OKTA AD - SKOPJE

Financial Statements

For the year ended 31st December 2024

With Report of the Auditor Thereon

Content

Annual Report of OKTA AD Skopje for the year ended 31st of December 2024

Key Items

In 2024, the global fuel market experienced notable price fluctuations driven by geopolitical tensions and macroeconomic pressures. In the first half of the year, fuel prices trended upward due to strong demand and concerns over supply disruptions, particularly as sanctions on Russia continued to reshape global oil trade flows. However, in the second half, prices began to decline as increased production and economic slowdowns in key markets tempered demand. Ongoing conflicts in the Middle East added further uncertainty, impacting supply routes and market sentiment. These dynamics contributed to a volatile pricing environment throughout the year.

EBITDA, as reported in management books, reached 501 million MKD, lower compared to the 537 million MKD generated last year, due to the decreased Fuel Oil market demand, lower State Reserves tenders and increased competition from Albania, despite the lower negative inventory effect of 145 million MKD against 237 million MKD experienced last year. Adjusted EBITDA in management books for the year reached 646 million MKD, trailing behind the 774 million MKD generated last year.

Despite the ongoing challenges posed by the global energy crisis in recent years, OKTA remained a key pillar of fuel supply in both the country and the region. The company upheld rigorous health and safety standards, ensured uninterrupted customer service, and simultaneously increased its efforts to support the community. In addition, OKTA actively pursued new revenue streams through investments in renewable energy, further diversifying its business and contributing to the build-up of a more sustainable future.

The strong performance throughout the year has reinforced Management's confidence and confirmed the effectiveness of the strategy the Company has been executing with consistency over the years. Despite a more challenging and competitive landscape, OKTA preserved its market leadership, closing 2024 with a 68% market share in North Macedonia and 32% in Kosovo.

The main projects in 2024 were:

- The 12 MW Renewable energy plant, which became fully operational in December 2024. A Balancing Group was established in February and energy trading on the Power exchange commenced in July 2024.
- Reconstruction of the 110KV substation
- Energy savings projects
- Fuel storage maintenance and improvements
- Laboratory upgrades
- Cash and Treasury management optimizations
- Unloading and Loading Installation upgrades
- Management Information System (SAP) improvements.
- Further cost optimization through automation initiatives.
- Organizational restructuring.
- Environmental protection.

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

Operating with integrity, as well as ethically, safely and transparently is the Company's top priority. The Company's corporate responsibility is embedded in its operations and focuses on four key areas: Its People and Communities, Health and Safety, Environment, and Values and Governance.

OKTA is dedicated to conducting its operations diligently and responsibly, ensuring long term growth, adhering to all relevant laws and regulations, limiting its environmental footprint and supporting national development goals while contributing to the well-being of local communities.

Our people

OKTA is committed to creating a safe and sustainable 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 encouraging 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 to be working by our safety leadership principles – speaking up and encouraging others to speak up when something doesn't look right.

Community and social investment

In 2024, the Company reaffirmed and expanded its commitment to being a responsible corporate citizen. Through a variety of initiatives and donations, the Company made substantial contributions to improving learning conditions in schools and kindergartens, raising awareness of traffic safety, and maintaining its role as a reliable partner to both the local and broader communities.

Additionally, the Company continued to uphold its responsibility as a steward of cultural heritage. Some of these meaningful CSR activities were:

- Donated three rooftop photovoltaic systems to educational institutions across the country.
- Served as the main sponsor for the men's senior basketball team's qualifications for EuroBasket 2025.
- Supported cultural initiatives by sponsoring renowned music festivals such as Ohrid Summer, Skopje Jazz Festival, and Offest.
- Contributed PV-powered traffic signs to enhance the traffic environment around schools in the Municipality of the Center. In collaboration with the Road Safety Council, OKTA launched an educational traffic safety project for all first graders in the Municipality of the Center.
- Donated 6,000 liters of heating fuel to the Youth House, part of the SOS Children's Village.
- Provided a variety of tree donations to the Ilinden Municipality, with OKTA employees volunteering to plant trees in urban areas surrounding schools, kindergartens, sports halls, cycling, and athletic paths.
- Made a donation to the Association of Citizens for people with the rare disease Wilson, supporting the organization of the "Give a Hand 2024" humanitarian race.

- Donated a backup power generator to the elementary school "Brakja Miladinovci," located near OKTA's facilities.
- Provided firefighting equipment to the Sveti Nikole Firefighting Unit and supported their efforts during the severe summer fires in the region.
- Donated food packages to vulnerable citizens in collaboration with the Red Cross of the City of Skopje.
- Organized three annual blood donation drives at the company's premises in partnership with the OKTA Red Cross, with a strong participation from company employees.

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 practices 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 ensuring that we consult and engage with our employees.

Environment

OKTA places a 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 demonstrate that OKTA continues to adhere to a disciplined financial strategy. 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 Financial Highlights in 2024

- EBITDA in management books reached 501 million MKD lower compared to the 537 million MKD generated in the same period last year. The drop versus last year is mainly attributed to lower volumes on both markets and increased operating expenses by 3%.

- Sales revenue amounting to 44,247 million MKD in 2024, lagging the 49,236 million MKD last year, the result being the lower volumes.

- Gross margin in 2024 followed an analogous trend, standing at 1,158 million MKD, trailing behind the 1,177 million MKD of the same period last year, adversely affected by the decreased Fuel Oil demand, lower State Reserves tenders and increased competition from Albania in Kosovo market.

- Profit before tax reached 238 million MKD, slightly higher vs the 220 million MKD generated during the same period last year, driven by the MKD 50 million solidarity tax paid last year.

- In the third quarter of 2024, the company repurchased 10% of its outstanding shares, reflecting its confidence in the long term value of the business and its ongoing commitment to enhancing shareholder value.

- The Company, following on its strategic priorities, invested 78 million MKD during 2024 concluding the construction of its 12MV Photovoltaic Plant, which became operational in H2 creating a new revenue stream.

Company Outlook for 2025

The long-term goal of OKTA is to remain the market leader by providing high-quality products to clients in its operating markets, execute its investments plan, drive the energy transition and exploit the full potential of the installed 12 MW capacity.

The Company's strategic plan for 2025 focuses on sustaining the sales performance on both markets, while advancing digitalization initiatives to enhance operational efficiency through automation, cost optimization, and operational improvements. The Company will re-evaluate potential opportunities, both domestically and within the region, in the event the pipeline re-opens.

The Company's priorities for 2025 are:

- Ensuring 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 the co-operation with key customers
- Ensuring availability of the needed tank capacities
- Refurbishing existing tank infrastructure and continuing with Health & Safety improvements.
- Exploiting the full potential of the installed capacity 12MV Photovoltaic Plant through Trading (PPAs & Power Exchange), installing a 6MW Battery Storage System and leveraging on pricing opportunities and increasing production capacity through new PVs in order to maximize the segments' potential
- Continuous training and creating of new development opportunities for the company's employees
- Defining a strategy for streamlined collaboration with educational institutions
- Being the best place to work in the North Macedonian Market, hiring and developing talents for the future
- Further optimization of the organizational structure;
- Succession planning;
- Exploring Retail Network Development opportunities;
- Implementing an impactful CSR strategy with focus on green energy projects.
- Continuing with the development of new technologies and automations, promoting efficiency gains by leveraging the Helleniq Energy group's resources
- Maximizing 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 2024 OKTA:

- Invested a total of MKD 248 million, as follows: MKD 110 million on installations infrastructure, MKD 78 million on renewable energy related projects, MKD 22 million on safety and compliance projects, MKD 19 million on laboratory related projects, MKD 12 million on IT and ERP related projects, and MKD 6 million on network maintenance.
- Entered transactions with related parties, as presented in Note 27 of the Financial Statements for the year ended 31 December 2024.
- Did not enter any interested party transactions as of year ended 31 December 2024.
- Did not have any long-term debt, therefore applied no policy that links long term debt and share capital.
- Did not distribute dividends. 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.
- Approved the acquisition of 10% of its outstanding treasury shares by way of buyback.
- Followed its risk management policy as depicted in Note 3 of the yearly Financial Statements and faced no significant issues.
- Paid to the executive Board member the amount of MKD 10.6 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 4.5 million.
- 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 2024, which was not engaged directly or through its affiliated companies to provide any other services to the Company.

During the year there were 11 (eleven) scheduled meetings of OKTAs Board of Directors and on 5 (five) occasions the Board of Directors passed decisions via correspondence, without holding a meeting. 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 non-executive member of the BOD	Present on 11 out of 11 scheduled meetings in 2024
Vasilios Bagiokos, Deputy Chairman and non-executive and independent member of the BOD	Present on 11 out of 11 scheduled meetings in 2024
Dimitrios Paschos, executive member of the BOD and CEO	Present on 11 out of 11 scheduled meetings in 2024
Dionysios Routsis, non-executive member of the BOD	Present on 11 out of 11 scheduled meetings in 2024
Andreas Triantopoulos, non-executive member of the BOD	Present on 10 out of 11 scheduled meetings in 2024
Panos Shiatis, non-executive member of the BOD	Present on 11 out of 11 scheduled meetings in 2024
Theodora Petroula, non-executive and independent member of the BOD	Present on 10 out of 11 scheduled meetings in 2024

Dimitrios Paschos

Chief Executive Officer

Рафинерија на нафта ОКТА Скопје 0 Акционерско друштво

Building a better working world

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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 comprehensive income, statement of financial position as at 31 December 2024, 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.

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 2024 (31 December 2023: 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 188.921 thousand as at 31 December 2024 (31 December 2023: MKD 178.720 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 2024 and 31 December 2023 were necessary. Our audit opinion on the financial statements for the year ended 31 December 2023 was modified accordingly.

