

## Comprehensive Income Statement

In EUR

|     | Position   | Previous Period   | Curent Period     | Indices                     |
|-----|--|-------------------|-------------------|-----------------------------|
|     |  | 01/01-31/12/21    | 01/01-31/12/22    | curent year / previous year |
| 1   | Sales revenues   | 30.127.440        | 30.379.066        | 101                         |
| 1a  | Revenues from domestic market  | 156.736           | 94.205            | 60                          |
| 1b  | Revenues from foreign markets  | 29.970.704        | 30.284.861        | 101                         |
| 2   | Cost of goods sold   | 8.873.048         | 10.344.213        | 117                         |
| 3   | <b>Gross Profit</b>  | <b>21.254.392</b> | <b>20.034.853</b> | <b>94</b>                   |
| 4   | Administrative Costs   | 1.776.708         | 1.529.954         | 86                          |
| 5   | Sales and Marketing Cost   | 2.594.769         | 2.727.401         | 105                         |
| 6   | Provisions   | 0                 | 0                 | 0                           |
| 7   | Other operating revenues   | 55.592            | 133.814           | 241                         |
| 8   | Impairment and Other operating Costs   | 454.700           | 467.375           | 103                         |
| 9   | <b>Operating profit</b>  | <b>16.483.807</b> | <b>15.443.937</b> | <b>94</b>                   |
| 10  | Total Financial Revenue  | 264.682           | 147.696           | 56                          |
| 10a | Financial revenues from investment, loans granted and interest and exchange rate gains | 264.682           | 147.597           | 56                          |
| 10b | Other Financial Revenue  | 0                 | 99                | 0                           |
| 10c | Income From Associated Companies   | 0                 | 0                 | 0                           |
| 11  | Total Financial Expenses   | 369.163           | 242.396           | 66                          |
| 11a | Financial expenses from interests and exchange rate losses                             | 368.828           | 242.396           | 66                          |
| 11b | Other financial expenses   | 335               | 0                 | 0                           |
| 11c | Losses from Associates   | 0                 | 0                 | 0                           |
| 12  | <b>Profit from ordinary activities</b>   | <b>16.379.326</b> | <b>15.349.237</b> | <b>94</b>                   |
| 13  | Net Profit from Discontinued activities  | 0                 | 0                 | 0                           |
| 14  | <b>Profit from ordinary activities before taxation</b>                                 | <b>16.379.326</b> | <b>15.349.237</b> | <b>94</b>                   |
| 15  | Corporate tax  | -1.582.951        | -1.399.223        | 88                          |
| 16  | <b>Net profit</b>  | <b>14.796.375</b> | <b>13.950.014</b> | <b>94</b>                   |
| 17  | Net profit minority shareholders   | 0                 | 0                 | 0                           |
| 18  | <b>Net profit Majority shareholders</b>  | <b>14.796.375</b> | <b>13.950.014</b> | <b>94</b>                   |
| 19  | Total other comprehensive income   | 0                 | 0                 | 0                           |
| 20  | <b>TOTAL COMPREHENSIVE INCOME</b>  | <b>14.796.375</b> | <b>13.950.014</b> | <b>94</b>                   |

