



Interim Financial Statements and
Independent Auditors' Review Report

Mermeren Kombinatski Zavod, Prilep

30 June 2023

These interim financial statements represent Euro translation of the original interim financial statements expressed in Macedonian Denars. In case of any discrepancies between the translated and original interim financial statements, interim financial statements expressed in Macedonian Denars shall prevail

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Independent Auditors' Review Report

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To the Management and Shareholders of
Mermeren Kombinat AD, Prilep

Report on interim financial statements

Introduction

We have reviewed the accompanying interim financial statements consisting of Statement of financial position of Mermeren Kombinat AD, Prilep ("the Company") as at 30 June 2023 and the related statements of comprehensive income, changes in equity and cash flows for the six - month period then ended and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with International Accounting Standard 34, 'Interim financial reporting'. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of the Company as at 30 June 2023, and its financial performance and its cash flows for the six – month period that ended in accordance with International Accounting Standard 34.

Marjan Andonov
Director
Grant Thornton DOO, Skopje

Maja Atanasovska
Certified auditor

Skopje, 28 September 2023

Interim financial statements
30 June 2023

Statement of Financial Position

		(Amounts in EUR)		
		30 June 2023	30 June 2022	31 December 2022
Assets				
Non-current assets				
Property, plant and equipment	9	15,247,471	13,856,308	14,377,389
Intangible assets	10	1,049,827	1,116,015	1,141,217
		16,297,298	14,972,323	15,518,606
Current assets				
Inventories	11	5,588,554	5,055,431	5,270,027
Trade and other receivables	12	9,314,463	10,398,625	9,641,901
Income tax receivables		131,153	-	8,245
Financial receivables	13	8,523,257	1,752,664	5,308,308
Cash and cash equivalents	14	8,512,545	2,596,593	6,456,409
		32,069,972	19,803,313	26,684,890
Total assets		48,367,270	34,775,636	42,203,496
Equity				
Shareholders' equity				
Share capital	15	4,686,858	4,686,858	4,686,858
Other components of equity		18,551,673	16,346,810	16,446,027
Retained earnings		23,832,714	12,253,193	19,842,341
Total equity		47,071,245	33,286,861	40,975,226
Current liabilities				
Trade and other payables	16	1,216,537	1,243,921	1,138,234
Income tax payables		-	143,342	-
Tax payables	17	79,488	101,512	90,036
		1,296,025	1,488,775	1,228,270
Total liabilities		1,296,025	1,488,775	1,228,270
Total liabilities and shareholders' equity		48,367,270	34,775,636	42,203,496

These interim financial statements have been approved by the Board of Directors on 28 September 2023.

Signed on its behalf by,

Lazaros Pantelidis

Chairman

Vasileios Anagnostou

Chief Executive Officer

Nikos Michalopoulos

Chief Financial Officer

Interim financial statements
30 June 2023

Statement of Comprehensive Income

	Note	Six - month period ended		(Amounts in EUR)
		30 June	2022	Year ended December 31 2022
		2023	2022	2022
Sales	18	13,105,445	14,246,252	30,379,066
Cost of sales	19	(4,862,486)	(4,981,562)	(10,344,213)
Gross profit		8,242,959	9,264,690	20,034,853
Administrative and selling expenses	20	(1,666,643)	(2,234,398)	(4,724,730)
Other operating income	22	5,871	67,838	133,814
Operating profit		6,582,187	7,098,130	15,443,937
Finance income	23	172,631	88,800	147,696
Finance costs	23	(136,463)	(89,536)	(242,396)
Finance (costs), net		36,168	(736)	(94,700)
Profit before income tax		6,618,355	7,097,394	15,349,237
Income tax (expense)	24	(428,066)	(718,729)	(1,399,223)
Profit for the period		6,190,289	6,378,665	13,950,014
Other comprehensive income:				
Items that will not be reclassified subsequently to profit and loss			-	-
Translation differences	15.2	(94,270)	(49,065)	70,123
Other comprehensive income for the period, net of tax		(94,270)	(49,065)	70,123
Total comprehensive income		6,096,019	6,329,600	14,020,137
Profit attributable to the holders of ordinary shares		6,190,289	6,378,665	13,950,014
Total comprehensive income attributable to the holders of ordinary shares		6,096,019	6,329,600	14,020,137
Earnings per share (expressed in Euros per share):	26			
Basic earnings per share				
- Earnings from continuing operations		1.32	1.36	2.98
- Earnings from discontinued operations		-	-	-
Total		1.32	1.36	2.98
Diluted earnings per share				
- Earnings from continuing operations		1.32	1.36	2.98
- Earnings from discontinued operations		-	-	-
Total		1.32	1.36	2.98
EBITDA		7,681,115	8,182,476	17,574,582

Interim financial statements
30 June 2023

Statement of Changes in Equity

	(Amounts in EUR)			
	Share capital	Other components of the equity	Retained earnings	Total
At 1 January 2023	4,686,858	16,446,027	19,842,341	40,975,226
<u>Transactions with owners (Note 15.2):</u>	-	-	-	-
Allocation of profit to retained earnings	-	3,002,652	(3,002,652)	-
Transfer of profit from reinvested to retained earnings	-	(802,736)	802,736	-
Total transactions with owners	-	2,199,916	(2,199,916)	-
Profit for the period	-	-	6,190,289	6,190,289
<u>Other comprehensive income (Note 15.2):</u>	-	-	-	-
Exchange differences on translating	-	(94,270)	-	(94,270)
Total other comprehensive income	-	(94,270)	-	(94,270)
Total comprehensive income	-	(94,270)	6,190,289	6,096,019
At 30 June 2023	4,686,858	18,551,673	23,832,714	47,071,245
At 1 January 2022	4,686,858	14,500,035	23,799,422	42,986,315
<u>Transactions with owners:</u>	-	-	-	-
Allocation of profit to retained earnings	-	-	12,284,041	12,284,041
Transfer of profit from reinvested to retained earnings	-	(604,213)	604,213	-
Allocation of profit to investment reserves	-	2,500,053	(14,784,094)	(12,284,041)
Dividends declared	-	-	(16,029,054)	(16,029,054)
Total transactions with owners	-	1,895,840	(17,924,894)	(16,029,054)
Profit for the period	-	-	6,378,665	6,378,665
<u>Other comprehensive income (Note 15.2):</u>	-	-	-	-
Translation differences	-	(49,065)	-	(49,065)
Total other comprehensive income	-	(49,065)	-	(49,065)
Total comprehensive income	-	(49,065)	6,378,665	6,329,600
At 30 June 2022	4,686,858	16,346,810	12,253,193	33,286,861
At 01 January 2022	4,686,858	14,500,035	23,799,422	42,986,315
Transaction with owners	-	-	-	-
Allocation of profit to investment reserves	-	2,502,357	(2,502,357)	-
Dividends declared	-	-	(16,029,054)	(16,029,054)
Transfer of profit from reserves to retained earnings (Note 12)	-	(626,488)	624,316	(2,172)
Total transactions with owners	-	1,875,869	(17,907,095)	(16,031,226)
Profit for the year	-	-	13,950,014	13,950,014
<u>Other comprehensive income:</u>	-	-	-	-
Exchange differences on translating	-	70,123	-	70,123
Total other comprehensive income	-	70,123	-	70,123
Total comprehensive income	-	70,123	13,950,014	14,020,137
At 31 December 2022	4,686,858	16,446,027	19,842,341	40,975,226