Qualified Opinion

In our opinion, except for the possible effects of the matter described under 1/ 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 2024 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 2024. 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 2024 on which we expressed a qualified opinion in the above section "Report on the Financial Statements".

Vladimir Sokolovski
General Manager

Danica Ganceva
Certified Auditor

Ernst & Young Certified Auditors Ltd.
Skopje, April 2, 2025

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

Statement of comprehensive income

	Note	Year ended 2024	Year ended 2023
Sales	5	44,247,443	49,236,143
Cost of goods sold	6	(43,089,739)	(48,059,485)
Gross profit		**1,157,704**	**1,176,658**
Operations and logistics expenses	7	(561,363)	(552,189)
Administrative expenses	8	(221,943)	(215,658)
Sales and distribution expenses	9	(152,527)	(145,752)
Other operating income	10	29,279	15,700
Other operating expenses	11	(15,075)	(69,121)
Operating profit/(loss)		**236,075**	**209,638**
Finance income	12	19,350	24,612
Finance costs	12	(17,496)	(14,357)
Finance income/(costs) – net		**1,854**	**10,255**
Profit/(Loss) before income tax		**237,929**	**219,893**
Income tax expense	13	(20,502)	(28,207)
Profit/(Loss) for the year		**217,427**	**191,686**
Other comprehensive income			
Change in employee benefits obligations		(1,894)	468
Change in value of available-for-sale financial assets		6,086	(652)
Total other comprehensive profit		**4,192**	**(184)**
Total comprehensive profit/(loss) for the year		**221,619**	**191,502**
Earnings per share information:			
Basic and diluted profit per share	14	**0.27**	**0.23**

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

	Note	2024	2023
ASSETS			
Non-current assets			
Intangible assets	15	29,995	29,508
Property. plant and equipment	16	1,332,071	1,337,055
Available-for-sale financial assets	17	19,438	13,352
Deferred tax assets	18	24,067	14,923
Total non-current assets		**1,405,571**	**1,394,838**
Current assets			
Inventories	19	917,632	795,805
Trade receivables	20	215,591	607,776
Other receivables	20	850,443	821,878
Income tax receivables	20	14,700	38,364
Cash and cash equivalents	21	3,076,782	3,200,102
Total current assets		**5,075,148**	**5,463,925**
TOTAL ASSETS		**6,480,719**	**6,858,763**
EQUITY AND LIABILITIES			
Equity			
Share capital		2,472,820	2,472,820
Treasure shares		(502,796)	-
Statutory reserves		494,718	494,718
Revaluation and other reserves		632,173	967,291
Retained earnings		1,473,786	917,049
Total equity	22	**4,570,701**	**4,851,878**
Non-current liabilities			
Provision for employee benefit obligations	23	13,789	12,426
Total non-current liabilities		**13,789**	**12,426**
Current liabilities			
Trade payables	24	938,761	1,049,520
Other current liabilities including provisions	24	957,468	944,939
Total current liabilities		**1,896,229**	**1,994,459**
TOTAL LIABILITIES AND EQUITY		**6,480,719**	**6,858,763**

The financial statements of OKTA AD – Skopje were authorised for issue by the Management on 24th February 2025 and were subject of approval by the Board of Directors on 27th February 2025. 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 на нафта OKTA Скопје Акционерско друштво 0

Dimitrios Paschos
Chief Executive Officer

Bozhidar Pavlov
Finance Director

Notes are integral part of these financial statements

Translation in English of the official financial statements issued in Macedonian

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

Statement of changes in equity

	Share capital	Treasury Shares	Statutory reserves	Revaluation and other reserves	Retained Earnings	Total
Balance at 1st January 2023	**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**
Net profit for 2024	-	-	-	-	217,427	**217,427**
Valuation of AFS	-	-	-	6,086	-	**6,086**
Comprehensive loss	-	-	-	(1,894)	-	**(1,894)**
Total comprehensive income	**2,472,820**	**-**	**494,718**	**971,483**	**1,134,476**	**5,073,497**
Purchased treasury shares	-	(502,796)	-	-	**-**	**(502,796)**
Dividend declared	-	-	-	-	**-**	**-**
Reinvested profit	**-**	**-**	**-**	**(339,310)**	**339,310**	**-**
Balance at 31st December 2024	**2,472,820**	**(502,796)**	**494,718**	**632,173**	**1,473,786**	**4,570,701**

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

Statement of cash flows

	Year ended 31st December	
	2024	**2023**
Operating activities		
Profit before tax	**237,929**	**219,893**
Adjustments for:		
Depreciation and amortization	252,268	255,179
Impairment charges and provisions	669	-
Impairment of inventories	668	38,793
Disposal of assets	-	(2,021)
Interest income	(19,350)	(6,791)
Interest expense and bank charges	14,656	14,357
Cash generated from operations before changes in working capital	**486,840**	**519,410**
Cash flow from operating activities		
Decrease /(Increase) in inventories	(121,827)	240,832
(Increase) in receivables	386,161	(293,985)
Increase/(Decrease) in payables and other liabilities	(98,238)	447,249
Cash generated from operations	**652,936**	**913,506**
Interest and bank charges paid	(14,656)	(14,357)
Income taxes paid	(21,795)	(107,843)
Solidarity tax paid	-	(49,718)
Net cash generated from/(used in) operating activities	**616,485**	**741,588**
Cash flow from investing activities		
Acquisition of property. plant and equipment	(257,125)	(384,734)
Interest received	19,350	6,791
Net cash used in investing activities	**(237,775)**	**(377,943)**
Cash flow from financing activities		
Paid dividends	-	(183,649)
Purchase of treasury shares	(502,796)	**-**
Received dividends	766	683
Net cash used in financing activities	**(503,030)**	**(182,966)**
Net (decrease)/increases in cash and cash equivalents	**(123,320)**	**180,679**
Cash and cash equivalents at 1st January	3,200,102	3,019,423
Cash and cash equivalents at 31st December (note 21)	**3,076,782**	**3,200,102**

Notes are integral part of these financial statements

1. General information

OKTA AD - Skopje (hereinafter "the Company") is a joint stock company established on 26 March 1980. The Company is owned 85.59% by EL.P.ET Balkaniki S.A., a company controlled by HelleniQ Energy S.A. The parent company is incorporated in Greece.

The Company's main activities are trade and import 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 has been listed on Macedonian Stock Exchange.

As of 31st December 2024, the Company had 260 employees (2023: 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 24th February 2025 and were approved by the Board of Directors on 27th February 2025. These financial statements are subject to approval by 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. The Company applies all relevant standards and the amendments and interpretations which were published in the Official Gazette.

2. Summary of significant accounting policies (continued)

2.1. Basis of preparation (continued)

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 global oil market in 2024 was significantly influenced by geopolitical tensions, including the ongoing conflict in Eastern Europe following Russia's invasion of Ukraine and the crisis in the Middle East. These events contributed to rising inflation, supply chain disruptions, and increased volatility in energy prices. In response, central banks worldwide implemented monetary measures, including interest rate adjustments and liquidity interventions, to curb inflation and support economic stability. While these factors shaped the broader market environment, the company's operations remained largely unaffected, demonstrating resilience amid economic and geopolitical uncertainties.

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 shows that another presentation or classification would be more appropriate. However, there are no such reclassifications.

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).

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 of 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 to the middle exchange rates from the National Bank of the Republic of North Macedonia valid at the date of the financial statements.

(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 (continued)

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 based in EURO (EUR) and in United States Dollars (USD). The exchange rates used for translation at 31st December 2024 and 31st December 2023 were as follows:

Exchange rate:	31st December 2024	31st December 2023
	MKD	MKD
EUR	61.49	61.49
USD	58.88	55.65
GBP	74.13	70.76

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 were revalued at the year-end by applying official revaluation coefficients based on the general manufactured goods price index. Such coefficients were applied to historical cost or later valuation and to accumulated depreciation. The effect of the revaluation of property, plant and equipment was 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 a 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 represents the range of the estimated useful lives applied to items of property, plant and equipment:

	2024	2023
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. 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 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)

2.7. 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.

2.8. Cash and cash equivalents

Cash and cash equivalents comprise bank balances in local and foreign currency, cash in hand and deposits in banks.

2.9. Share capital

Ordinary and preference shares are classified as equity. Treasury shares are an entity's own equity instruments that are acquired and held by the entity, a subsidiary, or other members of the consolidated group. The consideration paid or received for treasury shares is recognised directly in equity.

2.10. 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.

2.11. 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)

2.11. 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.

2.12. 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 generates 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.

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

2. Summary of significant accounting policies (continued)

2.13. 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 of gross salaries and wages according to the legislation. The Company makes these contributions to the Governmental health and retirement funds as well as 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 terminating 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)

2.14. 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.

2.15 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.

2.16. 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.

2.17. 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.

2.18. 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.

2. Summary of significant accounting policies (continued)

2.19 New and Amended Standards

IFRS standards (including IFRS 1) were initially published in the Official Gazette in 1997, and since then several updates have followed. The latest update was on 3rd April 2024 when Ministry of Finance adopted a new Rulebook for Accounting. This rulebook enters into force on 1st January, 2025 and introduces new international standards for financial reporting:

- IFRS 9 - Financial Instruments
- IFRS 10 - Consolidated Financial Statements
- IFRS 11 - Joint Arrangements
- IFRS 12 - Disclosure of Interests in Other Entities
- IFRS 13 - Fair Value Measurement
- IFRS 14 - Regulatory Deferral Accounts
- IFRS 15 - Revenue from Contracts with Customers
- IFRS 16 - Leases
- IFRS 17 - Insurance Contracts

The stated above International financial reporting standards will be applied from January 1, 2025, except for IFRS 17, which will begin to apply from 1 January 2028, and with the addition of the Accounting Regulation on 27 December 2024, IFRS 9 will begin to apply from 1 January 2028.

