Financial statements prepared in accordance with International Financial Reporting Standards and Independent Auditor's Report

Mermeren Kombinat AD Prilep

31 December 2023

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Independent Auditor's Report

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To: Shareholders of
Mermeren Kombinat a.d., Prilep

Report on financial statements

Opinion

We have audited the accompanying financial statements of Mermeren Kombinat AD, Prilep (the "Company"), which comprise the Statement of financial position as at 31 December 2023, and the Statement of comprehensive income, Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Mermeren Kombinat AD, Prilep as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements of the Company, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

Risk of fraud in revenue recognition

ISAs presume there is a risk of fraud in revenue recognition on every audit engagement. We focused on recognition of revenue because there is a risk of intentional overstatement of revenues by management in order to meet sales target and secure performance incentives. In addition, there is a risk that the Company may have not properly recorded revenue transactions regarding sales returns and rebates at year end. Related accounting policies, judgments and estimates are disclosed in Note 2.2 in the accompanying financial statements.

Risk of management override of internal controls

Based on both ISA and our audit methodology, management override of controls should be considered as a significant risk in each audit engagement. Management may directly or indirectly manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Assumption used in the valuation of inventory

Based on both ISA and our audit methodology, accounting estimates are areas that involve significant management judgements and require significant auditor attention. Management estimates the net realizable values of inventories taking into account the most reliable evidence available at each reporting date. In addition, management's assessment process is complex and highly judgmental and is based on the assumption for the selling prices for which the future realization may be affected by future technology or other market-driven changes that may reduce future selling prices. Related accounting policies, judgments and estimates are disclosed in Notes 2.14 and 8 in the accompanying financial statements.

How the matter was addressed in our audit

We assessed the consistency of the application of the revenue recognition policy by reconsidering the accounting policy for the different sources of the Company's revenues. We tested the design and operating effectiveness of the controls over revenue systems to determine the extent of additional substantive testing required. We found no deviation from our testing. Our tests of detail focused on transactions occurring within proximity before and after the year end, obtaining evidence to support the appropriate timing of revenue recognition, based on terms and conditions set out in agreements and delivery documents. No exceptions were noted from our audit procedures performed.

We tested the appropriateness of journal entries recorded in the general ledger by making inquiries of individuals involved in the financial reporting process about inappropriate and unusual activity and tested journal entries. We considered whether there was evidence of bias by Management in the significant accounting estimates and judgements relevant to the financial statements. We also assessed the overall control environment of the Company and interviewed senior management. No issues were noted from our audit procedures performed.

We inspected whether the inventory is stated at the lower of cost or net realizable value by testing how management made the accounting estimate and the data on which it is based. This approach is appropriate due to no indication that management's process is not effective. The allowance is based on when each item was last sold, and we tested the completeness and accuracy of the inventory aging report and sales prices. Furthermore, when attending the physical inventory counting, we inspected the condition and characteristics of inventory (e.g. damaged inventory, aged or obsolete inventory, or scrapped inventory) and determined what items, if any, are subject of an inventory allowance. We also made inquiries of warehouse and other operational personnel as to inventory that may be slow-moving, damaged or obsolete. No issues were noted from our audit procedures performed.

Other Information

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

Our opinion on the financial statements does not cover other information and, except to the extent explicitly stated in our report, we do not express any assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with financial statements or our knowledge obtained in audit, or otherwise appears to be materially misstated.

In addition, based on the knowledge and understanding of the entity and its environment in which it operates, obtained during the audit, we are required to report if we have identified any material misstatements of fact in other information. We have nothing to report in this respect.

Responsibilities of Management for the Financial Statements

Management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Matters

Assurance Report on the European Single Electronic Reporting Format

We examined the digital records of Mermeren Kombinat AD, Prilep (the "Company"), prepared in accordance with the European Single Electronic Format (ESEF) that is determined by the European Commission Delegated Regulation (EU) 2019/815, as amended by the Regulation (EU) 2020/1989 (the ESEF Regulation) that include the financial statements of the Company for the year ended as at 31 December 2023 in the XHTML format in the file XBRL (Financial statements_31.12.2023_el) with the appropriate mark-up of the those financial statements including the other explanatory information (Notes to financial statements).

Regulatory framework
The digital records of the European Single Electronic Format are prepared in accordance with the ESEF Regulation and the 2020/C 379/01 Commission Interpretative Communication issued on 10 November 2020, as required by the L. 3556/2007 and the relevant announcements of the Hellenic Capital Markets Commission and the Athens Stock Exchange (the "ESEF Regulatory Framework"). This Framework includes in summary, among others, the following requirements:

- All the annual financial reports must be prepared in XHTML format.

- With respects to the financial statements based on International Financial Reporting Standards (IFRS), the financial information that is included in the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows, must be marked up with XBRL tags, in accordance with the ESEF Taxonomy, as in force. The technical requirements for the ESEF, including the relevant taxonomy, are included in the ESEF Regulatory Technical Standards.

The requirements as defined in the ESEF Regulatory Framework as in force are appropriate criteria in order to express a reasonable assurance conclusion.

Responsibilities of management and those charged with governance

Management is responsible for the preparation and filing of the financial statements of the Company, for the year ended as at 31 December 2023, in accordance with the requirements determined by the ESEF Regulatory Framework, and for such internal control necessary to enable the preparation of digital files that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities

Our responsibility is to design and conduct this assurance engagement in accordance with the CEAOB guidelines on the auditors' involvement on financial statements in European Single Electronic Format (the "CEAOB ESEF Guidelines") issued by Committee of the European Auditing Oversight Bodies on 09 November 2021, as well as 214/4/11-02-2022 Decision of the Hellenic Accounting and Auditing Standards Oversight Board and the "Guidelines for the assurance engagement and report of Certified Auditors on the European Single Electronic Reporting Format of issuers with shares listed in a regulated market in Greece" issued by the Institute of Certified Public Accountants of Greece on 14/02/2022 , in order to obtain reasonable assurance that the financial statements of the Company, prepared by the management of the Company in accordance with the ESEF comply, in all material respects, with the ESEF Regulatory Framework as in force.

Our work was performed in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, as it has been incorporated into Greek legislation and we have also fulfilled our independence requirements, in accordance with the L. 4449/2017 and the Regulation (EU) 537/2014.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and our procedures are limited to the requirements of ESEF Guidelines. Reasonable assurance is a high level of assurance, but is not a guarantee that this work will always detect a material misstatement of non-compliance with the requirements of ESEF Regulation.

