OKTA AD - SKOPJE

Financial Statements

For the year ended 31st December 2023

With Report of the Auditor Thereon

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Annual Report of OKTA AD Skopje for the year ended 31st of December 2023

Key achievements

2023 was a year of strong operational performance with real momentum in delivery right across the business especially taking into consideration the fall in international crude oil and product prices due to the developments in the broader macroeconomic environment, the milder weather conditions and the sufficient global supply of oil products after the redirection of Russian product exports to markets outside Europe following the implementation of the new European sanctions.

Adjusted EBITDA for the year reached 774 million MKD, higher compared to the 718 million MKD generated last year with increased sales volumes performance in both markets that we operate. EBITDA reached 537 million MKD lower compared to the 910 million MKD generated last year with the drop of international prices leading to a 237 million MKD negative inventory effect against a positive one of 192 million MKD experienced last year.

Challenged by the continuous crisis the region and the world faced over the last years because of the pandemic and the energy crisis, OKTA continued to be a cornerstone of the fuel supply in the country and the region, upholding stringent health and safety standards, ensuring that customer service remains unimpeded whilst, at the same time stepped up to support the society.

The Company's decision to enhance its investments in cleaner forms of energy and reduction of its CO2 footprint, is being currently implemented; in 2Q23, the company initiated a project that targets the construction of a 12 MW photovoltaic park built on its own land by H1 2024. This investment will have a particularly favorable impact on both the Company's future results and the country's energy balance, since it will help replacing very expensive alternative energy imports.

The strong performance delivered during the year provides the management of the company with confidence and validates the strategy the company has been implementing with discipline for many years. Despite the challenging and competitive environment, the company operates, managed to maintain its leading position in North Macedonia with a 70% market share and 36% market share in Kosovo at year end 2023, leading to a 3% increase in its total sales at year end compared to 2022.

The main projects in 2023 were:

- 12 MW Renewable energy plant, tender finalization, with majority of project equipment, land preparation and preparation for license submission concluded within the year.
- 110KV substation tendering process and initial part of equipment delivered within the year.
- Organizational restructuring.
- Improvement of risk management process and introduction of a specialized platform for this purpose.
- Fuel storage maintenance and improvements.
- Unloading and Loading Installation upgrades.
- Laboratory upgrades.
- Management Information System (SAP) improvements.
- Cash and treasury management optimization.
- Further cost optimization through automation initiatives.
- Environmental protection.
- Energy savings projects.

OKTA's purpose is to responsibly provide high-quality products to clients in the markets where it operates for its communities and stakeholders.

Doing business with integrity, ethically and safely is the company's priority. OKTA also sees reporting transparently as important. The Company's corporate responsibility is integrated within the business and focuses on four key areas; Its People and Communities, Health and Safety, Environment, and Values and Governance.

OKTA is committed to conducting its operations in a safe and responsible manner to deliver long term growth, while complying with all applicable laws and regulations and limiting its environmental impact. Contribute to the country's development goals and support the local communities.

Our people

OKTA is committed to creating a safe work environment. Being an equal opportunity employer, promoting diversity, equity and treating all employees with respect and fairness. The Company has technical, finance, commercial, investor relations and administrative teams. Our employees have a diverse range of skillsets, backgrounds and expertise which help deliver our strategy. We have a culture conducive to working cross functionally and encouragement of constructive debates. Our ways of working enable agile and networked responses to the ever-increasing pace of change by balancing the needs for stability, speed, and flexibility. Our people are critical to maintaining a consistent safety culture – everyone living our safety leadership principles – speaking up and encouraging others to speak up when something doesn't look right, and supporting those who are leading in this way.

Community and social investment

Our social investments have been based on the needs of the local community. The Company believes social investment is part of being a good corporate citizen where stakeholders can benefit from OKTA's business activities.

In 2023, OKTA made significant contributions to the society in which it operates, by implementing meaningful CSR initiatives, such as:

- Main sponsor of the men's senior basketball team in 2024 Olympic pre-qualifications and qualifications for EuroBasket 2025
- Support of cultural activities through sponsorship of the renowned music festivals Ohrid Summer, Skopje Jazz Festival, OFFest and Skopje Summer
- Support of the second annual Skopje ECONOMIC FORUM
- Donation of equipment in the form of helmets, bells and lights for greater safety in the traffic of bikers and motorcyclists. The donation was made during the parade „I watch out and drive carefully ", organized in cooperation with the Republic Road Safety Council (RSBSP), Ministry of Internal Affairs, Faculty of Safety from Skopje, Red Cross and several bikers and motorcyclists organizations.
- In cooperation with the Career Center at the University "St. Cyril and Methodius" in Skopje (UKIM), implementation of a prize competition for selection of a preliminary project for solar charger and

parking for bicycles and electric scooters. The awarded project will be constructed at the campus of UKIM, as a donation from OKTA.

- Donation of 3 rooftop photovoltaic systems for educational institutions in the country
- Donation of 6,000 liters of heating fuel for the needs of SOS Children Village.
- Donation of food packages for the vulnerable groups of citizens through cooperation with the Red Cross of the City of Skopje.
- Donation for the Association of Citizens for support for people with the rare disease Wilson for the organization of the „Give a Hand 2023“ humanitarian race.
- Donation of TV devices intended to improve the educational conditions in schools in the vicinity of OKTA, as well as New Year's packages for children from these schools.
- The Red Cross at OKTA organizes blood donation drives three times a year in which a large number of company employees participate.

Health and Safety

OKTA is focused on ensuring that all employees have awareness, information, and resources to be able to prioritize health and safety and implement best practice to ensure that the chances of any incidents are minimized. All forms of work at OKTA must be safe, whether the tasks are urgent, complex, or routine Our Health and Safety policy commits us to: protecting the health and safety of our employees; providing a workplace free of discrimination where diversity is valued and to ensuring that we consult and engage with our employees.

Environment

OKTA places great importance on limiting the impact its activities have on the environment. The Company complies with all of the environmental regulatory requirements in the country to ensure that all activity is undertaken safely and contributes financially for the support of the activities of the Ministry of Environment and Physical Planning aimed towards the encouragement, preservation, sustainable use, protection and improvement of the environment, as well as for the preparation, implementation and development of programs and projects for the protection and improvement of the environment.

Values/Governance

OKTA is committed to operating responsibly and ethically across our business activities and does not tolerate bribery or corruption. The company has established the proper processes to prevent and report such activities. The Company expects its employees to adhere to high ethical standards.

Company operations and market environment

The full Year results show OKTA continues to execute its disciplined financial frame. The Company is investing with discipline continuing to perform while transforming, remain focused on providing the fuel products the Country needs today – while at the same time – preparing for investments that aim in accelerating the energy transition.

Key highlights in 2023

- EBITDA reached 537 million MKD lower compared to the 910 million MKD generated in the same period last year. The drop versus last year is mainly attributed to a positive inventory effect of 192 million MKD experienced last year against a 237 million MKD negative one in 2023. Operating expenses also increased by (8%).

- Sales revenue amounting to 49,236 million MKD for the 12 months of 2023, lagging the 59,964 million MKD of the same period last year being the result of decline of international fuel prices.

- Gross margin in 2023 followed a similar trend, standing at 1,177 million MKD, trailing behind the 1,517 million MKD of the same period last year, adversely affected by the residual effect of the international fuel prices during 2023, of which the biggest impact was experienced during Q4 2023.

- Profit before tax reached 220 million MKD, lagging behind the 618 million MKD generated during the same period last year, mainly affected by the negative inventory effect in 2023 as well as by the impact of the solidarity tax that was approved by the Parliament on September 25th in amount of MKD 50 million.

- The Company, following on its strategic priorities, invested 256 million MKD during 2023 in the construction of a 12MV Photovoltaic Plant, that will be operational in the end of H1 2024 creating a new revenue stream.

Customs Case update

With regards to the audit conducted during 2019 by the customs authorities in Northern Macedonia for the fiscal years 2014 - 2018 and the period January - May 2019, the amount imposed to OKTA up to 31 December 2023 is MKD 1,205 million and has been paid in full. The provision of MKD 58 million, which was included in the company's statement of financial position as of 31 December 2022 has been fully utilised, while additional expenses of MKD 8 million have been recognized in the company's statement of profit and loss as of 31 December 2023. All expected decisions have been received. Therefore, no further amounts are expected to be imposed by the relevant custom authorities for 2019. OKTA retains its position that it has acted at all times in full compliance with all relevant laws, also as per expert's opinions received, and intends to contest all such decisions to the ultimate judicial level, in both local and if possible, international levels.

Company Outlook for 2024

The long-term goal of OKTA is to remain the market leader by providing high-quality products to clients in the markets where it operates and execute with discipline its investments plan that aims to accelerate the energy transition.

The Company's strategic plan for 2023 focused on sustaining the sales performance on both markets, while continuing digitalization projects with the goal of increasing operational efficiency through automation, cost optimization measures, and operational improvements. The company will revisit its further opportunities both domestically and within the region, in the event the pipeline re-opens.

The Company’s priorities for 2024 are:

- Ensure supply stability and an uninterrupted market supply with high quality fuel products.
- Maintaining its domestic and export market share in a highly competitive environment.
- Strengthening of the co-operation with key customers.
- Ensure availability of needed tank capacities to foster for increasing state reserves tenders.
- Refurbish of existing tank infrastructure and continue with Health & safety improvements.
- Conclude the construction of a 12MV Photovoltaic Plant, initiate trading activities creating a new revenue stream while providing operating expenses efficiencies;
- Continuous training and creating of new development opportunities for the company’s employees.
- Be the best place to work in the North Macedonian Market, hiring and developing talents for the future.
- Further optimization of the organizational structure.
- Cultivating Future Leaders.
- Succession planning.
- Exploring Retail Network Development opportunities.
- Implement impactful CSR strategy with focus on green energy projects.
- Continue to push for the deployment of new technologies and automations, promoting efficiency gains by leveraging the HELLENIQ ENERGY group's resources;
- Increase value of the shareholders.
- Maximize synergies being a member of a leading Energy group in the region.
- Increasing return on capital employed.

However, it should be acknowledged that the above-mentioned targets may be affected by any macro environment factors, including the re-opening of the pipeline and the introduction of the new energy law. OKTA’s management monitors closely the current volatile local, regional, and European environment and reacts accordingly with the appropriate measures.

Furthermore, OKTA's management constantly monitors the challenging environment and, through proactive planning, moves the company forward by seizing the various opportunities that arise with a view to the further enhancement of its business performance and improvement of its efficiency.

During 2023 OKTA:

- Invested a total of MKD 398 million - MKD 259 million on renewable energy related projects, MKD 27 million into safety and compliance projects, MKD 8 million into network maintenance, MKD 5.9 million into IT and ERP related projects, MKD 94.8 million directed into installations infrastructure and MKD 2.8 million into laboratory related projects.
- Entered transactions with related parties, as presented in Note 28 of the Financial Statements for the year ended 31 December 2023.
- Did not enter any interested party transactions as of year ended 31 December 2023.
- Did not have any long-term debt, therefore applied no policy that links long term debt and share capital.
- Has not adopted any dividend policy. The issue of dividend distribution and the amount of dividend to be paid to the shareholders is decided on an ad hoc basis annually pursuant to a decision of the General Assembly of Shareholders and approved thereon, upon proposal of the

Board of Directors, which is based on several factors, only regarding the relevant year and after the year–end closing.

- Has not acquired any own (treasury) shares.
- Followed its risk management policy as depicted in Note 3 of the yearly Financial Statements and faced no significant issues.
- On 30th of May 2023 the General Assembly of OKTA's Shareholder approved the distribution of dividend of a total amount of 184.506.480,00 MKD or 218,00 MKD (in absolute amount) per share.
- Paid to the executive Board member the amount of MKD 9.1 million in the form of gross salaries and other benefits in amount of MKD 1.5 million. It also paid the non-executive Board members the total amount of MKD 6.5 million, 733.3 thousand MKD to each member, as compensation approved of by the Company's shareholders and by the BoD respectively and 2.1 million MKD were paid to one of the members based on separate contract.
- Has appointed, for audit and bookkeeping consulting and services, Ernst & Young Certified Auditors Ltd. – Skopje as the authorized Auditor of the Annual Account and the Financial Statements of OKTA for the year 2023, which has not been engaged directly or through its affiliated companies to provide any other services to the Company.

During the year there were eight (8) scheduled meeting of OKTAs Board of directors and (3) teleconference connection without holding a meeting with given consent to make a certain decision/ conclusion. A detailed list of the members of OKTA's Board of Directors and the attendance to the scheduled meetings that took place during the year follows below:

Supervisory Board table	Meeting Attendance
Vuk Radovic, Chairman and acting non-executive member	Present on 8 out of 8 scheduled meetings in 2023
Vasilios Bagiokos, Deputy Chairman	Present on 7 out of 8 scheduled meetings in 2023
Dimitrios Paschos, acting Executive member and CEO	Present on 3 out of 8 scheduled meetings in 2023
Andreas Triantopoulos	Present on 6 out of 8 scheduled meetings in 2023
Panos Shiatis	Present on 8 out of 8 scheduled meetings in 2023
Dionisyous Routsis	Present on 8 out of 8 scheduled meetings in 2023
Theodora Petroula	Present on 3 out of 8 scheduled meetings in 2023
Daniil Antonopoulos	Present on 5 out of 8 scheduled meetings in 2023
Alexandros Tzadimas	Present on 5 out of 8 scheduled meetings in 2023

Enclosure: *Statement according to Article 384-a of the Law on trade companies*
Suitability Policy of OKTA according to principle 2.17 of the Principles in Corporate Governance Code od Macedonian Stock Exchange.

Dimitrios Paschos

Chief Executive Officer

Рафинерија на нафта
OKTA
Скопје
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Акционерско друштво

Statement on the compliance with the Corporate Governance Code

We, the members of the Board of Directors of the company OKTA Crude oil Refinery Shareholding Company - Skopje (hereinafter: *the Company*), declare that in its operations, the Company applies the Code of Corporate Governance of the shareholding companies of the Macedonian Stock Exchange AD Skopje, published on the website of the Stock Exchange www.mse.mk.