The Company analysed and assessed the impact of the new standards and amendments on its financial position or performance, and they have no impact on the financial statements of the Company, except IFRS 16 – Leases.

IFRS 16 – Leases will have impact on the financial statements for operational leases contracts. The standard will affect primarily the accounting for operating leases. As at the reporting date, the Company is in the process of estimating the effects of the adoption of the standard.

The Company will recognize new assets and liabilities for its operating leases of motor vehicles and equipment. Subsequent to initial recognition, the Company will:
a) measure the right-of-use asset by applying the cost model and depreciate it on a straight line basis up to the end of the lease term and
b) measure the lease liability by increasing and reducing the carrying amount to reflect interest on the lease liability and lease payments made respectively.

Previously, the Company recognized operating lease expense on a straight-line basis over the term of the lease.
In addition, the Company will no longer recognize expenses for operating leases. Instead, the Company will include amounts due under the lease in its lease liability.

Commitments covered by the exception for short-term and low-value assets will be recognized in profit or loss.

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 to 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 guarded 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 manages 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 for 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:

2024	**MKD**	**EUR**	**USD**	**GBP**
Assets				
Cash and cash equivalents	2,945,984	98,831	31,967	-
Trade receivables and other current financial assets	902,049	79,388	99,297	-
Total assets	**3,848,033**	**178,219**	**131,264**	**-**
Liabilities				
Trade payables	449,631	273,174	215,956	
Other current liabilities	957,468	-	-	
Total liabilities	**1,407,099**	**273,174**	**215,956**	**-**
Net balance sheet exposure	**2,440,934**	**(94,955)**	**(84,692)**	

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)**	**-**

The Company realized more purchases in USD than sales. At 31st December 2024 if USD had been 1% (2023: 1%) weaker or stronger against MKD, profit would have been MKD 847 thousand (2023: MKD 110 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 2024, if EUR had been 1% (2023: 1%) weaker or stronger against MKD, profit would have been MKD 950 thousand (2023: MKD 524 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 deposits with banks. As of 31st December 2024, the Company has time deposits in amount of 1,845,000 thousand (2023: nil). If interest rate had been 1% (2023: 1%) changed, higher or lower against contracted rates, profit would have been MKD 18,450 thousand (2023: MKD 0 thousand) after tax in net balance higher or lower. respectively.

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 affects 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 company mainly driven by the regulated prices for domestic market by the Government Authorities and the Platt's prices for foreign markets.

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 type, credit class and amount of debt. The credit risk is controlled through credibility checking – which determines that the customer is not indebted and is credit-worthy, also through preventive barring – which determines 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 do not exceed the 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.

The following table represents Company's exposure to credit risk as at 31st December 2024 and 31st December 2023:

	2024	**2023**
Cash and cash equivalents	3,076,777	3,200,102
Trade receivables	215,591	607,776
Other receivables	850,443	821,878
	4,142,811	**4,629,756**

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

The receivables are summarized as follows:

	31st December 2024		**31st December 2023**	
	Trade receivables - domestic	Trade receivables - foreign	Trade receivables - domestic	Trade receivables – foreign
Neither past due nor impaired	34,761	180,278	253,329	338,888
Past due but not impaired	552	-	15,557	2
Impaired	46,620	20,284	46,627	19,800
Gross	**81,933**	**200,562**	**315,513**	**358,690**
Less: allowance for impairment	(46,620)	(20,284)	(46,627)	(19,800)
Net	**35,313**	**180,278**	**268,886**	**338,890**

Trade receivables of MKD 552 thousand (2023: MKD 15,559 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 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 Treasury Department.

The table below analyses Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date up 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 2024			
Trade payables*	752,750	-	-
Other current liabilities	957,468	-	-
	1,710,218	**-**	**-**
At 31st December 2023			
Trade payables*	867,093	3,708	-
Other current liabilities	944,939	-	-
	1,812,032	**3,708**	**-**

The maturity analysis applies to financial instruments only and therefore statutory liabilities are not included.
*Excluded domestic and foreign trade payables prior to 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 the relevant forecasts 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 payables and other current financial assets and liabilities mainly have a 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..

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 25,263 thousand (2023: MKD 25,518 thousand).

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. No indicators for impairment are identified in the current year and respectively no impairment test has been performed.

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

4. Critical accounting estimates and judgments (continued)

4.1. Critical accounting estimates and assumptions (continued)

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 customers payment terms. These factors are reviewed periodically, and changes are made to the 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.

4.2 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 was 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 does not meet 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

	2024	**2023**
Sales on domestic market	30,492,198	34,003,199
Sales on foreign market	13,755,245	15,232,944
	44,247,443	**49,236,143**

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

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

6. Cost of goods sold

	2024	2023
Cost of traded goods	43,038,613	47,980,827
Impairment of inventories	12,320	38,793
Inventory difference expenses (Manipulation and shrinkage expenses)	38,806	39,865
	43,089,739	**48,059,485**

7. Operations and logistics expenses

	2024	2023
Depreciation and amortization	221,973	222,668
Gross salaries and wages	184,713	173,801
Electricity	19,044	21,322
Other fixed cost	12,525	14,049
Insurance expenses	33,920	40,588
Maintenance expenses	25,718	24,431
Personnel related expenses	22,865	21,932
Own consumption of fuels	2,683	2,510
Miscellaneous expenses	33,009	29,480
Redundancy expenses	4,186	562
Telecommunication expenses	374	409
Office supplies expenses	353	437
	561,363	**552,189**

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

8. Administrative expenses

	2024	2023
Gross salaries and wages	79,991	78,042
Miscellaneous expenses	67,359	54,270
Depreciation and amortization	17,029	16,448
Other fixed cost	26,533	25,095
Public relation and advertising expenses	7,280	16,056
Rental expenses	7,574	8,440
Personnel related expenses	6,821	6,719
Insurance expenses	3,821	4,312
Maintenance expenses	1,569	1,647
Business travel	1,050	1,831
Redundancy expenses	1,636	1,484
Telecommunication expenses	1,010	1,062
Office supplies expenses	270	252
	221,943	**215,658**

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.

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

9. Sales and distribution expenses

	2024	2023
Gross salaries and wages	41,135	38,886
Miscellaneous expenses	27,987	25,996
Depreciation and amortization	13,266	16,063
Maintenance expenses	862	1,007
Other variable expenses	6,892	3,547
Personnel related expenses	3,970	1,974
Transportation expenses	10,583	3,179
Other fixed cost	27,651	44,482
Rental expenses	2,222	2,579
Public relation and advertising expenses	14,382	3,806
Redundancy expenses	510	-
Dues and subscriptions	8	8
Insurance expenses	2,502	3,581
Office supplies expenses	353	398
Telecommunication expenses	204	246
	152,527	**145,752**

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

10. Other operating income

	2024	2023
Income from prior years	11,652	3,755
Income from subventions	-	602
Income from sales of electricity	16,253	9,545
Collected written off receivables	608	1,115
Dividend income	766	683
	29,279	**15,700**

11. Other operating expenses

	2024	2023
Provision for legal cases	7,489	8,295
Impairment of spare parts and consumables	668	1,793
Impairment of bad and doubtful debts	669	13
Waste treatment expenses	1,010	2,460
Net book value of disposed fixed assets	-	26
Cost of traded electricity	5,239	6,816
Solidarity tax	-	49,718
	15,075	**69,121**

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 for 2023. 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

	2024	2023
Foreign exchange gain. net	-	17,821
Interest income	19,350	6,791
Finance income	**19,350**	**24,612**
Foreign exchange loss. net	(2,840)	-
Interest expenses	(47)	(21)
Bank charges	(14,609)	(14,336)
Finance costs	**(17,496)**	**(14,357)**
Net finance income / (costs)	**1,854**	**10,255**

13. Income tax expense

Recognized in the statement of comprehensive income:

	2024	2023
Profit before tax/(Loss)	237,929	219,893
Tax charge at 10%	23,793	21,989
Adjustments:		
non-tax deductible according to local regulations	8,103	7,786
Dividends received	(77)	(68)
Reinvested profit	(19,168)	(1,500)
Current year tax charge	**12,651**	**28,207**
Effective income tax rate before Qualified Domestic Top-up Tax	**5.32%**	**12.83%**
Qualified Domestic Top-up Tax	**7,851**	-
Effective income tax rate after Qualified Domestic Top-up Tax	**8.62%**	**12.83%**

	2024	2023
Current tax expense		
Current year tax charge	(21,795)	(36,725)
Deferred tax expense		
Increase/ (decrease) in deferred tax assets	*9,144*	*8,518*
Qualified Domestic Top-up Tax	*7,851*	-
Total income tax in the statement of comprehensive income	**(20,502)**	**(28,207)**

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 2024) 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 rate of 10%.

13.Income tax expense (continued)

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.

Global Minimum Tax– Pillar II

Following the international tax developments in the context of Base Erosion & Profit Shifting (BEPS), specific Model Rules were published from O.E.C.D, providing the framework of a minimum global tax rate of 15% (Pillar II), which applies to entities being members of multinational groups or large-scale domestic groups that meet the annual threshold of at least €750 million of consolidated revenue. Under this new framework, coming into effect as of 2024, a top-up tax, may be applied calculated in the difference between the effective tax rate per jurisdiction and the 15% minimum provided rate.

North Macedonia has adopted the relevant framework in its domestic Law.

On December 27, 2024, the Ministry of Finance proposed a Law on Minimum Global Corporate Income Tax, which was adopted on the same date by the Parliament and became effective on the date of its publication in the Official State Gazette of North Macedonia on 3rd January 2025.

