITAN Group Compliance Program, which provides a well-structured framework to address relevant activities in a disciplined and holistic way across the company.

We are committed to creating an environment that supports diversity, where everyone can thrive and experience a sense of belonging. This is a continuous process which requires that all involved are aware and hold a degree of responsibility in nurturing a healthy Company culture which provides a safe environment for everyone.

It is a significant achievement for our industry to have women make up 40% of the Central Management Committee.

Anti-bribery and corruption

Addressing anti-bribery and corruption in USJE is crucial for maintaining ethical business practices, fostering a fair marketplace, and ensuring legal compliance. We implement various measures to prevent and combat bribery and corruption within our company and TITAN Group as well.

All initiatives and efforts to fight corruption are supported by and implemented through a strong organizational structure that sets clear roles and responsibilities and provides increased assurance for good governance and solid ESG performance.

Compliance program and policies

The Company ensures that conflicts of interest are prevented, and that there is a fair approach to the awards system, guided by clear procedural guidelines, and the policies of the TITAN Group. Policies are regularly communicated, and employees are trained accordingly. The employees have access to the EthicsPoint platform, a tool used for anonymous and confidential reporting of incidents. This software is an additional tool supporting transparency, which thereby safeguards good governance and integrity.

Group Policies cover all strategic compliance areas such as Anti-Bribery and Corruption, Conflict of Interest, Protection of Personal Data, Competition Law, Global Sanctions, Whistleblowing, Environmental and Climate mitigation, Human Rights, and Health and Safety. The set of Group Policies is enriched by the Diversity, Equity and Inclusion Policy and the Group Code of Conduct for Procurement, confirming our commitment to sustainability and responsible supply chain management. In 2023, all PDP participants were invited to attend a training organized by the Supply section on Policy, Code of Conduct and Supply Procedure with a total of 50 training hours.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION

In 2023 we kept in touch with our stakeholders in our operations, aiming to help the local communities be more sustainable. We assessed all 32 initiatives under our Community Engagement Plan (CEP), following in-house criteria of the TITAN ESG Performance System and according to TITAN Framework Guidance for CEPs. Annual Sustainability Report 2022 has been prepared in accordance with TITAN Group sustainability reporting standards and with reference to the implementation of the UN Sustainable Development Goals (SDGs) 2030, the UN Global Compact Communication on Progress Guidelines, and the Charter and Guidelines of the Global Cement and Concrete Association (GCCA).

USJE has signed its commitment to the Club of Responsible Businesses. The Club of Responsible Businesses is a platform for leading companies that run a sustainable business, ensuring the development of employees, the community and society. USJE joined the Club along with 36 other member companies, for a strong commitment to sustainable development and the adoption of business practices that are distinguished by transparency, environmental awareness, inclusiveness, and respect for the communities in which we work and invest.

We kept working on the Partnering with school project in 2023, which resulted in improved sanitation facilities in a primary school in a nearby municipality. We also began partnerships with two local schools to build a new indoor sports hall and repair the roof, toilets, and façade.

USJE held an event with prominent journalists from the most popular media in our country to create and keep positive relations with them as a stakeholder group, listening to their concerns and demands, and promoting openness and confidence. The CED presented our Annual Sustainability Report and demonstrated our progress toward meeting the ESG 2025 goals.

EMPLOYEE ENGAGEMENT

Employee survey

Regarding the Employee survey that we conducted in 2022, 2023 was the year when we undertook several actions that determine our company action plan: enhance leadership skills of people managers to improve clarity and autonomy of their teams, develop responsibility and job ownership, through clear delegation, development & increased empowerment, encourage innovative ideas and self-initiative through recognition, develop responsibility and job ownership, through clear delegation, development & increased empowerment, strengthen the meritocracy and regular feedback mechanisms and strengthen cooperation between teams and among departments.

TITAN Group Ideation Challenge

USJE was recognized and awarded two awards at the TITAN Group Management Summit within the first Group Ideation Challenge. Leaderboard award for the highest number of submitted ideas and Innovation Award Finalist to our HR team for the most innovative idea Virtual Talent Navigator at the TITAN Group Ideation Challenge.

People development

We aim to be a high-performing and growing multi-regional cement industry leader, which depends on the performance and growth of our people. We are committed to appealing to, keeping, and inspiring our employees. Through various learning programs, our people can broaden their knowledge, learn new skills, and support business change. In 2023 we realized more than 16.000 training hours in total or 69 training hours in average per employee.

TITAN Group Leadership development program was launched and USJE's Electrical Maintenance Manager, the H&S Manager, and the Head of mechanical maintenance of kilns, raw mills and solid fuel mills are part of this program.

The Leadership program for new managers was developed, launched, and continued through 2023. Training sessions for new managers were held, following the individual sessions for each participant.

Employee well-being

We uphold our tradition of putting people first and creating new programs that support employees and their wellbeing. As part of our ESG targets 2025, we strive to make a secure and healthy work environment and initiate actions that improve the wellbeing of our employees. Our wellbeing initiatives and programs are categorized under 4 dimensions: physical, mental, social and financial. In 2023 in the direction of supporting mental health of our employees, we organized two training sessions covering health topics, precisely Conscious parenting and delivered 270 training hours.

Employee communication and voluntarism

To foster a good work environment and help employees share the company's vision, USJE held a Communication Day in 2023 and a Family Day for all employees. In addition to this, team building activities were quite common in 2023 such as team building for all PDP participants, bowling activities, hiking activities in Vratnica village and participation in Wizz air marathon.

were quite common in 2023 such as team building for all PDP participants, bowling activities, hiking activities in Vratnica village and participation in Wizz air marathon.

6. ENVIRONMENTAL

Cementarnica USJE is a holder of A – Integrated Environmental Permit, issued by the Ministry of Environment and Physical Planning, confirming the Company's commitment to environmental protection. As a part of TITAN Group, the constant sustainable development and improvement in the Environment remain USJE's leading drivers. The company has implemented, and is maintaining an Environmental Management System and Energy Management System. Both systems undergo ongoing enhancements to improve efficiency, aligning with ISO 14001:2015 and ISO 50001:2018 standards. Both systems are part of the Integrated Management System in USJE. The Environmental System covers all the environmental matters, as well as the mines exploitation. The systems are maintained and audited on annual basis. We integrate environmental protection activities into all facets of our operations:

For 2023, we would highlight the following realized projects:

Green Belt

For the purpose of reducing fugitive dust and minimizing the visual impact on neighbouring residential buildings, we are actively committed to increasing green areas, which positively contribute and influence the achievement of the mentioned goals. Within the project Green Belt in 2023, a total of 10346 plants were planted as follows: 2330 trees on the final benches of the marl quarry, 3882 trees at the limestone quarry in

Govrlevo, 2500 trees in the natural pozzolana quarry in Spanchevo, and 1634 plants (trees, flowers, and bushes) planted at the factory green areas.

Noise minimization

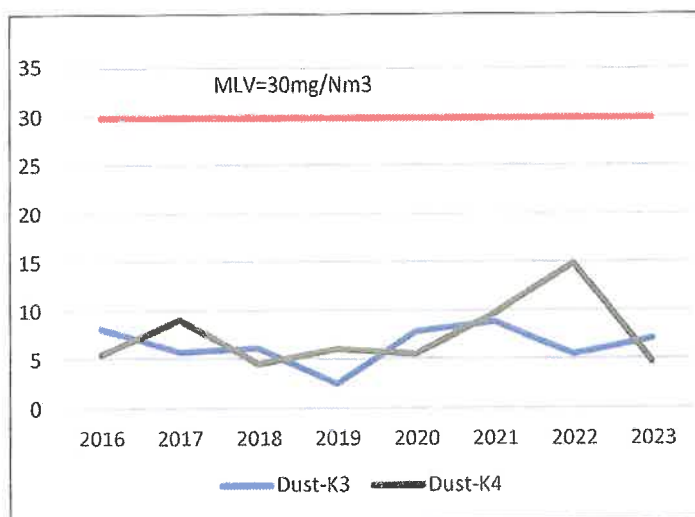
The recorded noise level at monitoring points in the factory perimeter and the quarries consistently remain within permissible limits. Despite already meeting legal requirements, in 2023, our Company persisted in implementing noise minimization activities, as part of our commitment to reducing environmental impact, as outlined in Action plan from the Study of noise minimization developed by Faculty of Technical and Natural Sciences in Shtip.

Air Emissions

The monitoring of air emissions is a precondition for control and mitigation of the impacts from cement production on the environment. USJE employs an independent 24-hour-system for continuous monitoring of emissions, which enables us to closely monitor the emissions in real time and undertake timely corrective measures, if necessary. As a corporate socially responsible company, USJE publishes weekly reports on air emissions on the webpage, as well as to the national media.

During the annual overhaul of Kiln no. 3 and Kiln no. 4, a change was made to the filters of the clinker coolers. The change is made to modernize the existing systems, i.e. replace the existing electrostatic filters with new modern pneumatic bag filters. This type of system for filtering the exhaust gases from clinker coolers is considered BAT and is a known practice in cement plants worldwide. The replacement of the filters was done preventively, even though the existing filters met the requirements for MLV of dust, the Titan Group decided to invest in new, more modern filters.

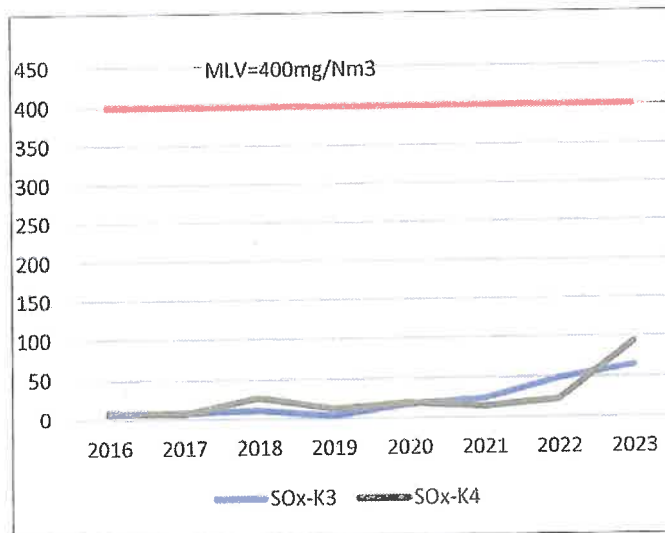
Annual average of air emissions from the main emission sources for year 2023, are presented in the following graphs:



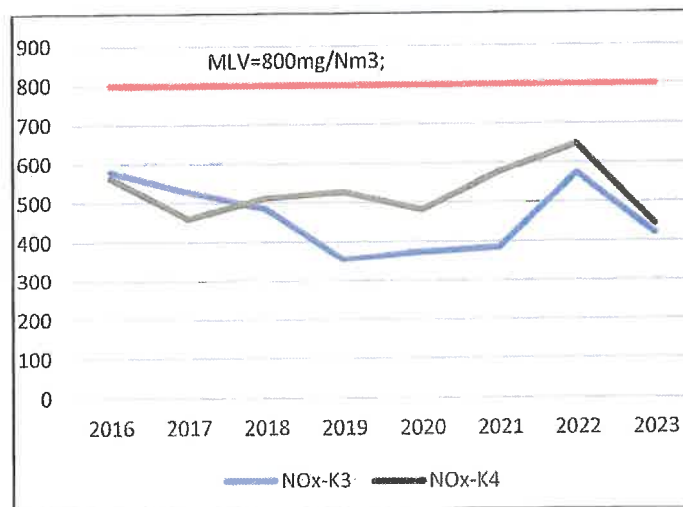
Dust

*MLV=50 mg/Nm³ – Maximum limit value according to national law for emissions

*MLV=30 mg/Nm³ – Maximum limit value accepted from USJE in the A-IPPC



Sulfuric Oxides SO2



Nitrogen Oxides NOx

Reduction of Fugitive Dust Emissions

Following the Action Plan for minimization of fugitive dust emissions in USJE's Plant and quarries, separated and combined measures were implemented. Part of the activities implemented in 2023 are:

- Continuous monitoring and change of the auxiliary de-dusting filters,
- Renewal of access roads within the factory - continuous activity,
- Creating a green belt around the plant and quarries - continuous activity.

Based on measurements of PM10 particles performed by an independent accredited laboratory on the factory perimeter and in accordance with A-IPPC permit, State Environmental Inspectorate confirms that there is no direct correlation between the operations of USJE's plant and measured values of PM10 in the ambient air. These values mainly depend on weather conditions and city pollution.

Usage of Alternative Fuels

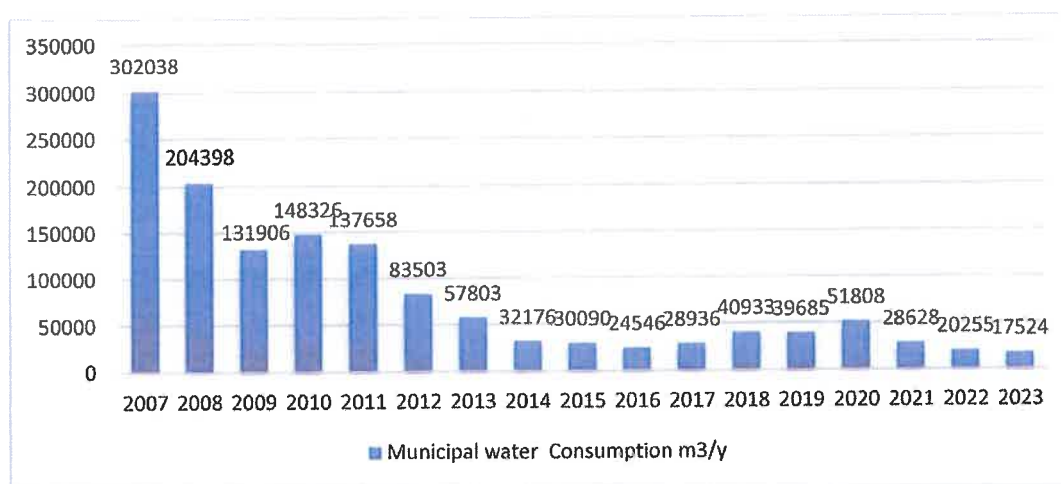
In order to reduce the consumption of fossil fuels and in accordance with the A-Integrated environmental permit, USJE continued to use non-hazardous waste fractions as an alternative fuel and in 2023 managed to replace 3.5% of the heat energy for the furnaces with alternative fuel. The alternative fuels used in 2023 were biomass from agricultural waste (rice husks and coffee husks), selected waste from the textile industry, non-recyclable packaging waste, as well as non-reusable composite materials and to recycle. All used fractions of non-hazardous waste, before being used as an alternative fuel, are examined in the Usje Cement Laboratory and meet the required quality.