The Company applies the principles and best practices of corporate governance provided for in the Code according to the "apply or explain" principle, by filling in questionnaires whose form and content are prescribed by the Code.

With this Statement, we confirm that the questionnaires have been published on SEI-NET and on the Company's website and that the answers therein are correct and true and reliably reflect the application of the principles and best practices of corporate governance by the Company prescribed by the Corporate Governance Code.

Date 29.02.2024

In the name and on behalf of the Board of Directors
Vuk Radovic
Chairman

Рафинерија на нафта
OKTA
Скопје
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Акционерско друштво

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of OKTA Crude Oil Refinery A.D. – Skopje

Report on Financial Statements

We have audited the accompanying financial statements of OKTA AD Skopje ("the Company") which comprise the Company's 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing accepted in Republic of North Macedonia and published in the Official Gazette no. 79 dated 11 June 2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Basis for qualified opinion

1/ Following the provisions of the Share Purchase and Concession Agreement dated 8 May 1999 concluded between EL.P.ET Balkanike S.A (the parent company of OKTA Crude Oil Refinery AD Skopje) and the Government of Republic of North Macedonia, the Company has recognized receivables in the period from 2000 to 2004 in amount of MKD 769.497 thousand as at 31 December 2023 (31 December 2022: MKD 769.497 thousands) relating to the period prior to acquisition. We were unable to obtain sufficient appropriate audit evidence to assess whether the Company will be able to recover these receivables. In addition, the Company has reported trade payables relating to the period prior to acquisition in amount of MKD 178.720 thousand as at 31 December 2023 (31 December 2022: MKD 185.044 thousand) with no movement since 2005 except for foreign exchange differences. We were unable to obtain sufficient appropriate audit evidence to assess whether the Company is still obliged to settle this amount. Consequently, we were unable to determine whether any adjustments to the stated amounts as at 31 December 2023 and 31 December 2022 were necessary. Our audit opinion on the financial statements for the year ended 31 December 2022 was modified accordingly.

2/ As disclosed in Note 11. Other operating expenses, the Company recognized an expense of MKD 103 million and a provision of MKD 58 million for the prior year ended/as at 31 December 2022, including fines and penalties, representing the Company's best estimate of the aggregated future cash outflows for litigation with the customs authorities, related to the years up to 2019. As further disclosed in Note 11, during 2023 all expected customs decisions were received, settled and accounted for, and the customs provision of MKD 58 million was fully utilised. No further amounts are expected to be imposed by the relevant custom authorities for 2019. The Company's expenses for 2022 were overstated by MKD 103 million and its financial result for 2022 was understated by the same amount due to departure from the requirements of IAS 8 Accounting Policies, Change in Accounting Estimates and Errors ("IAS 8") with respect to retrospective correction of an error in the financial statements for the prior year ended 31 December 2022. Our opinion on the financial statements for the year ended 31 December 2022 was modified accordingly.

Our audit opinion on the current period's financial statements is modified because of the effects of this matter on the comparability of the current period's statement of comprehensive income and the statement of comprehensive income for 2022.

Qualified Opinion

In our opinion, except for the possible effects of the matter described under 1/ above and the effects of the matter described under 2/ above, in the Basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2023 and its financial performance and its cash flows for the year then ended in accordance with accounting standards accepted in Republic of North Macedonia.

Report on Other Legal and Regulatory Matters

Management is also responsible for preparation of the annual report in accordance with article 384 of the Macedonian Company Law. Our responsibility in accordance with the Audit Law is to report whether the annual report is consistent with the annual account and audited financial statements of the Company for the year ended 31 December 2023. Our work regarding the annual report is performed in accordance with ISA 720 accepted in Republic of North Macedonia and published in the Official Gazette no. 79 dated 11 June 2010 and limited to assessing whether the historical financial information of the annual report is consistent with the annual account and audited financial statements of the Company.

The annual report is consistent, in all material respects, with the annual account and audited financial statements of the Company for the year ended 31 December 2023 on which we expressed a qualified opinion in the above section "Report on the Financial Statements".

Vladimir Sokolovski
General Manager

Ernst & Young Certified Auditors Ltd.
Skopje, March 29, 2024

Danica Ganceva
Certified Auditor

(all amounts are in thousands of MKD unless otherwise stated)

Statement of comprehensive income

	Note	Year ended 2023	Year ended 2022
Sales	5	49,236,143	59,964,450
Cost of goods sold	6	(48,059,485)	(58,447,272)
Gross profit		**1,176,658**	**1,517,178**
Operations and logistics expenses	7	(552,189)	(472,808)
Administrative expenses	8	(215,658)	(190,976)
Sales and distribution expenses	9	(145,752)	(95,088)
Other operating income	10	15,700	26,715
Change in value of assets held for sale	22	-	(1,434)
Other operating expenses	11	(69,121)	(131,139)
Operating profit		**209,638**	**652,448**
Finance income	12	24,612	2,533
Finance costs	12	(14,357)	(36,941)
Finance income/(costs) – net		**10,255**	**(34,408)**
Profit before income tax		**219,893**	**618,040**
Income tax expense	13	(28,207)	(72,043)
Profit for the year		**191,686**	**545,997**
Other comprehensive income			
Change in employee benefits obligations		468	(455)
Change in value of available-for-sale financial assets		(652)	(2.200)
Total other comprehensive profit		**(184)**	**(2.655)**
Total comprehensive profit for the year		**191,502**	**543,342**
Earnings per share information:			
Basic and diluted profit per share	14	**0.23**	**0.64**

(all amounts are in thousands of MKD unless otherwise stated)

Statement of financial position

	Note	As at 31st December 2023	2022
ASSETS			
Non-current assets			
Intangible assets	15	29,508	36,471
Property. plant and equipment	16	1,337,055	1,187,209
Available-for-sale financial assets	17	13,352	14,004
Deferred tax assets	18	14,923	6,405
Total non-current assets		**1,394,838**	**1,244,089**
Current assets			
Inventories	19	795,805	1,075,430
Trade receivables	20	607,776	224,820
Other receivables	20	821,878	910,849
Income tax receivables	20	38,364	-
Cash and cash equivalents	21	3,200,102	3,019,423
Assets held for sale	22	-	2,021
Total current assets		**5,463,925**	**5,232,543**
TOTAL ASSETS		**6,858,763**	**6,476,632**
EQUITY AND LIABILITIES			
Equity			
Share capital		2,472,820	2,472,820
Statutory reserves		494,718	494,718
Revaluation and other reserves		967,291	421,478
Retained earnings		917,049	1,455,867
Total equity	23	**4,851,878**	**4,844,883**
Non-current liabilities			
Provision for employee benefit obligations	24	12,426	13,420
Total non-current liabilities		**12,426**	**13,420**
Current liabilities			
Trade payables	25	1,049,520	926,567
Other current liabilities including provisions	25	944,939	659,007
Current income tax payable	25	-	32,755
Total current liabilities		**1,994,459**	**1,618,329**
TOTAL LIABILITIES AND EQUITY		**6,858,763**	**6,476,632**

The financial statements of OKTA AD – Skopje were authorised for issue by the Management on 23th February 2024 and were approved by the Board of Directors on 29th February 2024. These financial statements are subject to approval from Company's Shareholders Assembly as well.
Signed on behalf of the Management of OKTA AD - Skopje:

Рафинерија нафта OKTA Скопје Акционерско друштво

Dimitrios Paschos
Chief Executive Officer

Grigoris Tsourtos
Director of Finance

Notes are integral part of these financial statements

(all amounts are in thousands of MKD unless otherwise stated)

Statement of changes in equity

	Share capital	Statutory reserves	Revaluation and other reserves	Retained Earnings	Total
Balance at 1st January 2022	**2,472,820**	**494,718**	**424,133**	**971,654**	**4,363,325**
Net profit for 2022	-	-	-	545,997	**545,997**
Valuation of AFS	-	-	(2,200)	-	**(2,200)**
Comprehensive income	-	-	(455)	-	**(455)**
Total comprehensive income	**2,472,820**	**494,718**	**421,478**	**1,517,651**	**4,906,667**
Dividend declared	-	-	-	**(61,784)**	**(61,784)**
Balance at 31st December 2022	**2,472,820**	**494,718**	**421,478**	**1,455,867**	**4,844,883**
Net profit for 2023	-	-	-	191,686	**191,686**
Valuation of AFS	-	-	(652)	-	**(652)**
Comprehensive income	-	-	468	-	**468**
Total comprehensive income	**2,472,820**	**494,718**	**421,294**	**1,647,553**	**5,036,385**
Dividend declared	-	-	-	**(184,507)**	**(184,507)**
Reinvested profit	-	-	545,997	(545,997)	**-**
Balance at 31st December 2023	**2,472,820**	**494,718**	**967,291**	**917,049**	**4,851,878**

(all amounts are in thousands of MKD unless otherwise stated)

Statement of cash flows

	Year ended 31st December 2023	2022
Operating activities		
Profit before tax	**219,893**	**618,041**
Adjustments for:		
Depreciation and amortization	255,179	149,212
Impairment charges and provisions	-	(1,434)
Impairment of inventories	38,793	93,673
Disposal of assets	(2,021)	-
Interest income	(6,791)	(2,533)
Interest expense and bank charges	14,357	16,684
Cash generated from operations before changes in working capital	**519,410**	**873,643**
Cash flow from operating activities		
Decrease /(Increase) in inventories	240,832	(500,657)
(Increase) in receivables	(293,985)	(86,038)
Increase/(Decrease) in payables and other liabilities	447,249	(589,841)
Cash generated from operations	**913,506**	**(302,893)**
Interest and bank charges paid	(14,357)	(16,684)
Income taxes paid	(107,843)	(78,009)
Solidarity tax paid	(49,718)	-
Net cash generated from/(used in) operating activities	**741,588**	**(397,586)**
Cash flow from investing activities		
Acquisition of property. plant and equipment	(384,734)	(52,470)
Interest received	6,791	2,533
Net cash used in investing activities	**(377,943)**	**(49,937)**
Cash flow from financing activities		
Paid dividends	(183,649)	(61,425)
Received dividends	683	621
Net cash used in financing activities	**(182,966)**	**(60,804)**
Net increases in cash and cash equivalents	**180,679**	**(508,327)**
Cash and cash equivalents at 1st January	3,019,423	3,527,750
Cash and cash equivalents at 31st December (note 21)	**3,200,102**	**3,019,423**

1. General information

OKTA AD - Skopje (hereinafter "the Company") is a joint stock company established on 26 March 1980. The Company is owned 81.51% by EL.P.ET Balkaniki S.A., a company controlled by Hellenic Petroleum S.A. The parent company is incorporated in Greece.

The Company's main activities are trade, import, production and blending of oil derivatives. Major oil derivatives are Gasoline, Diesels, Fuel oil, LPG and Kerosene-Jet Oil. OKTA has a leading position in the supply and trading of oil derivatives. The company uses the installation infrastructure in Skopje for import, storage and sale of oil derivatives.

Starting from July 2013 OKTA is listed company on Macedonian Stock Exchange.

As of 31st December 2023, the Company had 262 employees (2022: 262 employees).

The address of the Company is as follows:
Street 1 no.25
Miladinovci Ilinden
1000 Skopje
North Macedonia

The financial statements of OKTA AD – Skopje were authorised for issue by the Management on 23rd February 2024 and were approved by the Board of Directors on 29th February 2024. These financial statements are subject to approval from Company's Shareholders Assembly. as well.

2. Summary of significant accounting policies

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

2.1. Basis of preparation

These financial statements are prepared in all material respects, in accordance with the Company Law (published in Official Gazette No. 28/2004, 84/2005, 25/2007, 87/2008, 42/2010, 48/2010, 24/2011, 166/2012, 187/2013, 38/2014, 41/2014, 138/2014, 6/2016, 30/2016, 61/2016, 88/2017, 192/2017, 64/2018, 120/2018, 290/2020 and 215/2021) and the Rule Book for Accounting (published in Official Gazette No. 159/2009, No. 164/2010 and No. 107/2011), whereby the International Financial Reporting Standards (IFRS) were published. This Rule Book of Accounting comprise International Financial Reporting Standards (IFRS) - IFRS 1 to IFRS 8, International Accounting Standards (IAS) - IAS 1 to IAS 41, International Financial Reporting Interpretations Committee (IFRIC) - IFRIC 1 to IFRIC 17 and Standing Interpretations Committee (SIC) Interpretations comprising SIC 7 to SIC 32.

2. Summary of significant accounting policies (continued)

2.1. Basis of preparation (continued)

IFRS 9, IFRS 10, IFRS 11, IFRS 12, IFRS 13, IFRS 15, IFRS 16, IFRS 17, IFRIC 18, IFRIC 19, IFRIC 20 and IFRIC 21, IFRIC 22, IFRIC23 are not included in the Rule Book for Accounting and are not applied by the Company.

IFRS standards (including IFRS 1) were initially published in the Official Gazette in 1997, and since then several updates have followed. The last update was in December 2010. The Company applies all relevant standards and the amendments and interpretations which were published in the Official Gazette.

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain fixed assets and depreciation and available for sale financial assets.

The financial statements are presented in thousands Macedonian Denars – MKD, unless otherwise stated.

The geopolitical situation in Eastern Europe intensified on February 24, 2022, with Russia's invasion of Ukraine. The war between the two countries continues to evolve as military activity proceeds and additional sanctions are imposed. This has resulted in rising inflation and monetary policies for economy recovery were implemented by central banks impacting interest and exchange rates expectations, prolongation of global supply issues and the European energy crisis. Further, the recent events in the Middle East have not had to date any significant impact on the Company's operations. Nevertheless, Company's Management continuously monitors the situation and assesses the potential impact on its operation.