Specifically, the new law enacts the Qualified Domestic Top-up Tax (“QDMTT”) rule, reflecting a number of complex provisions for determining the applicable tax base adjustments and covered tax expenses similar to those stipulated in the internationally accepted rules of the OECD, based on which any top-up tax due from operations in North Macedonia, is payable in North Macedonia.

The national top-up tax applies from 1st January 2024, except for entities excluded based on the rule for the initial phase of activity, for which the top-up tax will apply from January 1, 2025. The first reporting obligation will be 18 months for the transitional period following the end of the respective tax period. Subsequent reporting obligations will follow the standard 15-month period after the end of the respective tax period.

In addition to this, the new law contains provisions for adoption of a Rulebook by the end of 2025.
The new tax rules allow the Macedonian government to collect the minimum tax up to 15%, which should have been otherwise collected in the tax budget of the ultimate parent’s state. Nevertheless, the rules may need to be further customized for application in N. Macedonia to reduce uncertainty in respect of the application of exemptions and forms of tax relief that currently reduce the effective tax rate of eligible Macedonian taxpayers. Further clarification is necessary on the application of the transitional safe harbour rules in N. Macedonia that generally provide simplification and exemption to certain categories of constituent entities in the first few years of adoption.

The relevant framework is applicable to OKTA , being a member of large multinational group that meets the criteria of Pillar II, as such the impact of the new tax regime has been assessed, the necessary computational analysis is provided through its 2024 tax expense.

(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.

	2024	2023
Profit for the year	217,427	191,686
Profit to ordinary equity holders	**217,427**	**191,686**
Weighted average number of ordinary shares in issue:	808,094	846,360

Weighted average shares of the Company during 2024 was 808,094 (2023: 846,360). During the year OKTA has purchased own shares (see Note 22 a) - Shares).

15. Intangible Assets

	Software and other rights	
	2024	**2023**
Cost		
Balance as at 1 January	122,280	120,969
Additions	8,496	1,311
Software under construction		-
Balance as at 31 December	**130,776**	**122,280**
Accumulated Amortisation		
Balance as at 1 January	92,772	84,498
Amortisation	8,009	8,274
Balance as at 31 December	**100,781**	**92,772**
Net book value as at 31 December	***29,995***	***29,508***

(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 2024					
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 2024					
Opening net book amount	247,319	233,747	507,201	348,788	1,337,055
Additions	-	-	-	239,274	239,274
Disposals	-	-	-	-	-
Transfer from construction in progress	-	32,930	250,108	(283,038)	-
Disposals depreciation	-	-	-	-	-
Depreciation charge	-	(20,150)	(224,108)	-	(244,258)
Closing net book amount	**247,319**	**246,527**	**533,201**	**305,024**	**1,332,071**
At 31 December 2024					
Cost	247,319	3,326,496	6,741,693	305,024	10,620,532
Accumulated depreciation	-	(3,079,969)	(6,208,492)	-	(9,288,461)
Net book amount	**247,319**	**246,527**	**533,201**	**305,024**	**1,332,071**
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**

Out of total depreciation and amortisation expense (of the tangible and intangible assets), amount of MKD 221,973 thousand (2023: MKD 222,668 thousand) has been charged in Operations and logistic expenses. MKD 17,029 thousand (2023: MKD 16,448 thousand) in administrative costs and MKD 13,266 thousand (2023: MKD 16,063 thousand) in selling and distribution expenses.

17. Available-for-sale financial assets

	2024	2023
At 1st January	13,352	14,004
Additions	-	-
Disposals	-	-
Net (loss) gains transferred to revaluation reserves	6,086	(652)
At 31st December	**19,438**	**13,352**

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

	2024	2023
Investments in companies	19,438	13,352
	19,438	**13,352**

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 2024	Utilized Deferred income tax asset	Recognized in income	Balance 31 December 2024
Depreciation of assets	14,923	-	9,144	24,067
	14,923	**-**	**9,144**	**24,067**

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

19. Inventories

	2024	2023
Trade goods	901,791	776,354
Spare parts and tools and consumables stores	15,841	19,451
	917,632	**795,805**

During 2024, 12,320 MKD thousand (2023: 38.793 MKD thousand) was recognized as an expense for inventories carried at net realizable value recognized in cost of sales.

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

20. Trade and other receivables

Carrying amount of trade receivables is presented as follows:

	2024	2023
Trade receivables domestic	81,933	315,513
Trade receivables foreign	200,562	358,690
Trade receivables – gross	**282,495**	**674,203**
Provision for impairment of trade receivables	(66,904)	(66,427)
Total trade receivables	**215,591**	**607,776**

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

	2024	2023
Trade receivables - domestic	81,918	315,513
Trade receivables - foreign	200,562	317,961
Domestic receivables from related parties (note 27)	15	-
Foreign receivables from related parties (note 27)	-	40,729
Less: Provision for impairment	(66,904)	(66,427)
Trade receivables – net	**215,591**	**607,776**
Receivable from Escrow account	769,497	769,497
Prepaid expenses	77,236	41,147
Advance payments	3,710	10,503
Other short term receivables	-	269
Income tax receivables	14,700	38,364
VAT receivables	-	462
Other receivables	**865,143**	**860,242**
	1,080,734	**1,468,018**

Receivables from related parties represent receivables from Vardax Branch office (2023: EKO Serbia and Jugopetrol – see Note 27).

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 thousand relating to the period prior to the acquisition.

The ageing analysis of trade receivables is as follows:

	2024	2023
Not past due	215,039	592,217
less than 30 days	277	15,557
30 to 90 days	239	2
90 days to 1 year	36	-
Over 1 year	66,904	66,427
Total gross receivables	**282,495**	**674,203**

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

20. Trade and other receivables (continued)

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

	2024	2023
At 1st January	66,427	67,108
Provision for receivables impairment	-	13
Collected receivables	-	-
Written off receivable	-	-
FX difference	477	(694)
At 31st December	**66,904**	**66,427**

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:

	2024	2023
Over 1 year	66,904	66,427
Over 180 days	-	-
	66,904	**66,427**

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

	2024	2023
MKD	36,906	269,290
EUR	79,388	138,470
USD	99,297	200,016
	215,591	**607,776**

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

	2024	2023
MKD	865,143	860,242
	865,143	**860,242**

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

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

21. Cash and cash equivalents

	2024	2023
Bank accounts in domestic currency	1,096,826	3,019,888
Bank accounts in foreign currency	130,798	177,811
Cash on hand	5	-
Deposits	1,850,741	4,538
Impairment of cash	(1,588)	(2,135)
	3,076,782	**3,200,102**

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

	2024	2023
MKD	2,945,984	3,022,291
EUR	98,831	172,100
USD	31,967	5,711
	3,076,782	**3,200,102**

22. Capital and reserves

a) Shares

The total authorised number of ordinary shares is 846,360 shares, with the value of EUR 51.12 per share (2023: 846,360 ordinary shares with EUR 51.12 per share). All issued shares are fully paid. During the year OKTA has purchased 84,636 own shares.

The shareholders structure as at 31 December 2024 was as follows:

	Number of ordinary shares	Total shares	% of total share capital
EL.P.ET Balkaniki S.A.	724,360	724,360	85.59 %
OKTA AD Skopje	84,636	84,636	10.00%
Other 1)	37,364	37,364	4.41 %
	846,360	**846,360**	**100 %**

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

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.

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

22. Capital and reserves (continued)

b) Dividends

The company has no dividend payments during 2024 (2023: 242 thousand). Dividends paid for the year ended 31 December 2023 entirely relate to cash dividends on ordinary shares. There are no other declared dividends.

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 2024 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 thousand (2023: 114,419 MKD thousand); and (ii) negative effects of revaluation of available for sale financial assets and long term employee benefits in amount of 6,335 MKD thousand (2023: 10,526 MKD thousand).

Other reserves

The other reserves relate to reinvested profits based on Decision passed by the Shareholder Assembly in amount of 521,727 MKD thousand (2023: 863,398 MKD thousand) and Common Consumption Fund in amount of 2,362 thousand (2023: 2,362 MKD thousand).

23. Employee benefit obligations

	2024	2023
Retirement benefit obligations and jubilee awards	13,789	12,426
	13,789	**12,426**

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 2024 and 2023.