Production and Utilization of Electrical Energy form Renewable Energy Sources

Usje initiated implementation of a project for installation of a Photovoltaic power plant. The project started in year 2022, implementation was in few stages, and ended in year 2023. The installed photovoltaic plant on the roof structures of the buildings in the factory covers an area of ~15,000 m², with an installed capacity of 3.1 MWp. For 2023, the plant produced 0.964 GWh, i.e. about 1% of the total energy consumption of Usje and saved 1039.16 tons of CO₂. Produced energy is fully used for the needs of the factory.

Water management

Usje always strives to minimize the use of potable water and increase the reusage. Reducing the quantity of water taken from natural resources is the goal of our initiatives like closed-loop cooling systems along with reusing water from ponds and sedimentation pools. An essential part of our environmental performance is water management, which helps improve the quality of water resources in our facilities and the surrounding areas.



7. OTHER INFORMATION

USJE's Management is firmly committed to the continuing integration of the rules and practices into the Company's operations, which promote transparency, responsibility, reliability, sustainable development and corporate social responsibility in every aspect and field of activity of the Company and its entire network of relationships with shareholders, employees, customers, suppliers, contractors and the society. Respectively, USJE discloses the following information:

1. *Dividend Policy*

Based on the Company's dividend policy, dividend is distributed every year, according to proposal of the Board of Directors and after approval of the Annual Shareholder's Assembly.

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

On 16 May 2023, the General Assembly adopted a Decision for profit distribution for the FY 2022 as following: MKD 629,461 thousand as dividend for the shareholders, and MKD 399,870 thousand to be reinvested to benefit from the new tax incentives available for such activities. Also, it was adopted that the unused reinvested profit from the year 2021 in amount of MKD 88,235 thousand to be distributed to the shareholders as dividend. The total amount of shareholders' dividend for distribution was MKD 717,697,032 i.e., MKD 1,273 per share.

2. The sources of the Company's assets are its operating cash flow. Nevertheless, On 03rd November 2022, a short-term Loan Agreement has been concluded between Company for production, trade and services MILLCO-PCM DOOEL Skopje and Cementarnica USJE AD Skopje ("the Borrower"). MILLCO-PCM DOOEL Skopje provided the borrower with a loan in the amount of 61,500 thousand denars, money used for corporate purposes. On 31st May 2023 the Loan Agreement has been Annexed and the amount is to be repaid not later than 10th May 2024, together with the interest which is calculated at the rate of 2% above 3-month Euribor as a reference interest rate.

On 03 August 2023, a short-term Loan Agreement has been concluded between Company for non-metals OPALIT DOOEL Cheshinovo-Obleshevo and Cementarnica USJE AD Skopje ("the Borrower"). OPALIT DOOEL provided the borrower with a loan in the amount of 12,000 thousand denars, which were used for corporate purposes. The amount is to be repaid not later than May 10th 2024, together with the interest which is calculated at the rate of 2% above 3-month Euribor as a reference interest rate.

3. The financial results for 2023 are an integral part of the Financial Statements of the Company and the Group as of 31 December 2023.
4. Consequently to the previous, a financial risk management policy was explained in detail in the Note 21 to the Financial Statements of the Company and the Group as of 31 December 2023.
5. *Risk management and compliance*

Effective risk management is essential for the achievement of the company's strategic goals and long-term sustainable development. The company has developed agile systems for monitoring, eliminating, or minimizing various potential and significant risks. The Central Management Committee is generally responsible for the Company's risk management plans, implementation and evaluating their effectiveness each year through management systems. The Board of Directors confirms that the Company has internal control systems and risk management policies in place and that it has been informed by the CED and the competent Group executives about their effectiveness. The assurance mechanism regarding the integrity of the Company's financial statements consists of a combination of the embedded risk management processes, the applied financial control activities, the relevant information technology utilized, and the financial information prepared, communicated, and monitored. The monthly monitoring of the financial statements is the key element of the controlling mechanism regarding the quality and integrity of financial results. External auditors review the annual financial statements of the Company.

Our business practices based on compliance are guided by and based on the TITAN Cement Group values and Code of Conduct. According to the TITAN Group's Anti Bribery and Corruption policy, we have principles for working with suppliers, contractors, or other related parties. They comply with all applicable laws and willingly make a contractual commitment, where it is feasible, to represent that they abide by the relevant anti-bribery and anti-corruption rules.


6. During 2023, all transactions with the interested parties are realized in the ordinary course of the business of the Company (Note 19 to the Financial Statements of the Company and the Group as of 31 December 2023).
7. USJE shares the Titan Group's CSR Vision and CSR Policy, to "conduct its business in an ethical and socially responsible manner doing less harm and endeavouring to do more good."
8. Managing and running of the Company in accordance with our core values is based on adopting and implementing decisions that contribute to achievement of our goals and strategies, with particular attention to the interests of our shareholders. During 2023, the Company led a procedure for the accession of two companies, namely:
 - Trade company ID KOMPANI DOOEL s. Cheshinovo, Cheshinovo – Obleshevo, a company fully owned by Cementarnica USJE AD Skopje and
 - Company for non-metals OPALIT DOOEL s. Cheshinovo, Cheshinovo – Obleshevo, a company fully owned by Trade company ID KOMPANI DOOEL s. Cheshinovo, thus indirectly owned by Cementarnica USJE AD Skopje.In the long term and from financial operations and technical aspects, this procedure will achieve the following extremely important goals: Financial synergy for reducing operating costs, i.e. costs efficiency; Optimizing the work process; Optimizing employee engagement and Consolidation of accounting and management-information systems.

8. CORPORATE GOVERNANCE STATEMENT

Corporate Governance Statement

I, the undersigned Mario Bracci, in the capacity of President of the Board of Directors of Cementarnica USJE AD Skopje, declare that the Company applies the Corporate Governance Code for companies listed on the Macedonian Stock Exchange, published at the following link <https://www.mse.mk/Repository/%D0%9A%D0%BE%D0%B4%D0%B5%D0%BA%D1%81/KKU%20na%20angliski%20final.pdf>. Cementarnica USJE AD Skopje applies the principles and best practices of corporate governance provided with the Code according to the "comply or explain" approach, by filling in questionnaires with form and content prescribed by the Code. With this Statement, I confirm that the questionnaires were published on SEI-NET and on the website of Cementarnica USJE AD Skopje, as well as that the answers provided therein are correct, true and reliably reflect the application of the principles and best practices of corporate governance by Cementarnica USJE AD Skopje.

Mario Bracci
President of the Board of Directors



Responsibility, transparency and risk management, as pillars of corporate governance, are the leading drivers of the Company in direction of increasing reliability, minimizing risks and achieving long-term success.

Cementarnica USJE AD Skopje is a joint-stock company listed on the Macedonian Stock Exchange in the Mandatory listing sub-segment.

The share capital of the Company amounts to 1.747.730 thousand denars, represented by 563.784 ordinary shares with voting right, with nominal value of 3.100,00 denars per share.

The shareholder structure of the Company as of 31 December 2023 is the following:

- TITAN CEMENT Netherlands B.V. holds 535.596 shares corresponding to 95% of the Company's voting rights

- Others: 28.188 shares corresponding to 5% of the Company's voting rights.

The Company is managed by a Board of Directors, within the powers set by the Law on Trade Companies and the Company's Statute. The Board has the broadest powers to act in the name and on behalf of the Company, monitors and oversees business operations, long-term interests, implements strategies and oversees the Company's performance.

In 2023, the Board was composed of 6 (six) members, as follows: 1 (one) executive member i.e. Chief Executive Director and 5 (five) non-executive members, of whom 2 (two) are independent. Non of the non-executive members of the Board receives compensation for participation in the Board of Directors. The Chief Executive Director does not receive compensation for participation in the Board of Directors. The income (salaries, other contributions, bonuses, insurance etc.) of the executive member of the Board and other members of the key staff of the Company for the year 2023 is in total amount of 123,908 thousand denars.

During 2023, the Board of Directors on several occasions adopted various decisions related to the current operations of the Company. The Board passed decisions without holding sessions, by giving consent for adoption of the materials through electronic messages, for which Minutes for recording have been drawn up accordingly. All decisions were adopted with the consent of all Board members. The employees of the relevant organizational units in the Company looked after timely and correct informing, while providing organizational and professional support to the Board members.

In 2023, the Annual Shareholders' meeting was held on 16th May 2023, and an Extraordinary Shareholders' Meeting was held on 18th December 2023.

Building trust through transparent work, raising ethical behaviour to the highest level, as well as continuous contribution to the sustainable development of the community remain the main drivers in the management of Cementarnica USJE AD Skopje.


Mario Bracci
President of the Board of Directors

CEMENTARNICA “ USJE “ AD - SKOPJE

Consolidated Financial Statements

For the year ended 31 December 2023

CEMENTARNICA "USJE" AD - SKOPJE

**Consolidated Financial Statements for
31 December 2023
with Independent Auditor's Report**

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GENERAL INFORMATION

Chief Executive Director

Konstantinos Nikolaou

Registered office

Boris Trajkovski 94
1000 Skopje
Republic of North Macedonia

Solicitors

Lawyer Office Polenak - external lawyer
Natasa Filipovska - external lawyer
Advocates partnership Cakmakova Advocates- external lawyer
Law Office Tatjana Popovski Buloski & Partners - external lawyer

Banks

Komercijalna Banka AD - Skopje
Stopanska Banka AD - Skopje
NLB Banka AD - Skopje
ProKredit Banka AD - Skopje
Sparkase Banka Makedonija AD - Skopje
Halkbanka AD - Skopje

Auditors

PricewaterhouseCoopers Revizija DOO - Skopje
Bul. 8 September 16, Hyperium Business Center, 2nd floor,
1000 Skopje
Republic of North Macedonia



Independent auditor's report

To the Board of Directors and Shareholders of Cementarnica Usje AD Skopje

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Cementarnica Usje AD Skopje and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Accounting Standards applicable in the Republic of North Macedonia and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing applicable in the Republic of North Macedonia (the "Standards"). The Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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



Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Accounting Standards applicable in the Republic of North Macedonia.

Report on other legal and regulatory requirements

Annual report was prepared by the Management in accordance with the requirement of the article 384 of the Company Law.

Management is also responsible for the preparation of the consolidated annual accounts and annual report of the Group, which were approved by the Board of Directors.

As required by the Audit Law, we report that the historical information presented in the annual report prepared by Management of the Group in accordance with article 384 of the Company Law, is consistent, in all material respects, with the financial information presented in the consolidated annual accounts and audited consolidated financial statements of the Group, as of 31 December 2023 and for the year then ended.


Dragan Davitkov
General Manager




Dragan Davitkov
Certified Auditor

PricewaterhouseCoopers Revizija DOO Skopje

12 April 2024
Skopje, Republic of North Macedonia

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2023

	Notes	2023 MKD'000	2022 MKD'000
Sales	3a	6,034,526	6,146,465
Other revenue	3b	94,127	162,382
Cost of sales	3c	(4,060,078)	(4,875,944)
Gross profit		2,068,575	1,432,903
Other operating income	3d	124,077	210,945
Other operating expenses	3e	(207,496)	(200,198)
Selling and marketing expenses		(32,943)	(41,496)
Administrative expenses	3f	(268,063)	(243,071)
Operating profit		1,684,150	1,159,083
Finance income		1,414	1,321
Foreign exchange gains/(losses) net		(2,080)	(28,083)
Finance costs		(20,230)	(15,516)
Net finance expense	3g	(20,896)	(42,278)
Profit before tax		1,663,254	1,116,805
Income tax expense	4	(138,705)	(76,033)
Profit for the year		1,524,549	1,040,772
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Investment Property revaluation surplus	8	-	-
Translation differences		-	44
Total comprehensive income for the year		1,524,549	1,040,817
Net profit for the period attributable to:			
Equity holder of the parent company		1,448,322	988,733
Non- controlling interest		76,227	52,039
		1,524,549	1,040,772
Earnings per share information:			
Basic, profit for the period attributable to ordinary equity holders of the parent company	5	2.7	1.85
Total Comprehensive income for the period attributable to:			
Equity holder of the parent company		1,448,322	988,776
Non - controlling interest		76,227	52,041
		1,524,549	1,040,817

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 December 2023

	Notes	2023 MKD'000	2022 MKD'000
ASSETS			
Non-current assets			
Property, plant and equipment PPE	6	3,114,226	2,794,317
Intangible assets	7	33,237	32,594
Goodwill		2,468	2,468
Investment properties	8	280,640	276,172
Exploration and evaluation assets	9	1,220	1,254
		<u>3,431,791</u>	<u>3,106,805</u>
Current assets			
Inventories	10	1,446,046	1,779,290
Trade and other receivables	11	479,547	640,195
Income tax receivable		-	12,465
Short term borrowings		15	15
Cash and short term deposits	12	1,054,162	158,091
		<u>2,979,770</u>	<u>2,590,056</u>
TOTAL ASSETS		<u>6,411,561</u>	<u>5,696,861</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	13	1,747,730	1,747,730
Share premium		3,145	2,322
Retained earnings		1,528,862	1,033,645
Other reserves	14	319,725	319,725
Reinvested profit		1,650,335	1,338,700
		<u>5,249,797</u>	<u>4,442,122</u>
Non-current liabilities			
Provision for retirement benefits	15	55,273	54,055
Provision for rehabilitation of quarries		15,158	7,642
		<u>70,431</u>	<u>61,697</u>
Current liabilities			
Trade and other payables	16	945,814	831,437
Provision for unused holidays		9,738	6,233
Current portion of retirement benefit obligations	15	3,743	3,174
Income tax payable		66,268	8,338
Short term borrowings	17	65,220	343,630
Dividend payable		550	230
		<u>1,091,333</u>	<u>1,193,042</u>
TOTAL EQUITY AND LIABILITIES		<u>6,411,561</u>	<u>5,696,861</u>

Authorized on behalf of the Board of Directors on 28 February 2024:

Nikolaou Konstantinos
Acting Chief Executive Director



Barlakoska Gabriela
Finance Manager and authorized accountant

Prepared by authorised accountant with certificate number 102613:

