TITAN
ANTEA CEMENT SH. A.

ANTEA CEMENT SH.A.

COMPANY'S GENERAL INFORMATION & SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

GENERAL INFORMATION

CORPORATE INFORMATION

ANTEA Cement Sh.a. is an investment with the highest standards applied in terms of construction and operation in Albania and a total value exceeding 200 million Euro. The company is controlled by ALVACIM LTD, which has 100% shareholding in the Company. The Company's ultimate parent is Titan Cement International S.A. (hereinafter referred as TITAN Group)

Antea Cement was awarded the right for land usage and mining exploitation by the Albanian Government for 99 years. The plant was constructed by CBMI Construction Co, a Chinese construction company, under the supervision of TITAN Group which implemented the highest safety standards applicable, the project was completed on time, within the forecasted budget and with zero accidents.

ANTEA Cement has an annual production capacity of 1.4 million ton of cement and 3.300 ton of clinker per day. The plant is located at "Boka e Kuqe", Borizane which is 50 km away from Tirana, capital city of Albania.

The Company has two fully owned (100%) subsidiaries as follows:

ALBA CEMENTO shpk

Alba Cemento Shpk owns and operates a cement terminal in the Tirana region. The company prepares and submits its financial statements in according to respective legislation in Albania. All revenues generated by the company are generated from logistic services.

CEMENTI ANTEA SRL – Italy

The main activity of the subsidiary is trading cement exported from Antea Cement through a rented terminal in Ortona, Italy. The company sells the cement exported from Albania to the Italian Market and its main revenues are derived from this activity.

****

The following information is provided in compliance with the previsions of and requirements of the law on Accounting and Financial reporting No 25/2018 Dated 10.05.2018.

****

Beside the information provided in this document Antea Cement prepares and publishes in its website an Integrated Annual report which provides more detailed information about its integrated operations.

BUSINESS DESCRIPTION

Antea Cement is one of the major cement producers in Albania, with a plant, able to complete the entire technological process of transformation from raw materials to the final product. The Company, through the technology installed in its plant, can produce both Clinker and Cement.

Clinker is a semi-product produced by the Company which can further be utilized by Antea Cement in cement production, or it can be sold to other companies for production of cement, whereas the final product is cement of different types.

The company sells its product in the domestic market as well as exports it internationally.

REPORT ON THE ECONOMIC AND OTHER ACTIVITIES OF THE COMPANY

ANTEA CEMENT

Antea Cement (hereinafter referred as "Antea" or the "Company") delivered solid results in 2023. The performance of the company was supported by resilient sales volumes across both domestic and export markets and the company capitalized its result on such demand.

At the same time, ANTEA remained focused on the enduring objective of balanced, responsible, and sustainable long-term growth, embracing change as an organization, and innovating at an accelerated pace.

Some of the key financial indicators, by comparing the current reporting period to the previous reporting period are presented below.

GENERAL INFORMATION (CONTINUED)

REPORT ON THE ECONOMIC AND OTHER ACTIVITIES OF THE COMPANY (CONTINUED)

Financial Performance Highlights	**Antea Cement - Stand Alone**	
Amounts in 000' ALL	**2023**	**2022**
Revenue	11,857,690	11,957,697
Operating profit before interest and taxes	3,322,560	1,820,279
EBITDA	4,276,868	2,764,118
Profit before tax	3,358,912	1,715,960
Profit for the year	2,821,300	1,423,840

Antea's revenues for the year decreased by approximately **1%** or **ALL 100,007 thousand** compared to the previous year, mainly due to a slight decrease in export sales. A detailed breakdown of the company's revenues is available on the **Note 7** to the financial statements.

The company's export activities remained stable with a participation of **24%** compared to the prior year. Main markets in which the company is exporting its products consist of Albania's neighboring countries,

Operating profit before interest and taxes increased by **82.5%** or **ALL 1,502,281 thousand** vs prior year, attributed mainly in the continuous improvement of plant performance and decrease in electricity cost. Similarly, the company's EBITDA increased by **54.7%** or **ALL 1,512,750 thousand** vs prior year. The Company's EBITDA reconciliation to the statement of profit or loss and other comprehensive income is shown in **Note 35** to the financial statements.

Profit before tax for the year was higher than previous year by **ALL 1,642,952 thousand**, mainly affected by the decreased finance costs of the company and favorable exchange rate gains. More details are provided in the related notes to the financial statements.

The above operation results coupled with the movement in the company's working capital led to a **Net cash from operating activities** which was higher by **ALL 2,904,333 thousand** compared to prior year. The company utilized the generated cashflow to invest in new capex amounting to **ALL 537,643 thousand** as well as utilize its free cash flow in repaying borrowings in the net amount of **ALL 3,536,616 thousand** during the period. The company closed the financial year with ample liquidity position.

In terms of technical performance, the operation of the production line during 2023 followed the demand pattern for the company's product while focusing on optimization of stocks and working capital through the year. The production line has been performing at very high reliability levels ensuring proper delivery of products, both to domestic and export markets, especially during periods of high demand, adequately capturing all the opportunities available.

In terms of **Health and Safety (H&S)** the company has ensured that both legal requirements as well as all the guidelines provided by TITAN Group are followed by implementing best practices to further develop the overall H&S performance. To this end, training is an important and effective tool, as it will educate the employees on proper workplace procedures, practices, and behavior to prevent possible injuries and illness or contamination from improper hygiene. Every year the company has a proper H&S training schedule to raise awareness and communicate H&S updated practices to employees. In 2023 our employees, including subcontractors had **9,965 hours** of training only in Health and Safety topics/issues. Despite the fourth year following the pandemic situation, H&S performance has been rigid in implementing Covid-19 rules and wakeful to manage and isolate possible cases affected with Covid-19 between employees and sub-contractors.

ANTEA has donated cement for various municipalities in Albania to help them in their civil projects on deteriorated and rehabilitations of roads, restorations/constructions of local houses and schools. Nevertheless, ANTEA continues to engage in promoting CSR standards and best practices in the country, by organizing conferences and meetings with Local Authorities, Institutions, Universities, Organizations and NGOs and leading the CSR approach by boosting SDGs in the country.

During 2023 Antea organized the National Conference on "ESG Catalyst: Driving Change for a Resilient European Future". The conference was a vibrant hub for delving into the latest advancements in corporate sustainability, with a spotlight on ESG—measuring and evaluating a company's performance in Environmental, Social, and Governance dimensions. The seismic shifts in the corporate landscape underscore the growing need for businesses to address ESG risks as a cornerstone for fostering resilience and ensuring long-term sustainability.

On United Nations Day, ANTEA Cement has been recognized with the SDG Business Pioneers Award Albania 2023 in the International Enterprise Category by the Embassy of Sweden in Albania and the United Nations Development Program (UNDP). The SDG Business Pioneers Award Albania is a recognition given to companies that consistently effect positive change through their product offerings, operational practices, and overall business strategies.

REPORT ON THE ECONOMIC AND OTHER ACTIVITIES OF THE COMPANY (CONTINUED)

Since 2015, the Company has followed the key steps of the United Nations Global Compact Sustainable Development Goals Compass tool issued by UNGC and GCCA, starting with understanding and identifying the relevant SDGs for our business and how we can meaningfully contribute to their achievement.

This incredible recognition is a testament to our unwavering #commitment to #sustainable business practices and dedication to making a #positive impact. The company is grateful for this honor and excited to continue its journey toward a more sustainable and responsible future.

The environmental performance of ANTEA is monitored and reviewed throughout the entire year. The review addresses accordingly and timely all the material issues of operations. Since the beginning of its operation, ANTEA has been exerting its activity in accordance with ISO 14001 environmental management system certified by EuroCert every three years (last certification in 2021) and audited on a yearly basis. The certification covers the quality and the adequacy of all applicable systems enforced to control and reduce air emissions, quarry rehabilitation and landscape aspects, groundwater, wells and wastewater aspects, liquid and solid waste, natural resources & energy consumption, noise, and other environmental aspects. In this respect, the company is fully compliant with the applicable laws and legislation. ANTEA is constantly improving environmental performance, focusing the efforts on tackling climate change, using natural resources responsibly, improving our energy efficiency and contributing to the circular economy.

The priority of our company is to maintain a strong employer-employee relationship based on mutual trust and consistency in the Company's corporate values and principles. We provide a comprehensive, decent working environment that respects health and safety standards as well as human rights.

TITAN Health and Wellbeing framework was developed covering four dimensions of Health and Wellbeing – physical, mental, social, and financial. To help enhance its people's mental and emotional health and wellbeing, TITAN extended the Employee Assistance Program (EAP), a consulting support service offered to all employees and their families, making available expert advice on personal, family, or work-related issues. Antea, as part of the TITAN Group, took part in the Mental Health campaign, which aimed to raise awareness and promote good mental health among employees. The campaign included relevant resources such as articles, videos, and self-assessment questionnaires, as well as promotion of TITAN Group's consulting support service. The company continues to provide Medical, Life Insurance & Work accident Plan for all its employees.

Antea Cement demonstrates its commitment towards promotions and enhancement of good accountability process, manifested through open and direct communication with our employees and decision-making processes. The Company has a successful implementation of the Social Accountability 8000:2014 Standard (SA8000:2014) by developing, maintaining, and applying social practices in the workplace, offering equal opportunities, values diversity that contributes to effectiveness and making big efforts on recruiting qualified candidates, by not permitting any form of discrimination related to gender, races, nationality, religion, and family. Required mechanisms are kept in place to ensure compliance to these requirements.

In 2023, the headcount of ANTEA at the end of the year reached **193** people (excluding internships and expats). During 2023 the Employee Benefit Expenses amounted to **ALL 488,281 thousand** as explained in the **Note 14** to the financial Statements.

Our people's development is a responsibility that helps us retain highly qualified employees. The company is committed to a higher level of individual growth. ANTEA is committed to providing its employees with the skills, competencies, and mindsets required for success in a diverse and inclusive environment. Antea Leadership Academy is a comprehensive, innovative leadership training curriculum. It enables Antea employees to learn and improve their leadership and management skills, as well as how these concepts impact their overall performance and success. During 2023, the Company continued to contribute to the development of its employees by shifting from traditional way of in-person training to online trainings or combined ones respecting the COVID-19 protocol. The total training hours for 2023 were **10,922**.

Business risks

The major financial liabilities of the Company include interest bearing loans, other liabilities, and trade payables. The primary target of these financial instruments is that financing of the activity of the Company to be secured. The Company possesses financial assets, such as trade and other receivables, cash, and cash equivalents, which origin derives from the activity of the Company. The major risks, that occur from the financial instruments of the Company are interest bearing risk, liquidity risk, currency risk and credit risk. The policy applied by the Management of the Company, for management of all these risks is summarized in **Note 33** of the Financial Statements.

GENERAL INFORMATION (CONTINUED)

REPORT ON INTERNAL CORPORATE GOVERNANCE

a) Research and Development activity of the Company

The Company did not perform any activity related to research and development in 2023.

b) Disclosure for acquisition of own shares

The Company did not buy back any shares and had no such transactions in 2023.

c) Branches of the Company

The Company has two fully owned subsidiaries as explained above. There are no other branches or subsidiaries apart of those.

d) Policies and Objective of managing financial risk, Exposure of the company towards Financial Risks & Risk Quantifications

Policies and Objectives for managing financial risks as well as the respective quantifications are included in the **notes 33** to the Financial Statements.

e) Objectives of the Company for 2024

The company is set to achieve the following objectives for 2024:

• Increase effectiveness of industrial performance.
• Continue serving its customers in the domestic and export markets as well as be able to satisfy any additional demand in the markets.
• Sustain the current financial results and seek areas at potential growth and on the same time contain fixed costs.

f) Corporate Governance

The Company is constituted as a joint stock company in compliance with the Commercial Law of the Republic of Albania and has a governance system as follows:

- The supervisory council
- The Administrator/General Manager

The supervisory board as at 31st Dec 2023 is comprised as follows:

- Chairman of the supervisory council, Mr. Ioannis Paniaras
- Member of the supervisory council, Mr. Boris Hrisafov
- Member of the supervisory council, Mr. Christos Panagopoulos
- Member of the supervisory council, Mr. Loukas Petkidis
- Member of the supervisory council, Mr. Grigorios Dikaios

The supervisory council members are appointed from the shareholders General Assembly. The members of the supervisory board bring on board valuable experience of different areas comprising expertise on industrial, commercial, and financial areas.