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

23. Employee benefits obligations (continued)

	2024	2023
Amounts recognised in Balance sheet		
Present value of obligations	13,789	12,426
Fair value of plan assets	-	-
Net Liability/ (Asset) in Balance Sheet	**13,789**	**12,426**
Amounts recognized in Profit and Loss		
Service cost	919	1,200
Net interest on the net defined benefit liability/ (asset)	687	399
Past service cost	665	549
Settlement/ Curtailment/ Termination loss (gain)	-	1,829
Recognition of actuarial (gain)/Loss	159	(361)
Regular P&L charge	**2,430**	**3,616**
Settlement/ Curtailment/ Termination loss/ (gain)	5,690	-
Total P&L Charge	**8,120**	**3,616**
Reconciliation of benefit obligation		
Defined Benefit Obligation at start period	12,426	13,420
Service cost	919	1,200
Interest cost	687	399
Past service cost	665	549
Benefits paid directly by the Company	(8,650)	(4,142)
Settlement/ Curtailment/ Termination loss (gain)	5,690	1,829
Actuarial (gain)/loss- experience	2,052	(829)
Defined benefit obligation at end of period	**13,789**	**12,426**
Movements in Net Liability/ (Asset) in Balance Sheet		
Net Liability/ (Asset) in Balance Sheet at the beginning of the period	12,426	13,420
Benefits paid directly	(8,650)	(4,142)
Total expense recognised in the income statement	8,119	3,616
Total amount recognised in the Other comprehensive income	1,894	(468)
Net Liability/ (Asset) in Balance sheet	**13,789**	**12,426**
Assumptions		
Discount rate	3.80%	5.90%
Price inflation	3.50%	3.50%
Rate of compensation increase	3.50%	3.50%
Plan duration	9.55%	6.37%

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

24. Trade and other payables and provisions

Carrying amount of trade payables is presented as follows:

	2024	2023
Domestic trade payables	449,629	469,824
Foreign trade payables	489,132	579,696
	938,761	**1,049,520**

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

	2024	2023
Domestic trade payables	449,629	469,824
Foreign trade payables	2,826	16,986
Foreign payables from related parties	300,295	386,900
Foreign trade payables prior acquisition	186,011	175,810
Trade payables	**938,761**	**1,049,520**
Advances received	391,332	414,742
Excise taxes payable	375,791	313,491
Salaries and wages	13,867	13,341
Personal income tax and contributions	7,166	6,889
Withholding tax	101	69
Provision for court cases	1,959	2,027
Accrued liabilities	92,190	137,839
Dividend liability	3,327	3,569
Liabilities to employees	2,061	-
VAT liabilities	69,674	52,972
Other current liabilities	**957,468**	**944,939**
	1,896,229	**1,994,459**

Liabilities to related parties represent liabilities to HelleniQ Energy S.A. Greece (Note 27).

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

	2024	2023
MKD	449,630	469,824
USD	215,956	216,744
EUR	273,175	362,952
	938,761	**1,049,520**

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

	2024	2023
MKD	957,468	944,939
	957,468	**944,939**

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

25. Expenses by nature.

	2024	2023
Cost of traded goods	43,038,613	47,980,827
Gross salaries and wages	305,839	290,729
Provision for legal cases	7,489	8,295
Depreciation and amortization	252,268	255,179
Miscellaneous expenses	128,355	109,746
Insurance expenses	40,243	48,481
Other fixed cost	66,709	83,626
Personnel related expenses	33,656	30,625
Manipulation and shrinkage expenses	38,806	39,865
Electricity	19,044	21,322
Public relation and advertising expenses	21,662	19,862
Maintenance expenses	28,149	27,085
Rental expenses	9,796	11,019
Cost of traded electricity	5,239	6,816
Waste treatment expenses	1,010	2,460
Other variable expenses	6,892	3,547
Telecommunication expenses	1,588	1,717
Own consumption of fuels	2,683	2,510
Transportation expenses	10,583	3,179
Redundancy expenses	6,332	2,046
Office supplies expenses	976	1,087
Business travel	1,050	1,831
Dues and subscriptions	8	8
Impairment of bad and doubtful debts	669	13
Impairment of inventory	12,320	38,793
Impairment of spare parts and consumables	668	1,793
Net book value of disposed fixed assets	-	26
Solidarity tax	-	49,718
	44,040,647	**49,042,205**

26. Employee related expenses

	2024	2023
Salaries and wages	185,780	178,653
Contributions and taxes	91,642	89,215
Other benefits	28,417	22,861
	305,839	**290,729**

	2024	2023
Average number of employees	260	264

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

27. Related party transactions

The Company is controlled by EL.P.ET Balkaniki S.A. Greece, which owns 85.59% of the Company's shares. Ultimate parent is HelleniQ Energy S.A (former name: Hellenic Petroleum S.A.) incorporated in Greece. The remaining 4.41% of the shares are held by the minor shareholders and 10.00% of shares are held by OKTA AD Skopje.

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 HelleniQ EnergyGroup of companies.

Sales of goods and services

Sales of goods	**2024**	**2023**
EKO Serbia	211,994	97,808
Vardax Branch Office	51	-
	212,045	**97,808**

Sales of services	**2024**	**2023**
Vardax Branch Office	2,693	4,869
HelleniQ Energy S.A.	-	14
Jugopetrol A.D.	1,156	1,025
	3,849	**5,908**

Purchases of goods and services

Purchases of trading goods	**2024**	**2023**
HelleniQ Energy S.A.	42,314,632	46,677,803
Jugopetrol A.D.	1,143	32,546
	42,315,775	**46,710,349**

Purchases of services	**2024**	**2023**
HelleniQ Energy S.A.	952	233
Hellpe Digital	34,226	26,359
HFL S.A.	5,918	5,451
EKO Bulgaria	2,995	46
	44,091	**32,089**

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

27. Related party transactions (continued)

Receivables arising from sale of goods	**2024**	**2023**
EKO Serbia	-	40,625
Vardax Branch Office	15	-
	15	**40,625**

Receivables arising from sale of services	**2024**	**2023**
Jugopetrol A.D.	-	104
	-	**104**

Outstanding balances arising from purchase of goods/services

Payables arising from purchase of raw materials and goods	**2024**	**2023**
HelleniQ Energy S.A.	291,519	385,832
	291,519	**385,832**

Payables arising from purchase of services	**2024**	**2023**
HFL S.A.	908	454
HelleniQ Energy S.A.	190	188
Hellpe Digital	4,731	426
EKO Bulgaria	2,947	-
	8,776	**1,068**

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:

	2024	**2023**
Salaries	22,959	31,364
Taxes and contributions	9,261	10,601
Other benefits	3,201	5,942
	35,421	**47,907**

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

28. 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 1,016,983 thousand as at 31 December 2024 (2023: MKD 1,005,520 thousand). No additional payments are anticipated at the date of the financial statements.

Unused Credit Limits

The Company has unused credit limits in amount of MKD 1.26 million as 31 December 2024.

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 24).

29. 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:

	2024	**2023**
No later than 1 year	14,804	13,479
Later than 1 year and no later than 5 years	21,779	26,852
	36,583	**40,331**

Capital commitments

As of 31 December 2024, there are capital commitments in amount of 0,25 million euros for construction of photovoltaic and 1.2 million euros for completion of a transformers project.

30. Events after the reporting period

Constitutional Court of Republic of North Macedonia, on its session held on 5 February 2025, acting pursuant to several initiatives for assessing the constitutionality of the Law on Solidarity Tax, passed a Decision according to which the Law is annulled. As result of this Decision, Company has right to ask returning of the solidarity tax paid during 2023 (MKD 49,718 thousand) in the upcoming five years.

There are no other events after the reporting period that would have impact on the 2024 Statement of comprehensive income, Statement of financial position or Statement of cash flow.

TRANSLATION

Name of the Company: OKTA Crude Oil Refinery AD Skopje

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

Unique ID number: 4074009

Balance Sheet 01.01.2024 - 31.12.2024				
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		1.381.504.530	1.379.914.043
I. Intangible assets (003+004+005+006+007+008)	002	5	29.996.231	29.507.978
Expenditures for research and development	003			
Patents, license, concession and other rights.	004		29.996.231	29.507.978
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	1.332.071.206	1.337.054.565
Immovable property (real estate) (011+012)	010	6	493.845.551	481.066.693
Land	011	6	247.318.812	247.318.812
Buildings	012	6	246.526.739	233.747.881
Plant and equipment	013	6	440.183.453	444.750.694
Transport assets	014	6	15.288.837	6.864.872
Tools, office inventor, assets for transport	015	6	77.688.581	55.544.195
Biological assets	016			
Advance payment for tangible	017			
Tangible assets in preparation	018	6	305.025.027	348.788.354
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		19.437.093	13.351.500
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		19.437.093	13.351.500
Investment in securities held to maturity	027			
Investments in securities available for sale	028		19.437.093	13.351.500
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		24.066.730	14.922.564
Б. CURRENT ASSETS (037+045+052+059)	036		4.997.911.879	5.422.777.035
I. Stocks (038+039+040+041+042+043)	037		917.631.616	795.805.012
Stocks of raw materials	038		1.017.175	1.125.704
Stocks of spare parts, small inventory, packaging and tyres	039		14.823.020	18.325.248
Stock of unfinished products and semi-products	040			
Stock of finished products	041			
Stock of commercial products	042		901.791.421	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		1.003.498.235	1.426.870.338
Receivables from related parties	046	7	15.330	40.758.930
Trade accounts receivable	047	7	215.575.241	567.017.417
Advance payments	048		3.710.241	10.502.857
Receivables from the state upon taxes, social contribution, customs duties, excise and other duties towards the state	049		14.700.512	38.825.426
Receivables from the employees	050		0	268.797
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	3.076.782.028	3.200.101.685
Cash	060		1.226.040.667	3.195.563.932
Cash equivalents	061		1.850.741.361	4.537.753
VI. PREPAYMENT OF EXPENSES FOR FUTURE PERIODS AND CALCULATED REVENUES	062		77.235.630	41.146.484
TOTAL ASSETS: ASSETS (001+035+036+044+062)	063		6.480.718.769	6.858.760.126
В. OUT-OF-BALANCE RECORDS - ASSETS	064			
LIABILITIES: **А**. SHARE CAPITAL AND RESERVES (066+067-068-069+070+071+075-076+077-078)	065		4.570.699.922	4.851.877.875
I. SHARE CAPITAL	066	9	2.472.819.516	2.472.819.516
II. Share premiums	067			
III. Own shares (-)	068		-502.795.976	
IV. Registered, not paid capital (-)	069			
V. Revaluation reserve and differences from evaluation of components of the other comprehensive profit	070		108.083.968	103.892.660
VI. RESERVES (072+073+074)	071		1.018.806.832	1.358.116.362
Statutory reserves	072		494.718.176	494.718.176
Companys reserves (according to the Incorporation Act)	073			
Other reserves	074		524.088.656	863.398.186
VII. ACCUMULATED PROFIT	075		1.256.358.867	725.363.109
VIII. TRANSFERRED LOSS (-)	076			
IX. PROFIT FOR THE CURRENT YEAR	077		217.426.715	191.686.228
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		1.815.869.856	1.867.015.620
I. LONG-TERM PROVISIONS FOR RISKS AND EXPENSES (083+084)	082		13.789.257	12.425.798
Provisions for pensions, severance payments and similar liabilities towards the employees	083		13.789.257	12.425.798
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		1.802.080.599	1.854.589.822
Liabilities to related parties	096	10	299.775.674	387.031.614
Trade payables	097	10	638.985.382	662.485.361
Advance and deposit liabilities	098		391.331.810	414.742.317
Liabiliites for taxes and social contribution upon salaries	099		7.166.325	6.889.441
Liabilities towards the employees	100		15.928.798	13.340.836
Current tax liabilities	101		445.565.863	366.531.567
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		3.326.747	3.568.686
Other financial liabilities	107			
Other long-term liabilities	108			
V. DEFERRED PAYMENTS OF EXPENSES AND INCOME IN FUTURE PERIODS	109		94.148.991	139.866.631
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		6.480.718.769	6.858.760.126
B. OUT-OF-BALANCE RECORDS - LIABILITIES	112			
			0	0