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2023

	<i>Notes</i>	2023 MKD'000	2022 MKD'000
Cash flows from operating activities			
Profit before income taxes		1,663,254	1,116,805
<i>Adjustments for:</i>			
Gain on disposal of property, plant and equipment		-	(1,299)
Depreciation of PPE and Intangible assets		244,245	212,224
Actuarial gains/losses, net		4,183	24
Interest cost, accretion on provision for retirement benefit obligations		1,966	1,704
Interest income		(1,414)	(1,321)
Provision for obsolete inventory		18,817	4,236
Provision for unused holidays, net		3,505	2,230
Fair value (gain)/losses, net		(4,467)	(27,630)
Interest expense and bank charges		18,265	13,811
Write off trade receivables		5,467	6,573
NBV of disposed and written off PPE		260	1,644
Operating profit before working capital changes		1,954,081	1,329,001
Decrease/(Increase) in trade and other receivables		155,180	(150,228)
Decrease/(Increase) in inventories		314,427	(533,843)
Increase/(Decrease) in trade and other payables		118,092	(483,489)
Cash generated from operations		2,541,780	161,441
Interest expense and bank charges paid		(18,265)	(13,811)
Income tax paid		(68,310)	(70,640)
Net cash flows generated from operations		2,455,206	76,990
Cash flows from investing activities			
Purchase of property, plant and equipment		(565,028)	(377,233)
Increase/decrease of participation in subsidiaries		-	14,660
Proceeds from sale of property, plant and equipment		266	345
Interest income received		1,414	1,321
Net cash flows used in investing activities		(563,348)	(360,907)
Cash flows from financing activities			
Dividends paid to group shareholders		(681,814)	(245,303)
Dividends paid to minority shareholders		(35,563)	(13,122)
Received borrowings		-	1,148,840
Repayment of borrowings		(278,409)	(805,209)
Net cash flows used in financing activities		(995,786)	85,206
Net increase/(decrease) in cash and cash equivalents		896,072	(198,711)
Net foreign exchange differences		-	-
Cash and cash equivalents at 1 January		158,090	356,802
Cash and cash equivalents at 31 December	12	1,054,162	158,091

Cementarnica “USJE” AD - Skopje
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



For the year ended 31 December 2023

	<i>Share capital</i>	<i>Share premium</i>	<i>Retained earnings</i>	<i>Other Reserves (Note 14)</i>	<i>Reinvested profit</i>	<i>Total</i>
	<i>MKD'000</i>	<i>MKD'000</i>	<i>MKD'000</i>	<i>MKD'000</i>	<i>MKD'000</i>	<i>MKD'000</i>
At 1 January 2023	1,747,730	2,322	1,033,645	319,725	1,338,700	4,442,122
Profit for the year	-	-	1,524,549	-	-	1,524,549
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	1,524,549	-	-	1,524,549
Dividends, net	-	-	(717,697)	-	-	(717,697)
Transfer to retained earnings	-	-	88,235	-	(88,235)	-
Reinvested profit	-	-	(399,870)	-	399,870	-
Share options	-	823	-	-	-	823
At 31 December 2023	1,747,730	3,145	1,528,862	319,725	1,650,335	5,249,797

On 16 May 2023, the General Assembly brought a Decision for distribution of the remaining dividend for the year ended 2022. The dividend declared was in amount of MKD 717,697 thousand which consists of MKD 88,235 thousand profit from 2021 and MKD 629,462 thousand profit from 2022. The remaining profit from 2022 in amount of MKD 399,870 thousand was reinvested to benefit from the new tax incentives available for such activities.

For the year ended 31 December 2022

	<i>Share capital</i>	<i>Share premium</i>	<i>Retained earnings</i>	<i>Other Reserves (Note 14)</i>	<i>Reinvested profit</i>	<i>Total</i>
	<i>MKD'000</i>	<i>MKD'000</i>	<i>MKD'000</i>	<i>MKD'000</i>	<i>MKD'000</i>	<i>MKD'000</i>
At 1 January 2022	1,747,730	1,122	484,101	319,681	1,105,778	3,658,412
Profit for the year	-	-	1,040,772	-	-	1,040,772
Reversal of deferred tax	-	-	(94)	-	-	(94)
Other comprehensive income (translation differences)	-	-	-	44	-	44
Total comprehensive income	-	-	1,040,678	44	-	1,040,722
Dividends, net	-	-	(258,213)	-	-	(258,213)
Transfer to retained earnings	-	-	216,886	-	(216,886)	-
Reinvested profit	-	-	(449,807)	-	449,807	-
Share options	-	1,201	-	-	-	1,201
At 31 December 2022	1,747,730	2,322	1,033,645	319,725	1,338,700	4,442,122

On 20 May 2022, the General Assembly brought a Decision for distribution of the remaining dividend for the year ended 2021 after the payment of the advanced dividend for the period 1 January - 30 June 2021 in accordance with the Company Law. The dividend declared was in amount of MKD 708,020 thousand which consists of MKD 41,327 thousand profit from 2021, MKD 216,886 thousand reinvested profit from 2016. The remaining profit from 2021 in amount of MKD 449,807 thousand was reinvested to benefit from the new tax incentives available for such activities.

For the period ended 31 December 2023

1. Corporate information

Cementarnica “Usje” A.D. - Skopje (“the Company”) is incorporated in the Republic of North Macedonia with the registered address at Boris Trajkovski 94, Skopje. The Company as of 31 December 2023 has one subsidiary in the Republic of North Macedonia- ID Kompani DOOEL also with 100% holding (together referred to as “the Group”).

The Company’s main activity is production and trade with cement, masonry cement, ready mix concrete, clinker and other related products. The main activity of the domestic subsidiary is production of mill products. The domestic subsidiary ID Kompani DOOEL owns the Opalit DOOEL Cesinovo which main activity is other mining activities and exploration of stones.

The Group is controlled by Titan Cement Netherlands B.V. registered in Netherlands, which has 95% shareholding in the Company. As of 31 December 2023 Group’s ultimate parent is Titan Cement International S.A. Belgium.

Officially starting from 1 July 2013, Cementarnica “Usje” A.D. - Skopje has become a listed company on the Macedonian Stock Exchange (under the sub-segment for mandatory listing). The listed companies has continuing obligations to publish all price sensitive information, information necessary for evaluating the current company’s condition.

The number of employees of the Group as of 31 December 2023 was 242 (31 December 2022: 234).

The Group financial statements for the year ended 31 December 2023 have been approved for issue by the Board of Directors on 28 February 2024. These financial statements are subject to approval from the Group’s Shareholders Assembly.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with the Company Law (Official Gazette of Republic of Macedonia No. 28/04, 84/05, 25/07, 87/08, 42/10, 48/10, 24/11, 166/12, 70/13 119/13, 120/13, 187/13, 38/14, 41/14, 138/14, 88/15, 192/15, 6/16, 30/16, 61/16, 64/18, 120/18, 239/18 and 290/20 and the Official Gazette of Republic of North Macedonia no. 215/2021 and 99/2022) and Accounting Principles applicable in the Republic of Macedonia (“Macedonian GAAP”), which are in accordance to the new Rulebook of Accounting published on 29 December 2009 (Official Gazette of Republic of Macedonia 159/09 , 164/10 and 107/11) effective from 1 January 2010. This Rulebook comprise the basic text of IFRS's including SIC’s and IFRIC’s as issued by IASB at 1 January 2009.

In the period as of 31 December 2009 applicable standards were the International Accounting Standards published in Official Gazette of Republic of North Macedonia which comprise the following:

- The revisions of International Accounting Standards, IAS 1 to IAS 39 were published on 30 December 2004, previously effective as of 5 November 1999. The effective date for all revised standards is January 1, 2005. In addition, International Accounting Standards, IAS 40 and IAS 41 were published with the effective date 1 January 2005.
- On 10 February 2005 International Financial Reporting Standard 1 was published. The effective date was set to 17 February 2005.
- On 29 December 2005 International Financial Reporting Standards, IFRS 2 to IFRS 7 were published. The effective date was set to 30 December 2005.

2.1 Basis of preparation (continued)

IFRS 9, IFRS 10, IFRS 11, IFRS 12, IFRS 13, IFRS 14, IFRS 15, IFRS 16, IFRS 17, IFRIC 18, IFRIC 19, IFRIC 20, IFRIC 21, IFRIC 22 and IFRIC 23 are not included in the Rule Book for Accounting and are not applied by the Group.

On April 3, 2024, a new Rulebook of Accounting was published (issued in the Official Gazette of Republic of North Macedonia, No. 75/24), which includes the updated IFRS, IFRIC, and SIC, as well as IFRS, IFRIC, and SIC, for which it is stated above that are not part of the existing Rulebook of Accounting. The new Rulebook of Accounting will be applicable starting from January 1, 2025, except for the International Financial Reporting Standard 17 Insurance Contracts, which will be applicable from January 1, 2028. The company is in the process of assessing the impact of the new Rulebook of Accounting on the financial statements.

The Group’s consolidated financial statements have been prepared on a historical cost basis, except for the investment property that have been measured at fair value. The Group’s consolidated financial statements are presented in Macedonian Denars (“MKD”) which is the Company’s functional and presentation currency and all values are rounded to the nearest thousands (“000) except when otherwise indicated.

The consolidated financial statements are prepared on accruals and going concern basis.

The consolidated financial statements comprise the financial statements of the Company and its subsidiary, ID Kompani Dooel import export Kocani with 100% holding which has one subsidiary in its full ownership, OPALIT DOOEL v. Cheshinovo - Obleshevo.

The financial statements of the consolidated subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

On 18 December 2017 the Group received Electricity trading license which raise certain responsibilities towards the State Regulatory Committee. In 2019 only one transaction related to trading of electricity and further no activities related to the license raised up.

All intra-group income and expenses and profits and losses resulting from intra-group transactions that are recognized in assets, are eliminated in full. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.2 Summary of significant accounting policies

a. Investment in subsidiary

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

b. Operating segments

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the Management and for which discrete financial information is available.

2.2 Summary of significant accounting policies (continued)

b. Operating segments (continued)

The Management is the person or group of persons who allocates resources and assesses the performance for the entity.

In the Group, the above described functions of the Management are performed by Board of the Directors of the Group. The internal reporting within the Group presented to the Board of Directors is on a Group level and as one operating segment. The decisions brought by the Board of Directors are based on received reports presented as one operating segment.

c. Comparatives

In order to maintain consistency with the current year presentation, certain items may have been reclassified for comparative purposes. Material changes in disclosures, if any, are described in detail in the relevant notes.

d. Foreign currency translation

The Group and the Company prepare the financial statements in Macedonian denars, which is the Group's and the Company's functional currency and the presentation currency for local statutory purposes. Each entity in the Group determines its own functional currency and items included in the financial statements in each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of transaction. Monetary and non-monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to profit or loss.

The functional currency of the domestic entities is Macedonian denar and of the foreign operations, is the Euro. As of each reporting date, the assets and liabilities of this subsidiary are translated through conversion in euro into the presentation currency of Cementarnica “USJE” AD (the Macedonian Denars) at the rate of exchange ruling at the reporting date of 2022: 61.4932 MKD for Euro 1 and, its profit or loss is translated at the weighted average exchange rate for 2022: MKD 61.6153 for Euro 1. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is recognized in the statement of profit or loss.

e. Property, plant and equipment

Property, plant and equipment are stated as follows:

- those assets acquired up to 31 December 1998, the revaluation under the previous GAAP at the date of transition of the Group to IFRS (1 January 2004) was accepted as deemed cost since the revaluation was broadly comparable to depreciated cost under IFRS adjusted to reflect changes in general price index.
- those assets acquired after 31 December 1998 are stated at historical cost, net of accumulated depreciation and / or accumulated impairment loss, if any.

2.2 Summary of significant accounting policies (continued)

e. Property, plant and equipment (continued)

Subsequent costs are included in the asset's carrying amount 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 and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Profit or Loss during the financial period in which they are incurred.

Items of property, plant and equipment that are retired or otherwise disposed of are eliminated from the statement of financial position, along with the corresponding accumulated depreciation. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss.

Depreciation of property, plant and equipment, with exception of quarries, is designed to write off the cost or valuation of property, plant and equipment on the straight-line basis over their estimated useful lives. The principal depreciation rates in use are:

Buildings	2.5 -10%
Equipment	5 - 25%

Land is stated in the consolidated statement of financial position at cost less impairment and is not depreciated as it is deemed to have an infinite life, except quarries which are depreciated on a depletion basis. This depletion is recorded as the material extraction process advances based on the unit of production method.

The asset's methods of depreciation, useful lives and residual values are reviewed at each financial year end.

f. Investment property

Investment property, comprising of land, production premises with business offices and construction object - restaurant and cafeteria room, is held for long-term rental yields and is not occupied by the Group. The investment properties are stated at fair value, which reflects the market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on valuation performed by independent valuer using the income method and the market comparison method as primary valuation methods which are generally accepted in European valuation practice.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the income statement in the period of de-recognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the cost for subsequent accounting is the fair value at the date of change in use.

If owner-occupied property becomes an investment property, the Group's accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. Any difference at that date between the carrying amount of the property in accordance with IAS 16 and its fair value is treated in the same way as a revaluation in accordance with IAS 16.

2.2 Summary of significant accounting policies (continued)

g. Exploration and evaluation assets

Exploration and evaluation expenditure for each area of interest (geographically specific to the concession, permit or mining license granted) is carried forward as an asset if a decision has been made that a mining operation is economically feasible and can be developed for commercial production. At the end of the reporting period, these costs include costs of acquisition of rights to explore. All other exploration and evaluation expenditures are charged to the profit or loss as incurred.

Administrative and general expenses relating to exploration and evaluation activities are expensed as incurred.

h. Financial instruments - initial recognition and subsequent measurement

(i) Financial assets

Initial recognition

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade dateline, the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term deposits, trade and other receivables, and short term loans.

Subsequent measurement - Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are measured at amortized cost using the effective interest rate method (EIR). The gains and losses are recognized in the income statement in the moment when the loans and receivables are reversed or when the value is decreased due to impairment, and through the amortization process.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group any has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.2 Summary of significant accounting policies (continued)

h. Financial instruments - initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

An impairment loss in respect of financial assets measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in profit or loss.

(ii) Financial liabilities

Initial recognition

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables.

Subsequent measurement- Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit and loss when the liabilities are derecognized as well as through the amortization process.