The Supervisory Boards appoint the administrator/ General manager of the company. The General Manager of the company is Mr. Mario Bracci.

g) Managing risks and opportunities

ANTEA Cement has in place an Integrated Management System (IMS) which is comprised of three management systems and one standard being:

- ISO 45001 for Occupational Health and Safety
- ISO 14001:2015 for Environment
- ISO 9001 for Quality
- SA 8000:2014 for Social Accountability

The management team of ANTEA Cement assesses the social, environmental, managerial, and financial risks that the company can face in the framework of the challenges that are coming from the country, the region and further. The company manages the risks through:

- Internal audits and systems to keep in consistency with Management Systems requirements in place.
- Creation of various committees in the company to address various challenges and issues.

At ANTEA Cement, the following Boards and Committees are created to address various challenges and issues:

Quality Board:

The company's management is involved in the Quality System through the Quality Board. The responsibilities of the Quality Board are the following:

- Establishing the Company's Quality Policy
- Adopting the Quality System's documents
- Conducting the internal quality audits
- Conducting reviews of the Quality System
- Setting quality targets

Environment Board:

It is responsible to identify the environmental aspects, to determine the emergency situations and the need for preparation of emergency plans, to review on annual basis the Environmental Management System etc.

Health & Safety Central Committee:

ANTEA H&S Central Committee provides strategic and tactical guidance for the improvement of initiatives regarding safety and health at ANTEA plant. It establishes effective business processes to promote the full implementation of the TITAN's Group Health & Safety Policy. The Central Committee's Members must demonstrate visible leadership, personal commitment, active support, actions' accountability, and timely follow-through for all safety programs.

The Social Accountability Board:

The Plant has also appointed a Social Accountability Board responsible for identifying the social accountability issues, determine the required preventive or corrective actions, and review on annual basis the Social Accountability Management System etc.

The Company's employees have been extensively trained in the most sensitive areas as Anti-bribery, Anti-corruption and Sanctions and the Company has widely incorporated in its contractual relations with suppliers, customers, and partners relevant provisions to avoid illegal implications. Moreover, a conflict-of-interest policy has been adopted and a committee responsible for clearing cases of possible conflict of interest has been established with the attendance of the Company's top management. Following up with the latest changes in the local legislation, the Company has elected and formalized the Responsible Unit in accordance with the Albanian Law on Whistleblowing which has carried a series of trainings and has distributed the necessary materials to the employees aiming at making them aware of their rights and obligations in the event a corruption case comes to their attention.

Nonetheless some more action has followed as the Company extends its tools and policies to its employees by introducing the:

- Ethic Point platform.
- The TITAN Employee Assistance Program (EAP), part of TITAN "Health and Wellbeing" that aims to further support the health & wellbeing of TITAN employees and family members, wherever and whenever needed.

a) ANTEA Values

ANTEA's values stem directly from the principles, beliefs, and vision from its establishment back in 2006. They are the core elements in compliance with TITAN's culture, providing the foundations of the Group's operations and growth. These values reflect who we are and guide us in our pursuit of making the world around us a safe, sustainable, and enjoyable place to live. They unite us, instill trust, connecting us with our team members, communities, partners, customers, and all those who share our vision.
While we are nowhere near to being perfect and will inevitably stumble along the way, there is one thing that we commit to - constantly improving our practices, policies, and ways of working to embody these core beliefs better.

Below are presented the Company values:

- **WE CARE,** for us, care isn't just a word; it's a responsibility that shapes how we engage with the world around us and the ethos that guides our every action.
- **WE DARE,** Challenges and ambitious goals don't daunt us; they energize us.
- **WE BUILD TO LAST,** we believe that true success is built on a foundation of enduring value
- **WE WALK THE TALK,** At the heart of everything we do lies a simple but powerful belief: actions speak louder than words.

Operating in the same line with Titan Group aiming to grow as a multiregional, vertically integrated cement producer, combining entrepreneurial spirit and operational excellence with respect to its people, society and the environment, ANTEA follows the Titan Group objectives translated into acting with purpose, to protect and improve life. Purpose is the reason we exist, the role we aspire to play in the world. It is our North Star. We have worked collaboratively to reconsider who we are today, how we've evolved, and to express it in a new way:

Our Purpose: making the world around us a safe, sustainable and enjoyable place to live.

Our Mission: to provide innovative construction materials, solutions, and services needed for safe and sustainable homes, buildings and infrastructure that enable people to enjoy life.

We approach every challenge with an entrepreneurial spirit, focusing on three key areas: ensuring low-carbon operations and supply chains, digitalizing our organization for ultimate efficiency, and delivering cutting-edge solutions to meet our customers' needs.

Together with all our stakeholders, we are committed to finding better ways to build and to enhance the quality of life.

We act every day with integrity, empathy, and environmental accountability to shape a brighter future for all.

ANTEA Material Issues with horizon 2026

According to the ANTEA Materiality Assessment outcomes, we will address ten material issues in alignment with the UN SDGs 2030, all supported by good governance, transparency, and business ethics.

Through this process, we aim at further building our trusted relationships and creating shared value. Clear targets are set in the 2020 materiality assessment, following the process designed by the Titan Group.

Employee engagement; Continuous development and wellbeing; Safe and healthy working environment for our employees and business partners; Customer satisfaction; Good governance, transparency, and business ethics, Environmental management material issues remained at the top of the list of the identified material issues.

ANTEA Material Issues with horizon 2026	
1	Safe and healthy working environment for our employees and business partners.
2	Employee engagement, continuous development, and wellbeing.
3	Customer satisfaction.
4	Good governance, transparency, and business ethics.
5	Supporting our local community's wellbeing.
6	Environmental Management.
7	Responsible, reliable, and sustainable supply chain.
8	Stakeholder relations and engagement.
9	Climate Change and Energy.
10	Business model innovation.

b) Internal controls and risk management systems regarding financial reporting

The key elements of the system of internal controls utilized to avoid errors in the preparation of the financial statements and to provide reliable financial information are the following:

- The assurance mechanism regarding the integrity of the Company's financial statements consists of a combination of the embedded risk management processes, the applied financial control activities, the relevant information technology utilized, and the financial information prepared, communicated, and monitored. The company prepares and reviews monthly financial and non-financial data which is reviewed by the company's management on a periodical basis.

REPORT ON INTERNAL CORPORATE GOVERNANCE (CONTINUED)

- The company utilizes a full package SAP solution for monitoring its operational and bookkeeping transactions. Such software solution provides for the most secure and advanced way of recording and reporting all the company's activities in an accurate and correct way.

All the above ensure that the financial statements of the company provide reliable and accurate information.

PAYMENTS MADE TO GOVERNMENTAL INSTITUTIONS

The below report is prepared in compliance with article 21 of the Law on Accounting and Financial Statements No 25/2018 approved on 10.05.2018, effective 01.01.2019.

The table below indicates the payments made to the authorities for the indicated type of taxes or categories.

Amounts are in 000'ALL

Payment type	2023	2022
• Production Rights	-	-
• Payment of Taxes as per the Applicable Tax Legislation		
- Corporate income tax	556,046	279,744
- VAT	336,478	-
- Social and health insurance	69,781	63,096
- Personal income tax	38,131	34,331
- Carbon & excise taxes	255,863	332,271
- Local Taxes and Tariffs to Local Authorities	34,299	34,294
• Royalties	48,718	52,363
• Dividends	-	-
• Payments for Subscriptions, Research and Production	-	-
• Tax and Tariffs and other payments linked with Licenses and Concessions	-	-
• Payments for Infrastructure Improvements.	-	-
TOTAL	**1,339,316**	**796,099**

The above amounts represent the actual cash payments made by the company during the calendar year ending 31 December 2023.

ANTEA CEMENT SH.A.

SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
WITH INDEPENDENT AUDITOR'S REPORT THEREON

Table of contents

INDEPENDENT AUDITOR'S REPORT

SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Amounts in ALL thousand unless otherwise stated)

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Revenue from contracts with customers	7	11,857,690	11,957,697
Cost of sales	9	(7,866,061)	(9,494,415)
Gross profit		**3,991,629**	**2,463,282**
Other operating income	10	66,146	85,163
Other operating expenses	11	(16,453)	(22,892)
Selling and marketing expenses	12	(75,149)	(73,774)
Administrative expenses	13	(643,613)	(631,500)
Operating profit		**3,322,560**	**1,820,279**
Dividend income		-	7,146
Finance income	15	1,053,991	621,917
Finance costs	15	(1,017,639)	(733,382)
Profit before tax		**3,358,912**	**1,715,960**
Income tax expense	16	(537,612)	(292,120)
Profit for the year		**2,821,300**	**1,423,840**
Other comprehensive income		-	-
Total comprehensive income for the year		**2,821,300**	**1,423,840**

The notes on pages 5 to 34 are an integral part of these financial statements.

SEPARATE STATEMENT OF FINANCIAL POSITION

(Amounts in ALL thousand unless otherwise stated)

	Notes	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Property, plant and equipment	17	15,465,855	15,854,708
Intangible assets	18	28,857	24,192
Right-of-use assets	19	88,932	96,491
Investment in subsidiaries	20	829,931	829,931
Other non-current assets	21	9,537	9,537
Total non-current assets		**16,423,112**	**16,814,859**
Current assets			
Inventories	22	2,018,861	2,764,065
Trade receivables	23	166,057	215,854
Other receivables	24	84,726	284,423
Trade receivables from related parties	32B	433,692	295,201
Cash and cash equivalents	25	475,001	476,100
Total current assets		**3,178,337**	**4,035,643**
TOTAL ASSETS		**19,601,449**	**20,850,502**
EQUITY AND LIABILITIES			
Equity			
Share capital	26	10,686,510	10,686,510
Share-based payments	27	15,291	11,371
Retained earnings		2,122,659	(697,587)
TOTAL EQUITY		**12,824,460**	**10,000,294**
Non-current liabilities			
Interest-bearing loans and borrowings	28	2,004,832	5,781,676
Lease liabilities	19	61,440	75,924
Deferred income tax liabilities	16	1,030,261	1,075,120
Total non-current liabilities		**3,096,533**	**6,932,720**
Current liabilities			
Trade payables	30	1,091,701	1,229,421
Derivative financial instruments		-	17,447
Other liabilities	31	224,099	130,926
Income tax payable		97,499	71,075
Interest-bearing loans and borrowings	28	1,624,064	1,829,295
Lease liabilities	19	18,146	16,765
Trade payables to related parties	32D	624,947	622,559
Total current liabilities		**3,680,456**	**3,917,488**
TOTAL LIABILITIES			
TOTAL EQUITY AND LIABILITIES		**19,601,449**	**20,850,502**

These financial statements have been approved by the management of the company on 22 April 2024 and signed on its behalf by:

Mario Bracci — *General Manager*

ANTEA CEMENT SH. A. ALBANIA

Kostika Mihallari — *Finance Manager*

The notes on pages 5 to 34 are an integral part of these financial statements.