Name of the Company: OKTA Crude Oil Refinery AD Skopje

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

Unique ID number: 4074009

Income Statement 01.01.2024 - 31.12.2024					
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		44.268.865.107	49.247.525.208
2.	Sale income	202	11	44.263.694.324	49.245.688.135
3.	Other income	203		5.170.783	1.837.073
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		44.055.255.793	49.056.540.509
7.	Raw materials expenses	208		52.033.348	49.606.780
8.	Purchase price of the goods sold	209		43.082.537.273	48.016.801.794
9.	Purchase price of materials, spare parts, small inventory, packaging and tyres	210			
10.	Services categorized as material expenses	211		116.162.445	111.432.695
11.	Other operational expenses	212		192.200.934	241.018.732
12.	Employees expenses (214+215+216+217)	213		337.365.820	322.933.055
12.a.	Net salaries	214		181.123.621	178.652.892
12.б.	Expenses for taxes and salaries contributions	215		16.866.744	16.744.581
12.в.	Mandatory social contribution expenses	216		74.775.885	72.474.754
12.г.	Other expenses for employees	217		64.599.570	55.060.828
13.	Depreciation of tangible and intangible assets	218		252.267.548	255.179.009
14.	Impairment of non-fixed assets	219			
15.	Impairment of fixed assets	220		13.656.936	40.598.687
16.	Provisions for risks and expenses	221			
17.	Other operational expenses	222		9.031.489	18.969.757
18.	III. FINANCIAL INCOME (224+229+230+231+232+233)	223		55.236.810	52.570.354
19.	Financial income arising from related parties (225+226+227+228)	224		4.863.032	17.863.434
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		4.863.032	17.863.434
19.г.	Other financial income from related parties	228			
20.	Income from investment in non-related parties	229		765.900	683.100
21.	Income from interests from non-related parties	230		19.311.646	6.687.426
22.	Income from foreign exchange difference from non-related parties	231		23.168.275	23.598.473
23.	Unrealised income from financial assets	232			
24.	Other financial income	233		7.127.957	3.737.921
25.	IV. FINANCIAL EXPENSES (235+239+240+241+242+243)	234		30.917.644	23.662.013
26.	Financial expenses with related parties (236+237+238)	235		10.426.026	9.347.623
26.a.	Expenses for interest payable to related parties	236			
26.б.	Expense for foreign exchange differences payable to related parties	237		10.426.026	9.347.623
26.в.	Other financial expenses payable to related parties	238			
27.	Expenses for interest payable to non-related parties	239		47.260	21.415
28.	Expense for foreign exchange differences payable to non-related parties	240		20.444.358	14.292.975
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		237.928.480	219.893.040

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		237.928.480	219.893.040
39.	Loss before taxation (247+249) или (247-248)	251		0	0
40.	Corporate income tax	252		20.501.765	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		217.426.715	191.686.228
44.	NET LOSS FOR THE CURRENT YEAR (251+252-253+254)	256		0	0
45.	Average numeber of employees upon work hours	257		260	262
46.	Number of months of work	258		12	12
47.	PROFIT/LOSS FOR THE PERIOD	259		217.426.715	191.686.228
47.a.	Profit belonging to the shareholders in the parent company	260			
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		257	226
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		217.426.715	191.686.228
2.	Loss for the year	270			
3.	Other comprehensive profit (273+275+277+279+281+283) - (274+276+278+280+282+284)	271		4.191.308	
4.	Other comprehensive loss (274+276+278+280+282+284) - (273+275+277+279+281+283)	272			183.855
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		6.085.593	
8.	Loss from re-assessment of financial assets available for sale	276			652.050
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		1.894.285	
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		4.191.308	0
19.	Net other comprehensive loss (285-271) или (272+285)	287		0	183.855
20.	Total comprehensive income for the year (269+286) или (286-270)	288		221.618.023	191.502.373
20.a.	Comprehensive income attributable to share holders of parent company	289		221.618.023	191.502.373
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

For 2024

Specific data for the period 01.01.2024-31.12.2024				
Number	Position	AOP	Amount	
			Current year	Previous year
	3	4	5	6
	A. Intangible assets			
1	Purchase value of development expenses (internal projects)	601		
1,1	Salary and allowance to employees directly involves in internal projects	602		
1,2	Material costs and services used at internal projects	603		
2	Current value of internal projects (< or = AOP 003 from BS)	604		
3	Current value of computer software (< or = AOP 004 from BS)	605	5.111.274	4.232.299
4	Current value of computer sotwer developed for own use(< or = AOP 004 from BS)	606		
5	Current value of data base(< or = AOP 004 from BS)	607		
6	Current value of the basic herd(< or = AOP 016 from BS)	608		
	B.Tangible assets			
7	Land	609	247.318.812	247.318.812
8	Forests	610		
9	Current value of apartments and residental buildings (< or = AOP 012 from BS	611		
10	Current value of nonresidental buildings (< or = AOP 012 from BS)	612	246.526.739	233.747.881
11	Current value of civil engineering(< or = AOP 016 from BS)	613		
12	Current value of telecommunications and IT equipement(< or = AOP 012 from BS)	614		
13	Current value of computer equipment(< or = AOP 016 from BS)	615	5.724.404	3.707.891
14	Current value of plantations(< or = AOP 016 from BS)	616		
15	Current value of herd of cattle(< or = AOP 016 from BS)	617		
16	Original art and literature works for performing activities of culture and art	618		
17	Books, paintings, sculptures, museum exhibits items of archive materials, etc.	619	39.757	39.757
18	Precious metals	620		
19	Antiques and other art valuables	621		
20	Other precious valuables	622		
21	Investments in natural resources in preparation	623		
22	Improvement of land	624		
	C. Funds in loans and credit at the end of the period			
23	Loans givent to non financial companies in private and state ownership and public companies in the country (< or = AOP 024 + AOP 025 + AOP 032 + AOP 033 + AOP 034 + AOP 046 + AOP 047 + AOP 056 + AOP 057 + AOP 058 од BS)	625		
	D. Other assets at the end of the year			
24	Receivables on the basis of sale of goods and services and advances (short-term trade credits) given to non-financial companies in private and state ownership and public enterprises, in the country (< or = AOP 006 + AOP 017 + AOP 030 + AOP 046 + AOP 047 + AOP 048 from BS)	626		
25	Receivables on the basis of sale of goods and services and advances (short-term trade credits) provided to bodies of legislative, executive and judicial authority , government units and other budget-funded legal entities (< or = AOP 030 + AOP 046 + AOP 047 + AOP 048 from BS)	627		
26	Other receivables fron non financial companies in private and state ownership and public comanies in the country(< or = AOP 034 + AOP 046 + AOP 047 + AOP 051+AOP 062 from BS)	628		
27	Other receivables from bodies of legislative, executive and judicial authority , government units and other budget-funded legal entities (< or = AOP 034 + AOP 046 + AOP 047 + AOP 051 + AOP 062 from BS)	629		