2.2 Summary of significant accounting policies (continued)

h. Financial instruments - initial recognition and subsequent measurement (continued)

(ii) Financial liabilities (continued)

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as ad recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the profit or loss.

Offsetting of 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 recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

i. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, excluding distribution costs and administrative expenses. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Tools and consumable stores are written-off 100% when consumed.

j. Cash and cash equivalents

Cash and cash equivalents include cash in hand, the giro account and deposits held at call with banks with original maturities of up to three months or less.

k. Share capital

Ordinary shares are classified as equity.

2.2 Summary of significant accounting policies (continued)

l. Share-based, long-term, incentive plan

Share-based compensation benefits are provided to members of senior management via Group share schemes that cover several subsidiaries. Currently, the Group has the following schemes: 1) the share options plans (2014 and 2017) and 2) the long-term incentive plan introduced in 2020, which concerns share awards.

A Group share-based payment transaction is classified from the perspective of each reporting Company, rather than by making a single classification determination that is applicable to all Group Companies. The Company participates in the 2020 long-term incentive plan, which is classified as cash-settled in the financial statements of the Group, but it is classified as equity-settled in the Company's separate financial statements, as the Group has no obligation to settle the award. Consequently, it recognises the fair value of the awards as an employee benefits expense in profit or loss, with a corresponding increase in equity.

The total amount to be expensed is determined by reference to the fair value of the awards granted, which is based on the parent's share price on grant date. The total expense is recognised over the vesting period, which is the period over which the specified service conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of awards that are expected to vest based on the specified vesting conditions and forfeiture rate. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

m. Taxation

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.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; 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 the 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.

2.2 Summary of significant accounting policies (continued)

m. Taxation (continued)

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 taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

n. Employee benefits

Pension obligations

The Group, in the normal course of business, makes payments on behalf of its employees for pensions, health care, employment and personnel tax which are calculated according to the statutory rates in force during the year, based on gross salaries and wages. Food allowances travel expenses and holiday allowances are also calculated according to the local legislation. The Group makes these contributions to the Government’s health and retirement funds. The cost of these payments is charged to the profit or loss in the same period as the related salary cost.

The Group does not operate any other pension scheme or post-retirement benefits plan and consequently, has no obligation in respect of pensions.

Termination and retirement benefits

Termination benefits are payable whenever an employee’s employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Pursuant to the Group’s signed collective bargaining agreements the Group is obligated to pay retirement benefits in an amount equal to six average republic salaries and between one and three average republic salaries to be paid out as a jubilee anniversary award. The number of average republic salaries for jubilee anniversary awards corresponds to the total number of years of service of the employee as presented in the table below:

Total number of Service Years	Number of Wages
10	1
20	3
30	3
35 (women)	3
40 (men)	3

2.2 Summary of significant accounting policies (continued)

n. Employee benefits (continued)

The defined benefit obligation is calculated annually by independent actuaries using the Project Unit Credit Method. According to the model, the probability of the cash outflow is estimated by calculating probabilities of three decrements: death, invalidity and turnover rate. The probability table is constructed by using assumptions about the probability of death of the employee up to the date when he/she should retire, the probability that the employee will retire earlier due to invalidity and the probability that the employee will terminate the service in the Group before the date when he/she should retire. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the discount rate from the yields on the government bonds issued in Macedonia in 2023 and classified by maturity.

Employee’s children scholarships

Starting from 31 December 2009, included in the actuarial calculation of defined benefits are allowances for scholarships of Group employees children attending graduate or post graduate studies and for diseased employee children that are attending secondary school.

Additional benefits at retirement

Starting from 31 December 2013, the actuarial calculation of defined benefits has been supplement with calculation of the present value of the newly introduced long term benefit for certain category of employees - additional benefits at retirement. The calculation is made on the basis of the average parameters of the mentioned population and total expected amount for payment, delivered by the enterprise.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit or loss in the period in which they arise.

o. Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the 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. The provisions comprise of provision for retirement benefits and provision for rehabilitation of quarries. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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 time values is recognized as interest expense.

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2.2 Summary of significant accounting policies (continued)

p. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and other sales taxes or duty. The following specific criteria must also be met before revenue is recognized:

Sales of goods

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Rendering of services

Fees from services provided are recognized over the period in which the services are rendered and accepted by the buyer.

Interest income

The interest relates to time deposit are accounted for at the expired date of time deposit.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight line basis over the lease terms.

q. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease.

r. Dividends distribution

Dividend distribution to the Group’s shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Group’s shareholders.

s. Events after the reporting period

Events after the reporting period, which provide evidence of conditions that exist as of the reporting date, are treated as adjustable events in these financial statements. Those that are indicative of conditions that arose after the reporting date have been treated as non-adjustable events.

2.2 Summary of significant accounting policies (continued)

t. Financial risk management

Accounting estimates and assumptions

The Group makes 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 addressed below.

Other key assumptions for pension obligations are based in part on current market.

Fair value of financial instruments

Cash and cash equivalents, trade receivables and other current financial assets mainly have short term maturity. The nominal value less estimated loss due to impairment of assets and payables with maturity less than one year is approximates their fair value. Financial liabilities included in the category Trade and other payables mainly have short term maturity. For this reason, their carrying amounts at the reporting date approximate their fair values. The fair value of the long-term financial liabilities is determined by using discounted cash-flow valuation technique.

v. Determination of fair values

A number of the Group’s accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

2.3 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.

a. Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. 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. The most critical estimates and assumptions are discussed below.

(i) Useful lives of assets

The determination of the useful lives of assets is based on historical experience with similar assets as well as any anticipated technological development and changes in broad economic or industry factors. The appropriateness of the estimated useful lives is reviewed annually, or whenever there is an indication of significant changes in the underlying assumptions.

Further, due to the significant weight of depreciable assets in Group’s total assets, the impact of any changes in these assumptions could be material to Group’s financial position, and results of operations. If depreciation cost is decreased/increased by 1%, this would result in change of annual depreciation expense of approximately 2,440 thousand denars (2022: 2,122 thousand denars).

2.3 Critical accounting estimates and judgments (continued)

(ii) Potential impairment of property, plant and equipment and intangibles

The Group is assessing the impairment of identifiable property, plant, equipment and intangibles whenever there is a reason to believe that the carrying value may materially exceed the recoverable amount and where impairment in value is anticipated. The recoverable amounts are determined by value in use calculations, which use a broad range of estimates and factors affecting those.

Among others, the Group typically considers future revenues and expenses, macroeconomic indicators, technological obsolescence, discontinuance of operations and other changes in circumstances that may indicate impairment. If impairment is identified using the value in use calculations, the Group also determines the fair value less cost to sell (if determinable), to calculate the exact amount of impairment to be charged (if any). As this exercise is highly judgmental, the amount of potential impairment may be significantly different from that of the result of these calculations.

(iii) Impairment of trade and other receivables

The Group calculates impairment for doubtful accounts based on estimated losses resulting from the inability of its customers to make required payments as explained in section for financial assets.

(iv) Provisions

Provisions in general are highly judgmental, especially in the cases of legal disputes. The Group assesses the probability of an adverse event as a result of a past event to happen and if the probability is evaluated to be more than fifty percent, the Group fully provides for the total amount of the liability. The Group is rather prudent in these assessments, but due to the high level of uncertainty, in some cases the evaluation may not prove to be in line with the eventual outcome of the case.

(v) Fair value of investment property

The investment properties are stated at fair value, which reflects the market conditions at the reporting date. Fair values are determined based on annual valuation performed by independent value using the income method and the market comparison method as primary valuation methods which are generally accepted in European valuation practice.

Provisions for environmental restoration

Companies that operate quarries and processing sites are required to restore these quarries and processing sites at the end of their producing lives to a condition that is in line with the prevailing environmental legislation of the country in which the Company operates (to restore the land within 3 years after the closure of the mine site), to the level acceptable to the relevant authorities and to the level that is consistent with the Company's environmental policies and practices.

The provision for environmental restoration reflects the present value of the expected future restoration costs that are expected to be incurred for the areas that have been disturbed at the reporting date. The provision is determined as present value of expected future cash outflows to be incurred for sites rehabilitation. This includes determination of the amount based on rehabilitation project, discount rate and expected inflation rates. The provision is re-measured at every reporting date and is adjusted to reflect the present value of the future expenses required to fulfil the obligation.

For the period ended 31 December 2023

2.3 Critical accounting estimates and judgments (continued)

The present value of estimated restoration costs (that is, original estimation as well as changes in the accounting estimates) are charged to the profit or loss unless they relate to property, plant and equipment that is on the site, in which case the costs are included within property, plant and equipment and depreciated over the useful life of the related item of property, plant and equipment.

Any change in the net present value of the environmental provision due to the passing of time is included in finance costs in the profit or loss.

Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the discount rate of the Central Bank of Republic of Macedonia due to the absence of the market of high quality corporate bond or government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

2.4 Business Combination

The Group acquired 100% of the share capital of ID Kompani for 21 mil MKD cash on 4 November 2020. ID Kompani owns 100% of the equity of OPALIT Doel a Company holding certain exploration and development licences for Opalt. ID Kompani has been acquired to gain access to additional reserves for the Group. The fair values of identifiable assets and liabilities purchased as at the date of acquisition were:

Assets	Fair value MKD ‘000	Carrying value MKD ‘000
Property, plant and equipment	10,761	10,761
Exploration and evaluation costs	333	333
Inventories	6,988	6,988
Trade and other receivables	7,876	7,876
Cash and cash equivalents	259	259
	26,217	26,217
Liabilities		
Trade and other payables	4,304	4,304
Short term borrowings	301	301
	4,606	4,606
Total identifiable net assets at fair value	21,611	21,611
Consideration paid in 2021	24,079	-
Goodwill on acquisition of the subsidiary	2,468	-

Management determined the fair value of the property, plant and equipment on bases on the fair value exercise in which replacement-cost approach was used to determine the fair value.

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3. Revenue and expenses

a. Sales

	2023 MKD'000	2022 MKD'000
Domestic market	3,931,318	4,014,416
Foreign market	2,103,208	2,132,049
	<u>6,034,526</u>	<u>6,146,465</u>
<i>Domestic market</i>		
Sales of cement	3,658,496	3,773,858
Sales of other products	272,822	240,558
	<u>3,931,318</u>	<u>4,014,416</u>
<i>Foreign market</i>		
Sales of cement	1,543,658	1,593,320
Sales of other products	559,550	538,729
	<u>2,103,208</u>	<u>2,132,049</u>

Sales of other products consist of sales of pet coke and coal, limestone, RMC, clinker, pozzolana and bauxite.

b. Other revenues

	2023 MKD'000	2022 MKD'000
Freight	91,351	159,441
Others	2,776	2,941
	<u>94,127</u>	<u>162,382</u>

c. Cost of sales

	2023 MKD'000	2022 MKD'000
Production costs	3,361,995	4,124,213
Cost of traded goods	299,506	557,242
Depreciation	227,276	194,841
Distribution expenses	205,150	240,559
Inventory change	(33,849)	(240,911)
	<u>4,060,078</u>	<u>4,875,944</u>

Production cost consist of kiln fuel, electricity, raw materials, concession fee and other variable cost. Fixed costs which consist of cost of salaries and other benefits, contract labors, security services, cost for quality test and other fixed cost such as cost for calibration, intellectual services etc are also included in production costs.

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3. Revenues and expenses (continued)

d. Other operating income

	2023 MKD '000	2022 MKD '000
Revenues from sold materials	40,306	64,694
Rent income	19,001	20,919
Others	64,770	125,332
	<u>124,077</u>	<u>210,945</u>

Others in amount of 64,770 thousand denars (2022: 125,332 thousand denars) includes mainly gains from fair valuations, expatriate income and re-invoicing of cost for business premises.

e. Other operating expenses

	2023 MKD '000	2022 MKD '000
Cost of sold materials	41,260	61,979
Other business loses	74,642	2,586
Sales support fee	-	47,773
Others	91,594	87,860
	<u>207,496</u>	<u>200,198</u>

Other expenses consist mainly of restructuring, expatriate cost and business premisses costs.

f. Administrative expenses

	2023 MKD '000	2022 MKD '000
Technical support and know-how services	128,066	111,070
Promotion and advertisement	24,584	23,415
Depreciation	12,294	13,413
Other expenses	103,119	95,173
	<u>268,063</u>	<u>243,071</u>

Technical support and know-how services consist of provided technical support and know-how services as well as audit and legal fees. More specifically, technical support and know-how services refers to engineering & technology services, procurement, finance services, information technology, legal services, human resources, corporate and social responsibility, corporate communications services etc.

Other administrative expenses consist of salaries and related expenses, accommodation, IT and telecoms, car expenses, provision for staff leaving indemnities and retirement benefit obligation etc.

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6. Property, plant and equipment (continued)

	<i>Land and Buildings MKD '000</i>	<i>Equipment MKD '000</i>	<i>Construction in progress MKD '000</i>	<i>Total MKD '000</i>
Cost				
At 1 January 2022	3,699,820	5,184,845	324,538	9,209,203
Additions	20,400	2,868	328,858	352,126
Transfers from Construction in Progress	105,728	303,282	(409,010)	-
Transfer to Investment Property				
Translation differences	(6)	(2)		(8)
Disposals and write offs	(10,595)	(26,878)		(37,473)
At 31 December 2022	<u>3,815,347</u>	<u>5,464,115</u>	<u>244,386</u>	<u>9,523,848</u>
Depreciation				
At 1 January 2022	2,320,707	4,228,570	-	6,549,277
Charge for the period	43,376	161,920		205,296
Transfer to Investment Property				
Translation differences	(1)	(2)		(3)
Disposals and write offs	(4,217)	(20,822)		(25,039)
At 31 December 2022	<u>2,359,865</u>	<u>4,369,666</u>	<u>-</u>	<u>6,729,531</u>
Net book value at 31 December 2022	<u>1,455,482</u>	<u>1,094,449</u>	<u>244,386</u>	<u>2,794,317</u>
Net book value at 1 January 2022	<u>1,379,113</u>	<u>956,275</u>	<u>324,538</u>	<u>2,659,926</u>

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7. Intangible Assets

	<i>Licences</i> <i>MKD '000</i>	<i>Construction in</i> <i>progress</i> <i>MKD '000</i>	<i>Total</i> <i>MKD '000</i>
Cost			
At 1 January 2023	60,649	-	60,649
Additions	2,651	12,701	15,352
Transfers from Construction in Progress	12,701	(12,701)	-
Transfers to Property, Plant and Equipment	(2,651)	-	(2,651)
At 31 December 2023	73,350	-	73,350
Depreciation			
At 1 January 2023	28,055	-	28,055
Charge for the year	12,058	-	12,058
At 31 December 2023	40,113	-	40,113
Net book value at 31 December 2023	33,237	-	33,237
Net book value at 1 January 2023	32,594	-	32,594
	<i>Licences</i> <i>MKD '000</i>	<i>Construction in</i> <i>progress</i> <i>MKD '000</i>	<i>Total</i> <i>MKD '000</i>
Cost			
At 1 January 2022	35,542	-	35,542
Additions	-	25,107	25,107
Transfers from Construction in Progress	25,107	(25,107)	-
At 31 December 2022	60,649	-	60,649
Depreciation			
At 1 January 2022	21,541	-	21,541
Charge for the year	6,514	-	6,514
At 31 December 2022	28,055	-	28,055
Net book value at 31 December 2022	32,594	-	32,594
Net book value at 1 January 2022	14,001	-	14,001

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8. Investment property

	2023 MKD '000	2022 MKD '000
Opening balance at 1 January	276,172	250,812
Gain/(losses) from fair value adjustment	4,468	25,360
Closing balance at period/year end	<u>280,640</u>	<u>276,172</u>

The investment properties are stated at fair value, which reflects the market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on annual valuation performed by independent appraisal using the income method and the market comparison method as primary valuation methods which are generally accepted in European valuation practice.