Conclusion

Based on the procedures performed and the evidence obtained, the financial statements of the Company for the year ended as at 31 December 2023 in XHTML format in the file XBRL (Financial statements_31.12.2023_el) with the appropriate mark-up on the above consolidated financial statements, including the other explanatory information, have been prepared, in all material respects, in accordance with the requirements of the ESEF Regulatory Framework

Marjan Andonov	Maja Atanasovska
Director	Certified auditor
Grant Thornton DOO, Skopje	

Skopje, 25 April 2024

Statement of financial position

	Note	31 December 2023	(Amounts in Eur) 31 December 2022
Assets			
Non-current assets			
Property, plant and equipment	5	14,676,737	14,377,389
Intangible assets	6	949,414	1,141,217
		15,626,151	**15,518,606**
Current assets			
Inventories	8	5,158,618	5,270,027
Trade and other receivables	9	10,268,403	9,641,901
Income tax receivables		88,282	8,245
Financial receivables	10	3,038,529	5,308,308
Cash and cash equivalents	11	3,041,213	6,456,409
		21,595,045	**26,684,890**
Total assets		**37,221,196**	**42,203,496**
Equity			
Shareholders' equity			
Share capital	12	4,686,858	4,686,858
Other components of equity	12	15,588,060	16,446,027
Retained earnings		15,381,056	19,842,341
Total shareholders' equity		**35,655,974**	**40,975,226**
Liabilities			
Non-current liabilities			
Financial lease	13	41,105	-
		41,105	**-**
Current liabilities			
Financial lease	13	14,947	-
Trade and other payables	14	1,406,358	1,138,234
Tax payables	15	102,812	90,036
		1,524,117	1,228,270
Total liabilities		**1,565,222**	**1,228,270**
Total liabilities and shareholders' equity		**37,221,196**	**42,203,496**

These financial statements have been approved by the Board of Directors on 25 April 2024 and signed on its behalf by,

Lazaros Pantelidis	**Vasileios Anagnostou**	**Nikos Michalopoulos**
Chairman	Chief Executive Officer	Chief Financial Officer

Statement of comprehensive income

(Amounts in Eur)

	Note	Year ended 31 December 2023	2022
Sales	16	29,264,415	30,379,066
Cost of sales	17	(10,229,259)	(10,344,213)
Gross profit		**19,035,156**	**20,034,853**
Administrative and selling expenses	18	(4,115,995)	(4,724,730)
Other operating income	20	20,006	133,814
Operating profit		**14,939,167**	**15,443,937**
Finance income	21	264,701	147,696
Finance costs	21	(298,273)	(242,396)
Finance (costs), net		(33,572)	(94,700)
Profit before income tax		**14,905,595**	**15,349,237**
Income tax expense	22	(1,207,173)	(1,399,223)
Profit for the year		**13,698,422**	**13,950,014**
Other comprehensive income for the year:			
Items that will be reclassified subsequently to profit or loss			
Translation differences		11,064	70,123
Other comprehensive income for the year		**11,064**	70,123
Total comprehensive income for the year		**13,709,486**	**14,020,137**
Profit attributable to the holders of ordinary shares		**13,698,422**	**13,950,014**
Total comprehensive income attributable to the holders of ordinary shares		**13,709,486**	**14,020,137**
Earnings per share (expressed in Euros per share)	25	2,92	2,98
EBITDA		**17,205,859**	**17,574,582**

Statement of changes in equity

(Amounts in Eur)

	Share capital	Reserves	Retained earnings	Total
At 01 January 2023	**4,686,858**	**16,446,027**	**19,842,341**	**40,975,226**
Transaction with owners				
Allocation of profit to investment reserves (Note 12)	**-**	3,005,345	(3,005,345)	-
Transfer of profit from reserves to retained earnings (Note 12)	**-**	(3,874,376)	3,874,281	(95)
Dividends declared	-	-	(19,028,643)	(19,028,643)
Total transactions with owners	-	**(869,031)**	**(18,159,707)**	**(19,028,738)**
Profit for the year	-	-	13,698,422	13,698,422
Other comprehensive income:				
Exchange differences on translating (Note 12)	-	11,064	-	11,064
Total other comprehensive income	-	11,064	-	11,064
Total comprehensive income	**-**	**11,064**	**13,698,422**	**13,709,486**
At 31 December 2023	**4,686,858**	**15,588,060**	**15,381,056**	**35,655,974**
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 and paid	-	-	(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
Other comprehensive income:				
Exchange differences on translating (Note 12)	-	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**

Statement of cash flows

(Amounts in Eur)

	Note	31 December 2023	31 December 2022
Operating			
Net profit before income tax		14,905,595	15,349,237
Adjusted for:			
Depreciation and amortization	5,6	2,266,692	2,130,645
Value adjustment of inventories	8,18	329,212	170,568
Impairment of obsolete consumables and spare parts	8,18	84,684	58,378
Wastage, failure and fracture	8,18	78,994	155,625
Shortages	8	12,965	12,220
Net carrying amount of equipment written off	5,18	1,318	25,644
Impairment and write offs on trade and other receivables	9,18	35	31,904
Net carrying amount of equipment sold	5	-	20,227
Payables written off and stock - count surplus	20	(3,164)	(94,207)
Gain on property, plant and equipment sold	5,20	(2,095)	(6,028)
Liabilities for dividends written off	20	(1,602)	(3,975)
Gains from previously impaired receivables	9,20	(257)	(25)
Finance result, net	21	(68,903)	(26,536)
Operating profit before working capital changes		17,603,474	17,823,677
Changes in working capital			
Inventories		(394,446)	(438,021)
Trade and other receivables		(626,279)	(1,316,450)
Trade and other payables		281,626	196,604
Cash from operations		16,864,375	16,265,810
Interest paid		(932)	(14)
Income tax paid		(1,287,305)	(1,194,360)
Cash flows from operating activities, net		**15,576,138**	**15,071,436**
Investing			
Purchase of property, plant and equipment		(2,331,882)	(1,670,922)
Purchase of intangible assets		(44,018)	(184,051)
Proceeds from sale of equipment		2,095	6,028
Inflow for financial receivables		(8,530,221)	(3,570,599)
Outflow for financial receivables		10,800,000	2,305,477
Interest received		69,835	26,550
Cash flows from investing activities, net		**(34,191)**	**(3,087,517)**
Financing			
New borrowings		74,904	-
Repayment of borrowings		(18,852)	-
Dividends paid and related taxes		(19,024,604)	(16,025,857)
Cash flows from financing activities, net		**(18,968,552)**	**(16,025,857)**
Net change in cash and cash equivalents		**(3,426,605)**	**(4,041,938)**
Cash and cash equivalents at beginning		6,456,409	10,461,890
Effects of exchange rate changes on cash and cash equivalents		11,409	36,457
Cash and cash equivalents at end	**11**	**3,041,213**	**6,456,409**

Notes to the 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.

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 is Pavlidis.

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 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.

In 2018, Stoneworks acquired an additional 39,531 shares. Therefore, on 31 December 2023 Stoneworks is the holder of 89.25% of the issued share capital.

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

On 23 August 2023 Mr. Christoforos Pavlidis acquired 100% of the shares of Dolit Investments SA ("Dolit") which owns Pavlidis Monoprosopi A.E Marmara – Granites (previously known as Pavlidis S.A Marble-Granite) which in turn owns 100% of the equity of Stone Works Holding Cooperatief UA ("Stoneworks") the holder of 89,25% of Mermeren's issued share capital.
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 2023 employs 275 persons (2022: 270 persons).

2 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention, as modified by available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) if any, at fair value through profit or loss. The measurement bases are more fully described in the accounting policies below.

The preparation of these financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4: Critical accounting estimates and judgements.

Basis of preparation (continued)

The financial statements have been prepared as of and for the years ended 31 December 2023 and 2022. Current and comparative data stated in these financial statements are expressed in Euros, unless otherwise stated, which is presentation currency, functional currency of the Company is Macedonian Denar.

2.2 New standards and interpretations that have not yet been applied

On 31 December 2023, there are no new standards, amendments to standards and interpretations published in the Official Gazette of the Republic of North Macedonia.

2.3 Changes in accounting policies

a) New standards adopted as at 1 January 2023

Following accounting pronouncements became effective from 1 January 2023 and have therefore been adopted by the Company:

- Reference to the Conceptual Framework (Amendments to IFRS 3)
- COVID-19 – Related Rent Concessions beyond 30 June 2022 (Amendments to IFRS 16)
- Property, Plant and Equipment: Proceeds Before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements (2018-2020 Cycle)
- Subsidiary as a First-time Adopter (Amendments to IFRS 1)
- Fees in the '10 per cent' Test for Derecognition of Liabilities (Amendments to IFRS 9)
- Lease Incentives (Amendments to IFRS 16)
- Taxation in Fair Value Measurements (Amendments to IAS 41)

The adoption of the above amendments do not have any impact on the Company's financial results or position.

b) Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Company and no Interpretations have been issued that are applicable and need to be taken into consideration by the Company at either reporting date. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's separate financial statements.