Interim financial statements
30 June 2023

Statement of Cash Flows

		(Amounts in EUR)		
		Six - month period ended 30 June		Year ended
	Note	2023	2022	December 31 2022
Operating activities				
Net profit before income tax		6,618,355	7,097,394	15,349,237
<u>Adjusted for:</u>				
Depreciation and amortization	9,10	1,098,928	1,084,346	2,130,645
Wastage, failure and fracture of inventory	20	10,701	113,062	155,625
Net carrying amount of equipment written off	20	382	-	25,644
Impairment and write offs on trade and other receivables	20	7	3	31,904
Net carrying amount of equipment sold		-	20,208	20,227
Value adjustment of inventories	20	-	-	170,568
Impairment of obsolete consumables and spare parts	20	-	-	58,378
Shortages	20	-	-	12,220
Liabilities for dividends written off	22	-	-	(3,975)
Gains from previously impaired receivables	12, 22	-	(25)	(25)
Gain on property, plant and equipment sold	22	(97)	(948)	(6,028)
Payables written off and stock count surplus	22	(23)	(41,621)	(94,207)
Finance result, net	23	(28,930)	(15,252)	(26,536)
Operating profit before working capital changes		7,699,323	8,257,167	17,823,677
<u>Changes in working capital:</u>				
Inventories		(329,228)	21,171	(438,021)
Trade and other receivables		327,376	(2,041,248)	(1,316,450)
Trade and other payables		67,778	284,972	196,604
Cash from operations		7,765,249	6,522,062	16,265,810
Interest paid		-	(14)	(14)
Income tax paid		(550,974)	(360,107)	(1,194,360)
Cash flows from operating activities, net		7,214,275	6,161,941	15,071,436
Investing activities				
Purchase of tangible assets, net of proceeds from sales	9	(1,881,940)	(245,002)	(1,670,922)
Purchase of intangible assets, net of proceeds from sales	10	(31,273)	(42,650)	(184,051)
Proceeds from sale of equipment	22	97	948	6,028
Financial receivables	13	(3,214,949)	2,290,522	(1,265,122)
Interest received	23	28,931	15,266	26,550
Cash flows from investing activities, net		(5,099,134)	2,019,084	(3,087,517)
Financing activities				
Dividends paid and related taxes	15.6	-	(16,014,489)	(16,025,857)
Cash flows from financing activities, net		-	(16,014,489)	(16,025,857)
Net change in cash and cash equivalents		2,115,141	(7,833,464)	(4,041,938)
Cash and cash equivalents at beginning	14	6,456,409	10,461,890	10,461,890
*Effects of exchange rate changes on cash and cash equivalents		(59,005)	(31,833)	36,457
Cash and cash equivalents at end	14	8,512,545	2,596,593	6,456,409

Notes to the Interim Financial Statements

1 General

Mermeren Kombinat AD, Prilep (the “Company”) is a Shareholders’ Company incorporated and domiciled in the Republic of North Macedonia. The address of its registered head office is Lece Koteski 60A, Prilep, Republic of North Macedonia.

The Company’s shares are listed on the Macedonian Stock Exchange and on the Athens Stock Exchange via the EL.PIS. (Greek Depository Receipts) status.

On 10 April 2009 Stone Works Holdings Coöperatief U.A., (“Stoneworks”) a corporation incorporated in the Netherlands, acquired 88,4% of the Company’s shares.

On 5 September 2017, Pavlidis S.A. Marble-Granite, Greece (“Pavlidis”) acquired 100% of the equity interests of Stoneworks. Ultimate Parent of the Company became Pavlidis.

On 26 February 2018, Pavlidis proceeded to a public offer to EL.PIS. holders in order to acquire EL.PIS. In the period 01/03/2018 to 28/03/2018, a total of 310,262 EL.PIS. were bought, which represent 6.62% of the total shares of the Company.

On 28 June 2018, Stoneworks acquired an additional 34,449 shares and on 12 July 2018 additional 5,082 shares. Therefore, on 31 December 2022 and on 31 December 2021 Stoneworks is the holder of 89.25% of the issued share capital.

On 13 January 2023 the shareholders of Pavlidis S.A Marble-Granite (“Pavlidis”) signed a definitive agreement with funds managed by ECM Partners Inc Ljubljana Slovenia to sell 100% of Pavlidis Marble-Granite shares.

On 10 March 2023 the transaction was closed. Dolit Investments SA (“Dolit”) a company incorporated in Greece acquired Pavlidis and the ultimate parent of the Company became ECM Partners Inc Ljubljana Slovenia as indirect 100% owner of Dolit.

The Company’s main business activities include mining, processing and distribution of marble and decorative stones. The Company has signed a mining rights concession agreement that is valid until 2030, renewable then for another 30 years. The Company operates on local and foreign markets and at 31 December 2022 30 June 2023 employs 269 persons (December 2022: 270 persons, June 2022: 271 persons).

Notes to the Interim Financial Statements (continued)
As at and for the six - month period ended 30 June 2023
(All amounts presented in Euros, unless otherwise stated)

2 Basis of preparation

These interim financial statements are as at and for the six months period ended 30 June 2023 and are presented in EUR which is “the presentation currency” of the Company’s ultimate parent. It has been prepared in accordance with IAS 34 “Interim financial reporting”. They do not include all the information required in the annual financial statements in accordance with IFRS, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2022.

3 Significant accounting policies

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Company’s most recent annual financial statements for the year ended 31 December 2022.

New Standards adopted as at 1 January 2023

Accounting pronouncements

There are no accounting pronouncements which have become effective from 1 January 2023 that have a significant impact on the Group’s interim condensed consolidated financial statements.

Other Standards and amendments that are effective for the first time in 2023 (for entities with a 31 December 2023 year-end) and could be applicable to the Company are:

- IFRS 17 Insurance Contracts – the Company does not have any contracts that meet the definition of insurance contracts as set out in IFRS 17
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Disclosure of Accounting Policies (Amendments to IAS 1 and Practice Statement 2)

These standards and amendments do not have a significant impact on these Interim Financial Statements and therefore the disclosures have not been made. However, whilst they do not affect these Interim Financial Statements they will impact some entities. The Company has assessed the impact of these new Standards on their financial statements based on their own facts and circumstances and make appropriate disclosures. In addition, if practical expedients are going to be used, then this intention should be disclosed.

4 Foreign currency translation

Functional and presentation currency

The Company maintains its accounting records and prepares its statutory accounts in local currency, i.e. in Macedonian Denars (“Denars” or “MKD”), which is the Company’s “functional currency”. These financial statements are presented in Euros (“Euros” or “EUR”), which is “the presentation currency” of the Company’s ultimate Parent.