Investment property principally comprise of land, production premises and construction object - restaurant, cafeteria room which is held for long-term rental yields and is not occupied by the Group.

	2023 MKD '000	2022 MKD '000
Rental income derived from investment properties	18,169	19,625
Profit arising from investment properties carried at fair value	<u>18,169</u>	<u>19,625</u>

As of 31 December 2023, the Company revalued its investment property based on a valuation performed by an independent valuer, Grant Thornton Consulting DOO Skopje. The valuation model is in accordance with International Valuation standards 2017, Law on Valuation and Methodology for valuation of property published in Official Gazette of RM.

The methodology used and key inputs to the valuation of the investment properties are as follows:

	Methodology	Inputs	Ranges
Buildings plot	Income method	Vacancy rate	5%
		Landlord costs Capitalization rate	5% 9.88- 10.04%
Land plot	Market approach - sales comparison method	Asking prices of comparable land plots in the region of Municipality Kisela Voda -Skopje and similar other locations	42 to 196 euro/m2

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8. Investment property (continued)

Significant increases (decreases) in the estimated landlord costs would result in a significant lower (higher) fair value of properties. Significant increases (decreases) in the capitalization rate in isolation would result in a significant lower (higher) fair value of properties.

As a result of the valuation, as of 31 December 2023 the carrying value of the Company’s investment property is adjusted / increased for MKD 4,468 thousand which has been recognized as fair value gain in amount of MKD 4,468 thousand in the Company’s profit and loss for the year ended 31 December 2023 (See Note 3d).

The fair value measurement was made using valuation techniques for which the lowest level input that is significant to the fair measurement is unobservable (level 3).

There were no transfers between Levels 1, 2 and 3 during 2023.

9. Exploration and evaluation assets

	<i>Exploration and evaluation of mineral recourses MKD'000</i>	<i>Total MKD'000</i>
Cost		
At 1 January 2023	1,719	1,719
Additions	-	-
De-recognition	-	-
At 31 December 2023	1,719	1,719
Depreciation		
At 1 January 2023	465	465
Charge for the period	34	34
De-recognition	-	-
At 31 December 2023	499	499
Net book value at 31 December 2023	1,220	1,220
Net book value at 1 January 2023	1,254	1,254
	<i>Exploration and evaluation of mineral recourses MKD'000</i>	<i>Total MKD'000</i>
Cost		
At 1 January 2022	1,719	1,719
Additions	-	-
De-recognition	-	-
At 31 December 2022	1,719	1,719
Depreciation		
At 1 January 2022	365	365
Charge for the period	100	100
De-recognition	-	-
At 31 December 2022	465	465
Net book value at 31 December 2022	1,254	1,254
Net book value at 1 January 2022	1,354	1,354

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10. Inventories

	2023 <i>MKD'000</i>	2022 <i>MKD'000</i>
Raw materials and fuel	424,895	843,422
Spare parts	337,096	314,027
Consumable stores	281,571	228,444
Finished goods	128,678	154,783
Semi-finished goods	244,988	190,726
Packing materials	27,679	46,768
Goods for resale	327	395
Prepayments for inventory purchase	812	725
	<u>1,446,046</u>	<u>1,779,290</u>

11. Trade and other receivables

	2023 <i>MKD'000</i>	2022 <i>MKD'000</i>
Trade debtors	347,198	411,808
Prepayments	87,879	195,265
Other current assets	44,470	33,121
	<u>479,547</u>	<u>640,195</u>

Other current assets relates to receivables from rented land and PPE, receivables from re-invoiced costs for rented premises, then accruals for insurance premium, accruals for receivables for interest on forex bank deposit, receivables on disposal of tangible and intangible assets and other accruals and receivables.

Trade receivables are non-interest bearing and are generally on 0- 75 days terms.

The aging analysis of trade receivables is as follows:

	Total	Neither past due nor Impaired	Past due but not impaired				
			< 30 days	30-60 days	60-90 days	90-120 days	>120days
2023	347,198	246,380	58,566	23,643	9,469	2,855	6,285
2022	411,808	235,279	94,748	36,320	10,098	10,953	24,410

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12. Cash and cash receivables

	2023 MKD'000	2022 MKD'000
Cash at bank	1,054,162	158,091
	<u>1,054,162</u>	<u>158,091</u>

13. Share capital

<i>Authorized, issued and fully paid</i>	<i>Number of shares</i>	<i>% holding</i>
Titan Cement Netherlands B.V. - ordinary shares of MKD 3,100 each	535,596	95%
Other shareholders - ordinary shares of MKD 3,100 each	28,188	5%
	<u>563,784</u>	<u>100%</u>

	<i>Amount MKD'000</i>
<i>Share capital as registered</i>	
At 31 December 2023 and 31 December 2022	<u><u>1,747,730</u></u>

Dividends paid and proposed

Declared and paid during the period ended 31 December 2022

Final dividend for 2021:

MKD 458 per share

Declared:

258,213

Paid:

258,424

Declared and paid during the period ended 31 December 2023

Final dividend for 2022:

MKD 1,273 per share

Declared:

717,697

Paid:

717,376

Dividends declared and paid entirely relate to cash dividends on ordinary shares.

Share-based payments

On 31 December 2023, the number of the awards granted to the employees of the Company was 6,343 (2022:5,880), of them 140 were canceled (2022:0). The fair value of the award was calculated based on the grant date of the award price of the TCI share, in Euronext Brussels. The calculation of the un forfeited awards results in the recognition of an expense, net of MKD 1,052 thousand (2022:1,202) with a corresponding increase (2022: increase).

Balance at 1 January 2022	<u>3,940</u>
Granted	1,940
Exercised	-
Non vested	-
Cancelled	-
Balance at 31 December 2022	<u><u>5,880</u></u>
Granted	1,678
Exercised	(1,075)
Non vested	-
Cancelled	(140)
Balance at 31 December 2023	<u><u>6,343</u></u>

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14. Other reserves

	<i>Asset revaluation reserve MKD '000</i>	<i>Statutory reserves MKD '000</i>	<i>Investment Property revaluation reserve MKD '000</i>	<i>Foreign currency translation reserve MKD '000</i>	<i>Total MKD '000</i>
At 1 January 2022	2	174,772	145,022	(115)	319,681
Translation difference	-	-	-	44	44
At 31 December 2022	2	174,772	145,022	(71)	319,725
Other comprehensive income (Note 8)	-	-	-	-	-
At 31 December 2023	2	174,772	145,022	(71)	319,725

Foreign currency translation reserves

The foreign currency translation reserves are used for recording foreign exchange differences which rise from translation of currency in the financial statements of the foreign subsidiary.

Legal reserves

According to Law on Trading Companies, the Group is required to have compulsory statutory reserve established through appropriation of its net profits. With the changes of the Law on Trading Companies effective from 1st January 2013, the Group is required to set aside 5 percent of its net statutory profit for the year in a statutory reserve until the level of the reserve reaches 1/10 of the share capital. The Group has achieved the required minimum in prior years and consequently no appropriation in 2023 has been made.

15. Provision for retirement benefits

	<i>2023 MKD '000</i>	<i>2022 MKD '000</i>
Defined retirement benefit obligations	10,403	12,203
Defined jubilee anniversary award obligations	15,297	13,949
Defined scholarship obligations	26,152	21,772
Reservation for retention plan	7,164	9,305
	59,016	57,229
<i>Analyzed as:</i>		
Non-current portion	55,273	54,055
Current portion	3,743	3,174
	59,016	57,229

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15. Provision for retirement benefits (continued)

The movement in the defined benefit obligation over the year is as follows:

	2023 MKD '000	2022 MKD '000
At 1 January	57,229	58,583
Current service costs	4,579	5,494
Interest cost, accretion on provision for retirement benefit obligations	1,966	1,704
Recognised actuarial (gains)/losses, net	(397)	(5,471)
	<u>63,377</u>	<u>60,310</u>
Benefits paid during the year	(4,361)	(3,081)
At 31 December	<u>59,016</u>	<u>57,229</u>

The amounts recognised in the profit and loss are as follows:

	2023 MKD '000	2022 MKD '000
Current service costs	4,579	5,494
Interest cost, accretion on provision for retirement benefit obligations	1,966	1,704
Recognised actuarial (gains)/losses, net	(397)	(5,471)
	<u>6,148</u>	<u>1,728</u>

A quantitative sensitivity analysis for change in the discount rate and wage growth as at 31 December 2023 and 2022 is as shown below:

2023

Assumptions	Discount rate		Wage growth	
	1% increase In %	1% decrease In %	1% increase In %	1% decrease In %
<i>Retirement benefits</i>				
Impact on the net defined benefit obligations	(9,2)	11,0	11,5	(9,7)
<i>Jubilee awards</i>				
Impact on the net defined benefit obligations	(6,3)	7,3	7,3	(6,5)

15. Provision for retirement benefits (continued)

2022				
Assumptions	Discount rate		Wage growth	
	1% increase	1% decrease	1% increase	1% decrease
	In %	In %	In %	In %
<i>Retirement benefits</i>				
Impact on the net defined benefit obligations	(9.4)	11.3	12.7	(10.7)
<i>Jubilee awards</i>				
Impact on the net defined benefit obligations	(7.4)	8.6	9.2	(8.0)

The following payments are expected contributions to be made in the future years:

	2023	2022
	MKD'000	MKD'000
Year 1	3,772	2,677
Year 2	5,288	3,636
Year 3	6,090	4,904
Year 4	6,231	4,686
Year 5	5,165	5,212
Years 6-10	31,711	25,233
Over 10 years	197,027	130,385

The principal actuarial assumptions used in 2023 by the independent actuaries were as follows:

Mortality

The mortality of the employees until the date of retirement is estimated with the population mortality table of the Republic of Croatia 2010 - 2012, Although the State statistical office of the Republic in North Macedonia on a regular basis issues mortality tables, these tables are not adequate for actuarial calculations due to the following reasons:

- The Macedonian mortality tables are not graduated and do not satisfy the required actuarial properties,
- In the model, the annual probability of death of an employee in the Group varies according to the age on the date of calculation and his/her gender, by using the convention “age last birthday”.

Turnover rate

From the data analysis of the turnover scheme of all employees that were employed in the Group since 1953, the data was classified into two categories: data for employees that were employed in and after 1992 and data for employees that were employed before 1992, The reason for such classification is the different dynamics in the turnover rates that is observed in the two categories, Namely, from the data it is observable that the employees who were employed before 1992 have tendency to cancel their employment few years before retirement (after fulfilling more than 12 years in service in the Group), thus not getting the lump sum payments on retirement, which is not the case for employees who were employed in or after 1992 who usually cancel the employment in the first 12 years of their employment in the Group.

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15. Provision for retirement benefits (continued)

The category of employees who were employed before 1992 are modelled as a runoff portfolio, having regarded that out of all employees who were employed on 31.12.2013-2023, in average 10% - 22% were cancelling their employment annually, for the purpose of the model for this category of employees, 10% rate is used.

For the category of employees who were employed in or after 1992, the analysis of data shows dependences between the annual cancelation rate and the number of years in service in the Group of the employees who cancel their employment..

Invalidity

Due to unavailable data from relevant institutions for the rate of retirement due to invalidity, the model is created on a manner that the Group will pay retirement benefits only for a regular pension, i.e., the assumption used is that the retirement due to invalidity is zero, From the actuarial practice the rates that are used for invalidity because of accident are less than 0,01%, so including this assumption would not change the result materially.

Tax on personal income

For lump sum payments on retirement, a tax rate of 10% is applied only on 4 bases for the lump sum payments because the tax on personal income according to the Law, is not paid on the lump sum payment at retirement which is equal to the amount of two average monthly net salaries per employee in the Republic of Nort Macedonia in the last three months, For scholarships, a tax rate of 0% was used.

Gold prices

For the model in 2023 again an average increase of 6% has been used. Also, this rate is applied on the same base price of 22,184 denars, consistently with the previous period.

Rate of enrolling in primary i.e., secondary school, undergraduate studies, and graduate studies

All the children of the employees who will die will enrol in primary i.e., secondary school, if they fulfil the respective age constraints, 74% of the employees' children (including the employees who will die) will enrol in undergraduate studies if they fulfil the respective age constraints, 16% of the employees' children will enrol in graduate studies if they fulfil the respective age constraints, For these models, an assumption has been used that the future monthly instalments for all type of scholarships will be 13,649 denars (including the personal tax).

The used financial assumptions were as follows:

Nominal annual increase of the average republic salary: 4.5%.

The calculation was based on the data for the average monthly net salaries for the period from January 2009 to September 2023. To estimate the absolute monthly salary amounts for a certain year, the percentage was applied to the base calculated as the average of the monthly net salaries paid per worker in North Macedonia in the last twelve available months.

Discount rate: 6.2%.

The discount rate is derived from the yields on the government bonds issued in Nort Macedonia in 2023 and classified by maturity. The average maturity of the Group's obligations for all types of benefit is 20 years, so the discount rate that is used in the model is calculated for this maturity from the previously obtained discount rate curve.