28	Receivables of sale of goods and services and advances (short-term trade credits) and other receivables from all entities at home and abroad- total) (< or = AOP 006 + AOP 017 + AOP 030+ AOP 034+ AOP 035+ AOP 046+ AOP 047 + AOP 049 + AOP 050+ AOP 051 + AOP 057 + AOP 062 from BS)	630		
	E. Share Capital			
29	Share capital (equity) in shares held by other companies in private and state ownership and public enterprises registered in the country (from AOP 065 from BS)	631	356.333.292	268.795.481
30	Equity (equity) in shares owned by individuals, self-employed persons and non-profit organizations registered in the country (from AOP 065 from BS)	632		188.428.847
31	Equity (equity) in shares owned by the Government of the Republic of Northern Macedonia, FPIOSM, HIFSM, AVRSM, local self-government units and other legal entities financed from the budget (from AOP 065 from BS)	633		
	F. Loans			
32	Liabilities on loans and credits taken from non-financial companies 6 in private and state ownership and public enterprises, in the country 7 (or = AOP 086 + AOP 087 + AOP 088 + AOP 089 + AOP 090 + AOP 096 + AOP 0104 + AOP 107 from BS)	634		
	G.Other Obligation at the end of the period			
33	Obligations on the basis of procurement of goods and services and advances (short-term trade credits) received from non-financial trade companies in private and state ownership and public enterprises, in the country (or = AOP 096 + AOP 097 + AOP 098 + AOP 108 from BS)	635	412.079.945	449.703.495
34	Obligations on the basis of procurement of goods and services and advances (short-term trade credits) received from legislative, executive and judicial bodies, FPIOSM, HIFSM, ESA, local self-government units and other legal entities financed from the budget (or = AOP 096 + AOP 097 + AOP 098 + AOP 108 from BS)	636		
35	Other liabilities to non-financial companies 6 in private and state ownership and public enterprises, in the country (or = AOP 092 + AOP 093 + AOP 096 + AOP 106 + AOP 107 + AOP 108 + AOP 109 from BS)	637		
36	Other liabilities to bodies of legislative, executive and judicial power, FPIOSM, HIFSM, AVRSM, local self-government units and others budget-funded legal entities (or = AOP 092 + AOP 093 + AOP 094 + AOP 099 + AOP 101 + AOP 107 + AOP 108 + AOP 109 from BS)	638		
37	Liabilities on the basis of trade credits, advances and other liabilities to all entities in the country and abroad (total) (or = AOP 092 + AOP 093 + AOP 094 + AOP 096 + AOP 097 + AOP 098 + AOP 099 + AOP 100 + AOP 101 + AOP 107 + AOP 108 + AOP 109 from BS)	639		
	H. Income			
	I. Sale income			
38	Income from sales of goods and services(AOP641+ AOP 642) (< or = AOP 202 from IS)	640	30.504.969.194	34.009.813.224
39	Income from sales of goods (< or = AOP 202 from IS)	641	30.259.707.219	33.691.989.649
40	Income from services (< or = AOP 202 from IS)	642	245.261.975	317.823.575
41	Income from sale of products, goods and services in the domestic market (< or = AOP 202 from IS)	643		
42	Income from sale of products, goods and services in the foreign market (< or = AOP 202 from IS)	644	13.755.244.538	15.232.943.787
43	Income from sale of products, goods and services in EU member coutries 2) (< or = AOP 202 from IS)	645		
44	Income from usage of computer software developed for own use (< or = AOP 206 from IS)	646		
45	Income from rent (< or = AOP 202 from IS)	647		
46	Income from rent of land (< or = AOP 202 from IS)	648		
47	Income from sale of goods based on financial rent (leasing) (< or = AOP 202 from IS)	649		

	II.Other income			
48	Profit from sale of tangible assets and intangible assets (< or = AOP 203 from IS)	650		601.764
49	Profit from sale of biological resources - assets (< or = AOP 203 from IS)	651		
50	Profit from sale of of capital share and securities (< or = AOP 203 from IS)	652		
51	Profit from sale of materials (< or = AOP 203 from IS)	653		
52	Income from surpluses (< or = AOP 203 from IS)	654		
53	Income from written-off receivables and income from write-off of liabilities (< or = AOP 203 from IS)	655	608.151	1.115.403
54	Income based on effects from contracted risk protection(< or = AOP 203 from IS)	656		
55	Income from premiums, subventions, grants and donations (< or = AOP 203 from IS)	657		
56	Income from subventions (< or = AOP 203 from IS)	658	0	0
57	Income from donations and sponsorships (< or = AOP 203 from IS)	659		
58	Income from cancellation of long-term reservations (< or = AOP 203 from IS)	660		
59	Other operating income (< or = AOP 203 from IS)	661		
60	Income from penalty fees, unclaimed deposits, awards, etc.(< or = AOP 203 from IS)	662		
61	Income from previous years (< or = AOP 203 from IS)	663	1.696.363	16.138
62	Income from taxes and contributions (< or = AOP 203 from IS)	664		
63	Income from operating leasing (< or = AOP 203 from IS)	665		
	III. Financial income			
64	Income from dividends	666	765.900	683.100
	I. Expenses			
65	Cost of goods and services sold	667	43.043.851.512	47.977.183.679
	I. Costs for raw materials, energy, spare parts and small inventory			
66	Costs for raw materials (< or = AOP 208 from IS)	668	395.470	1.213.095
67	Heating, fuel and grease (< or = AOP 208 from IS)	669	9.284.919	9.073.551
68	Food articles(< or = AOP 208 from IS)	670		
69	Office materials (< or = AOP 208 from IS)	671	974.857	1.086.203
70	Costs for packaging (< or = AOP 208 from IS)	672		
71	Uniforms-protective clothing and footwear (< or = AOP 208 from IS)	673	2.769.058	1.295.616
72	Materials for cleaning and maintenance (< or = AOP 208 from IS)	674		
73	Water (< or = AOP 208 from IS)	675		
74	Used electricity (< or = AOP 208 from IS)	676	14.217.693	21.282.589
75	Used fuel energy(< or = AOP 208 from IS)	677	5.164.118	5.089.362
76	Used spare parts and maintenance materials (< or = AOP 208 from IS)	678		
77	Write-off of inventory, packaging and tires (in production) (< or = AOP 208 from IS)	679		
	II. Costs for services			
78	Transportation services in the country (< or = AOP 211 from IS)	680	11.783.652	3.851.590
79	Transportation services abroad (< or = AOP 211 from IS)	681		
80	Postal services in the country (< or = AOP 211 from IS)	682	1.829.811	2.082.719
81	Postal services abroad (< or = AOP 211 од from IS)	683		
82	External services for manufacture (< or = AOP 211 from IS)	684		
83	Production and craft services (< or = AOP 211 from IS)	685		
84	Rents for business premises in the country (< or = AOP 211 from IS)	686		
85	Rent of equipment (< or = AOP 211 from IS)	687	12.704.843	14.610.097
86	Rent of land (< or = AOP 211 from IS)	688		
87	Costs for research (< or = AOP 211 from IS)	689		
88	Costs for development (< or = AOP 211 from IS)	690		
	III. Compensation costs for employees			
89	Calculated compensation during sick leave	691	1.795.725	1.821.115
90	Compensation for severance pay for retirement (< or = AOP 217 from IS)	692	2.008.852	491.394
91	One time compensation in the form of severance paymnet for permanent engagement under conditions defined by law (< or = AOP 217 from IS)	693		
92	Jubilee awards (< or = AOP 217 from IS)	694		
93	Regress for annual holiday (< or = AOP 217 from IS)	695	9.801.275	8.305.092
94	Other employee benefits (< or = AOP 217 from IS)	696	78.818	388.159
95	Volume - increased diet	697		

	IV. Other operating expenses			
96	Daily allowance for business trips, overnights and travel expenses (< or = AOP 217 from IS)	698	3.453.294	3.349.527
97	Daily allowance for business trips (< or = AOP 217 from IS)	699		
98	Compensation for employee expenses and gifts (< or = AOP 217 from IS)	700		
99	Compensation for accommodation and food provided by the company (< or = AOP 217 from IS)	701		
100	Separate life compensation (< or = AOP 217 from IS)	702		
101	Gifts to employees (< or = AOP 217 from IS)	703		
102	Costs for organized food during work (< or = AOP 217 from IS)	704	15.694.585	12.111.467
103	Costs for organized transportation to the and from the work place (< or = AOP 217 from IS)	705	17.826.846	18.188.285
104	Compensation for occasional and temporary work (< or = AOP 217 from IS)	706	15.959.060	8.970.612
105	Costs for compensation and other remuneration of external members of the Supervisory Board, Board of Directors and managers	707	9.196.771	4.688.118
106	Costs for sponsorships (< or = AOP 212 from IS)	708	2.519.771	2.347.427
107	Representation costs (< or = AOP 212 from IS)	709	8.554.215	7.308.134
108	Premiums for property insurance (< or = AOP 212 from IS)	710	34.848.075	45.914.468
109	Bank srevices fees (< or = AOP 212 from IS)	711	14.609.374	14.335.586
110	Taxes that do not depend on the result (< or = AOP 212 from IS)	712	29.143.808	47.895.820
111	Contributions that do not depend on the result(< or = AOP 212 from IS)	713	515.400	507.663
112	Membership fees of associations in the country and abroad (< or = AOP 212 from IS)	714	4.450.539	51.931.207
113	Costs for the occasional and temporary working (or = AOP 217 of BU)	715		
114	Royalty compesations (< or = AOP 217 from IS)	716		
115	Other costs from the work (< or = AOP 212 from IS)	717	79.196.788	58.810.786
	V. Other expenses			
116	Fines, penalties and compensation for damages etc. (< or = AOP 222 from IS)	718		
117	Compensation for damages (< or = AOP 222 from IS)	719		
	VI. Impairment of financial assets and investments			
118	Impairment of long-term financial investments and other securities available for sale (= AOP 242 from IS)	720		
	VII. Dividends and other payments to the investors			
119	Paid out dividends	721	241.939	183.649.027
	E. Specific data			
120	Average number of employees based on the situation at the end of the month	722	260	264
121	Average number of employees at the headquarters based entity at the end of the month "	723	260	264
122	Number of subsidiaries in which activity is performed, without the registered office of the entity	724	1	1

TRANSLATION

Name of the Company: OKTA Crude Oil Refinery AD Skopje

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

Unique ID number: 4074009

Structure of income per business activities for the period 01.01.2024-31.12.2024			
NCBA (National classification of business activities)			Realized income (MKD)
Ordinal No.	class /subclass	Name	
1	46.71	Sales of trading goods	44.044.926.787
2	52.10	Warehousing and storage	225.104.598
3	47.30	Sales of products in Petrol Station	40.977.142
4	35.14	Electricity trade	5.560.928
5	35.11	Electricity production	7.532.462
6			
7			
		Total Income	44.324.101.917

Explanatory Notes

1. General information

OKTA AD - Skopje (hereinafter “the Company”) is a joint stock company established on 26 March 1980. The Company is owned 85.59% 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 2024, the Company had 260 employees (2023: 262 employees).