Notes to the Interim Financial Statements (continued)
As at and for the six - month period ended 30 June 2023
(All amounts presented in Euros, unless otherwise stated)

Foreign currency translation (continued)

The results and financial position of the Company are translated into the presentation currency as follows:

- Assets and liabilities for each Statement of financial position presented are translated at the closing rate at the date of that Statement of financial position;
- Income and expenses for each Statement of comprehensive income are translated at average exchange rates; and,
- Resulting exchange differences are recognized as financial income or expense, respectively, in each Statement of comprehensive income for the period they relate to.

Transactions and balances

Transactions denominated in foreign currencies have been translated into Denars at the middle exchange rate at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into Denars at the National Bank of the Republic of North Macedonia middle exchange rate on the last day of the reporting period. All gains and losses resulting from foreign currency translation or exchange are included in the Statement of comprehensive income as financial income or expense in the period in which they arose. The middle exchange rates used for conversion of the Statement of financial position items denominated in foreign currencies are as follows:

	30 June 2023	30 June 2022	31 December 2022
1 USD	56.3467 Denars	58.6622 Denars	57.6535 Denars
1 EUR	61.6320 Denars	61.6950 Denars	61.4932 Denars
Average EUR	61.6122 Denars	61.6787 Denars	61.6219 Denars

5 Estimates and judgements

When preparing the interim financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's last annual financial statements for the year ended 31 December 2022.

The estimated useful lives of fixed assets are as follows:

Buildings & Foundation	40 years
Machines	10 years
Other equipment	4-5 years
Transport & furniture	4-5 years
Intangibles	5-16 years

The operations of the Company proceed according to the plan, yet there was a decrease in the profit compared to the same period of the previous year, due to a large degree to the increased cost of energy. The effects on the second semester of the year are difficult to quantify, given the unpredictable nature of the cost of energy.

Notes to the Interim Financial Statements (continued)
As at and for the six - month period ended 30 June 2023
(All amounts presented in Euros, unless otherwise stated)

6 Significant events and transactions

The Company's management believes that the Company is well positioned to face any difficult economic circumstances, on the back of the following factors:

- The Company has a diversified group of old and new customer relationships, most of them on a repeated and/or long-term basis.
- Most of the trade is conducted with advance payments and letter of credit...
- According to the Company's policy, all major customers' exposures are secured with different types of collaterals such as bank guarantees and cash deposits. Credit quality of trade receivables as at 30 June 2023 is considered to be good.
- The Company's major customers have not experienced financial difficulties, while they operate on a global market.
- Overall, the Company is in a strong position, and has sufficient capital and liquidity to serve its operating activities and debt. The Company's objectives and policies for managing capital, credit risk and liquidity risk are described in its recent annual financial statements.

7 Segment reporting

Management identifies its operating segments into the following two operating segments:

- quarry;
- factory.

Each of these operating segments is managed separately as each segment requires different technologies and other resources, as well as marketing approaches. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results. During the six month period to 30 June 2023, there have been no changes from prior periods in the measurement methods used to determine operating segments and reported segment profit and loss. The revenues and profit generated by each of the Company's operating segments and segment assets are summarised as follows:

	Quarry	Factory	Total
Six months to 30 June 2023			
Sales	12,695,231	410,214	13,105,445
Profit / loss from operating activities	6,684,502	(102,315)	6,582,187
Financial result, net			36,168
Profit before tax			6,618,355
Income tax expense			(428,066)
Profit for the period			6,190,289
Other comprehensive income			(94,270)
Total comprehensive income for the period			6,096,019

Notes to the Interim Financial Statements (continued)
As at and for the six - month period ended 30 June 2023
(All amounts presented in Euros, unless otherwise stated)

Segment reporting (continued)

Six months to 30 June 2022

Sales	13,583,115	663,137	14,246,252
Profit / loss from operating activities	7,262,541	(164,411)	7,098,130
Financial result, net			(736)
Profit before tax			7,097,394
Income tax expense			(718,729)
Profit for the period			6,378,665
Other comprehensive income			(49,065)
Total comprehensive income for the period			6,329,600

Year to 31 December 2022

Sales	29,409,573	969,493	30,379,066
Profit / loss from operating activities	15,735,142	(291,205)	15,443,937
Financial result, net			(94,700)
Profit before tax			15,349,237
Income tax expense			(1,399,223)
Profit for the year			13,950,014
Other comprehensive income			70,123
Total comprehensive income for the year			14,020,137

Segment assets and liabilities as at 30 June 2023 and 2022 and 31 December 2022 are as follows:

	Quarry	Factory	Total
30 June 2023			
Total assets	41,708,334	6,658,936	48,367,270
Liabilities	1,255,458	40,567	1,296,025
Capital expenditures	1,499,320	413,893	1,913,213
30 June 2022			
Total assets	28,468,146	6,307,490	34,775,636
Liabilities	1,419,475	69,300	1,488,775
Capital expenditures	151,006	136,646	287,652
31 December 2022			
Total assets	34,364,820	7,838,676	42,203,496
Liabilities	1,189,072	39,198	1,228,270
Capital expenditures	1,499,310	355,663	1,854,973

Sales per geographical regions are as follows:

	Six-month period ended		Year ended
	2023	2022	2022
North Macedonia	76,604	57,438	97,984
China	11,180,235	10,901,279	24,194,961
Greece	1,578,195	2,840,403	5,340,023
Balkan region	248,039	166,627	355,199
Other markets	22,372	280,505	390,899
	13,105,445	14,246,252	30,379,066

Notes to the Interim Financial Statements (continued)
As at and for the six - month period ended 30 June 2023
(All amounts presented in Euros, unless otherwise stated)

Segment reporting (continued)

As at 30 June 2023 Euros 7,075,429 or 53,99 % (30 June 2022 : Euro 6,601,340 or 46,34 % and 31 December 2022 : Euro 12,500,394 or 41.14%) of the company's revenues depended on four single customers (three from China and one from Greece), which individually represent more than 10% of revenues (30 June 2022 : two single customers, one from China and one from Greece and 31 December 2022 : two single customers, one from China and one from Greece).

8 Seasonal fluctuations

The production of marble and related products is subject to seasonal fluctuations.

Historically, the lowest level of production and sales of the Company occurs during the winter months from December through February each year.

Revenues from sales of marble related products realized in the six months ended 30 June 2023 represented 43% (first six months of 2022: 47%) of the annual level of these revenues for the year ended 31 December 2022.