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16. Trade and other payables

	2023 MKD '000	2022 MKD '000
Trade creditors	856,927	712,374
Customer prepayments	33,013	40,535
Other current liabilities	44,470	52,658
Tangible assets creditors	11,404	25,870
	<u>945,814</u>	<u>831,437</u>

Other current liabilities relate to liability for net payroll, payroll taxes and social securities, liabilities to employees from salaries, accrual for calculated obligation for concession fee and other sundry creditors.

17. Short term borrowings

	2023 MKD '000	2022 MKD '000
Loan payable - MILLKO Dooel Skopje	61,500	61,500
Interest expense payable - MILLKO Dooel Skopje	3,720	382
Loan payable - TGF TLC	-	276,719
Interest expense payable - TGF TLC	-	5,029
	<u>65,220</u>	<u>343,630</u>

On 03 November 2022, a short-term Loan Agreement has been concluded between Millko Dooel Skopje and Cementarnica USJE AD Skopje ("the Borrower"). Millko Dooel Skopje provided the borrower with a loan in the amount of 61,000 thousand denars. The borrower is using the borrowed money for corporate purposes. On 31 May 2023 it has been Annexed and will be repaid no later than May 10, 2024, together with the interest. The interest on the loan is calculated at the rate of 2% above 3-month Euribor as a reference interest rate.

On December 31, 2022, the amount of the loan with Titan Global Finance TLC (TGF), which is an unsecured term loan in euros with a total principal not exceeding 7,000 thousand euros, was 4,500 thousand euros. On January 5, 2023, the Group withdraws 1,500 thousand euros from the loan. Whereas, as of April 6, 2023, it was returned in full.

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18. Contingences and Commitments

Contingent liabilities

	2023 MKD'000	2022 MKD'000
Bank guarantees	97,914	95,960
	<u>97,914</u>	<u>95,960</u>

As of 31 December 2023, the Group has obtained a Bank payment guaranties from:

- Halk Banka in favour of Makpetrol Prom Gas of MKD 10,000 thousand valid till 31 January 2024 and 12,000 thousand valid till 31 January 2025 related to the purchase of natural gas, in favour of Customs of MKD 15,000 thousand valid till 15 December 2025, MKD 15,000 thousand valid till 2 November 2025 and MKD 24,100 thousand valid till 01 January 2025 plus MKD 8,200 thousand valid till 2 July 2025 for excise, in favour of MEPSO AD Macedonia of MKD 3,967 thousand for transmission of electricity valid till 31 January 2024, in favour of ECM ECO Monitoring of MKD 1,135 thousand for acquisition of equipment valid till 1 April 2024 and in favour of AD Elektrani N. Macedonia of MKD 8,650 thousand for transmission of electricity valid till 15 February 2024.
- Sparkasse Banka in favour of Ministry of Economy of MKD 997 thousand related to three concessions, two concession in amount of MKD 680 valid till 26 December 2027 and one in amount of MKD 317 valid till 5 June 2028.

Commitments

Operating lease commitments - group as lessee

The Group leases motor vehicles under lease agreements. The leases have varying terms and clauses. The expenditures are recognised in the profit or loss for the period.

	2023 MKD'000	2022 MKD'000
Up to 1 year	5,443	4,940
Later than 1 year and not later than 5 year	8,337	6,459
	<u>13,780</u>	<u>11,399</u>

In 2023 the Group leases 3 terminals (Ohrid, Strumica and Orovnik) under lease agreements. The leases have varying terms and clauses.

	2023 MKD'000	2022 MKD'000
Up to 1 year	1,233	1,233
Later than 1 year and not later than 5 year	1,850	3,083
	<u>3,083</u>	<u>4,316</u>

18. Contingences and Commitments (continued)

Commitments (continued)

The Group leased Horizontal Mill from MILLKO under lease agreement.

	2023 MKD'000	2022 MKD'000
Up to 1 year	16,113	16,113
Later than 1 year and not later than 5 year	16,113	32,226
	<u>32,226</u>	<u>48,339</u>

The Company leased forklifts under lease agreement.

	2023 MKD'000	2022 MKD'000
Up to 1 year	19,573	2,392
Later than 1 year and not later than 5 year	25,096	8,171
	<u>44,669</u>	<u>10,563</u>

Legal proceedings

From time to time and in the normal course of the business, claims against the Group may be received. On the basis of its own estimates and both internal and external professional advice, the management of the Group is of the opinion that no material losses will be incurred in respect of claims and accordingly no provision has been made in these financial statements.

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19. Related party transactions

Titan Cement Netherlands B.V. owns 95% of the Group’s share capital.

The following transactions were carried out with the related parties:

a) Sales of goods and services

	2023 MKD'000	2022 MKD'000
<i>Ultimate Parent:</i>		
Titan Cement Company - services	2,991	4,737
<i>Entities under common control:</i>		
Cement Plus Ltd - cement	-	425,341
Cement Plus Ltd - freight revenue	-	34,127
SHARRCEM SH.P.K - pet coke	215,612	298,380
SHARRCEM SH.P.K – cement and sharmal	1,542,685	264,185
SHARRCEM SH.P.K -clinker	276,538	189,990
SHARRCEM SH.P.K - freight	17,975	60,284
SHARRCEM SH.P.K - materials	38,544	61,753
SHARRCEM SH.P.K - fixed assets and services	3,668	1,411
SHARRCEM SH.P.K - pozzolana	31,281	21,604
SHARRCEM SH.P.K - freight	45,088	-
Titan Cementara Kosjeric clinker	36,119	-
Titan Cementara Kosjeric - freight	10,912	-
Titan Cementara Kosjeric - lignit	-	164
Titan Cementara Kosjeric - services	1,854	518
Antea Cement SHA - services	6,751	3,905
Antea Cement SHA - clinker	-	35,805
МИЛЈИКО - ПЦМ Дооел Скопје - rent	2,532	2,534
MILLKO - PCM Dooel Skopje - other services	3,437	-
Titan Zlatna Panega - services	1,854	518
Beni Suef Cement Egypt - services	4,699	2,791
	2,242,540	1,408,047

Outstanding balances arising from the transactions mentioned above are presented below:

Receivables from related parties

	2023 MKD'000	2022 MKD'000
<i>Ultimate Parent:</i>		
Titan Cement Company - services	2,991	1,297
<i>Entities under common control:</i>		
SHARRCEM SH,P,K - clinker	35,950	50,682
SHARRCEM SH,P,K - pet coke	24,126	42,855
SHARRCEM SH,P,K - cement and sharmal	103,486	52,011
SHARRCEM SH,P,K - other	2,409	19,661
SHARRCEM SH,P,K - pozzolana	3,327	15,823
SHARRCEM SH,P,K - fixed assets	1,815	-
Titan Cementara Kosjeric - clinker and services	9,961	518
Antea Cement SHA - clinker	-	35,693
Antea Cement SHA - services	6,751	5,546
МИЛЈИКО - ПЦМ Дооел Скопје - rent	6,793	249
Zlatna Panega Cement - services	335	518
Beni Suef Cement Egypt - services	7,490	2,791
	205,434	227,644

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19. Related party transactions (continued)

b) Purchases of goods and services

	2023 MKD'000	2022 MKD'000
<i>Ultimate Parent:</i>		
Titan Cement Company - white cement, pet coke and clinker	105,785	153,566
Titan Cement Company - management support	124,374	107,655
Titan Cement Company - other	7,444	14,126
<i>Entities under common control:</i>		
Cement Plus Ltd - sales support fee	-	47,773
SHARRCEM SH,P,K - other	13,443	9,205
MILLKO - PCM Dooel Skopje - services	16,113	16,118
Titan Zlatna Panega - grey cement, clinker and other	105	22,354
Adocim Cement - clinker	160	131,193
Tithys Holding Limited - derivative financial instrument	31,384	-
Titan Global Finance - interest	3,687	9,090
MILLKO - PCM Dooel Skopje - interest	3,337	382
	305,832	511,462

Outstanding balances arising from the transactions mentioned above are presented below:

Payables to related parties

	2023 MKD'000	2022 MKD'000
<i>Ultimate Parent:</i>		
Titan Cement Company - management support	35,300	96,802
Titan Cement Company - CAPEX	7,444	1,451
Titan Cement Company - WC, pet coke and services	54,550	88,418
<i>Entities under common control:</i>		
Cement Plus Ltd, - sales support fee	-	32,663
Cement Plus Ltd, - prepayments	-	3,802
MILLKO - PCM Dooel Skopje - services	47,338	28,825
SHARR CEM SH,P,K - other	1,230	3,529
Titan Zlatna Panega - grey cement, clinker	-	19,023
	145.862	274,513

The Group enter into these transactions with the above related parties at mutually agreed terms.

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19. Related party transactions (continued)

Other transactions

	<i>2023</i>	<i>2022</i>
	<i>MKD'000</i>	<i>MKD'000</i>
MILLKO - PCM Dooel Skopje - loan principal	61,500	61,500
MILLKO - PCM Dooel Skopje - interest	3,720	382
Titan Global Finance - loan principal	-	276,719
Titan Global Finance - interest	-	5,029
	<u>65,220</u>	<u>343,630</u>

Key management compensation

	<i>2023</i>	<i>2022</i>
	<i>MKD'000</i>	<i>MKD'000</i>
Salaries and other short-term benefits	<u>123,908</u>	<u>117,125</u>
	<u>123,908</u>	<u>117,125</u>

Key management consists of Executive and extended Management Board of the Company.

Key management compensation in amount of MKD 123,908 thousand refers to salaries and other short-term benefits of managers and other members of the key personnel of the Group for 2023.

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20. Expenses by nature

	2023 MKD '000	2022 MKD '000
Raw materials and other materials	1,896,407	1,813,050
Utilities	623,746	1,478,726
Cost of traded goods and services	299,506	557,242
Other material costs and services	445,523	413,295
Employees benefit expense	330,299	303,999
Distribution expenses	205,149	240,559
Depreciation	244,003	212,224
Maintenance	106,641	154,656
Technical support and know-how services	124,374	107,655
IT & Telecoms	18,442	21,489
Promotion and advertisement	31,887	28,913
Travelling	15,463	13,886
Third party fees	3,692	3,415
Inventory change	(33,849)	(240,911)
Other expenses	49,557	52,314
Total cost of goods sold, selling and marketing and administrative expenses	4,360,840	5,160,511

21. Financial risk management objectives and policies

The Group’s principal financial liabilities comprise of trade payables and other payables and short term borrowings. The Group has various financial assets such as trade receivables, cash and deposits, which arise directly from its operations.

The main risks arising from the Group’s financial instruments are liquidity risk, foreign currency risk and credit risk. The management reviews and agrees policies for managing each of these risks which are summarised below.

a) Market risk

Market risk is defined as the ‘risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices’ and includes interest rate risk, currency risk and other price risk. The majority of the revenues of the Group are generated on domestic market and the remaining part mainly generated on foreign market. Expenses of the Group that arise are mainly arising from purchases on domestic and foreign markets.

Management believes that is taking all the necessary measures to support the sustainability and growth of the Group’s business in the current circumstances. Nevertheless, future market fluctuations cannot be predicted with accuracy.

b) Interest risk

The Group’s income and operating cash flows are substantially independent of changes in market interest rates.

Change in the interest rates and interest margins may influence financing costs and returns on financial investments.

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21. Financial risk management objectives and policies (continued)

b) Interest risk (continued)

Changes in market interest rates affect the interest costs on short term borrowings. As of 31 December 2023, the Company has short term borrowings of MKD 65,220 thousands (2022: MKD 343,630 thousands), therefore 1% rise in market interest rate would have caused (ceteris paribus) the interest paid to increase with approximately 652 thousands annually for 2023 (2022: MKD 3,436 thousands), while similar decrease would have caused the same decrease in interest paid.

c) Foreign exchange risk

The Group’s exposure to foreign currency risk is minimal due to the fact that the majority of foreign currency transactions relating to selling and purchases are denominated in EURO, which was stable during all 2023. The exception is purchases of pet coke that are denominated in USD and from which exchange rate differences arise. Also, domestic sales agreements are denominated in EURO.

For purposes of sensitivity analyses from foreign currency risk, Management used the assumption of 1% increase of Foreign exchange rate of EUR which is considered reasonable having in mind stable local currency against EUR during the past years. As of the 31st December 2023, if EUR would have been 1% (2022: 1%) weaker or stronger against MKD, profit would have been MKD 5,622 thousand (2022: MKD 870 thousand) after tax in net balance higher or lower, respectively. The Group’s outstanding balances are as follows:

2023	Total	Domestic	Foreign MKD equivalent
Assets			
Cash and cash equivalents	1,054,162	503,086	551,076
Trade receivables and other current financial assets	391,662	192,982	198,680
Total assets	1,445,824	696,068	749,756
Liabilities			
Trade payables	856,927	672,487	184,440
Other payables and current liabilities	55,876	52,711	3,165
Short term borrowings	65,220	65,220	-
Total liabilities	978,023	790,418	187,605
Net balance sheet exposure	467,801	(94,350)	562,151

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21. Financial risk management objectives and policies (continued)

c) Foreign exchange risk (continued)

2022	Total	Domestic	Foreign MKD equivalent
Assets			
Cash and cash equivalents	158,091	112,766	45,325
Trade receivables and other current financial assets	444,930	197,610	247,320
Total assets	603,021	310,376	292,645
Liabilities			
Trade payables	712,374	355,503	356,871
Other payables and current liabilities	78,528	46,387	32,141
Краткорочни заеми	343,630	61,882	281,748
Total liabilities	1,134,532	463,772	670,760
Net balance sheet exposure	(531,511)	(153,396)	(378,115)

Prepayments are excluded from the tables above because they are not financial assets and liabilities.

d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The table below summarises the maturity profile of the Group’s financial liabilities at 31 December 2023 and 31 December 2022 based on contractual undiscounted payments.

Period ended 31 December 2023

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	-	711,065	-	-	-	711,065
Other payables	-	55,876	-	-	-	55,876
Payables to related parties	-	145,862	-	-	-	145,862
Short term borrowings	-	-	65,220	-	-	65,220

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21. Financial risk management objectives and policies (continued)

Period ended 31 December 2022

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	-	437,861	-	-	-	437,861
Other payables	-	78,528	-	-	-	78,528
Payables to related parties	-	274,513	-	-	-	274,513
Short term borrowings	-	-	343,630	-	-	343,630

e) Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. The Group has policies that limit the amount of credit exposure to any one customer. In addition, to reduce this risk the Group has required as collateral bank guaranties and deposits. Recognisable risks are accounted for by adequate provisions on receivables. As at 31 December 2023, there are no outstanding doubtful significant credit risks which are not already covered by a provision for doubtful receivables.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and short term borrowing receivables, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. As at 31 December 2023, the Group's cash and cash equivalents were held at short term deposits and current accounts in highly rated financial institutions.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares, following shareholders' approval. No changes were made in the objectives, policies or processes during the periods ended 31 December 2023 and 31 December 2022.