2.4 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, which is "presentation currency" of the Company's ultimate
Parent.

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.

Foreign currency translation (continued)

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:

	31 December 2023	**31 December 2022**
1 USD	55.6516 Denars	57.6535 Denars
1 EUR	61.4950 Denars	61.4932 Denars
Average EUR	61.5570 Denars	61.6219 Denars

2.5 Property, plant and equipment

Items of property, plant and equipment are carried at cost, less subsequent accumulated depreciation and impairment losses, if any. The increase in the carrying amount of property, plant and equipment due to their revaluation is recognized within asset revaluation surplus, which forms part of the total reserves included within the Company's equity. When revaluated assets are disposed of or sold, the amounts included in the revaluation surplus are transferred to the retained earnings for the period.

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of items of property, plant and equipment. Constructed assets are depreciated from the time they are put into use. Land and construction in progress are not depreciated.

The estimated useful lives are as follows:

	31 Decemver 2023	31 December 2022
Buildings & Foundation	40 years	40 years
Machines	10 years	10 years
Other equipment	4-5 years	4-5 years
Transport & furniture	4-5 years	4-5 years
Intangibles	5-16 years	5-16 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other expenses or other income in the statement of comprehensive income.

Interest costs on borrowings used to finance the construction of property, plant and equipment are capitalized, during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

The costs of regular maintenance and repairs are charged to operating expenses as incurred. Improvements to the existing assets are capitalized only when they increase the future economic benefits embodied in the item of property, plant and equipment.

2.6 Intangible assets

Exploration and evaluation assets

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the statement of comprehensive income as an expense as incurred. Expenditure on development activities, where by research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized if the product or process is technically or commercially feasible and the Company has sufficient resources to complete development.

Intangible assets (continued)

The expenditure capitalized includes the cost of materials, direct labor and an appropriate proportion of overheads. Other development expenditure is recognized in the statement of comprehensive income as an expense as incurred.

Capitalized development expenditure is stated at cost less accumulated amortization and impairment losses. Amortization is charged to the statement of comprehensive income on a straight-line basis over the period of its expected benefit, which is estimated at five to sixteen years.

Stripping costs

The Company recognizes a stripping activity asset if, and only if, all of the following are met:

- It is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the Company;

-The Company can identify the component of the ore body for which access has been improved, and

- The cost relating to the stripping activity associated with the component can be measured reliably.

The stripping activity asset is accounted for as an addition to the intangibles. It is initially measured at cost, this being the accumulation of costs directly incurred to perform the stripping activity that improves the access to the identified component or ore, plus an allocation of indirectly attributable overhead costs. The costs associated with the incidental operations are not included in the cost of stripping activity asset. After initial recognition, the stripping activity asset is carried at cost less accumulated amortization and less impairment losses, if any. The stripping activity asset shall be depreciated or amortized on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity.

Other intangible assets

Expenditure to acquire rights, licenses, trademarks and software is capitalized and amortized using the straight-line method over a period of five years.

2.7 Impairment of non – financial assets

Property, plant and equipment, as well as intangibles with defined useful life, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in statement of comprehensive income. The recoverable amount is the higher of an asset’s net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm’s length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit.

2.8 Financial assets

Recognition and derecognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets (continued)

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortized cost;
- fair value through profit or loss (FVTPL);
- fair value through other comprehensive income (FVOCI);

In the periods presented the Company does not have any financial assets categorized as FVTPL and FVOCI.
The classification is determined by both:

- the entity's business model for managing the financial asset;
- the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets
Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows;
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, financial receivables and trade and other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorized at fair value through profit and loss. Further, irrespective of business

model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for as FVTPL.

Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognized in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

2.9 Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements include loans and other debt-type financial assets measured at amortized cost and FVOCI, trade receivables, contract assets recognized and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead, the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Impairment of financial assets (continued)

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and

- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses' are recognized for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

2.10 Trade and other receivables

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.13 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.14 Share capital, reserves, retained earnings and dividends

(a) Share capital and share premium

Share capital consists of the fair value of monetary considerations contributed by the shareholders.

(b) Reserves

Reserves, which comprise revaluation, statutory and special reserves, are generated during the period, based on gains / losses from revaluation of tangible assets, in the case of revaluation reserves, as well as distributing accumulated gains based on legislation and decisions of the management and shareholders of the Company. Translation reserve comprises foreign currency translation differences arising from the translation of financial statements to the presentation currency Euro.

Equity (continued)

(c) Retained earnings

Retained earnings comprise of non-distributed earnings from the current and past periods.

(d) Dividends

Dividends are recognized as liabilities in the period when approved by the Company's owners. Dividends for the year that are published after the Statement of financial position date are disclosed in the Note for subsequent events.

2.15 Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the Company's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

The Company's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs, unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

2.16 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.17 Lease

Company as a lessee

For any new contracts entered into on or after 1 January 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Company has the right to direct the use of the identified asset throughout the period of use.

The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Lease (continued)
Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

On the statement of financial position, the Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Company as a lessor

The Company's accounting policy under IFRS 16 has not changed from the comparative period.

As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

2.18 Current and deferred tax expense

Current tax expense for the period is the sum of current and deferred income tax.

Current income tax
Current tax expense at 10% rate is based on the profit shown in the Statement of comprehensive income, adjusted for certain under - declared revenue and non – recognized expenses for tax purposes, tax credit as well as other tax reductions. Legal entities may use tax losses from current period for compensation or elimination of tax liabilities for following periods.

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.

Current and deferred tax expense (continued)

According to the provisions of the changes to the Law on Corporate Income Tax, , beginning with fiscal year 2023, the Company will have the obligation to prepare the Transfer pricing Report but will no longer have the obligation to submit it to the tax authorities. The submission will only be required if requested by the tax authorities. The earliest the tax authorities could ask for the Transfer Pricing documentation for fiscal year 2023 is 15 April 2024, and the Company will have the obligation to submit it within 15 days as of the request.

Deferred tax expense

Deferred tax expense is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used in determination of deferred tax expense. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

The Company has not recognized any deferred tax assets or liability or asset at 31 December 2023 and 2022, as there are no temporary differences existing at that date.

2.19 Employee benefits

Pension obligations

The Company has pension scheme as prescribed by the local social security legislation under which it contributes to its employees' post retirement plans. Contributions, based on salaries, are made to the first and second pension pillar responsible for the payment of pensions. There is no additional liability regarding these plans.

Short – term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The Company pays to the employee's recourse for short term benefits in accordance with the legislation and compensation for unused vacation.

Post – retirement obligations

The Company provides its retirees an amount equal to two months average salary according to the related local provisions. No provision has been made at the statement of financial position date in respect of this post – retirement obligations, since that amount would not have a material effect on the financial statements.

2.20 Value-added tax

Revenues, expenses and assets are recognized net of the amount of value added tax, except:

- When the value added tax from the purchase of assets or services is not reimbursable by the tax authority, in which case the value added tax is recognized as part of the expenses for the acquisition or as part of the cost where appropriate; and
- Receivables and liabilities which are presented with value added tax included.

The net amount of value added tax which is recoverable from, or payable to the tax authorities is included as part of the receivables or liabilities in the Statement of financial position.