Notes to the Interim Financial Statements (continued)
As at and for the six - month period ended 30 June 2023
(All amounts presented in Euros, unless otherwise stated)

9 Property, plant and equipment

	Land & buildings	Machinery & equipment	Construction in progress	Total
At 1 January 2023				
Cost or valuation	7,380,544	30,057,038	345,255	37,782,837
Accumulated depreciation	(3,458,472)	(19,946,976)	-	(23,405,448)
Net carrying amount	3,922,072	10,110,062	345,255	14,377,389
Changes during the period				
Opening net carrying amount	3,922,072	10,110,062	345,255	14,377,389
Translation differences	(8,820)	(23,036)	(813)	(32,669)
Additions, net of transfers from C.I.P.	50,496	1,719,001	112,443	1,881,940
Disposals-net	-	(382)	-	(382)
Depreciation charge for the period	(94,365)	(884,442)	-	(978,807)
Closing carrying amount	3,869,383	10,921,203	456,885	15,247,471
At 30 June 2023				
Cost or valuation	7,336,717	31,574,830	456,885	39,368,432
Accumulated depreciation	(3,467,334)	(20,653,627)	-	(24,120,961)
Net carrying amount	3,869,383	10,921,203	456,885	15,247,471
At 1 January 2022				
Cost or valuation	6,780,389	28,855,820	541,045	36,177,254
Accumulated depreciation	(3,279,657)	(18,303,506)	-	(21,583,163)
Net carrying amount	3,500,732	10,552,314	541,045	14,594,091
Changes during the period				
Opening net carrying amount	3,500,732	10,552,314	541,045	14,594,091
Translation differences	(3,874)	(11,434)	(586)	(15,894)
Additions, net of transfers from C.I.P.	146,006	135,184	(36,188)	245,002
Disposals-net	-	(20,208)	-	(20,208)
Depreciation charge for the period	(88,939)	(857,744)	-	(946,683)
Closing carrying amount	3,553,925	9,798,112	504,271	13,856,308
At 30 June 2022				
Cost or valuation	6,895,703	28,835,721	504,271	36,235,695
Accumulated depreciation	(3,341,778)	(19,037,609)	-	(22,379,387)
Net carrying amount	3,553,925	9,798,112	504,271	13,856,308
At 1 January 2022				
Cost or valuation	6,780,389	28,855,820	541,045	36,177,254
Accumulated depreciation	(3,279,657)	(18,303,506)	-	(21,583,163)
Net carrying amount	3,500,732	10,552,314	541,045	14,594,091
Changes during the year				
Opening net carrying amount	3,500,732	10,552,314	541,045	14,594,091
Translation differences	8,480	21,989	766	31,235
Additions, net of transfers from C.I.P.	607,550	1,259,928	(196,556)	1,670,922
Disposals-net	(13,663)	(32,208)	-	(45,871)
Depreciation charge for the year	(181,027)	(1,691,961)	-	(1,872,988)
Closing carrying amount	3,922,072	10,110,062	345,255	14,377,389
At 31 December 2022				
Cost or valuation	7,380,544	30,057,038	345,255	37,782,837
Accumulated depreciation	(3,458,472)	(19,946,976)	-	(23,405,448)
Net carrying amount	3,922,072	10,110,062	345,255	14,377,389

Notes to the Interim Financial Statements (continued)
As at and for the six - month period ended 30 June 2023
(All amounts presented in Euros, unless otherwise stated)

Property, plant and equipment (continued)

Construction in progress

As at 30 June 2023, the balance of construction in progress in the amount of Euro 456,885 mainly consists of the cost of new installation of photovoltaic system in factory, and one diamond wire sawing machine for the quarry.

Property, plant and equipment pledged

As at 30 June 2023, the Company has pledged part of its property, plant and equipment to secure borrowings. As at the statement of financial position date, their appraised value is Euro 3,342,752 and their present value is Euro 1,432,152 (see Note 28).

10 Intangible assets

	Software	Trademarks	Exploration and evaluation assets	Intangibles in progress	Total
At 1 January 2023					
Cost or valuation	275,819	272,155	3,285,023	15,618	3,848,615
Accumulated amortization	(241,448)	(206,080)	(2,259,870)	-	(2,707,398)
Net carrying amount	34,371	66,075	1,025,153	15,618	1,141,217
Changes during the period					
Opening net carrying amount	34,371	66,075	1,025,153	15,618	1,141,217
Translation differences	(74)	(154)	(2,278)	(36)	(2,542)
Additions, net of transfers from intangibles in progress	-	31,273	-	-	31,273
Amortization charge for the period	(11,092)	(12,615)	(96,414)	-	(120,121)
Closing carrying amount	23,205	84,579	926,461	15,582	1,049,827
At 30 June 2023					
Cost or valuation	275,198	302,805	3,277,625	15,582	3,871,210
Accumulated amortization	(251,993)	(218,226)	(2,351,164)	-	(2,821,383)
Net carrying amount	23,205	84,579	926,461	15,582	1,049,827
At 1 January 2022					
Cost or valuation	264,658	240,135	3,132,006	19,741	3,656,540
Accumulated amortization	(219,261)	(190,549)	(2,034,391)	-	(2,444,201)
Net carrying amount	45,397	49,586	1,097,615	19,741	1,212,339
Changes during the period					
Opening net carrying amount	45,397	49,586	1,097,615	19,741	1,212,339
Translation differences	(48)	(54)	(1,186)	(23)	(1,311)
Additions, net of transfers from intangibles in progress	3,617	4,864	29,951	4,218	42,650
Amortization charge for the period	(11,029)	(7,220)	(119,414)	-	(137,663)
Closing carrying amount	37,937	47,176	1,006,966	23,936	1,116,015
At 30 June 2022					
Cost or valuation	267,666	244,733	3,158,498	23,936	3,694,833
Accumulated amortization	(229,729)	(197,557)	(2,151,532)	-	(2,578,818)
Net carrying amount	37,937	47,176	1,006,966	23,936	1,116,015
At 1 January 2022					
Cost or valuation	264,658	240,135	3,132,006	19,741	3,656,540
Accumulated amortization	(219,261)	(190,549)	(2,034,391)	-	(2,444,201)
Net carrying amount	45,397	49,586	1,097,615	19,741	1,212,339

Notes to the Interim Financial Statements (continued)
As at and for the six - month period ended 30 June 2023
(All amounts presented in Euros, unless otherwise stated)

Intangible assets (continued)

Changes during the year					
Opening net carrying amount	45,397	49,586	1,097,615	19,741	1,212,339
Translation differences	76	142	2,232	34	2,484
Additions, net of transfers from C.I.P.	10,880	31,432	145,896	(4,157)	184,051
Amortization charge for the year	(21,982)	(15,085)	(220,590)		(257,657)
Closing carrying amount	34,371	66,075	1,025,153	15,618	1,141,217
At 31 December 2022					
Cost or valuation	275,819	272,155	3,285,023	15,618	3,848,615
Accumulated amortization	(241,448)	(206,080)	(2,259,870)	-	(2,707,398)
Net carrying amount	34,371	66,075	1,025,153	15,618	1,141,217

Exploration and evaluation assets

As of 30 June 2023 the balance of exploration and evaluation assets in amounting to Euro 926,461 (30 June 2022: Euro 1,006,966 and 31 December 2022: Euro 1,025,153) includes capitalized expenses related to quarry stripping activities with remaining amortization period for 7 years and drilling research.

Intangibles in process of acquisition

As at 30 June 2023 the balance of intangibles in process of acquisition in the amounting to Euro 15,583 (30 June 2022: Euro 23,936 and 31 December 2022: Euro 15,618) relates mainly to documentation for photovoltaic system, as well as new corporate web site.