Consistency

The presentation and classification of items in the financial statements is retained from one period to the next unless it is apparent that due to the change in the nature of the entity's operations or a review of its financial statements that another presentation or classification would be more appropriate. However, such reclassifications have not resulted in significant changes of the content and format of the financial information as presented in the financial statements.

2.2. Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') which is Macedonian denars (MKD).

(all amounts are in thousands of MKD unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.2 Foreign currency translation (continued)

Transactions and balances

Foreign currency transactions are translated into Macedonian denars using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation monetary assets and liabilities denominated in foreign currencies at year-end are recognised in the Statement of comprehensive income. Monetary assets and liabilities denominated in foreign currencies are translated according the middle exchange rates from the National Bank of the Republic of North Macedonia valid at the date of the financial statements.

Foreign exchange gains and losses are presented in the Statement of comprehensive income within "finance income/ costs (net)".
The foreign currency deals of the Company are predominantly EURO (EUR) and United States Dollars (USD) based. The exchange rates used for translation at 31st December 2023 and 31st December 2022 were as follows:

Exchange rate:	31st December 2023	31st December 2022
	MKD	MKD
EUR	61.49	61.49
USD	55.65	57.65
GBP	70.76	69.33

2.3. Property. plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Up to 2003 they have been revaluated at the year-end by applying official revaluation coefficients based on the general manufactured goods price index. Such coefficients have been applied to historical cost or later valuation and to accumulated depreciation. The effect of the revaluation of property, plant and equipment has been credited to the revaluation reserve. Additions are recorded at cost. Cost includes the invoiced value and the expenditure that is directly attributable to the acquisition of the items.

Disposal of property, plant and equipment represents expense or technology obsoleteness or other type of elimination of property, plant and equipment, including the accumulated provision. Gains and losses on disposal of property, plant and equipment are recognised in the income statement.

A) Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of comprehensive income, during the financial period in which they are incurred.

(all amounts are in thousands of MKD unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.3. Property. plant and equipment (continued)

B) Depreciation

Depreciation of property, plant and equipment is charged using rates not lower than those prescribed by the law and is designed to allocate the cost or valuation of property, plant and equipment on the straight-line basis over their estimated useful lives.

The depreciation of property, plant and equipment shall start after expiration of the month of the start-up in the year in which the utilization of the property, plant and equipment has started. The following represent the range of the estimated useful lives applied to items of property, plant and equipment:

	2023	2022
Buildings	20 - 40 years	20 - 40 years
Computers	4 - 5 years	4 - 5 years
Equipment	Up to 20 years	Up to 20 years
Other equipment and vehicles	8 years	8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.4. Intangible assets

An intangible asset is measured initially at cost. Acquisition costs include acquisition price (including import duties and non-recoverable taxes, after deducting trade discounts and rebates) and all directly attributable costs which are incurred to prepare the asset for its intended use. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and less any impairment loss. All intangible assets with a finite useful life are amortised over their useful lives using the straight-line method.
Amortisation begins when the asset is available for use and ends when the asset is classified as held for sale or is derecognised. Amortisation is recognised in the income statement as incurred. Estimated useful life over which company's intangible assets are being amortised is 4-5 years.

2.5. Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. Available-for-sale financial assets are initially recognised at fair value plus transaction costs. Available-for-sale financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Changes in the fair value of available for sale investments are recognised in other comprehensive income. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the Statement of comprehensive income as 'gains and losses from investment securities'.

Dividends on available-for-sale financial assets are recognised in the Statement of comprehensive income as part of other income when the Company's right to receive payments is established.

2. Summary of significant accounting policies (continued)

2.5. Available-for-sale financial assets (continued)

The company assesses at the end of each reporting period whether there is objective evidence for impairment of an available for sale financial asset. Significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in Statement of comprehensive income – is removed from equity and recognised in the Statement of comprehensive income. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in Statement of comprehensive income, the impairment loss is reversed through the Statement of comprehensive income.

2.6. Assets held for sales

The Company classifies non-current assets held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Assets classified as assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental cost directly attributed to the disposal of an asset. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition or after completion of other process which are considered standard for such types of sales.

2.7. Inventories

Inventories are stated at lower of cost and net realisable value. Cost comprises all costs of purchase. costs of conversion and other costs incurred bringing the inventories to their present location and condition. Cost of crude oil and cost of other raw materials. spare parts and tools and consumable stores. finished and trading goods is determined on a weighted average cost basis.

The cost of purchase of inventories comprises of the purchase price, import duties, other non-recoverable taxes and other costs, which can be directly attributed to the procurement of the inventories (e.g. transportation costs). Trade discounts, rebates and other similar items are deducted in determining the purchase cost of inventories.

The costs of conversion of inventories comprise those costs that are directly related to the units of production, such as direct labour and a systematic allocation of fixed and variable production overheads. The allocation of fixed production overheads to the cost of conversion is based on the normal capacity of the production facilities. Any unallocated fixed production overheads are recognised as an expense in the period in which they are incurred. Variable production overheads are allocated to each unit of production on the basis of the actual use of the production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2. Summary of significant accounting policies (continued)

2.8. Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

2.9. Cash and cash equivalents

Cash and cash equivalents comprise bank balances in local and foreign currency, cash in hand and deposits in banks with original maturity with less than 3 months.

2.10. Share capital

Ordinary and preference shares are classified as equity.

2.11. Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.12. Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

2. Summary of significant accounting policies (continued)

2.12. Provisions and contingent liabilities (continued)

Provisions are measured and recorded as the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provision charge is recognized in the Income Statement within the expense corresponding to the nature of the provision.

No provision is recognized for contingent liabilities. A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

2.13. Income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

A) Current income tax

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

B) Deferred income tax

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2. Summary of significant accounting policies (continued)

2.14. Employees Benefits

A) Pension and other short-term liabilities to employees

The Company, in the normal course of business, makes payments on behalf of its employees for pensions, health care, employment and personnel tax which are calculated on the basis on gross salaries and wages according to the legislation. The Company makes these contributions to the Governmental health and retirement funds as well to private retirement funds. The cost of these payments is charged to the income statement in the same period as the related salary cost.

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

B) Termination benefits

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

C) Retirement benefits and jubilee awards

Pursuant to the Labour law prevailing in the Republic of North Macedonia, the Company is obliged to pay retirement benefits in an amount equal to two average monthly salaries, at their retirement date, for which appropriate liability is recognized in the balance sheet measured at the present value of two average monthly salaries with adjustments incorporated in the actuarial calculation. According to the Collective agreement, the Company is obliged to pay jubilee anniversary awards that correspond to the total number of years of service of the employee. These employee benefit obligations are calculated annually by independent actuaries using the projected unit credit method. The actuarial valuation involves making assumption about discount rates, expected rates of return on assets, future salary increased, mortality increases and future pension increased. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. In addition, the Company is not obligated to provide further benefits to current and former employees.

2. Summary of significant accounting policies (continued)

2.15. Leases

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of comprehensive income on a straight-line basis over the period of the lease.

2.16. Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of products, retail goods and services net of value-added tax, excise, rebates and discounts. Sales of products and retail goods are recognised when the Company has delivered it to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery does not occur until the products or retail goods have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Company has objective evidence that all criteria for acceptance have been satisfied.

Interest income is recognized in the Statement of comprehensive income on a time proportion basis using the effective interest method. Dividend income is recognised when the right to receive payment is established.

2.17. Dividend distribution

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

2.18. Earnings per share

Basic earnings per share is calculated by dividing profit attributable to the equity holders of the Company for the period by the weighted average number of common stocks outstanding.

2.19. Operating segments

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the Management and for which discrete financial information is available. The Management is the person or group of persons who allocates resources and assesses the performance for the entity.

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

3. Financial risk management

3.1. Financial risk factors

The Company does not apply hedge accounting for its financial instruments, all gains and losses are recognized in the Statement of comprehensive income. The Company is exposed in particular to risks from movements in exchange rates and market prices that affect its assets and liabilities. Financial risk management aims to limit these market risks through ongoing operational and finance activities.

A) Market risk

Market risk is defined as the 'risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices' and includes interest rate risk, currency risk and other price risk. The majority of the revenues of the Company are generated in MKD and the remaining part mainly in EUR and small amount of USD.

Expenses of the Company that arise are mainly connected to EUR, partially in USD and the remaining part in MKD. As a result, the Company objective is to minimize the level of its financial risk in MKD terms. For the presentation of market risks according IFRS 7 sensitivity analyses that show the effects of hypothetical changes of relevant risk variables on profit or loss and shareholders' equity are required. The periodic effects are determined by relating the hypothetical changes in the risk variables to the balance of financial instruments at the balance sheet date. The balance at the balance sheet date is representative for the year as a whole.

The on-going global commodities in the constantly changing market resulted in, among other things, volatility of crude oil prices. The full extent of the impact of these market developments is proving to be impossible to anticipate or completely guard against.

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

B) Foreign exchange risk

The Company's functional currency is the MKD. The foreign exchange risk exposure of the Company is related to holding foreign currency cash balances, and operating activities through revenues from and payments to international companies as well as capital expenditure contracted with vendors in foreign currency.

The currency giving rise to this risk is primarily USD. The Company manages the foreign exchange risk exposure by striving to lower the number of contracts in USD and to introduce contracts in EUR. The Company has small cash reserves in USD currency and limited transactions in USD. The Company uses cash deposits in MKD or cash deposits in MKD indexed to EUR. to economically manage its foreign currency risk as well as local currency risk in accordance with the available banks offers.

(all amounts are in thousands of MKD unless otherwise stated)

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

B) Foreign exchange risk (continued)

The purchase of oil products from related parties are denominated in EUR, except one product which is denominated in USD but all products are connected to the price movement on the global movement in USD. Therefore there is associated inherent business risk with such transactions.

The Company's exposure to foreign currency risk was as follows:

2023	**MKD**	**EUR**	**USD**	**GBP**
Assets				
Cash and cash equivalents	3,022,291	172,100	5,711	-
Trade receivables and other current financial assets	1,091,168	138,470	200,016	-
Total assets	**4,113,459**	**310,570**	**205,727**	**-**
Liabilities				
Trade payables	469,824	362,952	216,744	-
Other current liabilities	944,939	-	-	-
Total liabilities	**1,414,763**	**362,952**	**216,744**	**-**
Net balance sheet exposure	**2,698,696**	**(52,382)**	**(11,017)**	**-**

2022	**MKD**	**EUR**	**USD**	**GBP**
Assets				
Cash and cash equivalents	2,877,681	122,040	19,702	-
Trade receivables and other current financial assets	962,992	136,661	36,016	-
Total assets	**3,840,673**	**258,701**	**55,718**	**-**
Liabilities				
Trade payables	299,409	406,827	220,331	-
Other current liabilities	691,762	-	-	-
Total liabilities	**991,171**	**406,827**	**220,331**	**-**
Net balance sheet exposure	**2,849,502**	**(148,126)**	**(164,613)**	**-**

The Company realized more purchases in USD than sales. At 31st December 2023 if USD would have been 1% (2022: 1%) weaker or stronger against MKD profit would have been MKD 110 thousand (2022: MKD 1,646 thousand) after tax in net balance higher or lower, respectively.

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

B) Foreign exchange risk (continued)

The Company realized more purchases in EUR than sales. At 31st December 2023, if EUR would have been 1% (2022: 1%) weaker or stronger against MKD profit would have been MKD 524 thousand (2022: MKD 1,481 thousand) after tax in net balance higher or lower. respectively.

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

Changes in market interest rates affect the interest income on time deposits with banks. As of 31st December 2023, the Company has no time deposits (2022: nil).

D) Price risk

The Company's has commodity price exposures of oil products price levels. It affects the value of inventory and sales margins which in turn affect the future cash flows of the business. In the case of price risk the level of exposure is determined by the amount of priced inventory carried at each Balance Sheet date. The Company policy is to report its inventory at the lower of historic cost and net realisable value and the results are affected by the reduction in the carrying value of the inventory.

The extent of the exposure relates directly to the level of stocks and rate of price decrease. Sales margin exposure relates to the absolute level of margin generated by the operation of the refineries mainly driven by the regulated prices for domestic market by the Government Authorities and the Platts prices for foreign market. The Company is managing the risk of margin exposure with production and import optimisation in order to have favourable inventory level in order to control the sales margin.

E) Credit risk

Credit risk is defined as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk from its operating activities and certain financing activities. The process of managing the credit risk from operating activities includes preventive measures such as creditability checking and prevention barring, corrective measures during legal relationship for example reminding and disconnection activities, collaboration with collection agencies and collection after legal relationship as litigation process, court proceedings, involvement of the executive unit and factoring. The overdue payments are followed through a debt escalation procedure based on customer's type, credit class and amount of debt. The credit risk is controlled through credibility checking – which determines that the customer is not indebted and the customer's credit worthiness and through preventive barring – which determinates the credit limit based on the customer's previous revenues.

The Company's procedures ensure on a permanent basis that sales are made to customers with an appropriate credit history and not exceed acceptable credit exposure.

(all amounts are in thousands of MKD unless otherwise stated)

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

E) Credit risk (continued)

The Company has collaterals from customers in bank guarantees, mortgages and promissory notes in order to ensure their collectability. The Company does not guarantee obligations of other parties. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. Consequently, the Company considers that its maximum exposure is reflected by the amount of debtors net of provisions for impairment recognized and the amount of cash deposits in banks at the Balance Sheet date. Management is focused on dealing with most reputable banks in foreign and domestic ownership on the domestic market.

The following table represents Company's exposure to credit risk as at 31st December 2023 and 31st December 2022:

	2023	**2022**
Cash and cash equivalents	3,200,102	3,019,423
Trade receivables	607,776	224,820
Other receivables	821,878	910,849
	4,629,756	**4,155,092**

Cash and cash equivalents in the table above exclude cash on hand since no credit risk exists for this category.