The Group monitors its equity capital using earnings before interest, tax, depreciation and amortization (EBITDA) for the year.

	2023 MKD'000	2022 MKD'000
EBITDA	1,928,153	1,371,307

21. Financial risk management objectives and policies (continued)

Capital management (continue)

The gearing ratio was as follows:

	2023	2022
	MKD '000	MKD '000
Net debt	107,602	1,096,648
Total equity	<u>5,249,797</u>	<u>4,442,122</u>
Net debt to equity ratio	<u>0.02</u>	<u>0.25</u>

The Group is not subject to any externally imposed capital requirements. The structure and management of debt capital is determined at TITAN Group level. Considering the level of Group’s current assets and the constant support from the Group, Management believes that it has sufficient buffer to mitigate any potential impact from macroeconomic uncertainties.

22. Events after the reporting period

The Group from 01st of January 2024 has a Statutory amendment - accession.

In accordance with the Agreement for accession composed in a form of notarial deed, the companies subject to accession to Cementarnica USJE, ceased to carry out their business activities as of December 31st 2023, and as of January 01st 2024 the bookkeeping is recorded only by the acquiring company i.e. Cementarnica USJE.

Therefore, after the registration of amendment with the Trade Registry of RNM, the Trade company ID KOMPANI DOOEL s. Cheshinovo, Cheshinovo-Obleshevo and Company for non-metals OPALIT DOOEL s. Cheshinovo, Cheshinovo-Obleshevo as companies subject to accession, ceased to exist as legal entities, without conducting liquidation, while all assets and liabilities were transferred to Cementarnica USJE AD Skopje, as an acquiring company.

The accession procedure was conducted in a manner that a universal transfer of all assets, property, rights and obligations of the companies subject to accession was carried out, without conducting liquidation thereof.

In 2020, Cementarnica USJE AD Skopje acquired 100% of the shares in Trade company ID KOMPANI DOOEL, thus acquiring OPALIT DOOEL as well, as it was fully owned by the former.

The accession procedure was carried out aiming to increase the efficiency of operations from an economic aspect, concentration of capital, technology, professional staff and employees, increase of market competitiveness, reducing costs, ensuring continuity in activities performance, as well as more favourable conditions for new investments and development.

After the full transfer of the assets, liabilities and capital of the companies subject of accession, Cementarnica USJE AD Skopje is their legal successor.

CEMENTARNICA “ USJE “ AD - SKOPJE

Consolidated Annual Accounts

For the year ended 31 December 2023

ЕМБС: 04053397

Целосно име: Цементарница УСЈЕ АД Скопје

Вид на работа: 450

Тип на годишна сметка: Консолидирана ревидирана годишна сметка

Тип на документ: Консолидирана годишна сметка

Година : 2023

Листа на прикачени документи:

Објаснувачки белешки и други прилози

Финансиски извештаи

Биланс на состојба

Ознака за АОП	Опис	Нето за тековна година	Бруто за тековна година	Исправка на вредноста за тековна година	Претходна година
1	-- АКТИВА: А. НЕТЕКОВНИ СРЕДСТВА (002+009+020+021+031)	3.420.212.818,00			3.106.807.247,00
2	-- I. НЕМАТЕРИЈАЛНИ СРЕДСТВА (003+004+005+006+007+008)	36.925.354,00			36.316.366,00
4	-- Концесии, патенти, лиценци, заштитни знаци и слични права	34.457.566,00			33.848.578,00
5	-- Гудвил	2.467.788,00			2.467.788,00
9	-- II. МАТЕРИЈАЛНИ СРЕДСТВА (010+013+014+015+016+017+018+019)	3.114.228.045,00			2.794.318.462,00
10	-- Недвижности (011+012)	1.439.416.612,00			1.444.518.742,00
11	-- Земјиште	839.719.637,00			853.441.936,00
12	-- Градежни објекти	599.696.975,00			591.076.806,00
13	-- Постројки и опрема	1.199.480.489,00			1.073.942.384,00
14	-- Транспортни средства				296.458,00
15	-- Алат, погонски и канцелариски инвентар и мебел	16.623.901,00			17.689.361,00
18	-- Материјални средства во подготовка	448.179.592,00			246.905.022,00
19	-- Останати материјални средства	10.527.451,00			10.966.495,00
20	-- III. ВЛОЖУВАЊА ВО НЕДВИЖНОСТИ	269.059.419,00			276.172.419,00
36	-- Б. ТЕКОВНИ СРЕДСТВА (037+045+052+059)	2.944.972.032,00			2.582.990.390,00
37	-- I. ЗАЛИХИ (038+039+040+041+042+043)	1.415.464.699,00			1.775.741.347,00
38	-- Залихи на сировини и материјали	972.292.027,00			1.032.047.760,00
39	-- Залихи на резервни делови, ситен инвентар, амбалажа и автогуми	69.179.350,00			397.790.161,00
40	-- Залихи на недовршени производи и полупроизводи	244.988.257,00			190.726.350,00
41	-- Залихи на готови производи	128.678.426,00			154.782.074,00
42	-- Залихи на трговски стоки	326.639,00			395.002,00
44	-- II. СРЕДСТВА (ИЛИ ГРУПИ ЗА ОТУГУВАЊЕ НАМЕНЕТИ ЗА ПРОДАЖБА И ПРЕКИНАТИ РАБОТЕЊА)	11.580.000,00			
45	-- III. КРАТКОРОЧНИ ПОБАРУВАЊА (046+047+048+049+050+051)	474.333.519,00			648.463.700,00
46	-- Побарувања од поврзани друштва	205.388.859,00			227.646.789,00
47	-- Побарувања од купувачи	177.152.485,00			208.684.259,00

48	-- Побарувања за дадени аванси на добавувачи	20.125.916,00		116.175.634,00
49	-- Побарувања од државата по основ на даноци, придонеси, царина, акцизи и за останати давачки кон државата (претплати)	68.566.652,00		92.279.934,00
50	-- Побарувања од вработените	203.629,00		766.305,00
51	-- Останати краткорочни побарувања	2.895.978,00		2.910.779,00
52	-- IV. КРАТКОРОЧНИ ФИНАНСИСКИ СРЕДСТВА (053+056+057+058)	1.011.445,00		694.868,00
57	-- Побарувања по дадени заеми	15.000,00		15.000,00
58	-- Останати краткорочни финансиски средства	996.445,00		679.868,00
59	-- V. ПАРИЧНИ СРЕДСТВА И ПАРИЧНИ ЕКВИВАЛЕНТИ (060+061)	1.054.162.369,00		158.090.475,00
60	-- Парични средства	1.054.162.369,00		158.090.475,00
62	-- VI. ПЛАТЕНИ ТРОШОЦИ ЗА ИДНИТЕ ПЕРИОДИ И ПРЕСМЕТАНИ ПРИХОДИ (ABP)	34.796.127,00		7.063.012,00
63	-- ВКУПНА АКТИВА: СРЕДСТВА (001+035+036+044+062)	6.411.560.977,00		5.696.860.649,00
64	-- B. ВОНБИЛАНСНА ЕВИДЕНЦИЈА - АКТИВА	29.490.542.097,00		25.436.796.542,00
65	-- ПАСИВА : A. ГЛАВНИНА И РЕЗЕРВИ (066+067-068-069+070+071+075-076+077-078)	5.249.795.723,00		4.442.121.322,00
66	-- I. ОСНОВНА ГЛАВНИНА	1.747.729.749,00		1.747.729.749,00
70	-- V. РЕВАЛОРИЗАЦИСКА РЕЗЕРВА И РАЗЛИКИ ОД ВРЕДНУВАЊЕ НА КОМПОНЕНТИ НА ОСТАНАТА СЕОПФАТНА ДОБИВКА	148.167.651,00		147.345.451,00
71	-- VI. РЕЗЕРВИ (072+073+074)	1.825.037.136,00		1.513.401.793,00
72	-- Законски резерви	174.702.800,00		174.702.253,00
74	-- Останати резерви	1.650.334.336,00		1.338.699.540,00
75	-- VII. АКУМУЛИРАНА ДОБИВКА	4.312.501,00		3.494.330,00
77	-- IX. ДОБИВКА ЗА ДЕЛОВНАТА ГОДИНА	1.524.548.686,00		1.030.149.999,00
81	-- B. ОБВРСКИ (082+085+095)	1.075.780.941,00		1.241.580.992,00
82	-- I. ДОЛГОРОЧНИ РЕЗЕРВИРАЊА ЗА РИЗИЦИ И ТРОШОЦИ (083+084)	70.430.814,00		61.696.639,00
83	-- Резервирања за пензии, отпремнини и слични обврски кон вработените	55.273.102,00		54.054.871,00
84	-- Останати долгорочни резервирања за ризици и трошоци	15.157.712,00		7.641.768,00
95	-- IV. КРАТКОРОЧНИ ОБВРСКИ (од 096 до 108)	1.005.350.127,00		1.179.884.353,00
96	-- Обврски спрема поврзани друштва	142.527.832,00		275.157.649,00
97	-- Обврски спрема добавувачи	634.506.870,00		459.631.508,00
98	-- Обврски за аванси, депозити и кауции	44.474.740,00		36.732.212,00
99	-- Обврски за даноци и придонеси на плата и на надомести на плати	890.727,00		4.680.289,00
100	-- Обврски кон вработените	10.183.671,00		9.708.160,00
101	-- Тековни даночни обврски	75.234.029,00		16.380.498,00
102	-- Краткорочни резервирања за ризици и трошоци	13.481.817,00		9.407.809,00
103	-- Обврски по заеми и кредити спрема поврзани друштва	65.219.916,00		343.630.665,00
104	-- Обврски по заеми и кредити			700,00
106	-- Обврски по основ на учество во резултатот	550.423,00		229.627,00
107	-- Останати финансиски обврски			9.392.287,00

108	-- Останати краткорочни обврски	18.280.102,00			14.932.949,00
109	-- V. ОДЛОЖЕНО ПЛАЌАЊЕ НА ТРОШОЦИ И ПРИХОДИ ВО ИДНИТЕ ПЕРИОДИ (ПВР)	85.984.313,00			13.158.335,00
111	-- ВКУПНО ПАСИВА : ГЛАВНИНА, РЕЗЕРВИ И ОБВРСКИ (065+081+094+109+110)	6.411.560.977,00			5.696.860.649,00
112	-- В. ВОНБИЛАНСНА ЕВИДЕНЦИЈА-ПАСИВА	29.490.542.097,00			25.436.796.542,00

Биланс на успех

Ознака за АОП	Опис	Нето за тековна година	Бруто за тековна година	Исправка на вредноста за тековна година	Претходна година
201	-- I. ПРИХОДИ ОД РАБОТЕЊЕТО (202+203+206)	6.562.327.993,00			6.762.770.209,00
202	-- Приходи од продажба	6.279.877.531,00			6.511.346.390,00
203	-- Останати приходи	81.568.996,00			76.426.006,00
204	-- Залихи на готови производи и недовршено производство на почетокот на годината	345.508.424,00			109.010.062,00
205	-- Залихи на готови производи и недовршено производство на крајот на годината	379.356.941,00			349.921.006,00
206	-- Капитализирано сопствено производство и услуги	200.881.466,00			174.997.813,00
207	-- II. РАСХОДИ ОД РАБОТЕЊЕТО (208+209+210+211+212+213+218+219+220+221+222)	4.913.639.922,00			5.847.038.235,00
208	-- Трошоци за сировини и други материјали	2.688.518.804,00			3.459.061.845,00
209	-- Набавна вредност на продадените стоки	283.416.624,00			541.123.528,00
210	-- Набавна вредност на продадените материјали, резервни делови, ситен инвентар, амбалажа и автогуми	41.236.725,00			61.979.421,00
211	-- Услуги со карактер на материјални трошоци	848.821.788,00			890.894.721,00
212	-- Останати трошоци од работењето	149.669.447,00			161.209.041,00
213	-- Трошоци за вработени (214+215+216+217)	361.420.431,00			334.391.530,00
214	-- Плати и надоместоци на плата (нето)	191.037.346,00			178.938.410,00
215	-- Трошоци за даноци на плати и надоместоци на плата	18.395.085,00			17.119.824,00
216	-- Придонеси од задолжително социјално осигурување	80.797.322,00			75.819.871,00
217	-- Останати трошоци за вработените	71.190.678,00			62.513.425,00
218	-- Амортизација на материјалните и нематеријалните средства	244.244.734,00			211.909.336,00
219	-- Вредносно усогласување (обезвреднување) на нетековни средства	13.059.000,00			1.135.000,00
220	-- Вредносно усогласување (обезвреднување) на тековните средства	43.045.230,00			8.329.075,00
221	-- Резервирања за трошоци и ризици	28.479.260,00			20.286.688,00
222	-- Останати расходи од работењето	211.727.879,00			156.718.050,00
223	-- III. ФИНАНСИСКИ ПРИХОДИ (224+229+230+231+232+233)	7.658.957,00			10.014.144,00
224	-- Финансиски приходи од односи со поврзани друштва (225+226+227+228)	2.585.939,00			4.827.497,00
227	-- Приходи по основ на курсни разлики од работење со поврзани друштва	2.585.939,00			4.827.497,00
230	-- Приходи по основ на камати од работење со неповрзани друштва	272.264,00			1.321.340,00