SEPARATE STATEMENT OF CHANGES IN EQUITY

(Amounts in ALL thousand unless otherwise stated)

	Share capital	Share based payments	Retained earnings	Total
As at 1 January 2022	**10,686,510**	**6,215**	**(2,121,427)**	**8,571,298**
Profit for the year	-	-	1,423,840	**1,423,840**
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**1,423,840**	**1,423,840**
Share-based compensation **(note 27)**	**-**	5,156	-	**5,156**
As at 31 December 2022	**10,686,510**	**11,371**	**(697,587)**	**10,000,294**
Profit for the year	-	-	2,821,300	**2,821,300**
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**2,821,300**	**2,821,300**
Share-based compensation **(note 27)**	-	3,920	(1,054)	**2,866**
As at 31 December 2023	**10,686,510**	**15,291**	**2,122,659**	**12,824,460**

The notes on pages 5 to 34 are an integral part of these financial statements.

SEPARATE STATEMENT OF CASH FLOWS

(Amounts in ALL thousand unless otherwise stated)

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Profit before tax		**3,358,912**	**1,715,960**
Cash flows from operating activities			
Adjustments for:			
Depreciation of property, plant, and equipment	17	916,909	886,535
Depreciation of right-of-use assets	19	32,477	36,740
Amortization of intangible assets	18	4,922	20,565
Gain on disposal of property, plant and equipment and intangible assets	10	-	(903)
Income from dividends		-	(7,146)
Interest income		(11)	(13)
Interest expense		293,533	366,597
Share-based compensation		2,866	5,156
Foreign exchange gains from financing activities		(347,143)	(268,737)
Operating cash flows before working capital changes		**4,262,465**	**2,754,754**
Decrease/(increase) in inventories		745,204	(639,318)
Increase in trade and other receivables		(76,771)	(266,397)
Increase/(decrease) in trade and other payables		78,726	1,183
Changes in working capital			
Interest paid		(302,686)	(323,922)
Income tax paid		(556,047)	(279,744)
Interest received		11	13
Net cash from operating activities		**4,150,902**	**1,246,569**
Cash flows from investing activities			
Proceeds from disposal of property, plant, and equipment		-	14,791
Acquisition of property, plant and equipment	17	(528,056)	(559,580)
Acquisition of intangible assets	18	(9,587)	(11,031)
Income from dividends		-	7,146
Net cash used in investing activities		**(537,643)**	**(548,674)**
Cash flows from financing activities			
Proceeds of borrowings		200,798	317,756
Repayment of borrowings		(3,737,414)	(1,460,110)
Lease payments		(31,922)	(36,608)
Net cash used in financing activities		**(3,568,538)**	**(1,178,962)**
Net increase/(decrease) in cash and cash equivalents		**44,721**	**(481,067)**
Cash and cash equivalents on 1 January	25	476,100	996,423
Effect of exchange rate changes on cash and cash equivalents		(45,820)	(39,256)
Cash and cash equivalents on 31 December	25	**475,001**	**476,100**

The notes on pages 5 to 34 are an integral part of these financial statements.

1. CORPORATE INFORMATION

Antea Cement Sh. A hereinafter referred as the ("the Company") is incorporated in the Republic of Albania with the registered address at "Rruga e Durresit, Pallati prapa RING Center, Kati 1", Tirana, Albania. The Company's core activity is the production and trade of cement, bulk and packed in bags and semi-finished products (such as clinker).

The Company's immediate parent company is ALVACIM Ltd, registered in Cyprus, which owns 100% of the shares. The Company's ultimate parent company and controlling party is Titan Cement International S.A. (the "Group") which is a listed company. The Company has two fully owned subsidiaries, Alba Cemento SH.P.K. domiciled in Albania and Cementi Antea Srl, domiciled in Ortona, Italy.

The number of employees as at 31 December 2023 is 193 (31 December 2022: 188).

Presentation currency. These separate financial statements are presented in Albanian Lek ("ALL"), unless otherwise stated. Except as indicated, financial information presented in ALL has been rounded to the nearest thousand.

2. OPERATING ENVIRONMENT

Covid-19
Throughout 2023, the Company remained committed to implementing measures aimed at safeguarding our personnel and operations against COVID-19, even as the intensity of the pandemic lessened. Drawing upon the significant experience gained in prior years, we successfully mitigated the impact through close collaboration with medical experts. We implemented targeted protective measures for on-site employees and contractors, while also encouraging remote work wherever feasible. Tailored plans and digital applications were employed to ensure seamless collaboration. The Group actively supported rigorous hygiene and sanitization measures in response to the ongoing pandemic, encompassing initiatives such as promoting social distancing, mandating mask usage, and optimizing travel and large-scale gatherings. Additionally, we sustained the positive practice of offering medical and psychological support through experts and healthcare programs.

Ukraine vs Russia war and other conflicts
The geopolitical uncertainties resulting from the Russian invasion of Ukraine have had macroeconomic implications due to the ongoing military conflict. The global community is affected by the tragic events in Ukraine, leading to human suffering and loss, as well as adverse consequences for the worldwide economy. These consequences manifest in the form of inflationary pressures, disruptions in the supply chain, and escalating geopolitical uncertainties. It's noteworthy that ANTEA Cement is not exposed to Ukraine, Russia, or other affected regions.

Climate change and environmental commitments.
Given the impact that the Company's operations might have on the environment, ANTEA Cement Sh.A., has established, documented, implemented and maintains an Environmental Management System in accordance with the requirements of the standard ISO 14001: 2004. The scope of the System is to cover all environmental issues concerning all activities of Antea. With implementation of this System, ANTEA Cement aims to ensure a sustainable environmental performance and take measures to prevent negative impacts to the environment, through:
- Continuous effort for abatement of the adverse consequences of the Plant's activities to the environment.
- Full compliance with the applicable national, legal and other requirements.
- Controls of the production processes for ensuring the effectiveness of the protection measures for the environment.
- The management and operation of the installations to mitigate the environmental impacts as well as to improve the efficiency in the use of energy aiming at the preservation of natural resources.
- Providing continuous training, education and encouragement to the personnel for the increase of its environmental awareness and responsibility.
- Monitoring the performance of the Environmental Management System towards continuous improvement by setting targets on an annual basis.
- Aiming at the promotion and adoption of the Plant's environmental policy from its contractors, suppliers and collaborators.
- Promoting and encouraging the exchange of environmental knowledge and experiences between the Plant and the local authorities.
- Participation of the Plant in the determination of industrial sectoral targets and in the enactment of national standards for the sector.
- Supporting, and participating in research programs in pursuit of environmental excellence.

3. BASIS OF PREPARATION

The separate financial statements (also referred to in this document as the "financial statements") have been prepared in accordance with IFRS Accounting Standards under the historical cost convention. The material accounting policies applied in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The Company's functional currency is Albanian Lekë ("ALL"), currency of the primary economic environment in which the Company operates.

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

Going concern. Management prepared these separate financial statements on a going concern basis. In making this judgement management considered the Company's financial position, current intentions, profitability of operations and access to financial resources, and analysed the impact of the macro-economic developments on the operations of the Company. Even though the company's current liabilities exceed its current assets by ALL 502,119 thousand, the Company generated ALL 4,150,902 thousand net cash from operating activities during the year. Its operating profit increased by ALL 1,502,281 thousand, net earnings increased by ALL 1,397,460 thousand, EBITDA increased by ALL 1,512,750 thousand, therefore the company is able to meet its obligations as they become due.

The Company produces and publishes consolidated financial statements in accordance with IFRS Accounting Standards in which the Company includes its subsidiaries. The consolidated financial statements can be obtained from www.anteacement.com. In the consolidated financial statements, subsidiary undertakings – which are those companies in which the group, directly or indirectly, has an interest of more than half of the voting rights or otherwise has power to exercise control over the operations – are fully consolidated.

In these financial statements, ***investments in subsidiaries*** are measured at cost less impairment loss. Transaction costs are capitalized as part of the cost of the investment.

Material accounting policy information

***Transactions and balances*.** Monetary assets and liabilities are translated into each entity's functional currency at the official exchange rate of the Central Bank of Albania ("BoA") at the respective end of the reporting period. Foreign exchange gains and losses resulting from the settlement of the transactions and from the translation of monetary assets and liabilities into the Company's functional currency at year-end official exchange rates of the BoA are recognized in profit or loss as finance income or costs. Translation at year-end rates does not apply to non-monetary items that are measured at historical cost.

Property, plant, and equipment are stated at cost, net of accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized 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. Costs of minor repairs and day-to-day maintenance are expensed when incurred. Cost of replacing major parts or components of property, plant and equipment items is capitalized and the replaced part is retired. All other repair and maintenance costs are recognized in the statement of profit or loss and other comprehensive income as incurred.

Infrastructure intervention that increases the useful life of the Company's plant, improves operations and/or cost optimization, is capitalized into the cost of land improvements and/or buildings and depreciated over the useful life applicable to the respective category/class.

Spare parts are considered strategic and recognized as equipment when they are expected to be used for more than one period once available for use and the unit value of the qualifying strategic spare part equals or exceeds the equivalent of Euro 50 thousand in ALL. Strategic spare parts are classified as assets under construction in the note of property plant and equipment. Depreciation starts when these spare parts are installed and available for use in the production process.

Depreciation. Land is not depreciated. Construction in progress is also not depreciated until complete and transferred to the relevant classes of property, plant and plant equipment. Land improvements represent internal roads and other infrastructure interventions close to or giving access to its main facilities or quarry lands. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives:

3. BASIS OF PREPARATION (CONTINUED)
Material accounting policies (continued)

Land improvements	5 to 50 years
Buildings	10 to 40 years
Plant machinery	10 to 40 years
Vehicles	5 to 20 years
Furniture and fittings	2 to 10 years
Electronic equipment	2 to 10 years

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss as gains from disposal of fixed assets within other income.

Right-of-use assets. The Company leases various lands, offices and vehicles. Assets arising from a lease are initially measured at the present value of the amount of lease liabilities and any direct initial costs, unavoidable to enter the lease. Right-of-use assets are generally depreciated over the shorter of the underlying asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying assets' useful lives. Depreciation on the items of the right-of-use assets is calculated using the straight-line method over their estimated useful lives as follows:

Land*	40 years
Buildings	3 to 10 years
Motor vehicles	3 to 5 years

* Useful life of right-of-use of land is limited by contract terms.

The Company's ***intangible assets*** have definite useful lives and primarily include capitalized computer software, operating licenses, and works in progress (consisting mainly of costs of implementation of computer software). Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring them to use.

Computer software	10 years
Operating licenses	10 years

Inventories are stated at the lower of cost and net realizable value. The cost of finished goods and work in progress comprises raw material, direct labour, other direct costs, and related production overheads (based on the normal operating capacity) but excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. At the reporting date, all inventory is at cost as net realizable value is higher.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Purchase cost on an average cost basis
- Finished goods and work in progress:
- Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.
- Excise tax paid on imports.

Reimbursements of excise tax of an uncertain continuity are accounted for separately and do not offset excise tax included in cost of materials.

Other non-current assets comprise repossessed collateral i.e. real estate properties foreclosed by the Company against receivables due from its customers. These assets are initially recorded at the value determined by the execution process (which is the value used against the receivables due) and they are subsequently measured at the lower of that amount and their net realizable value, fair value less costs to sale. Their net realizable value is measured based on external independent licenced property valuation expert reflecting costs to sell the properties in addition to their fair market value.

Financial instruments - Initial recognition All financial instruments are initially recorded at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price. After the initial recognition, an expected credit loss ("ECL") allowance is recognized for financial assets measured at amortized cost ("AC") resulting in an immediate accounting loss.