### Analysis of the operating profit by nature of costs

|    | Position  | Previous Period   | Curent Period     | Indexes                     |
|----|---|-------------------|-------------------|-----------------------------|
|    |   | Year to date      | Year to date      | curent year / previous year |
| 1  | Sales revenues  | 30.127.440        | 30.379.066        | 101                         |
| 1a | Revenues from rents and consumables                           | 4.950             | 3.779             | 76                          |
| 2  | Other operating revenues                                      | 163.311           | 160.317           | 98                          |
| 3  | Changes in inventories of finished goods and work in progress | 352.528           | 256.357           | 73                          |
| 4  | Cost of trading goods sold                                    | 0                 | 0                 | 0                           |
| 5  | Cost of consumed materials and other supplies                 | 3.711.456         | 4.934.937         | 133                         |
| 6  | Cost of materials, spare parts and other inventory sold       | 2.838             | 5.508             | 194                         |
| 7  | Services  | 2.743.759         | 2.884.586         | 105                         |
| 8  | Other Expenditures  | 742.792           | 934.827           | 126                         |
| 9  | Personnel Cost  | 4.212.301         | 3.999.665         | 95                          |
| 10 | Amortization And Depreciation                                 | 2.218.767         | 2.128.684         | 96                          |
| 11 | Impairment losses of Non-current assets                       | 0                 | 0                 | 0                           |
| 12 | Impairment losses of current assets                           | 382.263           | 229.329           | 60                          |
| 13 | Provisions  | 0                 | 0                 | 0                           |
| 14 | Other operating expenses                                      | 150.246           | 238.047           | 158                         |
| 15 | <b>Operating profit</b>                                       | <b>16.483.807</b> | <b>15.443.937</b> | <b>94</b>                   |

## EXPLANATION ON THE OPERATION OF MERMEREN KOMBINAT AD PRILEP FOR THE PERIOD FROM 01.01.2022 TO 31.12.2022

In accordance to the changes and additions of the Quotation regulations, we present this explanation to the financial result for the period from 01 January to 31 December 2022.

- A. Changes in accounting policies and methods of evaluation of items in the financial statements compared to the latest annual audited financial statements have not been made.
- B. For the period from 01 January to 31 December 2022, Mermeren Kombinat AD Prilep ("the Company"), generated sales revenue in the amount of €30,379,066, which is an increase of just 0.8% compared to the same period of the previous year.

| <b>Sales revenue</b> | <b>2022</b>       |        | <b>2021</b>       |        |
|----------------------|-------------------|--------|-------------------|--------|
| - Domestic market    | 94,204            | 0.31%  | 156,736           | 0.52%  |
| - Foreign market     | 30,284,862        | 99.69% | 29,970,704        | 99.48% |
|                      | <b>30,379,066</b> |        | <b>30,127,440</b> |        |

  

| <b>Sales revenue</b> | <b>2022</b>       |        | <b>2021</b>       |        |
|----------------------|-------------------|--------|-------------------|--------|
| - Quarry             | 29,413,353        | 96.82% | 29,640,967        | 98.39% |
| - Factory            | 965,713           | 3.18%  | 486,473           | 1.61%  |
|                      | <b>30,379,066</b> |        | <b>30,127,440</b> |        |

The operating profit for the period is in the amount of €15,443,937 compared to the operating profit for the same period in 2021 in the amount of €16,483,807, representing a decrease of 6.31%.

EBITDA for the period of 01 January to 31 December 2022 is €17,574,582 compared to €18,708,458 for the same period of the previous year, or decrease of 6.06%.

The final result after the tax is positive, amounting to €13,950,014 shows a decrease of 5.72% compared to the profit for the same period last year, in the amount of €14,796,375.

- C. Operating expenses are in the amount of €15,355,583 and represent increase of 8.41% compared to the same period of the previous year.
- D. The cost of materials and consumables were increased by 32.96% which reflects mainly the increased cost of energy, and employee expenses were decreased by 5.05%.
- E. External services expenses are increased by 5.13%. Depreciation costs amounted to €2,128,684 and are lower by 4.06% compared to the previous year.
- F. There are no significant investments in tangible assets (real estate, plant and equipment) or significant write-off, higher than 30% of the value of the assets.
- G. At 20 April 2022, according to the Shareholders' Assembly decision no. 02-1705/14, the retained earnings realized till 31 December 2020 and part of the profit for the year 2021 in total amount of €16,029,054 were allocated for dividends distribution. The amount of the gross dividend per ordinary share is determinate at €3.42 (1€=61.695 denars).

During the period ended 31 December 2022 the Company paid dividends to its shareholders in net amount of €15,853.804 and in addition €172,053 relating to taxes on dividend paid.

- H. Loans of the Company were fully paid.
- I. Prospects: 2023 is expected to be a period of positive operational and financial performance.