2.21 Provisions

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of provision is the present value of the expenditures expected to be required to settle the obligation. Provisions are not recognized for future operating losses.

2.22 Revenue and expense recognition

Revenue comprises of revenue from sale of goods – wholesale marble blocks and tiles and from rendering of services. Revenue from major products and services is shown in Note 15.

Revenue is measured at the fair value of the consideration received or receivable and represents amount receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

To determine whether to recognize revenue from services, the Company follows a 5-step process:
1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when/as performance obligation(s) are satisfied

Revenue is recognized either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

Sales of goods – wholesale marble blocks and tiles
Revenue from the sale of marble blocks and tiles for a fixed fee is recognized when or as the Company transfers control of the assets to the customer. Invoices for goods or services transferred are due upon receipt by the customer.

Sales of services
Revenue from services is recognized over time as the services are provided.

Finance income and expenses
Finance income is recognized on a time proportion basis that reflects the effective yield on the assets.

Finance expense comprise interest expense on borrowings and default interest expense on late payments. Borrowing costs are recognized in profit or loss using the effective interest method.

Interest income
Interest income is recognized on a time proportion basis that reflects the effective yield on the assets.

Operating expenses
Operating expenses are recognized upon utilization of the service or at the date of the origin.

Netting of revenues and expenses
The Company undertakes, in the course of its ordinary activities, other transactions that do not generate revenue but are incidental to the main revenue-generating activities. The Company presents the results of such transactions, when this presentation reflects the substance of the transaction or other event, by netting any income with related expenses arising on the same transaction.

2.23 Commitments and contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

The amount of a contingent loss is recognized as a provision if it is probable that future events will confirm that, a liability incurred as at the statement of financial position date and a reasonable estimate of the amount of the resulting loss can be made.

2.24 Related party transactions

Related parties are those where one of the parties is controlled by the other or has significant influence in making financial or business decisions of the other party.

2.25 Segment reporting

A segment is a distinguishable group of assets and operating activities that is engaged in providing products or services, subject to risks and rewards that are different from those of other segments. Geographical segment provides products and services within a defined economic surrounding exposed to risks different from those of other geographical segments.

2.26 Events after the reporting date

Post-year-end events that provide additional information about a Company's position at the statement of financial position date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

3. Financial risk management

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and risks associated with the effects of changes in foreign currency exchange rates and interest rates. The Company's risk management focuses on unpredictability of markets and seeks to minimize potential adverse effects over the Company's business performance.

Risk management is carried out by the Board of Directors based on certain pre – approved written policies and procedures that cover overall risk management, as well as specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of appropriate securities and investing excess liquidity.

3.2 Market risk

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Euro. The Company does not use any instrument to hedge the foreign exchange risk. The Company's Board of Directors is responsible to maintain adequate net position in each currency and in total and its operations are daily monitored by the Company's management.

The carrying value of the monetary assets and liabilities of the Company denominated in foreign currencies is as follows:

Assets		2023	2022
Financial receivables	EUR	3,038,529	5,308,308
Cash and cash equivalents	EUR	2,833,042	6,209,620
Trade receivables – foreign debtors	EUR	9,995,493	8,802,743
Trade receivables – foreign debtors	USD	8,259	330
		15,875,323	**20,321,001**
Liabilities			
Trade payables – foreign suppliers	EUR	(540,709)	(165,001)
		(540,709)	**(165,001)**

Foreign currency sensitivity analysis

	Net amount	+1%	+5%	-1%	-5%
31 December 2023					
EUR	15,326,355	153,264	-	(153,264)	-
USD	8,259	-	413	-	(413)
Gain or (loss)	**15,334,614**	**153,264**	**413**	**(153,264)**	**(413)**
	Net amount	+1%	+5%	-1%	-5%
31 December 2022					
EUR	20,155,670	201,557	-	(201,557)	-
USD	330	-	17	-	(17)
Gain or (loss)	**20,156,000**	**201,557**	**17**	**(201,557)**	**(17)**

The sensitivity analysis includes only monetary items denominated in foreign currencies at year end, and a correction of their value is made for a 1% change in the currency of the Euro and for 5% change in the other foreign currency rates. The positive, i.e., negative amount indicates increase/decrease in profit or other equity, which occurs when the Denar weakens/strengthens its value against the Euro by +/- 1% and against other foreign currencies by +/-5%.

Market risk (continued)
Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's management is primarily responsible for daily monitoring of the net interest rate risk position and it sets limits to reduce the potential of interest rate mismatch.

The table below summarizes the Company's exposure to interest rate risk.

	2023	2022
Assets	In Euro	In Euro
Non-interest bearing:		
Trade and other receivables	9,988,694	8,805,420
Cash and cash equivalents	237	189
	9,988,931	**8,805,609**
With fixed interest rate:		
Financial receivables	3,038,529	5,308,308
Cash and cash equivalents	3,040,976	6,456,220
	6,079,505	11,764,528
	16,068,436	**20,570,137**
Liabilities		
Non-interest bearing:		
Trade and other payables	1,247,396	945,607
	1,247,396	**945,607**
With variable interest rate:		
Borrowings	56,052	-
	56,052	**-**
Interest sensitivity gap	**1,303,448**	**945,607**

Interest rate sensitivity analysis

At 31 December 2023	Net amount in Euro	2%	-2%
Borrowings with variable interest rate	**(56,052)**	**(1,121)**	**1,121**

At 31 December 2022	Net amount in Euro	2%	-2%
Borrowings with variable interest rate	-	-	-

3.3 Credit risk

Credit risk is the risk of financial loss inflicted to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises mainly from the Company's trade receivables, financial receivables and cash and cash equivalents. The Company's exposure to credit risk is principally influenced by the individual characteristics of each customer.

The Company has policies in place to ensure that sales of goods and services are made to customers with an appropriate credit history. It also has policies that limit the amount of credit exposure to any counter party. Credit terms to the foreign customers are secured with letter of credits that mature in 90 days.

The Company establishes a provision for impairment that represents its estimate of incurred losses in respect to the trade receivables, based entirely on specific and individual exposures.

The Company's maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position as summarized below:

	2023	2022
Classes of financial assets – carrying amounts (in Euro):		
Financial receivables	3,038,529	5,308,308
Cash and cash equivalents	3,041,213	6,456,409
Trade and other receivables	9,988,694	8,805,420
	16,068,436	**20,570,137**

Credit risks (continued)

The credit risk for cash and cash equivalents and financial receivables is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The Company secures its credit exposure to customers with bank guarantees, letter of credits, cash deposits, prepayments etc. Though the Company has a big exposure to Chinese customers at around 89% of sales, Including Hong – Kong, (2022: Chinese customers at around 80% of sales), the selected distributors are mostly export oriented, which minimizes the Chinese market exposure risk. To the best of our knowledge, the Company's major customers have not experienced significant financial difficulties to date. Credit quality of trade receivables as at 31 December 2023 is considered to be good. As of the statement of financial position date the credit quality of Company's trade receivables and advances to suppliers is disclosed in Note 9.