3. BASIS OF PREPARATION (CONTINUED)
Material accounting policies (continued)

Financial assets - Classification and subsequent measurement – measurement categories. Company's financial instruments are subsequently measured at amortized cost and they include trade and other receivables (mostly with customers for goods and services) and cash and cash equivalents. The company's financial instruments are held to be collected and because of their short-term nature, there is no financing component or interests. The business model assessment and test that cash flows from financial assets represent solely payments of principal and interest ("SPPI") is not necessary to be performed to confirm the appropriateness of the subsequent measurement of trade and other receivables.

Financial assets - Impairment of financial assets – credit loss allowance for ECL. The Company assesses the ECL for its financial instruments (trade and other receivables) measured at AC. The Company measures ECL and recognizes net impairment charge on financial (and contract assets if the case) at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes and (ii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions, and forecasts of future conditions. Given the nature of the Company's financial instruments consisting in trade and other receivables only, credit loss allowance is recognized using a simplified approach of lifetime ECL. The Company does not assesses ECL for trade receivables from related parties considering them as the Company has not history of defaults and no LGD and thus their ECL is non-significant.

Cash and cash equivalents include cash in hand, current accounts and deposits held at call with banks. Cash and cash equivalents are carried at amortized cost using the effective interest method. The Company does not measure ECL for cash and cash equivalents due to their short-term nature and lack of recorded defaults and thus their ECL is considered as non-significant.

Share capital. Ordinary shares are classified as equity.

Liabilities arising from a lease are initially measured at the discounted present value of the future lease payments. Lease liabilities include the net present value of lease fixed payments. The lease payments are discounted using the interest rate implicit in the lease. As that rate cannot be readily determined, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, collateral, and conditions.

The Company uses incremental borrowing rate of Titan Cement International since incremental borrowing depend on the corporate guarantees issued to the Company by Titan Cement International (and thus the same or similar rates that the Group would obtain) or they are directly provided by the Group's financing entities.

Lease payments are allocated between principal and finance costs. The finance costs are charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items with value of ALL 500 thousand or less.

Financial liabilities - measurement – measurement categories. Financial liabilities are classified as subsequently measured at AC. The Company's financial liabilities include trade and other payables, loans, and borrowings.

Income taxes have been provided for in the financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge of 15% (2022: 15%) comprises current tax and deferred tax and is recognized in profit or loss for the year.

Current tax is the amount expected to be paid to, or recovered from, the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxable profits or losses are based on estimates if the financial statements are authorized prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Deferred income tax is provided using the balance sheet liability method for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse.

3. BASIS OF PREPARATION (CONTINUED)
Material accounting policies (continued)

Value added tax. Output value added tax related to sales is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales and purchases is recognized in the statement of financial position on a net basis and disclosed as an asset or liability. Where provision has been made for the ECL of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT. Based on the tax legislation, following fulfilment of certain criteria VAT can be recovered/offset, as a result such amounts have been considered for the impairment loss calculation.

Share-based compensation plans the Company is included in the Titan Group's cash settled share-based compensation plans which are provided to members of senior management for their service to the Company through Titan share schemes that covers several of its subsidiaries. On 13 May 2019, the Extraordinary General Meeting of Titan Cement International S.A. (TCI) approved a new long-term incentive plan. One year after, **on 14 May 2020,** the Annual General Meeting of **TCI included it in the Remuneration Policy.** The participants of the plan were informed of the program on 14 May 2020 (i.e., the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement), being the grant date.

Currently, Titan Group has the following schemes: (1) the share options plans (2014 and 2017) and (2) the long-term incentive plan introduced in 2020, 2021, 2022 and 2023, which concerns share awards. The Company was not subject to the first scheme.

Employee services settled in cash. The share-based compensation plan is classified from the perspective of each subsidiary. Even though the compensation plan is classified as cash-settled in the consolidated financial statements of the parent company, Titan Cement International S.A., based on which shares the scheme is linked to, it is considered equity-settled in the Company's financial statements as the Company has no obligation to settle the awards to the participants. Obligations are with the parent company. Consequently, the Company recognizes the fair value of the awards measured at grant-date as an employee benefits expense in profit or loss, with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares determined at the grant date. The awards have no dividend or voting rights. Each award corresponds to one share. The value of the shadow share is equal to the average TCI share closing price on Euronext Brussels in May of the grant year.

The total expense is recognized over the vesting period, which is the period over which the specified service conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of awards that are expected to vest based on the service vesting conditions (time with the company in the relevant role) and forfeiture rate. There are no market-based vesting conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The vesting period of the awards is as follows:

- 50% at the completion of a three-year period and
- 50% at the completion of a four-year period.

Under the plan, participants are granted awards for nil consideration in the form of a conditional grant of TCI shadow shares in April each year. The awards vest at the designated dates from April to March of next year, provided that the participants are still working in TCI or in any other employer company of the Group or are still serving as an executive Director in the Board of Directors of TCI.

Upon vesting, participants may select to receive their vested awards in TCI shares or in cash. The Company as all subsidiaries is invoiced by TCI when the awards are settled to its employees. The Company reclassifies the respective amount classified in equity for the settled shares to liabilities to TCI at this stage. Once awards are vested, the Company is re-charged by its parent company at the fair value of the vested awards at the vesting date. At this moment, the Company derecognizes the amount of share-compensations in equity with the difference as an additional expense (staff costs).

3. BASIS OF PREPARATION (CONTINUED)
Material accounting policies (continued)

Revenue is income arising in the course of the Company's ordinary activities. Revenue is recognized in the amount of the transaction price. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring control over promised goods or services to a customer, excluding the amounts collected on behalf of third parties.

Revenue comprises the amount for the sale of goods and services net of value-added tax, and discounts.

Sales of goods. Sales are recognized when control of the good has transferred, being when the goods are delivered to the customer through Ex Works and CPT, the customer has full discretion over the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location (Ex Works) or delivered to the specific location (CPT), the risks of obsolescence and loss have been transferred to the customer.

Revenue from the sales of goods is recognized based on the price specified in the contract, net of the estimated monthly volume rebates. Rebates are calculated monthly based on the volumes delivered to each customer in the specific month. No element of financing is deemed present as the sales are made with a credit term of 30 to 120 days, which is consistent with market practice.

A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Sales of Services. The Company provides services under fixed-price contracts. Revenue from providing services is recognized in the accounting period in which the services are rendered, over time. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

The customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized. Customers are invoiced for transportation costs incurred by the company as a separate performance obligation (CPT).

The Company also provides disposal services for oil sludges using them for fuel in its production process. It is also recognized as a separate performance obligation over time.

Employee benefits. Wages, salaries, contributions to the defined contributions plan of the Albanian Government's Social Security Fund annual paid leave, paid sick leave, bonuses, and non-monetary benefits (such as health services, transportation, company's vehicles, phone plans) are accrued in the month and year in which the associated services are rendered by the employees of the Company. The Company has no legal or constructive obligation to make pension or similar defined benefit payments beyond the statutory defined contribution scheme.

The Company has a discretionary retention plan in place provided to key personnel based on which, the Company determines the amounts of contributions to be calculated is made available to the employee on termination of their employment proportionate to the employment period. Expenses for the plan are accrued in the month and year associated with the services provided by the employee and the Company has no further obligations beyond the amounts accrued in the plan at the end of each month and year.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Company makes estimates and assumptions that affect the amounts recognized in the financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognized in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Useful lives of property, plant and equipment – **Notes 19**
Measurement of Expected Credit Losses – **Notes 22**

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

Environmental restoration costs - Provisions for Forestation
The Company performs restoration work of the utilized areas on an ongoing basis following the annual exploitation plan agreed with relevant authorities. The costs are expensed as incurred as they consist of re-forestation on a real time basis on quarries and processing sites. The Company's obligation is only triggered once the exploitation is made. Therefore, re-forestation is not deferred for periods longer than a year. The liability arises as the Company utilizes the planned levels of the quarries area. The Company has no other decommissioning or restoration liabilities for which it needs to raise provisions.

5. ADOPTION OF NEW OR REVISED STANDARDS AND INTERPRETATIONS

The following new standards and the amendments became effective from 1 January 2023 but did not have an impact on the Company's financial statements:

IFRS 17 "Insurance Contracts" (issued on 18 May 2017 and effective for annual periods beginning on or after 1 January 2023)

Amendments to IAS 8: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023).

Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023)

Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (issued 23 May 2023). The following amendment had an impact on the Company's presentation of accounting policies in these financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023). IAS 1 was amended to require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment provided the definition of material accounting policy information. The amendment also clarified that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. The amendment provided illustrative examples of accounting policy information that is likely to be considered material to the entity's financial statements. Further, the amendment to IAS 1 clarified that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment, IFRS Practice Statement 2, 'Making Materiality Judgements' was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The Company changed its accounting policy information to material and relevant policies only. Further, the critical accounting estimates and judgments are now provided in the relevant note, if appropriate.

6. NEW ACCOUNTING PRONOUNCEMENT

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2024 or later, and which the Group has not early adopted.

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024). The amendments relate to the sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to subsequently measure liabilities arising from the transaction and in a way that it does not recognize any gain or loss related to the right of use that it retained. This means deferral of such a gain even if the obligation is to make variable payments that do not depend on an index or a rate. The Company is currently assessing the impact of the amendments on its financial statements. However, it does not expect an impact as it does not engage in such transactions.

6. NEW ACCOUNTING PRONOUNCEMENT (CONTINUED)

Classification of liabilities as current or non-current – Amendments to IAS 1 (originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024). These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. The October 2022 amendment established that loan covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. 'Settlement' is defined as the extinguishment of a liability with cash, other resources embodying economic benefits or an entity's own equity instruments. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument. The Company is currently assessing the impact of the amendments on its financial statements. However, the Company does not expect an impact as it does not engage in transactions relevant to these amendments.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on 25 May 2023). In response to concerns of the users of financial statements about inadequate or misleading disclosure of financing arrangements, in May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require disclosure about entity's supplier finance arrangements (SFAs). These amendments require the disclosures of the entity's supplier finance arrangements that would enable the users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The purpose of the additional disclosure requirements is to enhance the transparency of the supplier finance arrangements. The amendments do not affect recognition or measurement principles but only disclosure requirements. The new disclosure requirements will be effective for the annual reporting periods beginning on or after 1 January 2024. The Company is currently assessing the impact of the amendments on its financial statements. The Company does not expect an impact though as it does not involve in supplier finance arrangements.

IFRS 14, Regulatory Deferral Accounts (issued on 30 January 2014 and effective for annual periods beginning on or after 1 January 2016). IFRS 14 permits first-time adopters to continue to recognize amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS Accounting Standards. However, to enhance comparability with entities that already apply IFRS Accounting Standards and do not recognize such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents financial statements in compliance with IFRS Accounting Standards is not eligible to apply the standard. This is not applicable to the Company as it is not a first-time adopter.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB). These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business. A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are held by a subsidiary. The Company is not affected by these amendments as the transactions into its scope are not relevant to the Company.

7. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is comprised as follows:

	2023	2022
Sales of own cement	10,475,588	10,955,871
Sales of clinker	668,293	419,527
Sales of imported cement	43,967	65,890
Revenue from freight	486,851	441,357
Revenue from other materials	1,669	24,252
Revenue from disposal services	181,322	50,800
Total	**11,857,690**	**11,957,697**

The sales of products are analyzed as follows in terms of domestic and foreign markets, as well as per type of product.

Sales	**2023**	**2022**
Domestic market	8,991,055	9,070,851
Foreign markets (exports) **(Note 32a)**	2,866,635	2,886,846
Total	**11,857,690**	**11,957,697**

Domestic market	**2023**	**2022**
Sales of own cement	7,872,563	8,346,451
Sales of clinker	668,293	417,485
Sales of imported cement	43,967	35,262
Revenue from freight	223,241	196,601
Revenue from other materials	1,669	24,252
Revenue from disposal services	181,322	50,800
Total	**8,991,055**	**9,070,851**

Foreign market	**2023**	**2022**
Sales of own cement	2,603,024	2,609,419
Sales of clinker	-	2,042
Sales of imported cement	-	30,628
Revenue from freight	263,611	244,757
Total	**2,866,635**	**2,886,846**

The company derives revenue from the transfer of goods at a point in time. For domestic sales, and land exports control is transferred when the goods are made available (ex-works) to the customer for their pick-up, usually directly at the plant and when delivered by a carrier (CPT). For overseas export sales to Italy, control is transferred when the vessel arrives at the destination port.