The receivables are summarized as follows:

	31st December 2023		**31st December 2022**	
	Trade receivables - domestic	Trade receivables - foreign	Trade receivables - domestic	Trade receivables – foreign
Neither past due nor impaired	253,329	338,888	46,640	170,995
Past due but not impaired	15,557	2	5,833	1,352
Impaired	46,627	19,800	46,620	20,487
Gross	**315,513**	**358,690**	**99,093**	**192,834**
Less: allowance for impairment	(46,627)	(19,800)	(46,620)	(20,487)
Net	**268,886**	**338,890**	**52,473**	**172,347**

Trade receivables of MKD 15,559 thousand (2022: MKD 7,185 thousand) were past due but not impaired. Main part of these receivables is matured up to 30 days, with no recent history of default and is secured with collaterals. Further details are presented in Note 20.

F) Liquidity risk

Liquidity risk is defined as the risk that the Company could not be able to settle or meet its obligations on time. The Company's policy is to maintain sufficient cash and cash equivalents to meet its commitments in the foreseeable future. Any excess cash is mostly deposited in commercial banks.

(all amounts are in thousands of MKD unless otherwise stated)

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

F) Liquidity risk (continued)

The Company's liquidity management process includes projecting cash flows by major currencies and considering the level of necessary liquid assets, considering business plan, historical collection and outflow data. Regular cash projections are prepared and updated by the Payment and Treasury Department.

The table below analyses Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 3 month	Between 3 months and 1 year	Over 1 year
At 31st December 2023			
Trade payables*	867,093	3,708	-
Other current liabilities	944,939	-	-
	1,812,032	**3,708**	**-**
At 31st December 2022			
Trade payables*	741,524	-	-
Other current liabilities	691,762	-	-
	1,433,286	**-**	**-**

The maturity analysis applies to financial instruments only and therefore statutory liabilities are not included.
*Excluded domestic and foreign trade payables prior acquisition.

3.2. Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The management assessed the going concern principle and based on the current liquidity position of the Company and forecasted plans there is no going concern uncertainty.

(all amounts are in thousands of MKD unless otherwise stated)

3. Financial risk management (continued)

3.3. Fair value estimation

Cash and cash equivalents. trade receivables and other current financial assets mainly have short term maturity. For this reason. their carrying amounts at the reporting date approximate their fair values.
The table below shows the categorisation of financial assets, other than available for sales financial assets as at 31st December 2023:

	Carrying amount	Fair Value
Cash and cash equivalents	3,200,102	3,200,102
Trade receivables	607,776	607,776
Other current financial assets	821,878	821,878
	4,629,756	**4,629,756**

The table below shows the categorisation of financial assets other than available for sales financial assets as at 31st December 2022:

	Carrying amount	Fair Value
Cash and cash equivalents	3,019,423	3,019,423
Trade receivables	224,820	224,820
Other current financial assets	910,849	910,849
	4,155,092	**4,155,092**

4. Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1. Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The most critical estimates and assumptions are discussed below.

A) Useful lives of assets

The determination of the useful lives of assets is based on historical experience with similar assets as well as any anticipated technological development and changes in broad economic or industry factors. In addition, as general guidance the Rule Book for depreciation rates prescribed by tax authorities is followed. The appropriateness of the estimated useful lives is reviewed annually, or whenever there is an indication of significant changes in the underlying assumptions. The Company reassessed the useful life of the assets and following this, has determined shorter useful life on part of the assets. This has resulted in higher depreciation charge in amount of MKD 172,202 thousand (2022: MKD 61,600 thousand), which were recognised in Operations and Logistic expenses Same depreciation charge is expected in 2024.
Further, due to the significant weight of depreciable assets in Company's total assets, the impact of any changes in these assumptions could be material to Company's financial position, and results of operations. If depreciation cost is decreased/increased by 10%, this would result in change of annual depreciation expense of approximately MKD 25,518 thousand (2022: MKD 14,921 thousand).

4. Critical accounting estimates and judgments (continued)

4.1. Critical accounting estimates and assumptions (continued)

A) Liquidity risk (continued)

The Company reassessed the useful life of the assets and following this, has determined shorter useful life on part of the assets. The used depreciation rates are the best estimate of the useful life of the assets of the Company.

B) Potential impairment of property. plant and equipment and intangibles

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

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

C) Impairment of trade and other receivables

The Company calculates impairment for doubtful accounts based on estimated losses resulting from the inability of its customers to make required payments. For customers in bankruptcy and liquidation, impairment is calculated on an individual basis, while for other customers it is estimated on a portfolio basis, for which the Company bases its estimate on the aging of its account receivables balance and its historical write-off experience, customer credit-worthiness and changes in its customer payment terms. These factors are reviewed periodically, and changes are made to calculations when necessary. The estimates involve assumptions about future customer behaviour and the resulting future cash collections. If the financial condition of its 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.

D) Provisions

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

(all amounts are in thousands of MKD unless otherwise stated)

4. Critical accounting estimates and judgments (continued)

4.2 Judgments

A) Solidarity tax

On September 25, 2023, the Solidarity Tax Law came into force and is applicable only for 2023. The basis for calculation were results from past years. In compliance with the provisions of the law, an additional tax was determined. The tax rate is 30%. Solidarity tax is one-off public charge for 2023, however it is not calculated and paid on the actual result for 2023, but on the notional amount related to the result – tax basis for the year ended as of 31 December 2022 and after some adjustments. Management considers that tax on solidarity do not meets the definition of requirements of IAS 12 income tax and is presented as other operating expenses in Profit and loss in the annual account and financial statements for the year ended as of 31 December 2023.

5. Sales

	2023	2022
Sales on domestic market	34,003,199	44,634,466
Sales on foreign market	15,232,944	15,329,984
	49,236,143	**59,964,450**

The sales on domestic and foreign market represent sale of oil derivatives.

6. Cost of goods sold

	2023	2022
Cost of traded goods	47,980,827	58,308,499
Impairment of inventories	38,793	93,673
Inventory difference expenses (Manipulation and shrinkage expenses)	39,865	45,100
	48,059,485	**58,447,272**

7. Operations and logistics expenses

	2023	2022
Depreciation and amortization	222,668	128,073
Gross salaries and wages	173,801	154,727
Electricity	21,322	58,967
Other fixed cost	14,049	22,140
Insurance expenses	40,588	47,444
Maintenance expenses	24,431	12,446
Personnel related expenses	21,932	26,706
Own consumption of fuels	2,510	2,596
Miscellaneous expenses	29,480	15,081
Redundancy expenses	562	3,821
Telecommunication expenses	409	418
Office supplies expenses	437	389
	552,189	**472,808**

Other fixed costs include expenses for utility services, transportation and consumption of own products.

(all amounts are in thousands of MKD unless otherwise stated)

8. Administrative expenses

	2023	**2022**
Gross salaries and wages	78,042	65,121
Miscellaneous expenses	54,270	63,669
Depreciation and amortization	16,448	14,424
Other fixed cost	25,095	12,099
Public relation and advertising expenses	16,056	11,331
Rental expenses	8,440	6,353
Personnel related expenses	6,719	8,175
Insurance expenses	4,312	6,257
Maintenance expenses	1,647	1,180
Business travel	1,831	735
Redundancy expenses	1,484	-
Telecommunication expenses	1,062	1,370
Office supplies expenses	252	262
	215,658	**190,976**

The miscellaneous expenses include membership fees, management fees and expenses for audit and other third-party fees and services. Other fixed costs include expenses for utility services and consumption of own products.

9. Sales and distribution expenses

	2023	**2022**
Gross salaries and wages	38,886	33,479
Miscellaneous expenses	25,996	21,480
Depreciation and amortization	16,063	6,715
Maintenance expenses	1,007	1,130
Other variable expenses	3,547	3,413
Personnel related expenses	1,974	2,434
Transportation expenses	3,179	1,869
Other fixed cost	44,482	15,659
Rental expenses	2,579	1,552
Public relation and advertising expenses	3,806	3,099
Redundancy expenses	-	1,519
Dues and subscriptions	8	8
Insurance expenses	3,581	2,088
Office supplies expenses	398	392
Telecommunication expenses	246	251
	145,752	**95,088**

The miscellaneous expenses are mainly related to cost for quality control for exports.

(all amounts are in thousands of MKD unless otherwise stated)

10. Other operating income

	2023	2022
Income from prior years	3,755	2,990
Income from subventions	602	256
Income from sales of electricity	9,545	21,249
Collected written off receivables	1,115	1,599
Dividend income	683	621
	15,700	**26,715**

11. Other operating expenses

	2023	2022
Provision for legal cases	8,295	103,114
Impairment of spare parts and consumables	1,793	136
Impairment of bad and doubtful debts	13	95
Waste treatment expenses	2,460	1,518
Net book value of disposed fixed assets	26	24
Cost of traded electricity	6,816	14,479
COVID-19 related expenses	-	11,773
Solidarity tax	49,718	-
	69,121	**131,139**

With regards to the audit conducted during 2019 by the customs authorities in North Macedonia for the fiscal years 2014 - 2018 and the period January - May 2019, the amount imposed to OKTA up to 31 December 2023 is MKD 1,205 million and has been paid in full. The provision of MKD 58 million, which was included in the company's statement of financial position as of 31 December 2022 has been fully utilised, while additional expenses of MKD 8 million have been recognized in the company's statement of profit and loss as of 31 December 2023. All expected decisions have been received. Therefore, no further amounts are expected to be imposed by the relevant custom authorities for 2019. OKTA retains its position that it has acted at all times in full compliance with all relevant laws, also as per expert's opinions received, and intends to contest all such decisions to the ultimate judicial level, in both local and if possible, international levels.

No additional COVID-19 related expenses in 2023 were recognised (2022: 11,773). These expenses included materials for safety, Covid tests, expenses for disinfection etc.

On September 25, 2023, the Solidarity Tax Law came into force. In compliance with the mandates of the law, an additional tax of 49,718 MKD was determined. The Company recognized the tax as a one-time expense for 2023 and has paid it within the legally mandated timeframe.

(all amounts are in thousands of MKD unless otherwise stated)

12. Finance income and costs

	2023	2022
Foreign exchange gain. net	17,821	-
Interest income	6,791	2,533
Finance income	**24,612**	**2,533**
Foreign exchange loss. net	-	(20,257)
Interest expenses	(21)	(29)
Bank charges	(14,336)	(16,655)
Finance costs	**(14,357)**	**(36,941)**
Net finance income / (costs)	**10,255**	**(34,408)**

13. Income tax expense

Recognized in the statement of comprehensive income:

	2023	2022
Profit before tax/(Loss)	219,893	618,040
Tax charge at 10%	21,989	61,804
Adjustments:		
non-tax deductible according to local regulations	7,786	10,301
Dividends received	(68)	(62)
Reinvested profit	(1,500)	-
Current year tax charge	**28,207**	**72,043**

	2023	2022
Current tax expense		
Current year tax charge	(36,725)	(72,891)
Deferred tax expense		
Increase/ (decrease) in deferred tax assets	*8,518*	*848*
Total income tax in the statement of comprehensive income	**(28,207)**	**(72,043)**

As of 1 August 2014. new profit tax law came into force being applicable from 1 January 2014 for the net income for 2014. According to the provisions of this new law (and the amendments from 2015 till 2023) the tax base is the profit generated during the fiscal year increased for non-deductible expenses and reduced for deductible revenue (i.e. dividends already taxed at the payer). with profit tax at rate of 10%.

The tax authorities may at any time inspect the books and records within 5 to 10 years subsequent to the reported tax year. and may impose additional tax assessments and penalties. The Company's management is not aware of any circumstances. which may give rise to a potential material liability in this respect.

(all amounts are in thousands of MKD unless otherwise stated)

14. Earnings per share

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

	2023	**2022**
Profit for the year	191,686	545,997
Profit to ordinary equity holders	**191,686**	**545,997**
Weighted average number of ordinary shares in issue:	846,360	846,360

Weighted average shares of the Company during 2023 was 846,360 (2022: 846,360). OKTA has no preference shares.

15. Intangible Assets

	Software and other rights	
	2023	**2022**
Cost		
Balance as at 1 January	120,969	119,276
Additions	1,311	1,693
Software under construction	-	-
Balance as at 31 December	**122,280**	**120,969**
Accumulated Amortisation		
Balance as at 1 January	84,498	76,390
Amortisation	8,274	8,108
Balance as at 31 December	**92,772**	**84,498**
Net book value as at 31 December	***29,508***	***36,471***

(all amounts are in thousands of MKD unless otherwise stated)

16. Property Plant and Equipment

	Land	Buildings	Machinery and equipment	Construc-tion in progress	Total
At 1 January 2023					
Cost	247,319	3,248.171	6,409.699	84,117	9,989.306
Accumulated depreciation	-	(3,040.669)	(5,761.428)	-	(8,802.097)
Net book amount	**247,319**	**207,502**	**648,271**	**84,117**	**1,187.209**
Year ended 31 December 2023					
Opening net book amount	247,319	207,502	648,271	84,117	1,187,209
Additions	-	-	-	396,776	396,776
Disposals	-	(2,127)	(2,697)	-	(4,824)
Transfer from construction in progress	-	47,522	84,583	(132,105)	-
Disposals depreciation	-	2,127	2,671	-	4,798
Depreciation charge	-	(21,277)	(225,627)	-	(246,904)
Closing net book amount	**247,319**	**233,747**	**507,201**	**348,788**	**1,337,055**
At 31 December 2023					
Cost	247,319	3,293,566	6,491,585	348,788	10,381,258
Accumulated depreciation	-	(3,059,819)	(5,984,384)	-	(9,044,203)
Net book amount	**247,319**	**233,747**	**507,201**	**348,788**	**1,337,055**
Year ended 31 December 2022					
Opening net book amount	**247,319**	**218,093**	**731,112**	**70,907**	**1,267.431**
Additions	-	-	-	60,907	60,907
Disposals	-	(8,519)	(20,972)	-	(29,491)
Transfer from construction in progress	-	13,585	34,112	(47,697)	-
Disposals depreciation	-	8,519	20,947	-	29,466
Depreciation charge	-	(24,176)	(116,928)	-	(141,104)
Closing net book amount	**247,319**	**207,502**	**648,271**	**84,117**	**1,187.209**
At 31 December 2022					
Cost	247,319	3,248.171	6,409.699	84,117	9,989.306
Accumulated depreciation	-	(3,040.669)	(5,761.428)	-	(8,802.097)
Net book amount	**247,319**	**207,502**	**648,271**	**84,117**	**1,187.209**

Out of total depreciation and amortisation expense (of the tangible and intangible assets) amount of MKD 222,668 thousand (2022: MKD 128,073 thousand) has been charged in Operations and logistic expenses. MKD 16,448 thousand (2022: MKD 14,424 thousand) in administrative costs and MKD 16,063 thousand (2022: MKD 6,715 thousand) in selling and distribution expenses. The Company reassessed the useful life of the assets and following this, has determined shorter useful life on part of the assets. This has resulted in higher depreciation charge in amount of MKD 172,202 thousand (2022: MKD 61,600 thousand), which were recognised in Operations and Logistic expenses. Same depreciation charge is expected in 2024.