Allocation of depreciation and amortization charge

Out of the total depreciation and amortization for the period ended 30 June 2023 amounting Euro 1,098,928 (30 June 2022: Euro 1,084,346 and 31 December 2022: Euro 2,130,645), Euro 1,052,413 (30 June 2022: Euro 1,043,675 and 31 December 2022: Euro 2,048,872) has been charged in cost of sales and the remaining in the amount of Euro 46,515 (30 June 2022: Euro 40,671 and 31 December 2022: Euro 81,773) into administrative and selling expenses (see Note 20).

11 Inventories

	30 June 2023	30 June 2022	31 December 2022
Work in progress	2,994,474	2,893,128	3,050,325
Finished products	1,382,630	996,721	1,030,299
Spare parts	846,456	809,781	816,837
Raw materials	275,141	258,689	272,898
Trade goods	73,309	75,623	73,475
Other	16,544	21,489	26,193
	5,588,554	5,055,431	5,270,027

As at 30 June 2023 the Company recognized expense for wastage, failure and fracture in the amount of Euro 10,701 (30 June 2022: Euro 113,062; 31 December 2022: Euro 155,625) (Note 25), charged administrative and selling expenses (see Note 20).

Notes to the Interim Financial Statements (continued)
As at and for the six - month period ended 30 June 2023
(All amounts presented in Euros, unless otherwise stated)

12 Trade and other receivables

	30 June 2023	30 June 2022	31 December 2022
Current trade receivables			
Local debtors	27,071	29,649	24,949
Foreign debtors	5,643,765	8,367,765	6,973,958
Related party's receivables (see Note 27)	2,733,682	906,431	1,829,094
	8,404,518	9,303,845	8,828,001
Less: provision for impairment	(69,456)	(70,171)	(69,511)
	8,335,062	9,233,674	8,758,490
Prepayments and other receivables			
Prepaid VAT	480,958	333,481	243,213
Deferred expenses	275,063	216,593	27,748
Advances to suppliers	211,864	598,936	565,520
Other current receivables	11,516	15,941	46,930
	979,401	1,164,951	883,411
	9,314,463	10,398,625	9,641,901

At 30 June 2023 the credit quality of Company's trade receivables can be analyzed as follows:

	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Cost	6,099,866	2,235,196	69,456	8,404,518
Less: Impairment provision	-	-	(69,456)	(69,456)
	6,099,866	2,235,196	-	8,335,062

At 30 June 2022 the credit quality of Company's trade receivables can be analyzed as follows:

	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Cost	8,872,077	361,597	70,171	9,303,845
Less: Impairment provision	-	-	(70,171)	(70,171)
	8,872,077	361,597	-	9,233,674

At 31 December 2022 the credit quality of Company's trade receivables can be analyzed as follows:

	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Cost	7,822,333	936,157	69,511	8,828,001
Less: Impairment provision	-	-	(69,511)	(69,511)
	7,822,333	936,157	-	8,758,490

At 30 June 2023 the age structure of past due not impaired trade receivables is as follows:

	Domestic trade receivables	Foreign trade receivables	Total
Overdue up to 1 year	2,847	2,232,349	2,235,196
Overdue more than 1 year	-	-	-
	2,847	2,232,349	2,235,196

Notes to the Interim Financial Statements (continued)
As at and for the six - month period ended 30 June 2023
(All amounts presented in Euros, unless otherwise stated)

Trade and other receivables (continued)

At 30 June 2022 the age structure of past due not impaired trade receivables is as follows:

	Domestic trade receivables	Foreign trade receivables	Total
Overdue up to 1 year	5,247	356,313	361,560
Overdue more than 1 year	-	37	37
	5,247	356,350	361,597

At 31 December 2022 the age structure of past due not impaired trade receivables is as follows:

	Domestic trade receivables	Foreign trade receivables	Total
Overdue up to 1 year	495	935,662	936,157
Overdue more than 1 year	-	-	-
	495	935,662	936,157

Following table provides for the movement of impairment provision account:

	30 June 2023	30 June 2022	31 December 2022
At 1 January	69,511	70,223	70,223
Collected fully provided bad debts (Note 22)	-	(25)	(25)
Written off of previously impaired receivables	-	-	(1,104)
Impairment provision	-	-	365
Translation differences	(55)	(27)	52
At 30 June / 31 December	69,456	70,171	69,511

13 Financial receivables

	30 June 2023	30 June 2022	31 December 2022
Short-term deposits in local banks	8,523,257	1,752,664	5,308,308
	8,523,257	1,752,664	5,308,308

14 Cash and cash equivalents

	30 June 2023	30 June 2022	31 December 2022
Bank accounts	8,512,359	2,596,334	6,456,220
Cash on hand	186	259	189
	8,512,545	2,596,593	6,456,409

15 Equity

15.1 Share capital

	Number of shares	Ordinary shares (Euros)	Amount (in Euros)	
			Share premium (Euros)	Total (Euros)
<i>Authorized, issued and fully paid ordinary shares 1 Euro at par</i>				
At 30 June 2023	4,686,858	4,686,858	-	4,686,858
At 30 June 2022	4,686,858	4,686,858	-	4,686,858
At 31 December 2022	4,686,858	4,686,858	-	4,686,858

Equity (continued)

Notes to the Interim Financial Statements (continued)
As at and for the six - month period ended 30 June 2023
(All amounts presented in Euros, unless otherwise stated)

The structure of share capital at 30 June 2023, 30 June 2022 and 31 December 2022 is as follows (amounts in Euros):

At 30 June 2023/30 June 2022/ 31 December 2022	Number	Amount	%
Stone Works Holding Coöperatief U.A Netherlands	4,182,888	4,182,888	89.25
Piraeus Bank SA.	468,700	468,700	10.00
Other – minority	35,270	35,270	0.75
	4,686,858	4,686,858	100.00

All shares issued are fully paid. Holders of ordinary shares are entitled to vote in the Assembly of the Company, entitled to payment of part of profit, and have right to payment of rest of the liquidation or bankruptcy estate of the Company.

15.2 Other components of equity

	Translation reserve	Investment reserves	Statutory and other reserves	Revaluation reserve	Total
At 1 January 2023	39,386	10,559,884	4,623,476	1,223,281	16,446,027
Transfer of profit from investment reserves to retained earnings	-	(802,736)	-	-	(802,736)
Allocation of profit to investment reserves	-	3,002,652	-	-	3,002,652
Translation differences	(94,270)	-	-	-	(94,270)
At 30 June 2023	(54,884)	12,759,800	4,623,476	1,223,281	18,551,673
At 1 January 2022	(30,737)	8,684,015	4,623,476	1,223,281	14,500,035
Transfer of profit from investment reserves to retained earnings	-	(604,213)	-	-	(604,213)
Allocation of profit to investment reserves	-	2,500,053	-	-	2,500,053
Translation differences	(49,065)	-	-	-	(49,065)
At 30 June 2022	(79,802)	10,579,855	4,623,476	1,223,281	16,346,810
At 1 January 2022	(30,737)	8,684,015	4,623,476	1,223,281	14,500,035
Transfer of profit from investment reserves to retained earnings	-	(626,488)	-	-	(626,488)
Allocation of profit to investment reserves	-	2,502,357	-	-	2,502,357
Translation differences	70,123	-	-	-	70,123
At 31 December 2022	39,386	10,559,884	4,623,476	1,223,281	16,446,027

15.3 Revaluation reserve

Revaluation reserve, which at 30 June 2023 amounts to Euro 1,223,281 (30 June 2022 : Euro 1,223,281 and 31 December 2022: Euro 1,223,281) was initially created during 2002, based upon the independent valuation of groups of the Company's property, plant and equipment. Subsequent changes (transfers into retained earnings) relate to surpluses of those assets sold or disposed of.