	2023	2022
Point-in-time	11,187,848	11,441,288
Over time	669,842	516,409
Total	**11,857,690**	**11,957,697**

Contracts with customers do not contain a significant financing component as the payment terms are on short-term credit terms between 30 and 90 days. The Company provides no discount for early settlement.

8. EXPENSES BY NATURE

	2023	2022
Staff costs and related expenses	487,150	433,128
Raw materials, packing and consumables	2,076,558	1,615,992
Energy cost	3,598,648	5,797,288
Changes in inventory of finished goods and work in progress	(173,814)	(137,968)
Cost of trading goods	69,875	104,501
Losses from derivative contracts	57,802	17,447
Utilities	18,452	19,291
Distribution expenses	627,082	612,028
Third party services **(Notes 9, 12, 13)**	714,385	634,844
External audit fees	2,202	4,206
Depreciation, amortization and impairment of tangible, intangible assets & right of use assets **(Note 35)**	954,307	943,837
Other expenses	152,176	155,095
Total expenses by nature	**8,584,823**	**10,199,689**
Included in:		
Cost of sales **(note 9)**	7,866,061	9,494,415
Administrative expenses	643,613	631,500
Selling and marketing expenses	75,149	73,774
Total	**8,584,823**	**10,199,689**

Other expenses include insurance, local taxes, donations, and other costs which are allocated as appropriate. The contracted audit fee for the statutory audit of the Separate and Consolidated Statutory Financial Statements as well as audit and review of Group Reporting Consolidated forms for Titan Cement International S.A. for 2023 is ALL 2,804 thousand. The external auditor did not provide any non audit services during the year.

9. COST OF SALES

	2023	2022
Variable Costs	***6,267,314***	***7,985,178***
Freight and logistic costs	627,082	612,028
Kiln fuel	2,139,432	2,343,479
Electricity	1,459,216	3,453,805
Raw materials and additives	1,302,619	913,005
Refractory	138,908	113,950
Fuel and oil	11,627	13,120
Mineral rent	53,776	52,756
Packing expenses	398,070	356,813
Cost of purchased imported (white) cement	68,669	77,404
Cost of purchased materials sold	1,205	27,097
Loss from derivatives contract	57,802	17,447
Other Items of variable cost	8,908	4,274
Fixed Costs	***1,772,561***	***1,647,205***
Salaries and related expenses **(Note 14)**	326,866	287,483
Repair and maintenance – spare parts	155,776	152,278
Services from third parties	367,261	308,253
Rent expenses	276	300
Plant utilities	17,047	16,756
Other fixed cost	48,077	51,965
Depreciation charges of property, plant and equipment	845,812	816,206
Depreciation of right of use assets	11,446	13,964
Changes in inventory of finished goods and work in progress	**(173,814)**	**(137,968)**
Total	**7,866,061**	**9,494,415**

Overheads are allocated to cost of sales, selling and marketing and administrative expense based on the cost centers they are allocated to (i.e. based on the cost center that actually used the service). Freight and logistic costs are further detailed as follows for year ended 31 December 2023 and 2022:

	2023	2022
Freight and logistic costs related to domestic sales	236,871	233,563
Freight and logistic costs related to exports sales	170,027	147,803
Freight related to overseas transportation	220,184	230,662
Total	**627,082**	**612,028**

10. OTHER OPERATING INCOME

	2023	2022
Reimbursement of excise duties	44,756	56,078
Gain from sales of fixed assets	-	903
Other operating income	21,390	28,182
Total	**66,146**	**85,163**

2023: Included in other operating income, the amount of ALL 19,681 thousand relates the recharge of employee expenses that arise for their service for affiliated companies.
2022: Included in other operating income, the amount of ALL 13,339 thousand relates to recharge of employee expenses and ALL 10,633 thousand relates to insurance payment for damaged trading goods.

11. OTHER OPERATING EXPENSES

	2023	2022
Other accruals	5,325	2,696
Losses of inventory	4,318	15,308
Other expenses	6,810	4,888
Total	**16,453**	**22,892**

Inventory losses is related to disposal of production due to quality issues in the amount of ALL 2,722 thousand and raw materials of ALL 1,596 thousand (2022: ALL 10,967 thousand trading goods and ALL 4,341 thousand of raw materials). Because of the small value, these were not allocated to cost of sale.

12. SELLING AND MARKETING EXPENSES

	2023	2022
Salaries and related expenses **(Note 14)**	52,640	48,051
Utilities	12,608	13,158
Depreciation of right of use assets	4,439	4,339
Other expenses	5,462	8,226
Total	**75,149**	**73,774**

13. ADMINISTRATIVE EXPENSES

	2023	2022
Parent company management fees	228,876	212,282
Salaries and related expenses	107,645	97,594
Supplies	76,198	76,478
Depreciation	71,097	70,329
Insurance and taxes	36,400	36,314
IT consulting services	19,529	18,872
Depreciation of right of use assets	16,592	18,436
Utilities	5,844	6,132
Repairs and maintenance	5,791	12,303
Amortization	4,922	20,565
Travel-entertainment	4,907	4,414
Tax consulting services	2,723	2,377
Legal consulting services	2,450	2,932
Audit fees	2,202	4,206
Other administrative expenses	58,437	48,266
Total	**643,613**	**631,500**

Other administrative expenses include donations and other professional services. Management fees are based on the cost of the services that is provided centrally by the group and allocated to the subsidiaries and it includes a margin which is based on the transfer pricing benchmarking.

14. EMPLOYEE BENEFITS EXPENSE

The employee benefits included under cost of sales, selling and marketing expenses and administrative expenses are summarized further as follows:

	2023	2022
Gross salaries	326,261	289,378
Social security (public defined contribution plan)	37,044	31,779
Health contributions	7,936	7,869
Share-based payments	7,196	5,156
Accruals for annual leave	2,864	2,332
Long-term retention plan	2,461	364
Other employee related expenses	108,714	98,946
Total	**492,476**	**435,824**
Allocated to:		
Cost of sales **(Note 9)**	326,866	287,483
Other operating expenses **(Note 11)**	5,325	2,696
Selling and marketing expenses **(Note 12)**	52,640	48,051
Administrative expenses **(Note 13)**	107,645	97,594
Total	**492,476**	**435,824**

Other employee-related expenses include catering, transportation and training expenses.

15. FINANCE INCOME AND FINANCE COSTS

Net finance costs for years ended 31 December 2023 and 2022 are detailed as follows:

	2023	2022
Interest income	11	13
Foreign exchange gain	1,053,980	621,905
Finance income	**1,053,991**	**621,918**
Interest expenses	(293,533)	(366,597)
Interest expenses – leases	(2,964)	(3,980)
Bank charges	(14,304)	(9,638)
Foreign exchange losses	(706,838)	(353,168)
Finance cost	**(1,017,639)**	**(733,383)**

16. INCOME TAX

a) Components of income tax (expense) / benefit

	2023	2022
Current income tax	(582,471)	(334,892)
Deferred income tax	44,859	42,772
Income tax expense for the year	**(537,612)**	**(292,120)**

b) Reconciliation between the income tax expense and profit or loss multiplied by applicable tax rate.

The Company determines income tax at the end of the year in accordance with the respective tax legislation currently enacted which determines an income tax rate of 15% (2022: 15%).

16. INCOME TAX (CONTINUED)

The following is a reconciliation of income taxes calculated at the applicable tax rate to the actual taxation credited in profit or loss.

	2023	2022
Profit before tax	**3,358,912**	**1,715,960**
Theoretical tax charge at statutory rate of 15%:	503,837	257,394
Tax effect of items which are not deductible or assessable for taxation purposes:		
Income which is exempt from taxation	-	(1,072)
Non-deductible expenses	28,444	33,060
Unrecognized other potential deferred tax assets (other provisions and accruals)	5,331	2,738
Income tax expense for the year	**537,612**	**292,120**
Effective income tax rate	16%	17%

Current income tax for the years 31 December 2023 and 2022 is calculated as follows based on the income tax law:

	2023	2022
Profit before income tax	**3,358,912**	**1,715,960**
Add Back:		
Expenses not deductible for tax purposes	189,631	220,402
Tax depreciation	334,594	303,394
Less:		
Dividend income	-	(7,146)
Taxable profit	**3,883,137**	**2,232,610**
Current income tax charge at 15%	**582,471**	**334,892**

c) Deferred taxes analyzed by type of temporary difference.

Differences between IFRS Accounting Standards and statutory taxation regulations in Albania give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences is detailed below.

Deferred taxes by type of temporary differences are analyzed below.

Deferred tax assets	**31 December 2021**	Charged/ (credited) to profit of loss	**31 December 2022**	Charged/ (credited) to profit of loss	**31 December 2023**
Provisions for liabilities and charges	64,913	(3,127)	61,786	(4,939)	56,847
Right-of-use assets and lease liabilities	1,578	393	1,971	(272)	1,699
Recognized deferred income tax asset	66,491	(2,734)	63,757	(5,211)	58,546

16. INCOME TAX (CONTINUED)

Deferred tax liability	**31 December 2021**	Charged/ (credited) to profit of loss	**31 December 2022**	Charged/ (credited) to profit of loss	**31 December 2023**
Difference between tax and accounting value of PPE	(1,184,383)	45,506	(1,138,877)	50,070	(1,088,807)
Recognized deferred income tax liability	(1,184,383)	45,506	(1,138,877)	50,070	(1,088,807)
Net deferred tax asset/(liability)	**(1,117,891)**	**42,772**	**(1,075,120)**	**44,859**	**(1,030,261)**

17. PROPERTY, PLANT AND EQUIPMENT

	Land and improvements	Buildings	Plant machinery	Vehicles	Furniture and fittings	Electronic equipment	Construction in progress	Total
Cost								
1 January 2022	**2,903,751**	**1,814,585**	**20,203,473**	**23,592**	**32,639**	**225,133**	**400,984**	**25,604,157**
Additions	-	-	-	-		18,792	540,788	**559,580**
Transfers	6,935	8,614	103,947	-	966		(120,462)	**-**
Disposals	-	-	-	-	-	(260)	(13,888)	**(14,148)**
31 December 2022	**2,910,686**	**1,823,199**	**20,307,420**	**23,592**	**33,605**	**243,665**	**807,422**	**26,149,589**
Additions	-	-	-	-	-	5,978	522,078	**528,056**
Transfers	44,742	30,382	677,750	-	6,345	4,948	(764,167)	**-**
Disposals	-	-	-	(11,486)	-	-	-	**(11,486)**
31 December 2023	**2,955,428**	**1,853,581**	**20,985,170**	**12,106**	**39,950**	**254,591**	**565,333**	**26,666,159**
Accumulated depreciation								
1 January 2022	**742,412**	**494,188**	**7,910,309**	**22,979**	**28,767**	**209,951**	**-**	**9,408,606**
Charge for the year	70,333	51,336	756,409	100	1,270	7,087	-	**886,535**
Disposals	-	-	-	-	-	(260)	-	**(260)**
31 December 2022	**812,745**	**545,524**	**8,666,718**	**23,079**	**30,037**	**216,778**	**-**	**10,294,881**
Charge for the year	70,791	50,186	785,379	100	1,270	9,183	-	**916,909**
Disposals	-	-	-	(11,486)	-	-	-	**(11,486)**
31 December 2023	**883,536**	**595,710**	**9,452,097**	**11,693**	**31,307**	**225,961**	**-**	**11,200,304**
Net book value								
31 December 2022	**2,097,941**	**1,277,675**	**11,640,702**	**513**	**3,568**	**26,887**	**807,422**	**15,854,708**
31 December 2023	**2,071,892**	**1,257,871**	**11,533,073**	**413**	**8,643**	**28,630**	**565,333**	**15,465,855**

Included in “assets under constructions” there are strategic spare parts amounting to ALL 262,641 thousand (2022; ALL 250,944 thousand). No items of property, plant and equipment have been pledged as collateral as at 31 December 2023 and 2022.