16. Property Plant and Equipment (continued)

As part of the annual review of potential impairment indicators and despite there are no such, the management performed impairment test as at 31st December 2023. The recoverable amounts were assessed on basis on value in use treating the operational activities of trade and refining as one Cash generating unit. In determining value in use, the cash flows were discounted at a rate of 8.1% (4.5% for 2022) on a post-tax basis. The valuation model has not suggested any impairment and hence no impairments have been recorded as of 31st December 2023 or as at 31st December 2022. Management performed sensitivity analyses of the present market value of the entity using different discount rates and concluded that market value of the entity is higher than the net book value of the assets in various adverse scenarios.

17. Available-for-sale financial assets

	2023	**2022**
At 1st January	14,004	16,204
Additions	-	-
Disposals	-	-
Net (loss) gains transferred to revaluation reserves	(652)	(2,200)
At 31st December	**13,352**	**14,004**

Available-for-sale financial assets are denominated in Macedonian denars and include the following:

	2023	**2022**
Investments in companies	13,352	14,004
	13,352	**14,004**

18. Deferred income tax assets

Recognized deferred income tax assets are due to different depreciation rates. The Company has not recognized any deferred tax liability.

Movement in temporary differences during the year

In thousands of denars	Balance 1 January 2023	Utilized Deferred income tax asset	Recognized in income	Balance 31 December 2023
Depreciation of assets	6,405	-	8,518	14,923
	6,405	**-**	**8,518**	**14,923**

The temporary differences relate to difference in Depreciation rates between used Group Rates and Official Rates published by the Public Revenue Office.

(all amounts are in thousands of MKD unless otherwise stated)

19. Inventories

	2023	2022
Trade goods	776,354	1,054.666
Spare parts and tools and consumables stores	19,451	20,764
	795,805	**1,075.430**

During 2023, MKD 38.793 thousand (2022: 93.673 thousand) was recognized as an expense for inventories carried at net realizable value.
This is recognized in cost of sales.

20. Trade and other receivables

Carrying amount of trade receivables is presented as follows:

	2023	2022
Trade receivables domestic	315,513	99,093
Trade receivables foreign	358,690	192,835
Trade receivables – gross	**674,203**	**291,928**
Provision for impairment of trade receivables	(66,427)	(67,108)
Total trade receivables	**607,776**	**224,820**

(all amounts are in thousands of MKD unless otherwise stated)

20. Trade and other receivables (continued)

Carrying amount of trade and other receivables is presented as follows:

	2023	**2022**
Trade receivables - domestic	315,513	99,044
Trade receivables - foreign	317,961	192,786
Domestic receivables from related parties (note 28)	-	49
Foreign receivables from related parties (note 28)	40,729	49
Less: Provision for impairment	(66,427)	(67,108)
Trade receivables – net	**607,776**	**224,820**
Receivable from Escrow account	769,497	769,497
Prepaid expenses	41,147	55,545
Advance payments	10,503	8,797
Other short term receivables	269	8
Income tax receivables	38,364	-
VAT receivables	462	77,002
Other receivables	**860,242**	**910,849**
	1,468,018	**1,135,669**

Receivables from related parties represent receivables from EKO Serbia, Vardaks and Jugopetrol (Note 28).

Following the provisions of the Share Purchase and Concession Agreement dated 8th May 1999 concluded between EL.P.ET Balkaniki S.A. (the parent company of OKTA AD - Skopje) and the Government of the Republic of North Macedonia. the Company has recognized receivables in the period from 2000 to 2004 in the amount of approximately MKD 769,497 thousands relating to the period prior to the acquisition.

The ageing analysis of trade receivables is as follows:

	2023	**2022**
Not past due	592,217	218,612
less than 30 days	15,557	3,228
30 to 90 days	2	2,333
90 days to 1 year	-	647
Over 1 year	66,427	67,108
Total gross receivables	**674,203**	**291,928**

Movements on the provision for impairment of trade receivables are as follows:

	2023	**2022**
At 1st January	67,108	65,876
Provision for receivables impairment	13	95
Collected receivables	-	-
Written off receivable	-	-
FX difference	(694)	1,137
At 31st December	**66,427**	**67,108**

(all amounts are in thousands of MKD unless otherwise stated)

20. Trade and other receivables (continued)

Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.
The ageing analysis of provision for impairment is as follows:

	2023	2022
Over 1 year	66,427	67,108
Over 180 days	-	-
	66,427	**67,108**

The carrying amounts of the Company's trade receivables are denominated in the following currencies:

	2023	2022
MKD	269,290	52,143
EUR	138,470	136,661
USD	200,016	36,016
	607,776	**224,820**

The carrying amounts of the Company's other receivables are denominated in the following currencies:

	2023	2022
MKD	860,242	910,849
	860,242	**910,849**

The fair value of the trade receivables and the other receivables at the balance sheet date is the same as their carrying value.

21. Cash and cash equivalents

	2023	2022
Bank accounts in domestic currency	3,019,888	2,876,365
Bank accounts in foreign currency	177,811	141,750
Cash on hand	-	-
Other cash and cash equivalents	4,538	4,495
Impairment of cash	(2,135)	(3,187)
	3,200,102	**3,019,423**

The carrying amounts of the cash and cash equivalents are denominated in the following currencies:

	2023	2022
MKD	3,022,291	2,877.681
EUR	172,100	122,040
USD	5,711	19,702
	3,200,102	**3,019,423**

(all amounts are in thousands of MKD unless otherwise stated)

22. Assets held for sale

	2023	2022
Property. plant and equipment	-	2,021
	-	**2,021**

The assets held for sale were written down to their fair value less estimated costs to sell during 2022. OKTA entered into a framework agreement for the refinement and sale of precious metals contained in the catalysts that were previously used for the refining of crude oil in 2018. The catalyst is classified as assets held for sales from the date the company entered into the framework agreement. The assessment of the fair value of the asset is done and the impairment loss of MKD 129.508 is recognized as of 31 December 2018. During 2020 and 2021, main part of the catalyst was sold, and reassessment of the sales value was performed as at 31 December 2022. During 2023, the remaining parts of the catalyst were sold and difference between sales value and caring amount was recognised the Statement of Comprehensive income.

23. Capital and reserves

a) Shares

The total authorised number of ordinary shares is 846,360 shares value of EUR 51.12 per share (2022: 846,360 ordinary shares with EUR 51.12 par value). All issued shares are fully paid.

The shareholders structure as at 31 December 2023 was as follows:

	Number of ordinary shares	Total shares	% of total share capital
EL.P.ET Balkaniki S.A.	689,875	689,875	81.51 %
Pucko - Petrol DOO	93,530	93,530	11.05%
Other 1)	62,955	62,955	7.44 %
	846,360	**846,360**	**100 %**

1) Shareholders which individually hold less than 0.4% in share capital.

b) Dividends

The company dividend payments during 2023 is MKD 183,649 thousand (2022: 61,425). Dividends declared and paid for the year ended 31 December 2023 entirely relate to cash dividends on ordinary shares. There are no other declared dividends.

Declared and paid during the period ended 31 December 2023
Final dividend from retained earnings:

Declared:	184,507
Paid from declared dividend during 2023:	183,649
Paid from declared dividend in previous years:	-
Total paid	**183,649**

(all amounts are in thousands of MKD unless otherwise stated)

23. Capital and reserves (continued)

c) Reserves

Statutory reserves

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

Revaluation reserve

The revaluation reserve relates to: (i) property. plant and equipment and comprises the cumulative increased carrying value based on the increase of the producers' price index on the date of revaluation that was performed up to 2003 in amount of 114,419 MKD thousands (2022: 114,419 MKD thousands); and (ii) negative effects of revaluation of available for sale financial assets and long term employee benefits in amount of 10,526 MKD thousands (2022: 10,343 MKD thousands).

Other reserves

The other reserves relate to reinvested profits based on Decision passed by the Shareholder Assembly in amount of 863,398 MKD thousands (2022: 317,402 MKD thousands).

24. Employee benefit obligations

	2023	2022
Retirement benefit obligations and jubilee awards	12,426	13,420
	12,426	**13,420**

Assumptions are set based on actuarial advice in accordance with published statistics and experience in the country. The employee benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Mortality rate:
From the study of the mortality rates in the past years the Company has determined a representation of the expected current mortality in Republic of North Macedonia. Mortality standard table EVK2000 was used for 2023 and 2022.

(all amounts are in thousands of MKD unless otherwise stated)

24. Employee benefits obligations (continued)

	2023	2022
Amounts recognised in Balance sheet		
Present value of obligations	12,426	13,420
Fair value of plan assets	-	-
Net Liability/ (Asset) in Balance Sheet	**12,426**	**13,420**
Amounts recognized in Profit and Loss		
Service cost	1,200	952
Net interest on the net defined benefit liability/ (asset)	399	313
Past service cost	549	481
Settlement/ Curtailment/ Termination loss (gain)	1,829	5,140
Recognition of actuarial (gain)/Loss	(361)	(1,045)
Regular P&L charge	**3,616**	**5,841**
Settlement/ Curtailment/ Termination loss/ (gain)	-	-
Total P&L Charge	**3,616**	**5,841**
Reconciliation of benefit obligation		
Defined Benefit Obligation at start period	13,420	14,982
Service cost	1,200	952
Interest cost	399	313
Past service cost	549	481
Benefits paid directly by the Company	(4,142)	(7,857)
Settlement/ Curtailment/ Termination loss (gain)	1,829	5,140
Actuarial (gain)/loss- experience	(829)	(591)
Defined benefit obligation at end of period	**12,426**	**13,420**
Movements in Net Liability/ (Asset) in Balance Sheet		
Net Liability/ (Asset) in Balance Sheet at the beginning of the period	13,420	14,982
Benefits paid directly	(4,142)	(7,857)
Total expense recognised in the income statement	3,616	5,841
Total amount recognised in the Other comprehensive income	(468)	454
Net Liability/ (Asset) in Balance sheet	**12,426**	**13,420**
Assumptions		
Discount rate	5.9%	3.1%
Price inflation	3.5%	3.0%
Rate of compensation increase	3.5%	3.0%
Plan duration	6.37%	7.96%

(all amounts are in thousands of MKD unless otherwise stated)

25. Trade and other payables and provisions

Carrying amount of trade payables is presented as follows:

	2023	2022
Domestic trade payables	469,824	323,044
Foreign trade payables	579,696	603,523
	1,049,520	**926,567**

Carrying amount of trade and other payables is presented as follows:

	2023	2022
Domestic trade payables	469,824	323,044
Foreign trade payables	16,986	5,308
Foreign payables from related parties	386,900	416,081
Foreign trade payables prior acquisition	175,810	182,134
Trade payables	**1,049,520**	**926,567**
Advances received	414,742	196,900
Excise taxes payable	313,491	248,112
Salaries and wages	13,341	12,908
Personal income tax and contributions	6,889	6,669
Withholding tax	69	51
Provision for court cases	2,027	1,786
Accrued liabilities	141,408	134,460
Provisions on other litigations (Note 29)	-	58,121
Income tax payables	-	32,755
VAT liabilities	52,972	-
Other current liabilities	**944,939**	**691,762**
	1,994,459	**1,618,329**

Liabilities to related parties represent liabilities to Hellenic Petroleum S.A. Greece (Note 28).

The carrying amounts of the trade payables are denominated in the following currencies:

	2023	2023
MKD	469,824	299,409
GBP	-	-
USD	216,744	220,331
EUR	362,952	406,827
	1,049,520	**926,567**

The carrying amounts of the other payables are denominated in the following currencies:

	2023	2022
MKD	944,939	691,762
	944,939	**691,762**

(all amounts are in thousands of MKD unless otherwise stated)

26. Expenses by nature

	2023	2022
Cost of traded goods	47,980,827	58,308,499
Gross salaries and wages	290,729	253,327
Provision for legal cases	8,295	103,114
Depreciation and amortization	255,179	149,212
Miscellaneous expenses	109,746	100,230
Insurance expenses	48,481	55,789
Other fixed cost	83,626	49,898
Personnel related expenses	30,625	37,315
Manipulation and shrinkage expenses	39,865	45,100
Electricity	21,322	58,967
COVID-19 related expenses	-	11,773
Public relation and advertising expenses	19,862	14,430
Maintenance expenses	27,085	14,756
Rental expenses	11,019	7,905
Cost of traded electricity	6,816	14,479
Waste treatment expenses	2,460	1,518
Other variable expenses	3,547	3,413
Telecommunication expenses	1,717	2,039
Own consumption of fuels	2,510	2,596
Transportation expenses	3,179	1,869
Redundancy expenses	2,046	5,340
Office supplies expenses	1,087	1,043
Business travel	1,831	735
Dues and subscriptions	8	8
Impairment of bad and doubtful debts	13	95
Impairment of inventory	38,793	93,673
Impairment of spare parts and consumables	1,793	136
Impairment of assets held for sale	-	1,434
Net book value of disposed fixed assets	26	24
Solidarity tax	49,718	-
	49,042,205	**59,338,717**

27. Employee related expenses

	2023	2022
Salaries and wages	178,653	159,039
Contributions and taxes	89,215	79,888
Other benefits	22,861	14,400
	290,729	**253,327**

	2023	2022
Average number of employees	264	262

(all amounts are in thousands of MKD unless otherwise stated)

28. Related party transactions

The Company is controlled by EL.P.ET Balkaniki S.A. Greece, which owns 81.51% of the Company's shares. Ultimate parent is HelleniQ Energy S.A (former name: Hellenic Petroleum S.A.) incorporated in Greece. The remaining 7.44% of the shares are held by the minor shareholders and 11.05% of shares are held by DPTU Pucko Petrol Uvoz- Izvoz Doo - Makedonski Brod.
All transactions with related parties are conducted under normal trading and commercial terms at mutually agreed terms.