3.4 Liquidity risk

The Company manages its liquidity needs by carefully monitoring scheduled and forecasting cash inflows and outflows due in day-to-day business. Liquidity needs are monitored in various time intervals. Net cash requirement is compared to available borrowing facilities in order to determine any shortfalls. This analysis shows if available borrowing facilities are expected to be sufficient over the lookout period. The Company maintains cash to meet its liquidity requirements for 30-day periods at the least. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

As at 31 December 2023 and 2022, the Company's liabilities have contractual maturities (including interest payments where applicable) as summarized below:

At 31 December 2023	Current 1 to 12 months (In Euro)	1 to 5 years (In Euro)	Non – current Later than 5 years
Interest – bearing borrowings	14,947	41,105	-
Trade and other payables	1,247,396	-	-
	1,262,343	**41,105**	**-**

At 31 December 2022	Current 1 to 12 months (In Euro)	1 to 5 years (In Euro)	Non – current Later than 5 years
Interest – bearing borrowings	-	-	-
Trade and other payables	945,607	-	-
	945,607	**-**	**-**

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date.

3.5 Capital risk management

The Company's objectives when managing capital are the following:

- To safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders
- To maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Gearing ratio

The structure of the Company's equity comprises of liabilities, cash and cash equivalents and equity, which comprises of share capital, reserves, revaluation surplus and retained earnings. Management reviews the capital structure on annual basis as a relation between the net loan liabilities and the total capital.

The net loan liabilities are calculated as total liabilities for borrowings less the amount for cash and cash equivalents.

Capital risk management (continued)

The debt indicator at year end is as follows:

	2023 (In Euro)	2022 (In Euro)
Interest bearing borrowings	56,052	-
Cash cash equivalents and financial receivables	(6,079,742)	(11,764,717)
Net liabilities	**(6,023,690)**	**(11,764,717)**
Shareholders' equity	35,655,974	40,975,226
Gearing ratio	-	-

3.6 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 31 December 2023.

3.6.1 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:

	Carrying value		Fair value	
	2023	2022	2023	2022
	(In Euro)	(In Euro)	(In Euro)	(In Euro)
Assets				
Trade and other receivables	9,988,694	8,805,420	9,988,694	8,805,420
Financial receivables	3,038,529	5,308,308	3,038,529	5,308,308
Cash and cash equivalents	3,041,213	6,456,409	3,041,213	6,456,409
Total assets	**16,068,436**	**20,570,137**	**16,068,436**	**20,570,137**
Liabilities				
Borrowings	56,052	-	56,052	-
Trade and other payables (without taxliabilities)	1,247,396	945,607	1,247,396	945,607
	1,303,448	**945,607**	**1,303,448**	**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.

4 Critical accounting estimates and judgements

In the application of the Company's accounting policies, which are described in Note 2, the Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Uncertainty in judgments

Impairment of non- financial assets

Impairment losses are recognized in the amount for which the carrying value of the asset or the cash generating unit exceeds the recoverable amount. When determining the recoverable amount, the Management evaluates expected prices and cash flows from each cash generating unit and determines an appropriate interest rate when calculating the present value of such cash flows. Management of the Company has taken into consideration the overall impact of COVID-19 and global political and economic crise in assessing impairment and consider that there is no effect on the impairment of the assets.

Impairment of financial assets

Impairment of trade and other receivables

The Company calculates impairment for trade and other receivables based on estimated losses resulting from the inability of customers to make required payments. The estimation is based on the ageing of account receivables balance and historical write-off experience, customer credit-worthiness and changes in customer payment terms when evaluating the adequacy of the impairment loss for doubtful accounts.
These involve assumptions about future customer behavior and the resulting future cash collections. If the financial condition of customers were to deteriorate, actual write-offs of currently existing receivables may be higher than expected and may exceed the level of the impairment losses recognized so far.

Useful life of amortized assets

The Management regularly reviews the useful lives of amortized assets as at the statement of financial position date. Management estimates that the determined useful life of assets represents the expected usefulness (utility) of assets. The carrying values of such assets are analyzed in Note 5 and 6. However, the factual results may differ due to technological obsolescence.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Provisions

Provisions are reviewed at each Statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of provision is the present value of the expenditures expected to be required to settle the obligation. During 2023 there are no changes made to previous assumption used.

All amounts expressed in Euros, unless otherwise stated

5 Property, plant and equipment

	Land & Buildings	Machinery & equipment	Construction in progress	Total
01 January 2022				
Cost or valuation	6,780,389	28,855,820	541,045	36,177,254
Accumulated depreciation and impairment	(3,279,657)	(18,303,506)	-	(21,583,163)
Net carrying amount	**3,500,732**	**10,552,314**	**541,045**	**14,594,091**
Year ended 31 December 2022				
Opening net carrying amount	3,500,732	10,552,314	541,045	14,594,091
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)
Translation differences	8,480	21,989	766	31,235
Closing carrying amount	**3,922,072**	**10,110,062**	**345,255**	**14,377,389**
At 31 December 2022 / 01 January 2023				
Cost or valuation	7,380,544	30,057,038	345,255	37,782,837
Accumulated depreciation and impairment	(3,458,472)	(19,946,976)	-	(23,405,448)
Net carrying amount	**3,922,072**	**10,110,062**	**345,255**	**14,377,389**
Year ended 31 December 2023				
Opening net carrying amount	3,922,072	10,110,062	345,255	14,377,389
Additions, net of transfers from C.I.P.	61,958	2,610,792	(340,868)	2,331,882
Disposals-net	-	(1,318)	-	(1,318)
Depreciation charge for the year	(190,012)	(1,841,085)	-	(2,031,097)
Translation differences	(245)	479	(353)	(119)
Closing carrying amount	**3,793,773**	**10,878,930**	**4,034**	**14,676,737**
At 31 December 2023				
Cost or valuation	7,364,490	32,536,297	4,034	39,904,821
Accumulated depreciation and impairment	(3,570,717)	(21,657,367)	-	(25,228,084)
Net carrying amount	**3,793,773**	**10,878,930**	**4,034**	**14,676,737**

Disposals

During year ended 31 December 2023, the Company has written off equipment and computer hardware with net carrying value of Euro 1,318 out of which Euro 935 were charged in cost of sales and the remaining in the amount of Euro 383 included in the administrative and selling expenses (see Note 18). (31 December 2022: Euro 25,644 included in the administrative and selling expenses

Furthermore, during year ended 31 December 2023, the Company sold transportation vehicles and equipment with total net carrying value of Euro 0 (31 December 2022: Euro 20,227). Sale value of the part related to assets sold is Euro 2,095 (31 December 2022: Euro 26,254). Gain incurred from these transactions amounts to Euro 2,095 (December 2022: Euro 6,028) , included in other operating income (see Note 20).

Construction in progress

As of 31 December 2023, the balance of construction in progress in the amount of Euro 4,034 (2022: Euro 345,255) mainly consists of the cost of construction of new factory installations and one dosing pump in factory (2022: construction of new factory installations, one crawler excavator and some major repairs of equipment).

Pledge over property, plant and equipment

As of 31 December 2023, the Company has pledged part of its property, plant and equipment to secure borrowings. As of the statement of financial position date, their appraised value is in the amount of 3,861,952 Euro (31 December 2022: 3,342,752 Euro) (see Note 26).