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Critical accounting estimates and judgments in applying accounting policies

Useful lives of property plant and equipment, and intangible assets

The estimation of the useful lives of items of property, plant and equipment is a matter of judgment based on the experience with similar assets. The future economic benefits embodied in the assets are consumed principally through use. However, other factors, such as technical or commercial obsolescence and wear and tear, often result in the diminution of the economic benefits embodied in the assets. Management assesses the remaining useful lives in accordance with the current technical conditions of the assets and estimated period during which the assets are expected to earn benefits for the Company. The following primary factors are considered: (a) the expected usage of the assets; (b) the expected physical wear and tear, which depends on operational factors and maintenance program; and (c) the Titan Group's experience with similar classes of assets.

Were the estimated useful lives to differ by 10% from management's estimates, the impact on depreciation for the year ended 31 December 2023 would be to increase it by ALL 101,878 thousand or decrease it by ALL 83,355 thousand (2022: increase by ALL 98,503 thousand or decrease by ALL 80,594 thousand).

18. INTANGIBLE ASSETS

The intangible assets in the statement of financial position are analyzed as follows:

	Computer software	Operating licenses	Total
Cost:			
1 January 2022	**145,896**	**8,295**	**154,191**
Additions	11,031	-	**11,031**
31 December 2022	**156,927**	**8,295**	**165,222**
Additions	9,587	-	**9,587**
31 December 2023	**166,514**	**8,295**	**174,809**
Accumulated Amortization:			
1 January 2022	**117,318**	**3,147**	**120,465**
Amortization charge for the year	19,783	782	**20,565**
31 December 2022	**137,101**	**3,939**	**141,030**
Amortization charge for the year	4,140	782	**4,922**
31 December 2023	**141,241**	**4,711**	**145,952**
Net book value:			
31 December 2022	**19,826**	**4,366**	**24,192**
31 December 2023	**25,273**	**3,584**	**28,857**

No intangible assets have been pledged as collateral as at 31 December 2023 (2022: none).

19. RIGHT OF USE ASSETS AND LEASE LIABILITIES

Right of Use Assets (ROUA)	Land and buildings	Motor vehicles	Total
1 January 2022	**93,516**	**26,840**	**120,356**
Additions	4,129	9,472	13,601
Terminations	-	(726)	(726)
Depreciation Charge	(26,401)	(10,339)	(36,740)
31 December 2022	**71,244**	**25,247**	**96,491**
Additions	8,498	23,139	31,637
Terminations	(5,761)	(959)	(6,719)
Depreciation Charge	(20,537)	(11,940)	(32,477)
31 December 2023	**53,444**	**35,488**	**88,932**

19. RIGHT OF USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Lease Liabilities	31 December 2023	31 December 2022
Current	18,146	16,765
Non-Current	61,440	75,924
Total	**79,586**	**92,689**

Interest expense included in finance costs of 2023 was ALL 2,964 thousand (2022: ALL 3,980 thousand). Expenses relating to short-term leases and to leases of low-value assets that are not included in ROUA:

	2023	2022
Expense relating to short-term leases	4,958	2,934
Expense relating to leases of low-value assets that are not shown above as short-term leases	725	275

Total cash outflow for leases in 2023 was ALL 34,885 thousand (2022: ALL 33,315 thousand).

20. INVESTMENTS IN SUBSIDIARIES

	31 December 2023	31 December 2022
Alba Cemento SH.P.K.	230,586	230,586
Cementi Antea SRL	599,345	599,345
Total	**829,931**	**829,931**

Alba Cemento SH.P.K. is a fully owned subsidiary of the Company. Alba Cemento SH.P.K. owns and operates a cement terminal in Tirana which is used by the Company, and it also leases out the buildings in the same property to a third party. Its net equity at 31 December 2023 was ALL 257,066 thousand (2022: ALL 257,522 thousand). The Company has recorded an impairment of ALL 526,180 thousand on its investment in Alba Cement in 2016. During 2023, the Company initiated the processes of merging with Alba Cement which is expected to be completed within 2024.

Cementi Antea SRL – Italy, is a fully owned subsidiary of the Company. Its main activity is trading the company's cement through a rented terminal in Ortona, Italy. Its net equity at 31 December 2023 was ALL 340,030 thousand (2022: 308,052 thousand).

21. OTHER NON-CURRENT ASSETS

	31 December 2023	31 December 2022
Repossessed collateral	32,761	32,761
Write down for measurement of repossessed collateral at lower of net realizable value and cost	(23,224)	(23,224)
	9,537	**9,537**

Other non-current assets consist of repossessed collateral, i.e. properties foreclosed by the Company against receivables due from its customers. The Company obtained ownership of those assets through bailiff execution and enforcement procedures. These assets are initially recorded at the value determined by the execution process (which is the value used against the receivables due) and they are subsequently measured at the lower of that amount and their net realizable value, fair value less costs to sale.

The Company expects to dispose/sell the assets in the foreseeable future. These assets did not meet the criteria to be classified as assets held-for-sale (i.e. – can be sold within one year; readiness of a market, etc.). Write-down is recorded following a valuation performed by an independent licensed real estate valuation expert in 2019.

22. INVENTORIES

The inventories in the statement of financial position are analyzed as follows:

	31 December 2023	31 December 2022
Raw materials	341,454	1,295,979
Spare parts	1,014,160	916,341
Packing materials	79,087	135,880
Semi-finished goods	359,490	108,876
Finished goods	112,492	191,560
Goods for resale	38,820	40,854
Other materials	122,576	115,102
Goods in transit	-	8,691
Inventory write down	(49,218)	(49,218)
Total	**2,018,861**	**2,764,065**

23. TRADE RECEIVABLES

Trade receivables in the statement of financial position are analyzed as follows:

	31 December 2023	31 December 2022
Trade receivables	707,703	757,500
Less: Credit loss allowance	(541,646)	(541,646)
Trade receivables, net of allowance for credit loss	**166,057**	**215,854**

Trade receivables are non-interest bearing and are generally on 30-120 credit terms.

Critical accounting estimates and judgments in applying accounting policies

Management maintains an allowance for doubtful receivables to account for estimated losses resulting from the inability of customers to make required payments.

Measurement of ECLs is a significant estimate that involves determination methodology, models, and data inputs. The expected credit loss would normally be the product of the exposure of default, loss given default and probability of default, however the company has calculated ECL based on the historical probability of default considering 100% loss given default. The company does not calculate ECL from receivables from Related Parties as it considers their credit risk to be low and it has no history of default.

The Company assesses individually all court cases and receivables due more than 365 days and usually applies 100% ECL while it assesses them for potential recoverability of VAT and deductibility for income tax purposes thereby recognizing deferred income tax asset as appropriate.

The credit loss allowance for trade receivables as well as an aging of the trade receivables is determined according to the provision matrix presented in the table below.

	31 December 2023			**31 December 2022**		
In % of gross value	Loss rate	Gross carrying amount	Lifetime ECL	Loss rate	Gross carrying amount	Lifetime ECL
- 0 to 30 days	6.1%	166,568	(10,151)	6.0%	155,982	(9,359)
- 31 to 90 days	6.1%	9,106	(555)	6.0%	48,212	(2,893)
- 91 to 180 days	6.1%	1	(0)	6.0%	13,632	(818)
- 181 to 365 days overdue	75.9%	4,508	(3,420)	68.9%	35,638	(24,540)
- over 365 days overdue	100.0%	527,520	(527,520)	100.0%	504,036	(504,036)
Gross receivables		***707,703***			***757,500***	
Credit loss allowance			*(541,646)*			*(541,646)*
Total trade receivables from customers (carrying amount)			***166,057***			***215,854***

23. TRADE RECEIVABLES (CONTINUED)

As at 31 January 2024, the Company has collected a total of **163,542 thousand**. Please refer to the following table for a breakdown of amounts collected based on days past due:

Days past due at the reporting date	Amounts collected by the Company
- 0 to 30 days	162,360
- 31 to 90 days	390
- 91 to 180 days	-
- 181 to 365 days overdue	792
- over 365 days overdue	-
Total	**163,542**

24. OTHER RECEIVABLES

Other receivables in the statement of financial position are analyzed as follows:

	31 December 2023	31 December 2022
Prepaid expenses	47,737	55,952
Sundry debtors	18,067	12,663
Other taxes receivable	7,283	456
VAT receivables	-	203,997
Prepayments for supplies	11,639	11,355
Total	**84,726**	**284,423**

Deferred expenses represent consumables and/or prepaid expenses, which are deferred for a period and are expensed based on their respective consumption rate.

25. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	31 December 2023	31 December 2022
Cash on hand in domestic currency	68	3
Cash on hand in foreign currency	163	180
Current accounts in domestic currency	52,083	57,908
Current accounts in foreign currency	422,687	418,009
Total	**475,001**	**476,100**

Cash and cash equivalents consist of current accounts held with 9 commercial banks operating in Albania. Most banks are part of international banking groups. Local banks that are not rated by international credit rating agencies do not show problems with liquidity according to the Bank of Albania. Banks where cash and cash equivalents are held are rated A+-BBB-. No expected credit loss has been calculated by the Company as it would not be significant.

26. SHARE CAPITAL

	31 December 2023			31 December 2022		
Authorized, issued, and fully paid	***Number of shares***	***% Holding***	***Face Value in ALL' 000***	***Number of shares***	***% Holding***	***Face Value in ALL' 000***
ALVACIM ltd –ordinary shares of ALL 2,000 each	5,343,255	100%	10,686,510	5,343,255	100%	10,686,510
Total	**5,343,255**	**100%**	**10,686,510**	**5,343,255**	**100%**	**10,686,510**

27. SHARE-BASED COMPENSATION

2020 Plan

Under the plan, participants are granted awards for nil consideration in the form of a conditional grant of TCI shadow shares in April (or later) of each year. The awards have no dividend or voting rights. The number of shadow shares granted to each participant is determined by the award amount and the value of the shadow share. The value of the shadow share is equal to the average TCI share closing price on Euronext Brussels during the last seven trading days of March of the grant year.

The vesting period of the awards is as follows:

- 50% at the completion of a three-year period and
- 50% at the completion of a four-year period

The awards vest at the designated dates from March through April next year, provided that the participants are still working in TCI or in any other employer company of the Group or are still serving as an executive Director in the Board of Directors of TCI.

Upon vesting, participants may select to receive their vested awards in TCI shares, or in contributions to a fund, or in cash. The parent of the Group (Titan Cement International S.A.) has the obligation to settle the awards. Thus, Antea Cement accounts for the plan as an equity-settled transaction by recognizing in equity the fair value of the services it receives from the participants. The Company as all subsidiaries is invoiced by TCI when the awards are settled to its employees. The Company reclassifies the respective amount classified in equity for the settled shares to liabilities to TCI at this stage.

On 31 December 2020, the number of the awards granted to the employees of Antea Cement was 6,370.

The fair value of the award was calculated based on the closing price of the TCI share on 14.5.2020, €10.82 (equivalent of ALL 1,338) in Euronext Brussels. The calculation of the un-forfeited awards resulted in the recognition of an expense of ALL 1,826 thousand with a corresponding increase in equity.