15.4 Statutory and other reserves

Statutory reserves, which at 30 June 2023 amount to Euro 621,393 (30 June 2022: Euro 621,393 and 31 December 2022: Euro 621,393) are created during the years by allocation of parts of the net income after tax. According to the prevailing local legal regulations, the Company is required to set aside each year, minimum 5% from its annual net income after tax, until the level of such reserves reach 10% of the registered capital.

Notes to the Interim Financial Statements (continued)
As at and for the six - month period ended 30 June 2023
(All amounts presented in Euros, unless otherwise stated)

Equity (continued)

With an assembly decision, these reserves can be distributed for dividends to the shareholders and/or for purchase of its own shares.

Other reserves, which at 30 June 2023 amount to Euro 4,002,083 (30 June 2022: Euro 4,002,083 and 31 December 2022: Euro 4,002,083) were created on 24 April 2017 and according to the Shareholders' Extraordinary Assembly decision no. 02-2223/3, when the premiums on issued shares of the Company, were transferred in the special reserves for increasing the basic capital of the Company.

15.5 Investment reserves

At 30 May 2023 and according to the Shareholders' Annual Assembly decision no. 02-2325/14, part of the profit for the year 2022, in the amount of 3,002,652 Euros was allocated to reinvested earnings for financing the investment program of the Company. Furthermore, part of reinvested earnings in amount of 802,736 Euros that was not utilized in 2022 has been transferred in retained earnings.

At 20 April 2022 and according to the Shareholders' Annual Assembly decision no. 02-1705/6, part of the profit for the year 2021, in the amount of 2,500,053 Euros was allocated to reinvested earnings for financing the investment program of the Company. Furthermore, part of reinvested earnings in amount of 604,213 Euros that was not utilized in 2021 has been transferred in retained earnings.

15.6 Dividends

During the period ended 30 June 2023 no dividends were distributed.

16 Trade and other payables

	30 June 2023	30 June 2022	31 December 2022
Trade creditors			
Local suppliers	434,675	407,671	488,169
Foreign suppliers	127,411	190,068	165,001
Related parties' payables (see Note 27)	-	-	-
	562,086	597,739	653,170
Other current liabilities			
Accrued expenses	306,148	313,939	85,761
Liabilities to employees and management	313,249	269,513	284,549
Customers' prepayments	27,185	41,542	106,866
Dividend's payables (net of local taxes)	6,202	19,802	6,216
Other	1,667	1,386	1,672
	654,451	646,182	485,064
	1,216,537	1,243,921	1,138,234

17 Tax payables

	30 June 2023	30 June 2022	31 December 2022
Concession fees and other levies	78,405	98,526	86,814
Personal income tax liabilities	1,073	2,976	3,161
Withholding tax	10	10	61
	79,488	101,512	90,036

Notes to the Interim Financial Statements (continued)
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(All amounts presented in Euros, unless otherwise stated)

18 Sales

	Six - month period ended 30 2023	June 2022	Year ended 31 December 2022
Local market	76,604	57,438	97,984
Foreign markets:			
-China ¹	11,180,235	10,901,279	24,194,961
- Greece	1,578,195	2,840,403	5,340,023
- Balkan region	248,039	166,627	355,199
- Other markets	22,372	280,505	390,899
Sub- total – sales on foreign markets	13,028,841	14,188,814	30,281,082
Total sales	13,105,445	14,246,252	30,379,066

19 Cost of sales

	Six - month period ended 30 2023	June 2022	Year ended 31 December 2022
Stock of finished products and W.I.P. at the beginning of the period	4,080,624	4,053,798	4,053,798
Plus: Total production cost for the period ended 30 June	5,173,624	4,938,545	10,767,196
Plus: Income from value adjustment of previously written-off inventory	5,697	14,570	23,693
Plus: Income from value adjustment of obsolete consumables and spare parts consumed	1,331	10,038	13,515
Plus: Cost of various material sold	-	5,503	5,508
Use of own products	(3,957)	(24,724)	(30,282)
Wastage, failure and fracture of products (excluding VAT effect)	(10,701)	(101,711)	(131,886)
Shortages (excluding VAT effect)	-	-	(10,551)
Less: Valuation allowance of inventories	-	-	(170,568)
Less: Valuation allowance of obsolete consumables and spare parts	-	-	(58,378)
Less: Income from released value adjustment of inventories sold	(5,697)	(14,570)	(23,693)
Less: Income from value adjustment of obsolete consumables and spare parts consumed	(1,331)	(10,038)	(13,515)
Less: Stock of finished products and W.I.P. at the end of period	(4,377,104)	(3,889,849)	(4,080,624)
	4,862,486	4,981,562	10,344,213

¹ Includes China and Hong Kong

Notes to the Interim Financial Statements (continued)
As at and for the six - month period ended 30 June 2023
(All amounts presented in Euros, unless otherwise stated)

20 Administrative and selling expenses

	Six - month period ended 30 June 2023		Six - month period ended 30 June 2022		Year ended 31 December 2022	
	Administrative	Selling	Administrative	Selling	Administrative	Selling
Staff costs	302,909	69,536	306,681	73,223	600,368	142,785
Marketing and promotion	118,408	1,007	74,120	597	181,953	1,461
Professional advisory services	63,681	-	44,003	-	98,375	-
Employee benefits	42,217	-	239,550	-	251,988	-
Depreciation and amortization (Note 10)	39,475	7,040	34,814	5,857	69,855	11,918
Services	36,570	10,179	32,782	8,650	68,202	21,958
Materials, supplies and utilities	23,507	32,776	34,890	39,073	61,179	67,248
Expenses for operating lease	10,607	-	10,674	-	20,813	-
Taxes and other levies	8,282	957	5,973	971	17,631	2,042
Present value of equipment sold and written off	382	-	-	-	-	25,644
Transport of products	-	786,997	-	1,069,097	-	2,456,845
Wastage, failure and fracture of inventories	-	10,701	-	113,062	-	155,625
Impairment and write off of receivables	-	7	-	3	-	31,904
Value adjustment of inventories	-	-	-	-	-	170,568
Value adjustment of obsolete consumables and spare parts	-	-	-	-	-	58,378
Stock count shortages of inventory	-	-	-	-	-	12,220
Other expenses and provisions	78,002	23,403	114,498	25,880	159,585	36,185
	724,040	942,603	897,985	1,336,413	1,529,949	3,194,781

21 Staff costs

	Six - month period ended 30 June		Year ended 31 December
	2023	2022	2022
Net salaries	1,102,535	1,066,484	2,159,441
Personal tax and mandatory contributions	562,691	492,120	1,012,028
Less: amount corresponding to future periods	(272,756)	(214,287)	-
Business trips	2,727	1,183	1,958
Other allowances	526,886	400,303	501,589
	1,922,083	1,745,803	3,675,016

Out of the total staff costs for the six-month period ended 30 June 2023 Euro 1,549,638 (30 June 2022: Euro 1,365,899) was charged to cost of sales and the remaining amount of Euro 372,445 (30 June 2022: Euro 379,904) to administrative and selling expenses (see Note 20).