All amounts expressed in Euros, unless otherwise stated

Property, plant and equipment (continued)

Vehicles under financial lease

As at 31 December 2023, the Company has the following amounts of assets under financial lease:

	2023	2022
Cost or valuation	67,639	-
Accumulated depreciation	(4,227)	-
Net carrying amount	**63,412**	**-**

6 Intangible assets

	Software	Trademarks	Exploration and evaluation assets	Intangibles in progress	Total
At 01 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**
Year ended 31 December 2022					
Opening net carrying amount	45,397	49,586	1,097,615	19,741	1,212,339
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)
Translation differences	76	142	2,232	34	2,484
Closing carrying amount	**34,371**	**66,075**	**1,025,153**	**15,618**	**1,141,217**
At 31 December 2022 / 01 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**
Year ended 31 December 2023					
Opening net carrying amount	34,371	66,075	1,025,153	15,618	1,141,217
Additions, net of transfers from C.I.P.	-	46,240	8,551	(10,773)	44,018
Amortization charge for the year	(22,180)	(26,681)	(186,734)	-	(235,595)
Translation differences	(23)	18	(209)	(12)	(226)
Closing carrying amount	**12,168**	**85,652**	**846,761**	**4,833**	**949,414**
At 31 December 2023					
Cost or valuation	275,811	318,434	3,293,487	4,833	3,892,565
Accumulated amortization	(263,643)	(232,782)	(2,446,726)	-	(2,943,151)
Net carrying amount	**12,168**	**85,652**	**846,761**	**4,833**	**949,414**

Exploration and evaluation assets

As of 31 December 2023, the balance of exploration and evaluation assets in the amount of Euro 846,761 (31 December 2022: Euro 1,025,153) includes capitalized expenses related to quarry stripping activities with remaining amortization period for 7 years, geophysics research and quarry 10-year plan.

Intangibles in process of acquisition

As of 31 December 2023, the balance of intangibles in progress in the amount of Euro 4,833 (31 December 2022: Euro 15,618) relates mainly to projects for the quarry as well as new corporate web site.

All amounts expressed in Euros, unless otherwise stated

Intangible assets (continued)

Allocation of depreciation and amortization charged

Out of the total depreciation and amortization for the year ended 31 December 2023 amounting Euro 2,266,692 (2022: Euro 2,130,645) disclosed in Note 23, Euro 2,168,145 (2022: Euro 2,048,872) has been charged in cost of sales and the remaining in the amount of Euro 98,547 (2022: Euro 81,773) into administrative and selling expenses (see Note 18).

7 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.

	2023	2022
Assets		
Assets carried at amortized cost		
Trade and other receivables	9,988,694	8,805,420
Financial receivables	3,038,529	5,308,308
Cash and cash equivalents	3,041,213	6,456,409
	16,068,436	**20,570,137**
Liabilities		
Other financial liabilities at amortized cost		
Borrowings	56,052	-
Trade and other payables	1,247,396	945,607
	1,303,448	**945,607**

8 Inventories

	2023	2022
Work in progress	2,622,025	3,050,325
Finished products	1,392,977	1,030,299
Spare parts	784,660	816,837
Raw materials	281,138	272,898
Trade goods	73,472	73,475
Other	4,346	26,193
	5,158,618	**5,270,027**

During 2023, the Company recognized expense for wastage, failure and fracture in the amount of Euro 78,994 (2022: Euro 155,625) and stock count shortages in the amount of Euro 12,965 (2022: Euro 12,220) accounted for administrative and selling expenses (see Note 18 and 23).

Furthermore, as at 31 December 2023 the Company has assessed the net realizable value of the inventories and has decreased its value in total amount of Euro 503,226 (2022: Euro 172,324) (Note 23). The net amount of Euro 329,212 (2022: Euro 170,568) decreased for income from value adjustment of previously written -off inventory in the amount of Euro 174,014 (2022: Euro 1,756), has been charged net into administrative and selling expenses (see Note 23).

As at 31 December 2023 the Company has assessed the net realizable value of spare parts and consumables and has decreased the corresponding value in total amount of Euro 84,684 (31 December 2022: Euro 58,378) (Note 23). The amount of Euro 84,684 has charged administrative and selling expenses (see Note 18). Cost of raw materials, spare parts and other materials included in the cost of sale for the year ended 31 December 2023 amounts to Euro 3,972,659 (2022: Euro 4,260,063).

All amounts expressed in Euros, unless otherwise stated

9 Trade and other receivables

	2023	2022
Current trade receivables		
Local debtors	25,992	24,949
Foreign debtors	6,379,985	6,973,958
Related parties' receivables (Note 24)	3,622,984	1,829,094
	10,028,961	**8,828,001**
Less: impairment provision	(69,255)	(69,511)
	9,959,706	**8,758,490**
Prepayments		
Prepaid VAT	211,777	243,213
Deferred expenses	34,401	27,748
Advances to suppliers	33,531	565,520
Other current receivables	28,988	46,930
	308,697	**883,411**
Trade and other receivables, net	**10,268,403**	**9,641,901**

At 31 December 2023 the credit quality of Company's trade receivables and advances to suppliers can be analyzed as follows:

	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Cost	6,650,760	3,308,946	69,255	10,028,961
Less: Impairment provision	-	-	(69,255)	(69,255)
	6,650,760	**3,308,946**	**-**	**9,959,706**

At 31 December 2022 the credit quality of Company's trade receivables and advances to suppliers 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 31 December 2023 the age structure of trade receivables and advances to suppliers are as follows:

	Domestic trade receivables	Foreign trade receivables	Total
Overdue up to 1 year	1,298	3,132,023	3,133,321
Overdue more than 1 year	-	175,625	175,625
	1,298	**3,307,648**	**3,308,946**

At 31 December 2022 the age structure of trade receivables and advances to suppliers are 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**

Trade and other receivables (continued)

The following table presents the movement of impairment provision account for the years ended 31 December 2023 and 2022:

	2023	2022
At 01 January	69,511	70,223
Collected fully provided bad debts (Note 20)	(257)	(25)
Write off of previously impaired receivables	(14)	(1,104)
Impairment provision (Note 18)	16	365
Translation differences	(1)	52
At 31 December	**69,255**	**69,511**

As at 31 December 2023, based on the assessment of collection of receivables, the Company wrote off fully non-collectible trade receivables in its current profit and loss in the amount of Euro 19 (2022 Euro 31,539) (See note 18 and 23).

10 Financial receivables

	2023	2022
Short-term deposits in local banks	3,038,529	5,308,308
	3,038,529	**5,308,308**

11 Cash and cash equivalents

	2023	2022
Bank accounts	3,040,976	6,456,220
Cash on hand	237	189
	3,041,213	**6,456,409**

12 Equity

Shares issued

	Number of shares	Ordinary shares (Euros)	Share premium	Total (Euros)
Authorized, issued and fully paid ordinary shares 1 Euro				
At 01 January 2023 and 2022	**4,686,858**	**4,686,858**	**-**	**4,686,858**
At 31 December 2023 and 2022	**4,686,858**	**4,686,858**	**-**	**4,686,858**

The structure of share capital at 31 December 2023 and 2022 is as follows (amounts in Euro):

	Number of shares	Amount in Euros	%
Stone Works Holding Coöperatief U.A Netherlands	4,182,888	4,182,888	89,25
Piraeus Bank S.A. [1]	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 right in the Assembly of the Company, entitled to payment of part of profit, and right to payment of rest of the liquidation or bankruptcy estate of the Company.

[1] In its capacity of the issuer of the ELPIS certificates

All amounts expressed in Euros, unless otherwise stated

Equity (continued)

Other components of equity

	Translation reserves	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**
Allocation of profit to investment reserves	-	3,005,345	-	-	3,005,345
Transfer of profit from investment reserves to retained earnings	-	(3,873,414)	-	-	(3,873,414)
Reclassification	-	(133,469)	133,469	-	-
Tax relief	-	(962)	-	-	(962)
Translation differences	11,064	-	-	-	11,064
At 31 December 2023	**50,450**	**9,557,384**	**4,756,945**	**1,223,281**	**15,588,060**
At 1 January 2022	**(30,737)**	**8,684,015**	**4,623,476**	**1,223,281**	**14,500,035**
Allocation of profit to investment reserves	-	2,502,357	-	-	2,502,357
Transfer of profit from investment reserves to retained earnings	-	(626,488)	-	-	(626,488)
Translation differences	70,123	-	-	-	70,123
At 31 December 2022	**39,386**	**10,559,884**	**4,623,476**	**1,223,281**	**16,446,027**

Revaluation reserve

Revaluation surplus, which at 31 December 2023 and 2022 amounts 1,223,281 Euro 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 the assets sold or disposed of.