2021 Plan On 14 May 2021, the Annual General Meeting of TCI, approved the following plan.

On 31 December 2022, the number of the awards granted to the employees of Antea Cement was 4,410 (each award corresponding to one share). The fair value of the award was calculated based on the closing price of the TCI share on 13.5.2021, €17.14 (ALL 2,106) in Euronext Brussels. The calculation of the un-forfeited awards resulted in the recognition of an expense of ALL 4,389 thousand with a corresponding increase in equity.

2022 Plan On 12 May 2022, the Annual General Meeting of TCI, approved the following plan.

On 31 December 2022, the number of the awards granted to the employees of Antea Cement was 5,431. The fair value of the award was calculated based on the closing price of the TCI share on 13.5.2022, €11.90 (ALL 1,435) in Euronext Brussels. The calculation of the un-forfeited awards resulted in the recognition of an expense of ALL 5,156 thousand with a corresponding increase in equity.

2023 Plan On 11 May 2023, the Annual General Meeting of TCI, approved the following plan.

On 31 December 2023, the number of the awards granted to the employees of Antea Cement was 5,316. The fair value of the award was calculated based on the closing price of the TCI share on 13.5.2023, €14.64 (ALL 1,686) in Euronext Brussels. The calculation of the un-forfeited awards resulted in the recognition of an expense of ALL 3,920 thousand with a corresponding increase in equity.

Number of awards	2023 Plan	2022 Plan	2021 Plan	2020 Plan
At 31 December 2020	-	-	**-**	**-**
Granted	-	-	-	6,370
At 31 December 2020	**-**	**-**	**-**	**6,370**
Granted	-	-	4,410	-
At 31 December 2021	**-**	**-**	**4,410**	**6,370**
Granted	-	5,431	-	-
Cancelled	-	-	(460)	(680)
At 31 December 2022	**-**	**5,431**	**3,950**	**5,690**
Granted	5,316	-	-	-
Vested	-	-	-	(2,845)
At 31 December 2023	**5,316**	**5,431**	**3,950**	**2,845**

Refer to Note 14 for expenses incurred during the year.

28. BORROWINGS

The Company's borrowings as at 31 December 2023 and 31 December 2022 are as follows:

	31 December 2023	31 December 2022
Borrowings from Related Parties		
Term loans	2,290,632	5,317,494
Borrowings from Financial Institutions		
Revolving credit facility	348,347	700,823
Term loans	989,917	1,592,654
Total borrowings	**3,628,896**	**7,610,971**

More detailed information on the borrowings from related parties / shareholders are disclosed in **Note 32e.**

Term loans and revolving credit lines are secured by a corporate guarantee from Titan Cement Company S.A. No Company's assets are pledged as a collateral against these borrowings.

Bank borrowings mature until end of 2025.

The maturities of the non-current portion of borrowings are as follows:

	31 December 2023	31 December 2022
After one year but not more than two years	2,004,832	1,133,856
After two years but not more than five years	-	4,647,820
More than five years	-	-
Total	**2,004,832**	**5,781,676**

The Company's borrowings are denominated in the following currencies:

	31 December 2023	31 December 2022
Term loans		
ALL	989,917	1,592,653
EUR	2,290,632	5,317,494
Revolving credit facility		
ALL	348,347	700,823
EUR	-	-
Total borrowings	**3,628,896**	**7,610,971**

The Company's covenants on the term borrowings with commercial banks include senior net debt to equity less than 0.95 and senior net debt to EBITDA less than 4.0. The Company was in line with both limits at the reporting date (2022: below both limits).

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below sets out an analysis of liabilities from financing activities and the movements in the Company's liabilities from financing activities for each of the periods presented. The items of these liabilities are those that are reported as financing in the statement of cash flows:

	Year ended 31 December 2023			Year ended 31 December 2022		
	Borrowings	**Lease Liabilities**	**Total**	**Borrowings**	**Lease Liabilities**	**Total**
Liabilities from financing activities on 1 January	**7,610,971**	**92,689**	**7,703,660**	**9,048,141**	**121,923**	**9,170,064**
Cash flows:						
Loan drawdowns	200,798	-	**200,798**	317,756	-	**317,756**
Principal repayments	(3,737,414)	-	**(3,737,414)**	(1,460,110)	-	**(1,460,110)**
Interest payments	(302,686)	-	**(302,686)**	(323,922)	-	**(323,922)**
Lease payments	-	(31,922)	**(31,922)**	-	(36,608)	**(36,608)**
Non-cash changes						
Interest accrual	293,533	-	**293,533**	366,597	-	**366,597**
New leases	-	31,639	**31,639**	-	13,601	**13,602**
Foreign exchange	(423,772)	(6,100)	**(429,872)**	(326,903)	(5,500)	**(332,403)**
Lease termination and withholding taxes	(12,534)	(6,720)	**(19,254)**	(10,587)	(727)	**(11,314)**
Liabilities from financing activities on 31 December	**3,628,896**	**79,586**	**3,708,482**	**7,610,971**	**92,689**	**7,703,660**

30. TRADE PAYABLES

Trade payables are non-interest-bearing liabilities with domestic and foreign suppliers and are normally settled on a period ranging from 30 days to 90 days.

	31 December 2023	31 December 2022
Trade creditors third parties	1,080,752	1,208,981
Accruals for supplies	10,949	20,440
Total	**1,091,701**	**1,229,421**

31. OTHER PAYABLE

	31 December 2023	31 December 2022
Other taxes	117,065	72,192
VAT payable	47,729	-
Provisions and accruals for employee benefits	32,519	27,195
Contract liabilities – advances from customers	16,412	23,562
Social security	6,197	5,265
Payroll taxes	3,574	2,507
Other payables	334	17,651
Due to employees	269	7
Total	**224,099**	**148,373**

Contract liabilities are related to delivery of goods (cement) to customers to whom cement is sold based on prepayments. There are no unsatisfied performance obligations for long-term contracts (nor long-term contracts). Accruals for employee benefits relate to unused days of vacation, other additional personnel costs, as well as other operational items. The movements are as follows:

	2023	2022
Balance on 1 January	**27,195**	**25,432**
Additions	5,324	4,498
Utilization	-	(932)
Cancellations	-	(1,803)
Balance on 31 December	**32,519**	**27,195**

32. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The Company is controlled by Alvacim Ltd which is in turn a fully owned subsidiary of Titan Cement International S.A. The Company considers as related parties all the group companies that are controlled by Titan Cement International S.A. as well as key management, key management's close family members and those entities where key management or their close family members, have significant influence, control and/or serve as key management. For 2023 and 2022 there are no such cases. The following tables provide the total amount of transactions that have been entered into with the related parties for the relevant financial years. All entities are fellow subsidiaries of Titan Cement International except for Cementi Antea Srl and Alba Cemento SH.P.K., direct subsidiaries of the Company.

a. Sales of goods and services

	2023	2022
Cementi Antea Srl – (Sales of Cement)	1,308,544	1,103,148
TCK Montenegro – (Sales of Cement)	973,252	786,318
Sharrcem – (Sales of Cement)	575,859	449,118
Cementara Kosjeric – (Sales of Cement)	8,980	41,189
Sharrcem – (Recharge employee cost)	18,264	10,137
Cement Plus – (Sales of Cement)	-	3,629
Titan Cement Company- (Recharge employee cost)	1,417	3,202
Sharrcem – (Sales of Clinker)	-	2,042
Alba Cemento – (Sales of materials)	256	-
Total	**2,886,572**	**2,398,783**

The major transactions are related with TCK Montenegro, Sharrcem and Cementi Antea Srl for sales of cement, (2022: The major transactions are related with TCK Montenegro, Sharrcem and Cementi Antea Srl for sales of cement).

b. Receivables from related parties

Outstanding balances arising from the transactions mentioned above are presented below:

	31 December 2023	31 December 2022
Cementi Antea SRL	361,225	247,728
Sharrcem	47,549	26,135
TCK Montenegro	24,248	11,304
Titan Cementara Kosjeric	-	9,576
Titan Cement Company Sa	492	448
Cement Plus for Building Materials	-	10
Alba Cemento	178	-
Total	**433,692**	**295,201**

c. Purchases of goods and services

	2023	2022
Titan Cement Company S.A – Services	472,017	460,856
Adocim – Goods	166,831	109,338
Tithys Holding Limited – Derivative energy swap arrangement	70,623	-
Titan Cement Company S.A – Goods	87,179	5,414
Cementarnica Usje Ad Skopje – Services	11,499	7,327
Albacemento Shpk – Services / cement terminal	10,471	11,421
Titan Cement International Sa	4,330	-
Zlatna Panega Cement – Services	15	27
Cementarnica Usje Ad Skopje – Clinker	-	67,904
Opalit – Goods	-	543
Sharrcem – Goods	-	22,082
Total	**822,965**	**684,912**

The major purchases during the year are from Titan Cement Company S.A. for various services and goods (2022: Major purchases during the year are from Titan Cement Company S.A. for various services and goods).

32. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

d. Payable to related parties.

Outstanding balances arising from the transactions mentioned above are presented below:

	31 December 2023	31 December 2022
Titan Cement Company SA	535,506	447,977
Albacemento	84,774	80,061
Cementarnica Usje Ad Skopje	4,629	72,910
Zlatna Panega Cement	38	26
Sharrcem	-	21,585
Total	**624,947**	**622,559**

e. Loans from related parties/shareholders

Titan Global Finance plc	31 December 2023	31 December 2022
Non-current portion of principal	1,869,840	4,835,510
Current portion of principal	415,520	456,920
Accrued interest	23,474	58,387
Total term loan	**2,308,834**	**5,350,817**

	2023	2022
Interest expense	188,534	315,448

During 2023 the company has repaid TGF loan principal in the amount of Euro 24,331 thousand or the equivalent of ALL 2,593,587 thousand (2022: loan principal in the amount of Euro 4,000 thousand or the equivalent of ALL 472,490 thousand) and the respective interests and related fees in the amount of Euro 1,670 thousand or the equivalent of ALL 184,172 thousand (2022: respective interests and related fees in the amount of Euro 1,904 thousand or the equivalent of ALL 227,186 thousand).

Key management includes Directors (executive and non-executive), members of the Management Committee.

Key management compensations are detailed below.

	2023		2022	
	Expense	Accrued liability	Expense	Accrued liability
Short-term benefits:				
- Salaries	31,286	-	32,197	-
- Short-term bonuses	5,083	-	6,200	-
- Benefits in-kind	9,214	-	12,469	-
Post-employment benefits:				
- State pension and social security costs	2,036	-	1,827	-
- Retention plan	-	2,461	-	364
Share-based compensation:				
- Equity-settled share-based compensation	7,196	-	5,156	-
Total key management compensation	54,815	2,461	57,849	364

Short-term bonuses fall due wholly within twelve months after the end of the period in which management rendered the related services.

Terms and conditions of transactions with related parties

Goods are sold based on the price lists in force and terms that would be available to third parties. Purchased goods and services are bought on normal commercial terms and conditions based on transfer pricing benchmarking studies that are carried out on a regular basis. Management services are bought from Titan Cement International based on the value of the services rendered. The receivables from related parties arise mainly from sale transactions and are due 2 months after the date of sales. The receivables are unsecured in nature and bear no interest. No provisions are held against receivables from related parties (2022: Nil). The payables to related parties arise mainly from purchase transactions and are due 2 months after the date of purchase. The payables bear no interest.

33. FINANCIAL RISK MANAGEMENT

The Company has exposure to credit risk, liquidity risk and market risk from the use of financial instruments. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies, and processes for measuring and managing risk, and the Company's management of capital.

The Supervisory Council has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The principal financial instruments of the Company consist of cash on hand and at banks, trade accounts receivable and payable, other receivables and liabilities.