Notes to the Interim Financial Statements (continued)
As at and for the six - month period ended 30 June 2023
(All amounts presented in Euros, unless otherwise stated)

22 Other operating income

	Six - month period ended 30		Year ended 31
	2023	June 2022	December 2022
Income from re invoicing of transport cost and other services	44,419	101,589	184,263
- Less: Cost associated with the above services	(40,197)	(98,237)	(177,889)
Raw materials sold	617	12,509	13,422
Gains on property, plant and equipment sold	97	948	6,028
Payables write offs and stock count surplus	23	41,621	94,207
Income from health insurance	-	8,570	8,578
Income from collected fully provided bad debts (Note 12)	-	25	25
Income from court verdicts	-	-	65
Liabilities for dividends written off	-	-	3,975
Other income	912	813	1,140
	5,871	67,838	133,814

23 Finance income and costs

	Six - month period ended 30		Year ended 31
	2023	June 2022	December 2022
Finance income			
Interest income	28,931	15,266	26,550
Foreign exchange gains	143,700	73,534	121,146
	172,631	88,800	147,696
Finance costs			
Interest (expense)	(1)	(14)	(14)
Bank (charges)	(33,259)	(35,866)	(85,439)
Foreign exchange (losses)	(103,203)	(53,656)	(156,943)
	(136,463)	(89,536)	(242,396)
Net finance costs	36,168	(736)	(94,700)

24 Income tax

The charge for the year can be reconciled to the profit per Statement of comprehensive income at 30 June 2023 and 2022 and 31 December 2022 as follows:

	Six - month period ended 30		Year ended 31
	2023	June 2022	December 2022
Profit before income tax	6,618,355	7,097,394	15,349,237
Non – deductible expenses	370,471	634,461	1,033,267
Tax deductions	(1,935,847)	(338,751)	(1,701,398)
Temporary differences of the tax base	31,094	97,372	-
Income tax base	5,084,073	7,490,476	14,681,106
Current tax charge at rate of 10%	508,407	749,048	1,468,111
Income tax reduction	(80,341)	(30,319)	(68,888)
Income tax (expense)	428,066	718,729	1,399,223
Effective tax rate	6,47%	10,13%	9,12%

Notes to the Interim Financial Statements (continued)
As at and for the six - month period ended 30 June 2023
(All amounts presented in Euros, unless otherwise stated)

25 Expenses by nature

	Six - month period ended 30		Year ended 31
	2023	June 2022	December 2022
Staff costs	1,922,083	1,745,803	3,675,016
Energy and water	1,270,728	1,317,399	3,227,095
Consumed materials, spare parts and small inventory	1,107,917	921,468	1,817,632
Depreciation and amortization	1,098,928	1,084,346	2,130,645
Transport of products	786,997	1,069,097	2,456,845
Services	190,094	188,828	392,940
Marketing and promotion	119,415	74,717	183,414
Other expenses and provisions	101,405	140,378	195,770
Professional advisory services	63,681	44,003	98,375
Taxes and other contributions	60,958	53,157	119,649
Employee benefits	42,217	239,550	251,988
Insurance	24,911	36,406	42,414
Wastage, failure and fracture	10,701	113,062	155,625
Expenses for operating leasing	10,607	10,674	20,813
Representation	8,356	6,883	16,382
Transport costs	6,222	6,237	12,452
Present value of assets sold and written off	382	-	25,644
Write off of receivables	7	3	31,904
Value adjustment of inventories	-	-	170,568
Value adjustment of obsolete consumables and spare parts	-	-	58,378
Shortages	-	-	12,220
	6,825,609	7,052,011	15,095,769
Changes of stock of work in progress and finished products	(296,480)	163,949	(26,826)
	6,529,129	7,215,960	15,068,943

26 Earnings per share

Basic and diluted earnings per share

Both basic and diluted earnings per share have been calculated using the profit attributable to equity holders of the Company as the numerator, i.e. no adjustments to profits were necessary during the six months period to 30 June 2023 and 2022 and the year ended 31 December 2022.

The weighted average number of shares for the purposes of the calculation of the diluted earnings per share can be reconciled to the weighted average number of shares used in the calculation of basic earnings per share.

The calculation of both basic and diluted earnings per share is presented in the following table:

	Six - month period ended 30		Year ended 31
	2023	June 2022	December 2022
Profit attributable to equity holders of the Company	6,190,289	6,378,665	13,950,014
Weighted average number of ordinary shares	4,686,858	4,686,858	4,686,858
Basic and diluted earnings per share (Euro per share)	1.32	1.36	2.98

Notes to the Interim Financial Statements (continued)
As at and for the six - month period ended 30 June 2023
(All amounts presented in Euros, unless otherwise stated)

27 Related parties

The table below provides for the volume and balances from the related party transactions as at and for the periods ended 30 June 2023, 30 June 2022 and 31 December 2022:

30 June 2023	Cash	Receivables	Payables	Revenues	Expenses
Ultimate Parent					
ECM Partners Inc. Ljubljana Slovenia	-	-	-	-	-
Other related parties					
Stone Works Holding Coöperatief U.A Netherlands	-	-	-	-	-
Pavlidis S.A. Marble-Granite Drama Greece	-	2,733,682	-	1,627,903	718,543
Dolit Investments S.A. Greece	-	-	-	-	-
Ariston doo Slovenia	-	-	-	-	-
Sivec Investments LTD Cyprus	-	-	-	-	-
Key management remuneration	-	-	-	-	214,393
	-	2,733,682	-	1,627,903	932,936
30 June 2022					
	Cash	Receivables	Payables	Revenues	Expenses
Stone Works Holding Coöperatief U.A Netherlands	-	-	-	-	-
Pavlidis S.A. Marble-Granite Drama Greece	-	906,431	-	2,965,434	61,390
Key management remuneration	-	-	-	-	271,574
	-	906,431	-	2,965,434	332,964
31 December 2022					
	Cash	Receivables	Payables	Revenues	Expenses
Stone Works Holding Coöperatief U.A Netherlands	-	-	-	-	-
Pavlidis S.A. Marble-Granite Drama Greece	-	1,829,094	-	5,548,571	68,456
Key management remuneration	-	-	-	-	454,308
	-	1,829,094	-	5,548,571	522,764

28 Contingent liabilities

Mortgages

Mortgages provided with appraised value are as follows:

	Six - month period ended 30 June 2023	Year ended 31 December 2022	
Business premises	2,378,952	2,378,952	2,378,952
Machinery & equipment	963,800	963,800	963,800
	3,342,752	3,342,752	3,342,752

Mortgages provided with present value are as follows:

	Six - month period ended 30 June 2023	Year ended 31 December 2022	
Business premises	951,032	1,124,657	985,654
Machinery & equipment	481,120	594,302	539,230
	1,432,152	1,718,959	1,524,884

Notes to the Interim Financial Statements (continued)
As at and for the six - month period ended 30 June 2023
(All amounts presented in Euros, unless otherwise stated)

Contingent liabilities (continued)

Guarantees

Guarantees provided are as follows:

	Six - month period ended 30		Year ended 31
	2023	June	December
		2022	2022
Issued by Komercijalna Banka AD Skopje	35,858	1,416,590	30,898
	35,858	1,416,590	30,898

The beneficiary of the guarantee is Ministry of Economy. The guarantee serves as security that the Company will pay its liabilities on time towards the beneficiary.