Statutory and other reserves

Statutory reserves, which at 31 December 2023 and 2022 amount to 621.393 Euro are created during the years by allocation of parts of the net income after tax. With an Assembly decision, the statutory reserves can be converted into the share capital in full, and the legal reserve can be converted into the share capital only if exceeds the amount determined by law.

Other reserves, which at 31 December 2023 and 2022 amount to Euro 4,135,552 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. They can only be used to increase the share capital.

Investment reserves

At 30 May 2023 and according to the Shareholders' Annual Assembly decision no. 02-2325/5, part of the profit for the year 2022, in the amount of 3,005,345 Euros was allocated to reinvested earnings for financing the investment program of the Company. Furthermore, part of reinvested earnings in amount of 803,456 Euros that was not utilized in 2022 has been transferred in retained earnings. Additionally, the Company has transfer Eur 3,069,958 from investment reserves to retain earnings due to termination of the obligation for 5 years keeping the investment reserves from the date of the purchasing of the assets (from year 2018).

At 20 April 2022 and according to the Shareholders' Annual Assembly decision no. 02-1705/5, part of the profit for the year 2022, in the amount of 2,502,357 Euros was allocated to reinvested earnings for financing the investment program of the Company. Furthermore, part of reinvested earnings in amount of 626,488 Euros that was not utilized in 2021 has been transferred in retained earnings.

All amounts expressed in Euros, unless otherwise stated

Equity (continued)

Dividends

At 11 December 2023 and according to the Shareholders' Assembly decision no. 02-5470/3, part of the retained earnings realized till 31 December 2022 in the amount of 19,028,643 Euros were allocated for dividends distribution. During the period ended 31 December 2023 the Company paid dividends to its shareholders in net amount of 18,820,554 Euros and in addition 204,050 Euros relating to taxes on dividend paid.

At 20 April 2022 and according to the Shareholders' Annual Assembly decision no. 02-1705/6, the retained earnings realized up to 31 December 2020 and part of the profit for the year 2021 in the amount of 16,029,054 Euro were allocated for dividends distribution. During the period ended 31 December 2022 the Company paid dividends to its shareholders in the net amount of 15,853,804 Euro and in addition 172,053 Euro relating to taxes od dividends paid.

13 Financial lease

	2023	2022
Long - term liabilities for financial leasehold for vehicles	56,052	-
Less: current maturity	(14,947)	-
	41,105	-

14 Trade and other payables

	2023	2022
Trade creditors		
Local suppliers	377,700	488,169
Foreign suppliers	540,709	165,001
Related parties payables (see Note 24)	-	-
	918,409	**653,170**
Other current liabilities		
Liabilities to employees and management	318,906	284,549
Accrued expenses	141,644	85,761
Customers prepayments	17,318	106,866
Dividends payable (net of local taxes)	8,408	6,216
Other	1,673	1,672
	487,949	**485,064**
Total trade and other payables	**1,406,358**	**1,138,234**

15 Tax payables

	2023	2022
Concession fees and other levies	92,354	86,814
Withholding tax	6,370	61
Personal income tax liabilities	4,088	3,161
	102,812	**90,036**

All amounts expressed in Euros, unless otherwise stated

16 Sales

	2023	2022
Local market	142,348	97,984
Foreign markets:		
- China[2]	26,034,395	24,194,961
- Greece	2,430,713	5,340,023
- Balkan region	521,116	355,199
- Other markets	135,843	390,899
Subtotal sales on foreign markets	29,122,067	30,281,082
Total sales	**29,264,415**	**30,379,066**

17 Cost of sales

	2023	2022
Stock of finished products and W.I.P. at 01 January	4,080,624	4,053,798
Plus: Total production cost for the year ended 31 December	10,660,647	10,767,196
Plus: Income from value adjustment of previously written-off inventory	6,356	23,693
Plus: Income from value adjustment of obsolete consumables and spare parts consumed	5,217	13,515
Plus: Cost of various material sold	347	5,508
Use of own products	(5,332)	(30,282)
Wastage, failure and fracture of products (excluding VAT effect)	(66,944)	(131,886)
Shortages (excluding VAT effect)	(11,185)	(10,551)
Less: Valuation allowance of inventories (Note 8)	(329,212)	(170,568)
Less: Valuation allowance of obsolete consumables and spare parts (Note 8)	(84,684)	(58,378)
Less: Income from released value adjustment of inventories sold	(6,356)	(23,693)
Less: Income from value adjustment of obsolete consumables and spare parts consumed	(5,217)	(13,515)
Less: Stock of finished products and W.I.P. at 31 December	(4,015,002)	(4,080,624)
	10,229,259	**10,344,213**

[2] Includes mainland China and Hong Kong

All amounts expressed in Euros, unless otherwise stated

18 Administrative and selling expenses

	Year ended 31 December 2023		Year ended 31 December 2022	
	Administrative	Selling	Administrative	Selling
Staff costs (Note 19)	613,559	147,168	600,368	142,785
Marketing and promotion	200,335	2,707	181,953	1,461
Professional advisory services	121,180	-	98,375	-
Services	84,055	20,615	68,202	21,958
Depreciation (Note 6)	83,511	15,036	69,855	11,918
Materials, supplies and utilities	43,462	82,334	61,179	67,248
Employee Benefits	42,255	-	251,988	-
Taxes and other levies	21,965	2,168	17,631	2,042
Expenses for operating lease	5,858	5,978	20,813	-
Transport of products	-	1,906,018	-	2,456,845
Value adjustment of inventory (Note 8)	-	329,212	-	170,568
Value adjustment of obsolete consumables and spare parts (Note 8)	-	84,684	-	58,378
Wastage, failure and fracture (Note 8 and 23)	-	78,994	-	155,625
Stock count shortages of inventory (Note 8 and 23)	-	12,965	-	12,220
Present value of equipment sold and written off (Note 5, 9 and 23)	-	383	-	25,644
Impairment and write off receivables (Note 9 and 23)	-	35	-	31,904
Other expenses and provisions	164,168	47,350	159,585	36,185
	1,380,348	**2,735,647**	**1,529,949**	**3,194,781**

19 Staff costs

	2023	2022
Net salaries	2,301,188	2,159,441
Personal tax and mandatory contributions	1,177,606	1,012,028
Business trips	3,994	1,958
Other allowances	499,150	501,589
	3,981,938	**3,675,016**

Out of the total staff costs for the year ended 31 December 2023 Euro 3,221,211 (2022: 2,931,863), has been charged in cost of sales and the remaining in the amount of Euro 760,727 (2022: Euro 743,153) into administrative and selling expenses (see Note 18).