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

The financial statements of OKTA AD – Skopje were authorised for issue by the Management on 24th February 2025 and were approved by the Board of Directors on 27th February 2025. 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, 70/2013, 119/2013, 120/2013, 187/2013, 38/2014, 41/2014, 138/2014, 88/2015, 192/2015, 6/2016, 30/2016, 61/2016, 88/2017, 192/2017, 64/2018, 120/2018, 290/2020 и, 215/2021, 99/2022 and 272/2024) 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. The Company applies all relevant standards and the amendments and interpretations which were published in the Official Gazette.

2. Summary of significant accounting policies (continued)

2.1. Basis of preparation (continued)

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, there are no such reclassifications.

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).

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 Macedonia valid at the date of the financial statements.

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

2.2. Foreign currency translation (continued)

b) Transactions and balances

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 2024	31st December 2023
	MKD	MKD
EUR	61.49	61.49
USD	58.88	55.65
GBP	74.13	70.76

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:

	2024	2023
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'.

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. 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.

(all amounts are in MKD unless otherwise stated)

2. Summary of significant accounting policies (continued)

2.7. 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.

2.8. 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.

2.9. Share capital

Ordinary and preference shares are classified as equity. Treasury shares are an entity's own equity instruments that are acquired and held by the entity, a subsidiary, or other members of the consolidated group. The consideration paid or received for treasury shares is recognised directly in equity.

2.10. 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.

2.11. 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)

2.11. 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.

2.12. 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)

2.12. 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.

c) Global Minimum Tax - Pillar II

Following the international tax developments in the context of Base Erosion & Profit Shifting (BEPS), specific Model Rules were published from O.E.C.D, providing the framework of a minimum global tax rate of 15% (Pillar II), which applies to entities being members of multinational groups or large-scale domestic groups that meet the annual threshold of at least €750 million of consolidated revenue. Under this new framework, coming into effect as of 2024, a top-up tax, may be applied calculated in the difference between the effective tax rate per jurisdiction and the 15% minimum provided rate.
North Macedonia has adopted the relevant framework in its domestic Law.

On December 27, 2024, the Ministry of Finance proposed a Law on Minimum Global Corporate Income Tax, which was adopted on the same date by the Parliament and became effective on the date of its publication in the Official State Gazette of North Macedonia on 3rd January 2025.
Specifically, the new law enacts the Qualified Domestic Top-up Tax (“QDMTT”) rule, reflecting a number of complex provisions for determining the applicable tax base adjustments and covered tax expenses similar to those stipulated in the internationally accepted rules of the OECD, based on which any top-up tax due from operations in North Macedonia, is payable in North Macedonia.

The national top-up tax applies from 1st January 2024, except for entities excluded based on the rule for the initial phase of activity, for which the top-up tax will apply from January 1, 2025. The first reporting obligation will be 18 months for the transitional period following the end of the respective tax period. Subsequent reporting obligations will follow the standard 15-month period after the end of the respective tax period.

In addition to this, the new law contains provisions for adoption of a Rulebook by the end of 2025.
The new tax rules allow the Macedonian government to collect the minimum tax up to 15%, which should have been otherwise collected in the tax budget of the ultimate parent’s state. Nevertheless, the rules may need to be further customized for application in N. Macedonia to reduce uncertainty in respect of the application of exemptions and forms of tax relief that currently reduce the effective tax rate of eligible Macedonian taxpayers. Further clarification is necessary on the application of the transitional safe harbour rules in N. Macedonia that generally provide simplification and exemption to certain categories of constituent entities in the first few years of adoption.

The relevant framework is applicable to OKTA , being a member of large multinational group that meets the criteria of Pillar II, as such the impact of the new tax regime has been assessed, the necessary computational analysis is provided through its 2024 tax expense.

2 Summary of significant accounting policies (continued)

2.13 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 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.

2.14. 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. Summary of significant accounting policies (continued)

2.15 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.

2.16. 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.

2.17. 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.

2.18. 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.

2. Summary of significant accounting policies (continued)

2.19 New and Amended Standards

IFRS standards (including IFRS 1) were initially published in the Official Gazette in 1997, and since then several updates have followed. The latest update was on 3rd April 2024 when Ministry of Finance adopted a new Rulebook for Accounting. This rulebook enters into force on 1st January, 2025 and introduces new international standards for financial reporting:

- IFRS 9 - Financial Instruments
- IFRS 10 - Consolidated Financial Statements
- IFRS 11 - Joint Arrangements
- IFRS 12 - Disclosure of Interests in Other Entities
- IFRS 13 - Fair Value Measurement
- IFRS 14 - Regulatory Deferral Accounts
- IFRS 15 - Revenue from Contracts with Customers
- IFRS 16 - Leases
- IFRS 17 - Insurance Contracts

The stated above International financial reporting standards will be applied from January 1, 2025, except for IFRS 17, which will begin to apply from 1 January 2028, and with the addition of the Accounting Regulation on 27 December 2024, IFRS 9 will begin to apply from 1 January 2028.
The Company analysed and assessed the impact of the new standards and amendments on its financial position or performance, and they have no impact on the financial statements of the Company, except IFRS 16 – Leases.

IFRS 16 – Leases will have impact on the financial statements for operational leases contracts. The standard will affect primarily the accounting for operating leases. As at the reporting date, the Company is in the process of estimating the effects of the adoption of the standard.

The Company will recognize new assets and liabilities for its operating leases of motor vehicles and equipment. Subsequent to initial recognition, the Company will:
a) measure the right-of-use asset by applying the cost model and depreciate it on a straight line basis up to the end of the lease term and
b) measure the lease liability by increasing and reducing the carrying amount to reflect interest on the lease liability and lease payments made respectively.

Previously, the Company recognized operating lease expense on a straight-line basis over the term of the lease.
In addition, the Company will no longer recognize expenses for operating leases. Instead, the Company will include amounts due under the lease in its lease liability.
Commitments covered by the exception for short-term and low-value assets will be recognized in profit or loss.

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.

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)

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

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.

As of 31st December 2024, the Company has time deposits in amount of 1,845,000 thousand (2023: nil). If interest rate would have been 1% (2023: 1%) changed, higher or lower against contracted rates, profit would have been MKD 18,450 thousand (2023: MKD 0 thousand) after tax in net balance higher or lower. respectively.

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.

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

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.

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.

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 25,263 thousand (2023: MKD 15,518 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.
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.

4. Critical accounting estimates and judgments (continued)

4.1. Critical accounting estimates and assumptions (continued)

c Impairment of trade and other receivables (continued)

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,

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.

4.2 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.

(all amounts are in MKD unless otherwise stated)

5. Intangible Assets

2024	**MKD**
Cost	
Balance as at 1 January 2024	122,280,123
Additions	8,497,695
Assets in construction	-
Balance as at 31 December 2024	***130,777,818***
Accumulated Amortisation	
Balance as at 1 January 2024	92,772,145
Amortisation	8,009,442
Balance as at 31 December 2024	**100,781,587**
Net book value as at 31 December 2024	***29,996,231***

2023	
Cost	
Balance as at 1 January 2023	120,968,638
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	**92,772,145**
Net book value as at 31 December 2023	***29,507,978***

(all amounts are in MKD unless otherwise stated)

6. Property, plant and Equipment

Year ended on 31 December 2023	Land	Buildings	Machinery and equipment	Construction in progress	Total
Opening amount	**247,318,812**	**3,293,566,306**	**6,491,584,638**	**348,788,354**	**10,381,258,110**
Accumulated Depreciation	-	(3,059,818,425)	(5,984,385,120)	-	(9,044,203,545)
Net book value	**247,318,812**	**233,747,881**	**507,199,518**	**348,788,354**	**1,337,054,565**

Year ended on 31 December 2024					
Net book value	247,318,812	233,747,881	507,199,518	348,788,354	1,337,054,565
Additions	-			239,274,747	239,274,747
Transfer for construction in progress	-	32,929,459	250,108,615	(283,038,074)	-
Disposals NPV	-	-	-	-	-
Depreciation	-	(20,150,601)	(224,107,505)	-	(244,258,106)
Impairment of disposals	-	-	-	-	-
Net book value as at 31 December 2024	**247,318,812**	**246,526,739**	**533,200,628**	**305,025,027**	**1,332,071,206**

7. Trade receivables

	2024	2023
Trade receivables domestic	81,932,487	315,932,305
Trade receivables foreign	200,562,357	358,270,722
Provision for impairment of trade receivables	(66,904,273)	(66,426,680)
Total	**215,590,571**	**607,776,347**

8. Cash and cash equivalents

	2024	2023
Bank account in in domestic currency	1,096,825,654	3,019,816,072
Bank account in foreign currencies	130,798,098	177,810,906
Cash on hand - in domestic currency	4,922	71,631
Cash on hand - in foreign currency	156	156
Impairment of deposit	(1,588,163)	(2,134,833)
Cash equivalent	1,850,741,361	4,537,753
Total	**3,076,782,028**	**3,200,101,685**

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 2024 was as follows:

	Number of ordinary shares	Total shares	% of total share capital
EL,P,ET Balkaniki S,A,	724,360	724,360	85,59 %
OKTA AD	84,636	84,636	10.00%
Others	37,364	37,364	4.41%
	846,360	**846,360**	**100 %**

10. Trade payables

	2024	2023
Domestic trade payables	449,629,313	469,833,849
Foreign trade payables	489,131,743	579,683,126
Total	**938,761,056**	**1,049,516,975**

11. Sales

	2024	2023
Sales on domestic market	30,508,449,786	34,012,744,348
Sales on foreign market	13,755,244,538	15,232,943,787
Total Sales*	**44,263,694,324**	**49,245,688,135**

*) include sales of electricity

Responsible person for general information and explanatory notes

Legal representative person of the company

Рафинерија на нафта OKTA Скопје 0 Акционерско друштво