Litigations

At 30 June 2023, the estimated Euro equivalent of the legal proceedings raised against the Company amounts Euro 1,947 (30 June 2022: Euro 1,780; 31 December 2022: Euro 1,951). No significant liabilities have been anticipated from these proceedings, as professional advice indicates that it is unlikely that any significant loss will arise.

Tax inspections

Up to 30 June 2023 the Company was subject of following tax inspections by tax authorities:

- for VAT until 30 June 2009 and except control made for June 2019;
- for Personal Income tax for period from 1 January 2007 until 31 December 2008;
- for Corporate Income tax for period from 1 January 2007 until 31 December 2012;
- for tax on concessions until 31 December 2011 and except control made for the period from 1 January 2018 until 31 March 2022;
- for withholding tax until 31 March 2012.

For the unaudited tax periods of the Company's accounting records there is a possibility for additional taxes and penalties.

In addition, according to the changes in Profit Tax Law, in 2019 Profit Tax law was amended and the Company has obligation to prepare a report for transfer pricing for 2022 latest by 30 September 2023 (for 2021: latest by 30 September 2022) in accordance with the Rulebook for the form and content on the Report on transfer pricing (Official Gazette of RNM no. 59/2019). The report for transfer pricing for 2021 was prepared and submitted by 30 September 2022, and until the date of this report, the Company did not prepare a report on transfer pricing for 2022. Furthermore, based on the performed transfer pricing analyses for the year ended as of 31 December 2021, there are no tax corrections.

The Company is conducting regular assessment for potential tax effects which are expected to arise from tax inspections of past years and new transfer pricing requirements. The management is considering that such amounts which might occur will not have any material effect on the financial results and cash flows.

Notes to the Interim Financial Statements (continued)
As at and for the six - month period ended 30 June 2023
(All amounts presented in Euros, unless otherwise stated)

29 Commitments

Operating lease liabilities

The operating lease liabilities relates to lease of vehicles. Repayment schedule of operating lease liabilities is as follows:

	Six - month period ended 30		Year ended 31
	2023	June 2022	December 2022
Operating lease liabilities			
Present value of payment:			
Due within 1 year	-	823	8,204
	-	823	8,204

As at 30 June 2023, the Company has recognized expenses for operating lease in the amount of Euro 10,607 (30 June 2022: Euro 10,674 and 31 December 2022: Euro 20,813) (Note 25).

30 Concession agreements

During 2000 and 2001, the Company and the Ministry of Economy of the Republic of North Macedonia have signed several concession agreements for the purpose of research and exploitation of local marble resources. Under the initial provisions, the Company is awarded with concession on the above-mentioned activities for a period of 30 years, renewable at expiration for another 30-year period.

Following are the basic provisions as set out in the concession agreements under which, the Company is liable on:

- Annual fee for use of territory on which the concession has been granted in the amount of 4,611 Euros; and
- Concession fee on sold quantities of commercial marble according to the Methodology established by the Ministry of Economy of RNM for:
 - blocks at 5% of the value of the material determined at 379 Euros /m³
 - tombolones at 5% of the value of material determined at 190 Euros /m³ and
 - material different than blocks and tombolones, that is crushed or milled 0.325 Euros/t

At 12 February 2021 in Public Gazette of RNM was published decision that the Company is awarded to extend concession territory for additional 0,305625 km². At 02 March 2021 the Government of RNM represented by Ministry of Economy and the Company has signed annex agreement for concession and determinate the territory for concession - 2,188135 km².

31 Financial instruments by categories

The carrying amounts of the Company's financial assets and liabilities as recognized at the Statement of financial position date may also be categorized as follows.

Assets	30 June 2023	30 June 2022	31 December 2022
Assets carried at amortized cost			
Trade and other receivables	8,346,578	9,249,615	8,805,420
Financial receivables	8,523,257	1,752,664	5,308,308
Cash and cash equivalents	8,512,545	2,596,593	6,456,409
	25,382,380	13,598,872	20,570,137
Liabilities			
Other financial liabilities at amortized cost			
Trade and other payables	883,204	888,440	945,607
	883,204	888,440	945,607

Notes to the Interim Financial Statements (continued)
As at and for the six - month period ended 30 June 2023
(All amounts presented in Euros, unless otherwise stated)

32 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. No financial instrument is presented at fair value as of 30 June 2023.

32.1 Financial instruments that are not presented at fair value

The following table summarizes the carrying amounts and fair values to those financial assets and liabilities that are not presented in the Statement of financial position at their fair value:

	30 June 2023 (In Euro)	30 June 2022 (In Euro)	Carrying value 31 December 2022 (In Euro)
Assets			
Trade and other receivables	8,346,578	9,249,615	8,805,420
Financial receivables	8,523,257	1,752,664	5,308,308
Cash and cash equivalents	8,512,545	2,596,593	6,456,409
Total assets	25,382,380	13,598,872	20,570,137
Liabilities			
Trade and other payables (without tax liabilities)	883,204	888,440	945,607
	883,204	888,440	945,607

Loans and receivables

Loans and receivables are carried at amortized cost, minus the provisions for impairment. Their fair value corresponds to their carrying value.

Other financial assets

Fair value of monetary assets that include cash and cash equivalents is considered to approximate their carrying value due to their maturity of less than 3 months.

Trade and loans payable

Carrying value of trade and loans payable approximates their fair value.

33 Events after the reporting date

Subsequent to 30 June 2023 until the approval of these interim financial statements, there are no adjusting events reflected in these interim financial statements. Following events are materially significant for disclosure in these interim financial statements

- On 23 August 2023, the public has been informed that Mermeren Kombinat AD, Prilep has been informed that physical person Mr. Christoforos Pavlidis has purchased 100% of the shares Dolit Investments SA ("Dolit") which owns Pavlidis Monoprosopi A.E Marmara – Granites (previously known as Pavlidis S.A Marble-Granite) which owns 100% of the equity of Stone Works Holding Cooperatief UA ("Stoneworks") the holder of 89,25% of Mermeren's issued share capital.
- On 31 August 2023, the public was informed that Pavlidis Monoprosopi A.E Marmara – Granites has intention to purchase 100% of the shares of Mermeren Kombinat A.D. Prilep.