All amounts expressed in Euros, unless otherwise stated

20 Other operating income

	2023	2022
Income from reinvoicing of transport cost and other services	82,367	184,263
- Less: Cost associated with the above services	(75,480)	(177,889)
Raw materials sold	4,451	13,422
Payables write offs and stock count surplus	3,164	94,207
Gain on property, plant and equipment sold (Note 5)	2,095	6,028
Liabilities for dividends written off	1,602	3,975
Collected fully provided bad debts (Note 9)	257	25
Income from court verdicts	144	65
Income from health insurance	-	8,578
Other income	1,406	1,140
	20,006	**133,814**

21 Finance income and costs

	2023	2022
Finance income		
Interest income	69,835	26,550
Foreign exchange gains	194,866	121,146
	264,701	**147,696**
Finance (costs)		
Interest (expense)	(932)	(14)
Bank (charges)	(83,893)	(85,439)
Foreign exchange (losses)	(213,448)	(156,943)
	(298,273)	**(242,396)**
Finance (costs), net	**(33,572)**	**(94,700)**

22 Income tax expense

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

	2023	2022
Profit before income tax	14,905,595	15,349,237
Non – deductible expenses	725,966	1,033,267
Tax basis deductions	(2,232,610)	(1,701,398)
At 31 December – Taxable profit	13,398,951	14,681,106
Current tax charge at rate of 10%	**1,339,895**	**1,468,111**
Income tax deduction	(132,722)	(68,888)
Income tax (expense)	**1,207,173**	**1,399,223**
Effective tax rate	**8.10%**	**9.12%**

All amounts expressed in Euros, unless otherwise stated

23 Expenses by nature

	2023	2022
Staff costs (Note 19)	3,981,938	3,675,016
Energy and water	2,501,058	3,227,095
Depreciation and amortization (Note 5 and 6)	2,266,692	2,130,645
Consumed materials, spare parts and small inventory	1,927,163	1,817,632
Transport of products	1,906,018	2,456,845
Services	388,177	392,940
Value adjustment of inventories (Note 8 and 18)	329,212	170,568
Other expenses and provisions	211,518	195,770
Marketing and promotion	203,042	183,414
Taxes and other contributions	136,938	119,649
Professional advisory services	121,180	98,375
Value adjustment of obsolete consumables and spare parts (Note 8 and 18)	84,684	58,378
Wastage, failure and fracture (Note 8 and 18)	78,994	155,625
Insurance	46,512	42,414
Employee Benefits	42,255	251,988
Representation	16,932	16,382
Shortages (Note 8 and 18)	12,965	12,220
Transport costs	12,100	12,452
Expenses for operating leasing	11,836	20,813
Present value of assets written off (Note 5, 9 and 18)	383	25,644
Write off of receivables (Note 9 and 18)	35	31,904
	14,279,632	**15,095,769**
Changes of stock of work in progress and finished products	**65,622**	**(26,826)**
	14,345,254	**15,068,943**

* Valuation allowance of inventories in the amount of Euro 329,212 (2022: Euro 170,568) represents net amount of recognized expenses of Euro 503,226 (2022: Euro 172,324) (Note 8), decreased for income from value adjustment of previously written-off inventory in the amount of Euro 174,014 (2022: Euro 1,756) (see Note 8).

24 Related party transactions

The table below provides for the volume and balances from the related party transactions as of and for the years ended 31 December 2023 and 2022:

31 December 2023	Receivables	Payables	Revenues	Expenses
Stone Works Holding Coöperatief U.A Netherlands	-	-	-	-
Pavlidis Single Member S.A Marble-Granite Drama Greece	3,622,984	-	2,511,685	719,187
Key management remuneration	-	-	-	465,200
	3,622,984	**-**	**2,511,685**	**1,184,387**

31 December 2022	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**

All amounts expressed in Euros, unless otherwise stated

25 Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares in issue during the year.

	2023	2022
Profit attributable to equity holders of the Company	13,698,422	13,950,014
Weighted average number of ordinary shares (Note 12)	4,686,858	4,686,858
Basic earnings per share (Euros per share)	**2.92**	**2.98**

26 Contingent liabilities

Mortgages

Mortgages provided with appraised value are as follows:

	2023	2022
Business premises	2,958,952	2,378,952
Machinery & equipment	903,000	963,800
	3,861,952	**3,342,752**

Mortgages provided with present value are as follows:

	2023	2022
Business premises	831,008	985,654
Machinery & equipment	838,675	539,230
	1,669,683	**1,524,884**

Guarantees

Guarantees provided are as follows:	2023	2022
Issued by Komercijalna Banka AD Skopje	30,897	30,898
	30,897	**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 31 December 2023, the estimated Euro equivalent of the legal proceedings raised against the Company amounts Euro 499,388 (2022: Euro 1,951). No significant liabilities are anticipated from these proceedings, as professional advice indicates that it is unlikely that any significant loss will arise.

Tax risk

Up to 31 December 2023 the Company was subject of following tax inspections by tax authorities:

- for VAT until 30 June 2009 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 for the period until 31 December 2011 and except control made for the period from 1 January 2018 until 31 March 2022;
- for Withholding tax for the period 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 2023 Profit Tax law was amended and the Company has obligation to prepare and keep (10 years) a report for transfer pricing for 2023 and submit it at the request of the IRS within 15 days from the receipt of the request (Official Gazette of RNM no. 199/2023), (for 2022: latest by 30 September 2023) 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 2022 was prepared and submitted by 30 September 2023. The Company also prepared a report on transfer pricing for 2023. Furthermore, based on the performed transfer pricing analyze for the year ended as of 31 December 2022, there are no tax corrections.

Contingent liabilities (continued)

The Company is conducting regular assessment for potential tax effect 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 reported taxes.

27 Commitments

Operating lease liabilities

As of 31 December 2023, the operating lease liabilities relates to lease of vehicles. Repayment schedule of operating lease liabilities is as follows:

Operating lease liabilities	2023	2022
Present value of payment:		
Due within 1 year	-	8,204
Due between 1-5 years	-	-
	-	**8,204**

During 2023, the entity has recognized expenses for operating lease in the amount of Euro 11,836 (2022: Euro 20,813) (Note 18).

28 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 Euro 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 / m^3;
    - tombolons at 5% of the value of material determined at 190 Euros /m^3 and
    - material other than blocks and tombolons, that is crashed or milled 0,325 Euros/t.

All amounts expressed in Euros, unless otherwise stated

29 Information on operating segments

As of 31 December 2023 and 2022, the Company is organized into the following operating segments:

a. quarry;

b. factory.

Operating results per segments for the years ended 31 December 2023 and 2022, are as follows:

Year ended 31 December 2023	Quarry	Factory	Total
Sales	28,425,609	838,806	29,264,415
Profit/loss from operating activities	14,947,231	(8,064)	14,939,167
Financial result, net			(33,572)
Profit before income tax			**14,905,595**
Income tax expense			(1,207,173)
Profit for the year			**13,698,422**
Other comprehensive income			11,064
Total comprehensive income for the year			**13,709,486**

Year ended 31 December 2022	Quarry	Factory	Total
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 income 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 of 31 December 2023 and 2022 are as follows:

	Quarry	Factory	Total
31 December 2023			
Total assets	29,157,897	8,063,299	37,221,196
Liabilities	1,520,358	44,864	1,565,222
Capital expenditures	1,727,403	648,497	2,375,900
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:

	2023	2022
North Macedonia	142,348	97,984
China[3]	26,034,395	24,194,961
Greece	2,430,713	5,340,023
Balkan region	521,116	355,199
Other markets	135,843	390,899
	29,264,415	**30,379,066**

During 2023, Euros 8,987,829 or 30.71% (2022: Euro 12,500,394 or 41.14% of the Company's revenues depended on two single customers (both from China), which individually represents more than 10% of revenues (2022: two single customers one from China and one from Greece).

30 Events after the reporting date

After 31 December 2023 to the reporting date until the approval of the Financial Statements, there are no adjusting events reflected in the financial statements or events that are materially significant for disclosure in these financial statements.

[3] Includes mainland China and Hong Kong

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