The following transactions were carried out with related parties, parent company, ultimate parent company (described above in the first paragraph of this Note) and other related parties which are members of Hellenic Petroleum Group of companies.

Sales of goods and services

Sales of goods	**2023**	**2022**
EKO Serbia	97,808	-
	97,808	**-**

Sales of services	**2023**	**2022**
Vardax	4,869	718
EKO Bulgaria	-	1,091
Jugopetrol A.D.	1,025	861
Hellenic Petroleum S.A.	14	-
	5,908	**2,670**

Purchases of goods and services

Purchases of trading goods	**2023**	**2022**
Hellenic Petroleum S.A.	46,677,803	57,546,035
Jugopetrol A.D.	32,546	-
	46,710,349	**57,546,035**

Purchases of services	**2023**	**2022**
Hellenic Petroleum S.A.	233	372
Hellpe Digital	26,359	26,321
Asprofos S.A.	-	1,007
HFL S.A.	5,451	5,457
EKO ABEE	137	-
EKO Bulgaria	46	44
	32,226	**33,201**

(all amounts are in thousands of MKD unless otherwise stated)

28. Related party transactions (continued)

Receivables arising from sale of goods	**2023**	**2022**
EKO Serbia	40,625	-
	40,625	**-**

Receivables arising from sale of services	**2023**	**2022**
Vardax Branch Office	-	49
EKO Bulgaria	-	5
Jugopetrol A.D.	104	44
	104	**98**

Outstanding balances arising from purchase of goods/services

Payables arising from purchase of raw materials and goods	**2023**	**2022**
Hellenic Petroleum S.A.	385,832	411,597
	385,832	**411,597**

Payables arising from purchase of services	**2023**	**2022**
HFL S.A.	454	454
Hellenic Petroleum S.A.	188	561
Hellpe Digital	426	3,425
EKO Bulgaria	-	44
	1,068	**4,484**

Key management compensation

Key management includes members of the Board of Directors and Directors within the Company. The compensation paid or payable to key management for services is shown below:

	2023	**2022**
Salaries	31,364	27,209
Taxes and contributions	10,601	9,653
Other benefits	5,942	2,943
	47,907	**39,805**

(all amounts are in thousands of MKD unless otherwise stated)

29. Contingencies and litigations

Bank guarantees

The Company has contingent liabilities in respect of bank guarantees arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities. The Company has bank guarantees in the amount of MKD 1,005,520 thousand as at 31 December 2023 (2022: MKD 979,241 thousand). No additional payments are anticipated at the date of the financial statements.

Unused Credit Limits

The Company has no unused credit limits as at 31 December 2023 (2022: 1,287,668).

Legal proceedings

From time to time and in the normal course of the business, claims against the Company may be received. On the basis of its own estimates and both internal and external professional advice, the management of the Company is of the opinion that no material losses will be incurred in respect of claims which were not provided for. (Note 25).

30. Commitments

Operating lease commitments

The Company leases motor vehicles under operating lease agreements. The lease expenditure charged to the Statement of comprehensive income during the year is disclosed in Note 7. 8 and 9.

The future aggregate minimum lease payments under operating leases are as follows:

	2023	**2022**
No later than 1 year	13,479	10,903
Later than 1 year and no later than 5 years	26,852	13,217
	40,331	**24,120**

Capital commitments

As of 31 December 2023, there are capital commitments in amount of 2,4 million euros for construction of photovoltaic.

31. Events after the reporting period

There are no events after the reporting period that would have impact on the 2023 Statement of comprehensive income. Statement of financial position or Statement of cash flow.

Name of the Company: OKTA Crude Oil Refinery AD Skopje

Address: Str. 1 No. 25, Miladinovci, Skopje

Unique ID number: 4074009

Income Statement 01.01.2023 - 31.12.2023					
Ordinal No.	Position	AOP	Note No.	Amount	
				Current year	Previous year
1	2	3	4	5	6
1.	**I. OPERATIONAL INCOME (202+203+206)**	201		**49.247.525.208**	**59.987.722.536**
2.	Sale income	202	11	49.245.688.135	59.985.699.002
3.	Other income	203		1.837.073	2.023.534
4.	Change of the value of stock of finished products and unfinished production				
4.a.	Stock of finished products and unfinished production at the beginning of the year	204			
4.б.	Stock of finished products and unfinished production at the end of the year	205		0	0
5.	Capitalisation of own production and services	206			
6.	**II. OPERATIONAL EXPENSES (208+209+210+211+212+213+218+219+220+221+222)**	207		**49.056.540.509**	**59.355.371.626**
7.	Raw materials expenses	208		49.606.780	86.920.191
8.	Purchase price of the goods sold	209		48.016.801.794	58.367.984.565
9.	Purchase price of materials, spare parts, small inventory, packaging and tyres	210			
10.	Services categorized as material expenses	211		111.432.695	80.702.405
11.	Other operational expenses	212		241.018.732	175.899.706
12.	Employees expenses (214+215+216+217)	213		322.933.055	295.919.362
12.a.	Net salaries	214		178.652.892	158.762.203
12.б.	Expenses for taxes and salaries contributions	215		16.744.581	14.670.401
12.в.	Mandatory social contribution expenses	216		72.474.754	65.217.814
12.г.	Other expenses for employees	217		55.060.828	57.268.944
13.	Depreciation of tangible and intangible assets	218		255.179.009	149.211.995
14.	Impairment of non-fixed assets	219			
15.	Impairment of fixed assets	220		40.598.687	95.339.253
16.	Provisions for risks and expenses	221			
17.	Other operational expenses	222		18.969.757	103.394.149
18.	**III. FINANCIAL INCOME (224+229+230+231+232+233)**	223		**52.570.354**	**50.731.057**
19.	Financial income arising from related parties (225+226+227+228)	224		17.863.434	21.045.470
19.a.	Income from investment in related parties	225			
19.б.	Income from interests from related parties	226			
19.в.	Income from foreign exchange difference from related parties	227		17.863.434	21.045.470
19.г.	Other financial income from related parties	228			
20.	Income from investment in non-related parties	229		683.100	621.000
21.	Income from interests from non-related parties	230		6.687.426	2.401.942
22.	Income from foreign exchange difference from non-related parties	231		23.598.473	23.709.876
23.	Unrealised income from financial assets	232			
24.	Other financial income	233		3.737.921	
25.	**IV. FINANCIAL EXPENSES (235+239+240+241+242+243)**	234		**23.662.013**	**65.041.641**
26.	Financial expenses with related parties (236+237+238)	235		9.347.623	16.409.760
26.a.	Expenses for interest payable to related parties	236			
26.б.	Expense for foreign exchange differences payable to related parties	237		9.347.623	16.409.760
26.в.	Other financial expenses payable to related parties	238			
27.	Expenses for interest payable to non-related parties	239		21.415	29.104
28.	Expense for foreign exchange differences payable to non-related parties	240		14.292.975	48.602.777
29.	Unrealised loss from financial assets	241			
30.	Impairement of financial assets and investment	242			
31.	Other financial expenses	243			
32.	Participation in the profit of associate entities	244			
33.	Participation in the loss of associate entities	245			
34.	Profit from regular operations (201+223+244)-(204-205+207+234+245)	246		219.893.040	618.040.326

35.	Loss from regular operations (204-205+207+234+245)-(201+223+244)	247			
36.	Net profit from interrupted work	248			
37.	Net loss from interrupted work	249			
38.	Profit before taxation (246+248) или (246-249)	250		219.893.040	618.040.326
39.	Loss before taxation (247+249) или (247-248)	251		0	0
40.	Corporate income tax	252		28.206.812	
41.	Deferred tax assets	253			
42.	Deferred tax liabilities	254			
43.	**NET PROFIT FOR THE CURRENT YEAR (250-252+253-254)**	255		191.686.228	545.996.565
44.	**NET LOSS FOR THE CURRENT YEAR (251+252-253+254)**	256		0	0
45.	Average numeber of employees upon work hours	257		264	262
46.	Number of months of work	258		12	12
47.	PROFIT/LOSS FOR THE PERIOD	259		191.686.228	545.996.565
47.a.	Profit belonging to the shareholders in the parent company	260		191.686.228	545.996.565
47.б.	Profit belonging to the uncontrollable participation	261			
47.в.	Loss belonging to the shareholders in the parent company	262			
47.г.	Loss belonging to the uncontrollable participation	263			
48.	EARNINGS PER SHARE	264			
48.a.	Total basic earnings per share	265		226	645
48.б.	Total diluted earnings per share	266			
48.в.	Basic earning per share from interrupted work	267			
48.г.	Dilutred earnings per share from interrupted work	268			

REPORT FOR COMPREHENSIVE INCOME					
Ordinal No.	Position	AOP	Note No.	Amount	
				Current year	Previous year
1.	Profit for the year	269		191.686.228	545.996.565
2.	Loss for the year	270			
3.	Other comprehensive profit (273+275+277+279+281+283) - (274+276+278+280+282+284)	271			
4.	Other comprehensive loss (274+276+278+280+282+284) - (273+275+277+279+281+283)	272		183.855	2.654.477
5.	Gains arising from translation of foreign operations	273			
6.	Loss arising from translation of foreign operations	274			
7.	Gains from re-assessment of financial assets available for sale	275			
8.	Loss from re-assessment of financial assets available for sale	276		652.050	2.200.410
9.	Effective portion of gains from hedging instruments for hedging of cash flows	277			
10.	Effective portion of losses from hedging instruments for hedging of cash flows	278			
11.	Changes of re-evaluation reserves for non-current assets (+)	279			
12.	Changes of re-evaluation reserves for non-current assets (-)	280			
13.	Actuarial gains on defined plans for employee benefits	281		468.195	
14.	Actuarial losses on defined plans for employee benefits	282			454.067
15.	Share in other comprehensive income of associates (just for the needs of consolidation)	283			
16.	Share in other comprehensive loss of associates (just for the needs of consolidation)	284			
17.	Corporate Income Tax in the components of the other comrehensive income	285			
18.	Net other comprehensive income (271-285)	286		0	0
19.	Net other comprehensive loss (285-271) или (272+285)	287		183.855	2.654.477
20.	Total comprehensive income for the year (269+286) или (286-270)	288		191.502.373	543.342.088
20.a.	Comprehensive income attributable to share holders of parent company	289		191.502.373	543.342.088
20.б.	Comprehensive income belonging to uncontrollable participation	290			
21.	Total comprehensive loss for year (270+287) or (270-286) or (287-269)	291			
21.a.	Comprehensive loss attributable to share holders of parent company	292		0	0
21.б.	Comprehensive loss belonging to uncontrollable participation	293			

Name of the Company: OKTA Crude Oil Refinery AD Skopje

Address: Str. 1 No. 25, Miladinovci, Skopje

Unique ID number: 4074009

Balance Sheet 01.01.2023 - 31.12.2023				
Position	AOP	Note No	Amount	
			Current year	Previous year
1	2	3	4	5
ASSETS: A. NON-FIXED ASSETS (002+009+020+021+031)	001		**1.379.914.043**	**1.237.684.287**
I. Intangible assets (003+004+005+006+007+008)	002	5	**29.507.978**	**36.471.283**
Expenditures for research and development	003			
Patents, license, concession and other rights.	004		29.507.978	36.471.283
Goodwill	005			
Advance payment for intangible assets	006			
Intangible assets in preparation	007			
Other intangible assets	008			
II. Tangible assets (010+013+014+015+016+017+018+019)	009	6	1.337.054.565	1.187.209.454
Immovable property (real estate) (011+012)	010	6	481.066.693	454.821.513
Land	011	6	247.318.812	247.318.812
Buildings	012	6	233.747.881	207.502.701
Plant and equipment	013	6	444.750.694	605.603.478
Transport assets	014	6	6.864.872	344.138
Tools, office inventor, assets for transport	015	6	55.544.195	42.283.110
Biological assets	016			
Advance payment for tangible	017			
Tangible assets in preparation	018	6	348.788.354	84.117.458
Other tangible assets in preparation	019	6	39.757	39.757
III. INVESTMENT IN IMMOVABLE PROPERTY	020			
IV. LONG-TERM FINANCIAL ASSETS (022+023+024+025+026+030)	021		**13.351.500**	**14.003.550**
Investment in branch offices	022			
Investment in associate entities and joint venture investtments	023			
Receivables from long-term loans granted to related parties	024			
Receivables from long-term loans	025			
Investment in long-term securities (027+028+029)	026		13.351.500	14.003.550
Investment in securities held to maturity	027			
Investments in securities available for sale	028		13.351.500	14.003.550
Investments in securities at fair value through profit or loss	029			
Other long-term financial assets	030			
V. LONG-TERM RECEIVABLES (032+033+034)	031		0	0
Receivables from related parties	032			
Receivables from customers	033			
Other long-term receivables	034			
VI. DEFERRED TAX ASSETS	035		14.922.564	6.404.739
Б. CURRENT ASSETS (037+045+052+059)	036		5.422.777.035	4.120.310.494
I. Stocks (038+039+040+041+042+043)	037		795.805.012	20.763.766
Stocks of raw materials	038		1.125.704	1.379.282
Stocks of spare parts, small inventory, packaging and tyres	039		18.325.248	19.384.484
Stock of unfinished products and semi-products	040			
Stock of finished products	041			
Stock of commercial products	042		776.354.060	
Stock of biological products	043			