231	-- Приходи по основ на курсни разлики од работење со неповрзани друштва	4.800.754,00		3.865.307,00
234	-- IV. ФИНАНСИСКИ РАСХОДИ (235+239+240+241+242+243)	26.941.946,00		49.851.940,00
235	-- Финансиски расходи од односи со поврзани друштва (236+237+238)	3.356.124,00		7.905.969,00
236	-- Расходи по основ на камати од работење со поврзани друштва	253.829,00		
237	-- Расходи по основ на курсни разлики од работење со поврзани друштва	3.102.295,00		7.905.969,00
239	-- Расходи по основ на камати од работење со неповрзани друштва	18.900.790,00		13.076.552,00
240	-- Расходи по основ на курсни разлики од работење со неповрзани друштва	4.685.032,00		28.869.419,00
246	-- Добивка од редовното работење (201+223+244)-(204-205+207+234+245)	1.663.253.599,00		1.116.805.122,00
250	-- Добивка пред оданочување (246+248) или (246-249)	1.663.253.599,00		1.116.805.122,00
252	-- Данок на добивка	138.704.913,00		76.033.205,00
255	-- НЕТО ДОБИВКА ЗА ДЕЛОВНАТА ГОДИНА (250-252+253-254)	1.524.548.686,00		1.040.771.917,00
257	-- Просечен број на вработени врз основа на часови на работа во пресметковниот период (во апсолутен износ)	236,00		241,00
258	-- Број на месеци на работење (во апсолутен износ)	12,00		12,00
259	-- ДОБИВКА/ЗАГУБА ЗА ПЕРИОД	1.524.548.686,00		1.040.771.917,00
260	-- Добивка која им припаѓа на имателите на акции на матичното друштво	1.524.548.686,00		1.040.771.917,00
264	-- ЗАРАБОТУВАЧКА ПО АКЦИЈА	2.677,00		1.826,00
265	-- Вкупна основна заработувачка по акција	2.677,00		1.826,00
269	-- Добивка за годината	1.524.548.686,00		1.040.771.917,00
271	-- Останата сеопфатна добивка (273+275+277+279+281+283) - (274+276+278+280+282+284)			44.000,00
273	-- Добивки кои произлегуваат од преведување од странско работење			44.000,00
286	-- Нето останата сеопфатна добивка (271-285)			44.000,00
288	-- Вкупна сеопфатна добивка за годината (269+286) или (286-270)	1.524.548.686,00		1.040.815.917,00
289	-- Сеопфатна добивка која им припаѓа на имателите на акции на матичното друштво	1.524.548.686,00		1.040.815.917,00

Државна евиденција

Ознака за АОП	Опис	Нето за тековна година	Бруто за тековна година	Исправка на вредноста за тековна година	Претходна година
609	-- Земјишта	839.719.637,00			853.441.936,00
612	-- Сегашна вредност на градежни објекти од високоградба кои се користат за вршење дејност (< или = АОП 012 од БС)	539.068.594,00			530.061.972,00
613	-- Сегашна вредност на објекти од нискоградба (< или = АОП 012 од БС)	60.628.381,00			61.014.834,00
614	-- Сегашна вредност на информациска опрема и телекомуникациска опрема (< или = АОП 013 од БС)	1.193.819,00			1.379.349,00
615	-- Сегашна вредност на компјутерска опрема (< или = АОП 013 од БС)	11.602.460,00			13.621.522,00

625	-- Заеми и кредити дадени на нефинансиски трговски друштва во приватна и државна сопственост и јавни препријатија во земјата (< или =АОП 024+АОП 025+АОП 032+АОП 033+АОП 034+АОП 046+АОП 047+АОП 056+АОП 057+АОП 058 ОД БС)	12.654.778,00			350.100,00
626	-- Побарувања по основ на продажба на стоки и услуги и аванси дадени на нефинансиски трговски друштва во приватна и државна сопственост и јавни препријатија во земјата (< или=АОП 006+АОП 017+АОП 030+ АОП 046+ АОП 047+АОП 048 ОД БС)	197.236.993,00			258.170.588,00
628	-- Останати побарувања од нефинансиски трговски друштва во приватна и државна сопственост и јавни препријатија во земјата (< или=АОП 034+ АОП 046+ АОП 047+АОП 051+ АОП 062 ОД БС)	3.040.915,00			3.060.053,00
629	-- Останати побарувања од органи на законодавна, извршна и судска власт, ФПИОСМ,ФЗОРСМ,АВРСМ, единици на локална самоуправа и други правни лица финансирани од буџет (< или= АОП 034+АОП 035+АОП 047+АОП 049+АОП 051+АОП 062 ОД БС)	68.566.652,00			92.279.934,00
630	-- Побарувања по основ на продажба на стоки и услуги и аванси и останати побарувања од сите субјекти во земјата и странство (< или=АОП 006+АОП 017+АОП 030+АОП 034+АОП 035+ АОП 046+ АОП 047+АОП 049+ АОП 050+АОП 051+АОП 057+АОП 062 ОД БС)	489.018.730,00			539.353.442,00
631	-- Основна главнина (сопственички капитал) во удели поседувани од други трговски друштва во приватна и државна сопственост и јавни препријатија во земјата (< или =АОП 065 од БС)	4.743.000,00			4.743.000,00
632	-- Основна главнина (сопственички капитал) во удели поседувани од физички лица, трговци поединци, занаетчи, земјоделци, самостојни вршители на дејност и непрофитни организации регистрирани во земјата (< или =АОП 065 од БС)	82.624.300,00			82.624.300,00
634	-- Обврски по заеми и кредити земени од нефинансиски трговски друштва во приватна и државна сопственост и јавни препријатија во земјата (< или =АОП 086+АОП 087+АОП 088+АОП 089+АОП 090+АОП 096+АОП 104+АОП 107 ОД БС)				700,00
635	-- Обврски по основ на набавка на стоки и услуги и аванси (краткорочни трговски кредити) примени од нефинансиски трговски друштва во приватна и државна сопственост и јавни препријатија во земјата (< или =АОП 096+АОП 097+ АОП 098+АОП 108 ОД БС)	469.422.470,00			390.831.894,00
637	-- Останати обврски кон нефинансиски трговски друштва во приватна и државна сопственост и јавни препријатија во земјата (< или=АОП 092+АОП 093+АОП 096+ АОП 106+ АОП 107+АОП 108+ АОП 109 ОД БС)	97.990.638,00			23.267.033,00
638	-- Останати обврски кон органи на законодавна, извршна и судска власт, ФПИОСМ,ФЗОРСМ,АВРСМ, единици на локална самоуправа и други правни лица финансирани од буџет (< или=АОП 092+АОП 093+АОП 094+ АОП 099+ АОП 101+ АОП 107+АОП 108+ АОП 109 ОД БС)	80.615.738,00			25.406.666,00

639	-- Обврски по основ на трговски кредити, аванси и останати обврски кон сите субјекти во земјата и странство (вкупно) (< или=АОП 092+АОП 093+АОП 094+ АОП 096+ АОП 097+ АОП 098+ АОП 099+ АОП 100+ АОП 101+ АОП 107+АОП 108+ АОП 109 од БС)	1.011.698.575,00		809.511.374,00
640	-- Приходи од продажба на стоки и услуги (АОП 641+ АОП 642) (< или = АОП 202 од БУ)	38.694.922,00		36.505.935,00
641	-- Приходи од продажба на стоки (< или = АОП 202 од БУ)			14.419,00
642	-- Приходи од продажба на услуги (< или = АОП 202 од БУ)	38.694.922,00		36.491.516,00
643	-- Приходи од продажба на производи, стоки и услуги на домашен пазар (< или = АОП 202 од БУ)	3.997.559.243,00		4.089.577.020,00
644	-- Приходи од продажба на производи, стоки и услуги на странски пазар (< или = АОП 202 од БУ)	2.238.086.179,00		2.368.825.759,00
647	-- Приходи од наемнина (< или = АОП 202 од БУ)	31.624.293,00		48.188.787,00
648	-- Приходи од наемнина на земјиште (< или = АОП 202 од БУ)	8.188.435,00		4.754.824,00
654	-- Приходи од вишоци (< или = АОП 203 од БУ)	3.461.141,00		15.643.723,00
655	-- Наплатени отпишани побарувања и приходи од отпис на обврски (< или = АОП 203 од БУ)	1.810.306,00		110,00
656	-- Приходи врз основа на ефекти од договорена заштита од ризик (< или = АОП 203 од БУ)	28.784.882,00		
657	-- Приходи од премии, субвенции, дотации и донации (< или = АОП 203 од БУ)	108.530,00		
658	-- Приходи од субвенции (< или = АОП 203 од БУ)			4.687.668,00
661	-- Останати приходи од работењето (< или = АОП 203 од БУ)	30.406.870,00		25.468.482,00
667	-- Расходи на продадени производи и услуги	27.888.847,00		
668	-- Трошоци за сировини и материјали (< или = АОП 208 од БУ)	826.999.017,00		736.685.061,00
669	-- Огрев, гориво и мазива (< или = АОП 208 од БУ)	15.967.880,00		19.196.544,00
671	-- Канцелариски материјали (< или = АОП 208 од БУ)	546.721,00		1.155.314,00
672	-- Трошоци за амбалажа (< или = АОП 208 од БУ)	176.699.176,00		160.085.139,00
673	-- Униформи-заштитна облека и обувки (< или = АОП 208 од БУ)	3.364.874,00		5.186.571,00
674	-- Материјал за чистење и одржување (< или = АОП 208 од БУ)	173.049,00		890.653,00
676	-- Потрошена електрична енергија (< или = АОП 208 од БУ)	652.934.901,00		1.514.334.653,00
677	-- Потрошени енергетски горива (< или = АОП 208 од БУ)	919.717.315,00		950.465.273,00
678	-- Потрошени резервни делови и материјали за одржување (< или = АОП 208 од БУ)	83.656.193,00		69.398.529,00
679	-- Отпис на ситен инвентар, амбалажа и автогуми (во производство) (< или = АОП 208 од БУ)	2.550.074,00		1.595.379,00
680	-- Транспортни услуги во земјата (< или = АОП 211 од БУ)	179.020.415,00		190.494.460,00

681	-- Транспортни услуги во странство (< или = АОП 211 од БУ)	71.923.314,00		88.758.214,00
682	-- ПТТ услуги во земјата (< или = АОП 211 од БУ)	2.635.630,00		2.782.250,00
684	-- Надворешни услуги за изработка на производи (вон производство) (< или = АОП 211 од БУ)	44.887.413,00		39.207.509,00
685	-- Производствени и занаетчиски услуги (< или = АОП 211 од БУ)	274.727.886,00		264.368.186,00
686	-- Наемнини за деловни простории во земјата (< или = АОП 211 од БУ)	1.233.000,00		1.243.833,00
687	-- Наемнини за опрема (< или = АОП 211 од БУ)	9.282.763,00		8.148.029,00
688	-- Наемнина за земјиште (< или = АОП 211 од БУ)	100.008,00		
693	-- Еднократен надоместок во вид на испратнина заради трајно работно ангажирање под услови утврдени со закон (< или = АОП 217 од БУ)	15.844.097,00		16.335.636,00
695	-- Регрес за годишен одмор (< или = АОП 217 од БУ)	9.324.634,00		8.427.213,00
696	-- Помощи (< или = АОП 217 од БУ)	1.161.985,00		1.876.420,00
698	-- Дневници за службени патувања, ноќевања и патни трошоци (< или = АОП 217 од БУ)	7.566.578,00		4.871.093,00
700	-- Надомести на трошоците на вработените и подароци (< или = АОП 217 од БУ)	14.439.877,00		11.082.144,00
702	-- Надомести за одвоен живот (< или = АОП 217 од БУ)			210.367,00
703	-- Подароци на вработените (< или = АОП 217 од БУ)	12.152.056,00		9.212.558,00
704	-- Трошоци за организирана исхрана во текот на работа (< или = АОП 217 од БУ)	10.643.565,00		10.497.994,00
706	-- Надомести на ангажирана работна сила преку агенциите за привремени вработувања (< или = АОП 217 од БУ)	2.201.060,00		1.232.239,00
709	-- Репрезентација (< или = АОП 212 од БУ)	18.485.582,00		15.890.746,00
710	-- Премии за осигурување на имот (< или = АОП 212 од БУ)	10.376.861,00		9.620.906,00
711	-- Надомест за банкарски услуги (< или = АОП 212 од БУ)	1.613.098,00		2.428.252,00
712	-- Даноци кои не зависат од резултатот (< или = АОП 212 од БУ)	9.352.872,00		59.909,00
714	-- Членарини на здруженијата во земјата и странство (< или = АОП 212 од БУ)	725.896,00		529.103,00
715	-- Надоместоци за повремени и привремени работи (< или = АОП 217 од БУ)	2.192.502,00		2.158.948,00
717	-- Останати трошоци на работењето (< или = АОП 212 од БУ)	105.871.251,00		128.713.422,00
718	-- Казни, пенали надоместоци за штети и друго (< или = АОП 222 од БУ)	995.478,00		9.109,00
721	-- Исплатени дивиденди	717.376.236,00		258.424.475,00
722	-- Просечен број на вработени врз основа на состојбата на крајот на месецот	244,00		239,00
723	-- Просечен број на вработени во седиштето на субјектот врз основа на состојбата на крајот на месецот	242,00		234,00
724	-- Број на подружници во кои се врши дејност, без седиштето на субјектот	4,00		4,00

Структура на приходи по дејности

Ознака за АОП	Опис	Нето за тековна година	Бруто за тековна година	Исправка на вредноста за тековна година	Претходна година
2047	- 08.11 - Вадење на декоративен камен и камен за градежништвото, варовник, суров гипс, креда и шкрилци	132.619.629,00			
2052	- 08.99 - Останато рударство и вадење на камен, неспомнато на друго место	77.577.637,00			
2066	- 10.61 - Производство на мелнички производи	700,00			
2166	- 23.51 - Производство на цемент	5.638.480.896,00			
2170	- 23.63 - Производство на готова бетонска смеса	155.761.991,00			
2370	- 46.71 - Трговија на големо со цврсти, течни и гасовити горива и слични производи	235.089.589,00			
2372	- 46.73 - Трговија на големо со дрва, градежен материјал и санитарна опрема	124.150.365,00			
2376	- 46.77 - Трговија на големо со отпадоци и остатоци	4.123.746,00			
2431	- 52.21 - Услужни дејности поврзани со копнениот превоз	46.263.188,00			
2478	- 64.99 - Други финансиско-услужни дејности, освен осигурување и пензиски фондови, неспомнати на друго место	7.284.416,00			
2490	- 68.10 - Купување и продажба на сопствен недвижен имот	36.376.156,00			
2545	- 82.99 - Останати деловни помошни услужни дејности, неспомнати на друго место	112.258.637,00			

Потпишано од:

Gabriela Barlakoska

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Изјавувам, под морална, материјална и кривична одговорност, дека податоците во годишната сметка се точни и вистинити.

Податоците од годишната сметка се во постапка на доставување, која ќе заврши со одлука (одобрување/одбивање) од страна на Централниот Регистар.