II. ASSETS (OR GROUP FOR TRANSFER FOR SALES AND INTERRUPTED WORKS)	044			
III. SHORT-TERM RECEIVABLES (046+047+048+049+050+051)	045		1.426.870.338	1.080.123.911
Receivables from related parties	046	7	40.758.930	120.033
Trade accounts receivable	047	7	567.017.417	224.700.338
Advance payments	048		10.502.857	8.796.855
Receivables from the state upon taxes, social contribution, customs duties, excise and other duties towards the state	049		38.825.426	77.002.091
Receivables from the employees	050		268.797	7.683
Other short term receivables	051		769.496.911	769.496.911
IV. SHORT-TERM FINANCIAL ASSETS (053+056+057+058)	052		0	0
Investment in securities (054+055)	053		0	0
Investment in secutrities held to maturity	054			
Investments in securities at fair value through profit or loss	055			
Receivables from short-term loans granted to related parties	056			
Receivables from short-term loans	057			
Other short-term financial assets	058			
V. Cash and cash equivalents (060+061)	059	8	**3.200.101.685**	**3.019.422.817**
Cash	060		3.195.563.932	3.014.928.057
Cash equivalents	061		4.537.753	4.494.760
VI. PREPAYMENT OF EXPENSES FOR FUTURE PERIODS AND CALCULATED REVENUES	062		**41.146.484**	**55.544.986**
TOTAL ASSETS: ASSETS (001+035+036+044+062)	063		**6.858.760.126**	**5.419.944.506**
B. OUT-OF-BALANCE RECORDS - ASSETS	064			
LIABILITIES: A. SHARE CAPITAL AND RESERVES (066+067-068-069+070+071+075-076+077-078)	065		**4.851.877.875**	**4.844.881.982**
I. SHARE CAPITAL	066	9	**2.472.819.516**	**2.472.819.516**
II. Share premiums	067			
III. Own shares (-)	068			
IV. Registered, not paid capital (-)	069			
V. Revaluation reserve and differences from evaluation of components of the other comprehensive profit	070		**103.892.660**	**104.076.515**
VI. RESERVES (072+073+074)	071		**1.358.116.362**	**812.119.797**
Statutory reserves	072		494.718.176	494.718.176
Companys reserves (according to the Incorporation Act)	073			
Other reserves	074		863.398.186	317.401.621
VII. ACCUMULATED PROFIT	075		**725.363.109**	**909.869.589**
VIII. TRANSFERRED LOSS (-)	076			
IX. PROFIT FOR THE CURRENT YEAR	077		**191.686.228**	**545.996.565**
X. LOSS FOR THE CURRENT YEAR	078			
XI. SHARE CAPITAL OF THE OWNERS OF THE PARENT COMPANY	079			
XII. NON-CONTROLLABLE PARTICIPATION	080			
Б. LIABILITIES (082+085+095)	081		**1.867.015.620**	**1.498.198.284**
I. LONG-TERM PROVISIONS FOR RISKS AND EXPENSES (083+084)	082		**12.425.798**	**13.420.201**
Provisions for pensions, severance payments and similar liabilities towards the employees	083		12.425.798	13.420.201
Other long-term provisions for risks and expenses	084			
II. LONG-TERM LIABILITIES (од 086 до 093)	085		0	0
Liabilities to related parties	086			
Trade payables	087			
Advance and deposit liabilities	088			
Liabilities upon loans and credits to related parties	089			
Liabilities upon loans and credits	090			
Liabilities upon securities	091			
Other financial liabilities	092			
Other long-term liabilities	093			
III. DEFERRED TAX LIABILITIES	094			

IV. SHORT-TERM LIABILITIES (од 096 до 108)	095		1.854.589.822	1.484.778.083
Liabilities to related parties	096	10	387.031.614	415.885.742
Trade payables	097	10	662.485.361	510.681.491
Advance and deposit liabilities	098		414.742.317	196.900.100
Liabiliites for taxes and social contribution upon salaries	099		6.889.441	6.669.189
Liabilities towards the employees	100		13.340.836	12.907.865
Current tax liabilities	101		366.531.567	280.917.324
Short-term provisions for risks and expenses	102			
Liabilities upon loans and credits to related parties	103			
Liabilities upon loans and credits	104		0	0
Liabilities upon securities	105			
Liabilities upon participation in the profits	106		3.568.686	2.694.977
Other financial liabilities	107			
Other long-term liabilities	108			58.121.395
V. DEFERRED PAYMENTS OF EXPENSES AND INCOME IN FUTURE PERIODS	109		139.866.631	133.550.768
VI. LIABILITIES FOR NON-FIXED ASSETS (OR GROUPS FOR TRANSFER) HELD FOR SALE OR INTERRUPTION OF WORK	110			
TOTAL LIABILITIES: SHARE CAPITAL, RESERVES AND LIABILITIES (065+081+094+109+110)	111		**6.858.760.126**	**6.476.631.034**
B. OUT-OF-BALANCE RECORDS - LIABILITIES	112			

Explanatory Notes

(all amounts are in MKD unless otherwise stated)

1. General information

OKTA AD - Skopje (hereinafter "the Company") is a joint stock company established on 26 March 1980. The Company is owned 81.51% by EL.P.ET Balkaniki S.A., a company controlled by Hellenic Petroleum S.A. The parent company is incorporated in Greece.

The Company's main activities are trade, import, production and blending of oil derivatives. Major oil derivatives are Gasoline, Diesels, Fuel oil, LPG and Kerosene-Jet Oil. OKTA has a leading position in the supply and trading of oil derivatives. The company uses the installation infrastructure in Skopje for, import, storage and sale of oil derivatives.

Starting from July 2013 OKTA is listed company on Macedonian Stock Exchange.

As of 31st December 2023, the Company had 262 employees (2022: 262 employees).

The address of the Company is as follows:
Street 1 no.25
Miladinovci Ilinden
1000 Skopje
North Macedonia

The financial statements of OKTA AD – Skopje were authorised for issue by the Management on 22th February 2023 and were approved by the Board of Directors on 28th February 2023. These financial statements are subject to approval from Company's Shareholders Assembly as well.
Signed on behalf of the Management of OKTA AD – Skopje.

2. Summary of significant accounting policies

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

2.1. Basis of preparation

These financial statements are prepared, in all material respects, in accordance with the Company Law (published in Official Gazette No. 28/2004, 84/2005, 25/2007, 87/2008, 42/2010, 48/2010, 24/2011,166/2012,187/2013, 38/2014, 41/2014, 138/2014, 6/2016, 30/2016 ,61/2016, 88/2017, 192/2017, 64/2018 and 120/2018) and the Rule Book for Accounting (published in Official Gazette No. 159/2009, No. 164/2010 and No. 107/2011), whereby the International Financial Reporting Standards (IFRS) were published. This Rule Book of Accounting comprise International Financial Reporting Standards (IFRS) - IFRS 1 to IFRS 8, International Accounting Standards (IAS) - IAS 1 to IAS 41, International Financial Reporting Interpretations Committee (IFRIC) - IFRIC 1 to IFRIC 17 and Standing Interpretations Committee (SIC) Interpretations comprising SIC 7 to SIC 32.

2. Summary of significant accounting policies (continued)

2.1. Basis of preparation (continued)

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

IFRS standards (including IFRS 1) were initially published in the Official Gazette in 1997, and since then several updates have followed. The last update was in December 2010. The Company applies all relevant standards and the amendments and interpretations which were published in the Official Gazette.

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain fixed assets and depreciation and available for sale financial assets.

The financial statements are presented in thousands Macedonian Denars – MKD, unless otherwise stated.

The geopolitical situation in Eastern Europe intensified on February 24, 2022, with Russia's invasion of Ukraine. The war between the two countries continues to evolve as military activity proceeds and additional sanctions are imposed. This has resulted in rising inflation and monetary policies for economy recovery were implemented by central banks impacting interest and exchange rates expectations, prolongation of global supply issues and the European energy crisis. Further, the recent events in the Middle East have not had to date any significant impact on the Company's operations. Nevertheless, Company's Management continuously monitors the situation and assesses the potential impact on its operation.

Consistency

The presentation and classification of items in the financial statements is retained from one period to the next unless it is apparent that due to the change in the nature of the entity's operations or a review of its financial statements that another presentation or classification would be more appropriate. However, such reclassifications have not resulted in significant changes of the content and format of the financial information as presented in the financial statements.

2.2. Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') which is Macedonian denars (MKD).

2. **Summary of significant accounting policies (continued)**

2.2. Foreign currency translation (continued)

b) Transactions and balances

Foreign currency transactions are translated into Macedonian denars using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation monetary assets and liabilities denominated in foreign currencies at year-end are recognised in the Profit or loss. Monetary assets and liabilities denominated in foreign currencies are translated according the middle exchange rates from the National Bank of the Republic of North Macedonia valid at the date of the financial statements.

Foreign exchange gains and losses are presented in the Profit or loss within "finance income/ costs (net)". The foreign currency deals of the Company are predominantly EURO (EUR) and United States Dollars (USD) based. The exchange rates used for translation at 31st December 2022 and 31st December 2023 were as follows:

Exchange rate:	31st December 2023	31st December 2022
	MKD	MKD
EUR	61.49	61.49
USD	55.65	57.65
GBP	70.76	69.33

2.3. Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Up to 2003 they have been revaluated at the year-end by applying official revaluation coefficients based on the general manufactured goods price index. Such coefficients have been applied to historical cost or later valuation and to accumulated depreciation. The effect of the revaluation of property, plant and equipment has been credited to the revaluation reserve.
Additions are recorded at cost. Cost includes the invoiced value and the expenditure that is directly attributable to the acquisition of the items.

Disposal of property, plant and equipment represents expense or technology obsoleteness or other type of elimination of property, plant and equipment, including the accumulated provision. Gains and losses on disposal of property, plant and equipment are recognised in the income statement.

a) Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Profit or loss, during the financial period in which they are incurred.

2. Summary of significant accounting policies (continued)

2.3. Property, plant and equipment (continued)

b) Depreciation

Depreciation of property, plant and equipment is charged using rates not lower than those prescribed by the law and is designed to allocate the cost or valuation of property, plant and equipment on the straight-line basis over their estimated useful lives.

The depreciation of property, plant and equipment shall start after expiration of the month of the start-up in the year in which the utilization of the property, plant and equipment has started.

The following represent the range of the estimated useful lives applied to items of property, plant and equipment:

	2023	2022
Buildings	20 - 40 years	20 - 40 years
Computers	4 - 5 years	4 - 5 years
Equipment	Up to 20 years	Up to 20 years
Other equipment and vehicles	8 years	8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.4. Intangible assets

An intangible asset is measured initially at cost. Acquisition costs include acquisition price (including import duties and non-recoverable taxes, after deducting trade discounts and rebates) and all directly attributable costs which are incurred to prepare the asset for its intended use. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and less any impairment loss. All intangible assets with a finite useful life are amortised over their useful lives using the straight-line method.

Amortisation begins when the asset is available for use and ends when the asset is classified as held for sale or is derecognised. Amortisation is recognised in the income statement as incurred. Estimated useful life over which company's intangible assets are being amortised is 4 years.

2.5. Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. Available-for-sale financial assets are initially recognised at fair value plus transaction costs. Available-for-sale financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Changes in the fair value of available for sale investments are recognised in other comprehensive income. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the Statement of comprehensive income as 'gains and losses from investment securities'.

2. Summary of significant accounting policies (continued)

2.5. Available-for-sale financial assets (continued)

Dividends on available-for-sale financial assets are recognised in the Profit or loss as part of other income when the Company’s right to receive payments is established.

The company assesses at the end of each reporting period whether there is objective evidence for impairment of an available for sale financial asset. Significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in Statement of Comprehensive income– is removed from equity and recognised in the Statement of Comprehensive income. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in Profit or loss, the impairment loss is reversed through the Statement of Comprehensive income.

2.6. Assets held for sales

The Company classifies non-current assets held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Assets classified as assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental cost directly attributed to the disposal of an asset. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition or after completion of other process which are considered standard for such types of sales.

2.7. Inventories

Inventories are stated at lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred bringing the inventories to their present location and condition. Cost of crude oil and cost of other raw materials, spare parts and tools and consumable stores, finished and trading goods is determined on a weighted average cost basis.

The cost of purchase of inventories comprises of the purchase price, import duties, other non-recoverable taxes and other costs, which can be directly attributed to the procurement of the inventories (e.g. transportation costs). Trade discounts, rebates and other similar items are deducted in determining the purchase cost of inventories.

The costs of conversion of inventories comprise those costs that are directly related to the units of production, such as direct labour and a systematic allocation of fixed and variable production overheads. The allocation of fixed production overheads to the cost of conversion is based on the normal capacity of the production facilities. Any unallocated fixed production overheads are recognised as an expense in the period in which they are incurred. Variable production overheads are allocated to each unit of production on the basis of the actual use of the production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2. Summary of significant accounting policies (continued)

2.8. Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in Profit or loss. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

2.9. Cash and cash equivalents

Cash and cash equivalents comprise bank balances in local and foreign currency, cash in hand and deposits in banks with original maturity with less than 3 months.

2.10. Share capital

Ordinary and preference shares are classified as equity.

2.11. Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.12. Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

2. Summary of significant accounting policies (continued)

2.12. Provisions and contingent liabilities (continued)

Provisions are measured and recorded as the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provision charge is recognized in the Income statement within the expense corresponding to the nature of the provision.

No provision is recognized for contingent liabilities. A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

2.13. Income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

a) Current income tax

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

b) Deferred income tax

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2. Summary of significant accounting policies (continued)

2.13. Income taxes (continued)

b) Deferred income tax (continued)

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.14. Employees Benefits

a) Pension and other short-term liabilities to employees

The Company, in the normal course of business, makes payments on behalf of its employees for pensions, health care, employment and personnel tax which are calculated on the basis on gross salaries and wages according to the legislation. The Company makes these contributions to the Governmental health and retirement funds as well to private retirement funds. The cost of these payments is charged to the income statement in the same period as the related salary cost.

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

b) Termination benefits

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

c) Retirement benefits and jubilee awards

Pursuant to the Labour law prevailing in the Republic of North Macedonia, the Company is obliged to pay retirement benefits in an amount equal to two average monthly salaries, at their retirement date, for which appropriate liability is recognized in the balance sheet measured at the present value of two average monthly salaries with adjustments incorporated in the actuarial calculation. According to the Collective agreement, the Company is obliged to pay jubilee anniversary awards that correspond to the total number of years of service of the employee. These employee benefit obligations are calculated annually by independent actuaries using the projected unit credit method. The actuarial valuation involves making assumption about discount rates, expected rates of return on assets, future salary increased, mortality increases and future pension increased. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. In addition, the Company is not obligated to provide further benefits to current and former employees.

2. Summary of significant accounting policies (continued)

2.15. Leases

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

2.16. Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of products, retail goods and services net of value-added tax, excise, rebates and discounts. Sales of products and retail goods are recognised when the Company has delivered it to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery does not occur until the products or retail goods have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Company has objective evidence that all criteria for acceptance have been satisfied.

Interest income is recognized in the Profit or loss on a time proportion basis using the effective interest method. Dividend income is recognised when the right to receive payment is established.

2.17. Dividend distribution

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

2.18. Earnings per share

Basic earnings per share is calculated by dividing profit attributable to the equity holders of the Company for the period by the weighted average number of common stocks outstanding.

2.19. Operating segments

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the Management and for which discrete financial information is available. The Management is the person or group of persons who allocates resources and assesses the performance for the entity.

The functions of the Management are performed by Board of the directors the Company. The internal reporting within the Company presented to the Management is on a Company level and as one operating segment. The decisions brought by the Management are based on received reports presented as one operating segment.

(all amounts are in MKD unless otherwise stated)

3. Financial risk management

3.1. Financial risk factors

The Company does not apply hedge accounting for its financial instruments, all gains and losses are recognized in the income statement. The Company is exposed in particular to risks from movements in exchange rates and market prices that affect its assets and liabilities. Financial risk management aims to limit these market risks through ongoing operational and finance activities.

a) Market risk

Market risk is defined as the 'risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices' and includes interest rate risk, currency risk and other price risk. The majority of the revenues of the Company are generated in MKD and the remaining part mainly in EUR and small amount of USD.

Expenses of the Company that arise are mainly connected to EUR, partially in USD and the remaining part in MKD. As a result, the Company objective is to minimize the level of its financial risk in MKD terms. For the presentation of market risks according IFRS 7 sensitivity analyses that show the effects of hypothetical changes of relevant risk variables on profit or loss and shareholders' equity are required. The periodic effects are determined by relating the hypothetical changes in the risk variables to the balance of financial instruments at the balance sheet date. The balance at the balance sheet date is representative for the year as a whole.

The on-going global commodities in the constantly changing market resulted in, among other things, volatility of crude oil prices. The full extent of the impact of these market developments is proving to be impossible to anticipate or completely guard against.
Management believes that is taking all the necessary measures to support the sustainability and growth of the Company's business in the current circumstances. Nevertheless, future market fluctuations cannot be predicted with accuracy.

b) Foreign exchange risk

The Company's functional currency is the MKD. The foreign exchange risk exposure of the Company is related to holding foreign currency cash balances, and operating activities through revenues from and payments to international companies as well as capital expenditure contracted with vendors in foreign currency.

The currency giving rise to this risk is primarily USD. The Company manages the foreign exchange risk exposure by striving to lower the number of contracts in USD and to introduce contracts in EUR. The Company has small cash reserves in USD currency and limited transactions in USD. The Company uses cash deposits in MKD or cash deposits in MKD indexed to EUR, to economically manage its foreign currency risk as well as local currency risk in accordance with the available banks offers.

The purchase of oil products from related parties are denominated in EUR, except one product which is denominated in USD but all products are connected to the price movement on the global movement in USD. Therefore there is associated inherent business risk with such transactions.

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

c) *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. Change in the interest rates and interest margins may influence financing costs and returns on financial investments.
Changes in market interest rates affect the interest income on time deposits with banks. As of 31st December 2023, the Company has no time deposits (2022: nill).

d) Price risk

The Company's has commodity price exposures of oil products price levels. It affects the value of inventory and sales margins which in turn affect the future cash flows of the business. In the case of price risk the level of exposure is determined by the amount of priced inventory carried at each Balance Sheet date. The Company policy is to report its inventory at the lower of historic cost and net realisable value and the results are affected by the reduction in the carrying value of the inventory.

The extent of the exposure relates directly to the level of stocks and rate of price decrease. Sales margin exposure relates to the absolute level of margin generated by the operation of the refineries mainly driven by the regulated prices for domestic market by the Government Authorities and the Platts prices for foreign market. The Company is managing the risk of margin exposure with production and import optimisation in order to have favourable inventory level in order to control the sales margin.

e) Credit risk

Credit risk is defined as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk from its operating activities and certain financing activities. The process of managing the credit risk from operating activities includes preventive measures such as creditability checking and prevention barring, corrective measures during legal relationship for example reminding and disconnection activities, collaboration with collection agencies and collection after legal relationship as litigation process, court proceedings, involvement of the executive unit and factoring. The overdue payments are followed through a debt escalation procedure based on customer's type, credit class and amount of debt. The credit risk is controlled through credibility checking – which determines that the customer is not indebted and the customer's credit worthiness and through preventive barring – which determinates the credit limit based on the customer's previous revenues.
The Company's procedures ensure on a permanent basis that sales are made to customers with an appropriate credit history and not exceed acceptable credit exposure.
The Company has collaterals from customers in bank guarantees, mortgages and promissory notes in order to ensure their collectability. The Company does not guarantee obligations of other parties. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. Consequently, the Company considers that its maximum exposure is reflected by the amount of debtors net of provisions for impairment recognized and the amount of cash deposits in banks at the Balance Sheet date. Management is focused on dealing with most reputable banks in foreign and domestic ownership on the domestic market.

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

f) Liquidity risk

Liquidity risk is defined as the risk that the Company could not be able to settle or meet its obligations on time. The Company's policy is to maintain sufficient cash and cash equivalents to meet its commitments in the foreseeable future. Any excess cash is mostly deposited in commercial banks.

The Company's liquidity management process includes projecting cash flows by major currencies and considering the level of necessary liquid assets, considering business plan, historical collection and outflow data. Regular cash projections are prepared and updated by the Payment and Treasury Department.

3.2. Capital risk management

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

3.3. Fair value estimation

Cash and cash equivalents, trade receivables and other current financial assets mainly have short term maturity. For this reason, their carrying amounts at the reporting date approximate their fair values.

4. Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1. Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The most critical estimates and assumptions are discussed below.

a) Useful lives of assets

The determination of the useful lives of assets is based on historical experience with similar assets as well as any anticipated technological development and changes in broad economic or industry factors. In addition, as general guidance the Rule Book for depreciation rates prescribed by tax authorities is followed. The appropriateness of the estimated useful lives is reviewed annually, or whenever there is an indication of significant changes in the underlying assumptions.

4. Critical accounting estimates and judgments (continued)

4.1. Critical accounting estimates and assumptions (continued)

a) Useful lives of assets (continued)

The Company reassessed the useful life of the assets and following this, has determined shorter useful life on part of the assets. This has resulted in higher depreciation charge in amount of 172,202 MKD (2022: 61,600 MKD), which were recognised in Operations and Logistic expenses. Same depreciation charge is expected in 2024.
Further, due to the significant weight of depreciable assets in Company's total assets, the impact of any changes in these assumptions could be material to Company's financial position, and results of operations. If depreciation cost is decreased/increased by 10%, this would result in change of annual depreciation expense of approximately MKD 25,518 thousand (2022: MKD 14,921 thousand).

b) Potential impairment of property, plant and equipment and intangibles

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

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

c Impairment of trade and other receivables

The Company calculates impairment for doubtful accounts based on estimated losses resulting from the inability of its customers to make required payments. For customers in bankruptcy and liquidation, impairment is calculated on an individual basis, while for other customers it is estimated on a portfolio basis, for which the Company bases its estimate on the aging of its account receivables balance and its historical write-off experience, customer credit-worthiness and changes in its customer payment terms. These factors are reviewed periodically, and changes are made to calculations when necessary. The estimates involve assumptions about future customer behaviour and the resulting future cash collections. If the financial condition of its 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.

d) Provisions

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

4. Critical accounting estimates and judgments (continued)

4.1. Critical accounting estimates and assumptions (continued)

d) Provisions (continued)

With regards to the audit conducted during 2019 by the customs authorities in North Macedonia for the fiscal years 2014 - 2018 and the period January - May 2019, the amount imposed to OKTA up to 31 December 2023 is MKD 1,205 million and has been paid in full. The provision of MKD 58 million, which was included in the company's statement of financial position as of 31 December 2022 has been fully utilised, while additional expenses of MKD 8 million have been recognized in the company's statement of profit and loss as of 31 December 2023. All expected decisions have been received. Therefore, no further amounts are expected to be imposed by the relevant custom authorities for 2019. OKTA retains its position that it has acted at all times in full compliance with all relevant laws, also as per expert's opinions received, and intends to contest all such decisions to the ultimate judicial level, in both local and if possible, international levels.

4.2 Judgments

a) Solidarity tax

On September 25, 2023, the Solidarity Tax Law came into force and is applicable only for 2023. The basis for calculation were results from past years. In compliance with the provisions of the law, an additional tax was determined. The tax rate is 30%. Solidarity tax is one-off public charge for 2023, however it is not calculated and paid on the actual result for 2023, but on the notional amount related to the result – tax basis for the year ended as of 31 December 2022 and after some adjustments. Management considers that tax on solidarity do not meets the definition of requirements of IAS 12 income tax and is presented as other operating expenses in Profit and loss in the annual account and financial statements for the year ended as of 31 December 2023.

5. Intangible Assets

2023	**MKD**
Cost	
Balance as at 1 January 2023	120,968,698
Additions	1,311,425
Assets in construction	-
Balance as at 31 December 2023	***122,280,123***
Accumulated Amortisation	
Balance as at 1 January 2023	84,497,415
Amortisation	8,274,730
Balance as at 31 December 2023	**92,772,145**
Net book value as at 31 December 2023	***29,507,978***

2022	
Cost	
Balance as at 1 January 2022	**119,276,161**
Additions	1,692,537
Assets in construction	-
Balance as at 31 December 2022	***120,968,698***
Accumulated Amortisation	
Balance as at 1 January 2022	76,390,351
Amortisation	8,107,064
Balance as at 31 December	**84,497,415**
Net book value as at 31 December 2022	***36,471,283***

(all amounts are in MKD unless otherwise stated)

6. Property, plant and Equipment

Year ended on 31 December 2022	Land	Buildings	Machinery and equipment	Construction in progress	Total
Opening amount	**247,318,812**	**3,248,171,487**	**6,409,699,133**	**84,117,458**	**9,989,306,890**
Accumulated Depreciation	-	(3,040,668,786)	(5,761,428,650)	-	(8,802,097,436)
Net book value	**247,318,812**	**207,502,701**	**648,270,483**	**84,117,458**	**1,187,209,454**

Year ended on 31 December 2023					
Net book value	247,318,812	207,502,701	648,270,483	84,117,458	1,187,209,454
Additions	-			396,775,397	396,775,397
Transfer for construction in progress	-	47,521,911	84,582,590	(132,104,501)	-
Disposals NPV	-	(2,127,092)	(2,697,085)	-	(4,824,177)
Depreciation	-	(21,276,731)	(225,627,548)	-	(246,904,279)
Impairment of disposals	-	2,127,092	2,671,078	-	4,798,170
Net book value as at 31 December 2022	**247,318,812**	**233,747,881**	**507,199,518**	**348,788,354**	**1,337,054,565**

7. Trade receivables

	2023	2022
Trade receivables domestic	315,932,305	99,093,076
Trade receivables foreign	358,270,722	192,834,886
Provision for impairment of trade receivables	(66,426,680)	(67,107,591)
Total	**607,776,347**	**224,820,371**

8. Cash and cash equivalents

	2023	2022
Bank account in in domestic currency	3,019,816,072	2,876,365,130
Bank account in foreign currencies	177,810,906	141,749,824
Cash on hand - in domestic currency	71,631	-
Cash on hand - in foreign currency	156	156
Impairment of deposit	(2,134,833)	(3,187,053)
Cash equivalent	4,537,753	4,494,760
Total	**3,200,101,635**	**3,019,422,817**

9. Share Capital

The total authorised number of ordinary shares is 846,360 shares value of EUR 51,12 per share, All issued shares are fully paid,
The shareholders structure as at 31 December 2023 was as follows:

	Number of ordinary shares	Total shares	% of total share capital
EL,P,ET Balkaniki S,A,	689,875	689,875	81,51 %
DPTU Pucko- Petrol Uvoz- Izvoz Doo- Makedonski Brod	93,530	93,530	11,05 %
Other 1)	62,955	62,955	7,44 %
	846,360	**846,360**	**100 %**

1) *Shareholders which individually hold less than 0,4% in share capital,*

(all amounts are in MKD unless otherwise stated)

10. Trade payables

	2023	2022
Domestic trade payables	469,833,849	323,044,260
Foreign trade payables	579,683,126	603,522,973
Total	**1,049,516,975**	**926,567,233**

11. Sales

	2023	2022
Sales on domestic market	34,012,744,348	44,655,715,340
Sales on foreign market	15,232,943,787	15,329,983,662
Total Sales*	**49,245,688,135**	**59,985,699,002**

*) include sales of electricity

Responsible person for general information and explanatory notes	Legal representative person of the company