The main risks arising from the Company's financial instruments are liquidity risk, credit risk and market risk which consists of foreign currency risk and interest rate risk as well as other price risk. Management reviews and agrees policies for managing each of these risks which are summarized below.

Market risk

a. Interest rate risk

The Company's exposure to the risk for changes in market interest rates relates primarily to the Company's long-term debt obligations with a floating interest rate. On 31 December 2023 (31 December 2022: Nil) no interest rate swaps were agreed, which makes 100% of the Company's borrowings to be at a variable rate of interest.

	31 December 2023	31 December 2022
Fixed rate interest		
Financial assets **(Note 23)**	599,749	511,055
Financial liabilities **(Note 30)**	1,716,648	1,851,980
Variable rate interest		
Financial assets	-	-
Financial liabilities **(Note 28)**	3,708,482	7,703,660

The Company's income and operating cash flows are substantially independent of changes on market interest rates, nevertheless the effect that a change in interest rates on the company's Long-Term Debt might have on the Company results is shown as follows:

	31 December 2023		31 December 2022	
	Increase/Decrease in Basis/Point	Effect on Profit Before Tax	Increase/Decrease in Basis/Point	Effect on Profit Before Tax
EUR	20	3,703	20	9,604
ALL	100	1,532	100	9,795
EUR	(20)	(3,703)	(20)	(9,604)
ALL	(100)	(1,532)	(100)	(9,795)

b. Foreign exchange risk

The Company enters transactions denominated in foreign currencies related to the sales of its products and purchase of fixed assets and raw materials. The Company does not use any financial instrument to hedge against these risks, since no such instruments are in common use in the Republic of Albania. Therefore, the Company is potentially exposed to market risk related to possible foreign currency fluctuations.

332. FINANCIAL RISK MANAGEMENT (CONTINUED)

	31 December 2023			
	Lekë	**USD**	**Euro**	**Total (Lekë)**
Financial assets				
Trade receivables	-	-	166,057	166,057
Other receivables	140	-	29,566	29,706
Trade receivables from related parties	-	-	433,692	433,692
Cash and cash equivalents	52,151	1,039	421,811	475,001
Total financial assets	**52,291**	**1,039**	**1,051,126**	**1,104,456**
Financial liabilities				
Borrowings	(1,320,062)	-	(2,308,834)	(3,628,896)
Trade payables	(421,128)	(3,737)	(666,836)	(1,091,701)
Lease liabilities	-	-	(79,586)	(79,586)
Trade payables to related parties	-	-	(624,947)	(624,947)
Total financial liabilities	**(1,741,190)**	**(3,737)**	**(3,680,203)**	**(5,425,130)**
Net position	**(1,688,899)**	**(2,698)**	**(2,629,077)**	**(4,320,674)**

	31 December 2022			
	Lekë	**USD**	**Euro**	**Total (Lekë)**
Financial assets				
Trade receivables	-	-	215,854	215,854
Other receivables	90	-	23,928	24,018
Trade receivables from related parties	-	-	295,201	295,201
Cash and cash equivalents	57,911	671	417,518	476,100
Total financial assets	**58,001**	**671**	**952,501**	**1,011,173**
Financial liabilities				
Borrowings	(2,260,153)	-	(5,350,818)	(7,610,971)
Derivative financial instruments	-	-	(17,447)	(17,447)
Trade payables	(325,780)	(117,495)	(786,146)	(1,229,421)
Lease liabilities	-	-	(92,689)	(92,689)
Trade payables to related parties	-	-	(622,559)	(622,559)
Total financial liabilities	**(2,585,933)**	**(117,495)**	**(6,869,659)**	**(9,573,087)**
Net position	**(2,527,932)**	**(116,824)**	**(5,917,158)**	**(8,561,914)**

The above analysis includes only monetary assets and liabilities. Investments in equity (subsidiaries) and non-monetary assets do not give rise to any currency risk.

The following significant exchange rates applied during the year:

	Average rate		**Reporting date spot rate**	
	2023	**2022**	**2023**	**2022**
EUR/ALL	108.75	118.97	103.88	114.23
USD/ALL	100,62	113.14	93.94	107.05

The company's main exposure is toward the Euro as such a change of +/- 5% in exchange rate of Euro to ALL at the reporting date would have increased/(decreased) equity and profit/(loss) by ALL 130,544 thousand (2022 – ALL 2954,192 thousand).

c. Other price risk

The Company has limited exposure to equity price risk. Transactions in equity products are monitored and authorized by the Titan Group's treasury.

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to daily calls on its available cash resources. Liquidity risk is managed by the Finance function of the Company. Management monitors monthly rolling forecasts of the Company's cash flows. Prudent liquidity risk management implies maintaining enough cash and availability of funds through an adequate amount of committed credit facilities. The Company seeks to maintain a stable funding base primarily consisting of borrowings, trade and other payables. The table below shows liabilities at 31 December 2023 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows, including gross finance lease obligations (before deducting future finance charges), gross loan commitments and financial guarantees. Financial derivatives are included at the contractual amounts to be paid or received, unless the Company expects to close the derivative position before its maturity date in which case the derivatives are included based on the expected cash flows. For the purposes of the maturity analysis, embedded derivatives are not separated from hybrid (combined) financial instruments.

When the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. Foreign currency payments are translated using the spot exchange rate at the end of the reporting period.

Year ended 31 December 2023

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Borrowings – non-current	-	-	-	2,040,313	-	2,040,313
Borrowings – current	-	751,605	987,888	-	-	1,739,493
Trade and other payables	-	1,413,299	-	-	-	1,413,299
Trade payables to related parties	-	624,947	-	-	-	624,947
Lease Liabilities		4,537	13,610	21,599	39,841	79,587
Off-balance sheet guarantees (short-term)	-	-	103,880	-	-	103,880
Total future payments, including future principal and interest payments	**-**	**2,794,388**	**1,105,378**	**2,061,912**	**39,841**	**6,001,519**

Year ended 31 December 2022

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Borrowings – non-current	-	-	-	6,074,101	-	6,074,101
Borrowings – current	-	887,476	1,194,965	-	-	2,082,441
Trade and other payables	-	1,431,422	-	-	-	1,431,422
Trade payables to related parties	-	622,559	-	-	-	622,559
Lease liabilities	-	4,191	12,574	32,113	43,811	92,689
Derivative financial instruments (energy swap)	-	-	17,447	-	-	17,447
Off-balance sheet guarantees (short-term)	-	-	114,230	-	-	114,230
Total future payments, including future principal and interest payments	**-**	**2,945,648**	**1,339,216**	**6,106,214**	**43,811**	**10,434,889**

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

The Company exposes itself to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Exposure to credit risk arises because of the Company's credit and other transactions with counterparties, giving rise to financial assets and off-balance sheet credit-related commitments.

The Company's maximum exposure to credit risk is reflected in the carrying amounts of financial assets in the statement of financial position. For financial guarantees issued, undrawn credit lines, the maximum exposure to credit risk is the amount of the commitment.

Credit risk management. Credit risk is the single largest risk for the Company's business; management therefore carefully manages its exposure to credit risk. The estimation of credit risk for risk management purposes is complex and involves the use of models, as the risk varies depending on market conditions, expected cash flows and the passage of time. The assessment of credit risk for a portfolio of assets entails further estimations of the likelihood of defaults occurring, the associated loss ratios and default correlations between counterparties.

Limits. The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to sales of products so that they are made to customers with an appropriate credit history. Limits on the level of credit risk are approved regularly by management. Such risks are monitored on a revolving basis and are subject to an annual, or more frequent, review. In addition, to reduce this risk the Company has required as collateral: bank guaranties and deposits.

With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents and other financial assets (non-current), the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

	Note	31 December 2023	31 December 2022
Trade receivables	**23**	166,057	215,854
Other receivables	**24**	18,067	12,663
Trade receivables from related parties	**32b**	433,692	295,201
Current accounts with banks	**25**	474,770	475,917
Undrawn credit commitments	**28**	1,710,333	817,857
Financial guarantees received from customers		72,716	85,101
Total		**2,875,635**	**1,902,593**

The Company has no commitment to draw undrawn credit lines and this exposure is considered nil.

34. FAIR VALUES

The fair values of current assets and current liabilities approximate their carrying value due to their short-term nature. The fair value of non-current interest-bearing loans and borrowings also approximate their carrying value due to variable interest rate on the loans.

Set out as a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are carried in the financial statements.

	Carrying amount		Fair Value	
Financial assets	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**
Cash and Banks	475,001	476,100	475,001	476,100
Trade receivables	166,057	215,854	166,057	215,854
Trade receivables from related parties	433,692	295,201	433,692	295,201
Other receivables	29,706	24,018	29,706	24,018
Total	**1,104,456**	**1,011,173**	**1,104,456**	**1,011,173**

34. FAIR VALUES (CONTINUED)

Financial Liabilities	Carrying amount 31 December 2023	Carrying amount 31 December 2022	Fair Value 31 December 2023	Fair Value 31 December 2022
Borrowings	3,628,896	7,610,971	3,628,896	7,610,971
Trade accounts payable	1,091,701	1,229,421	1,091,701	1,229,422
Derivatives	-	17,447	-	17,447
Lease Liability	79,586	92,689	79,586	92,689
Trade payables to related parties	624,947	622,559	624,947	622,559
Total	**5,425,130**	**9,573,087**	**5,425,130**	**9,573,087**

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts due to the short-term maturities of these instruments.

Fair Value Hierarchy
As the fair value of the Company's financial assets and liabilities approximates it's carrying value, level 3 inputs are used to arrive at the above conclusions.

35. CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base to maintain investors, creditors, and market confidence and to sustain future development of the business. The Supervisory Council (Board) monitors the EBITDA which is earnings before interest, taxes, and depreciation. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Company is not subject to externally imposed capital requirements. The Company's principal financial instruments comprise bank loans, loans from related parties and cash and short-term deposits. The main purpose of these financial instruments is to fund the Company's operations. The Company has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. Risk management is carried out under policies approved by the Management. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximize shareholder value.

The Company manages its capital structure and adjusts it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares, following shareholder's approval. The Company monitors its economic performance using profit before interest, taxes, depreciation, amortization, and impairment (EBITDA), which is not an IFRS measure but rather a measure used by management of the Company and is calculated as follows:

	31 December 2023	31 December 2022
Profit before tax	3,358,912	1,715,960
Finance costs **(Note 15)**	1,017,639	733,383
Finance income **(Note 15)**	(1,053,991)	(621,918)
Dividend income	-	(7,146)
Depreciation and amortization expense	954,307	943,837
EBITDA	**4,276,867**	**2,764,116**

A reconciliation of depreciation and amortization expense is provided below:

	31 December 2022	31 December 2023
Depreciation charges **(note 9)**	845,812	816,206
Depreciation of right of use assets **(note 13)**	11,446	13,964
Depreciation of right of use assets **(note 12)**	4,439	4,339
Amortization **(note 13)**	4,922	20,565
Depreciation charges **(note 13)**	71,097	70,329
Depreciation of right of use assets **(note 13)**	16,592	18,436
Depreciation and amortization	**954,308**	**943,839**

The Company is not subject to any externally imposed capital requirements. The structure and management of debt capital is determined at TITAN Group level.

36. COMMITMENTS AND CONTINGENCIES

a. Taxation

Albania's tax and customs legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Company. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged by tax authorities. Fiscal periods remain open to review by the authorities in respect of taxes for five calendar years preceding the year when decisions about the review was made. Under certain circumstances reviews may cover longer periods.

Albania transfer pricing (TP) legislation is generally aligned with the international TP principles developed by the Organization for Economic Cooperation and Development (OECD), although it has specific features. The TP legislation provides for the possibility of additional tax assessment for controlled transactions (transactions between related parties and certain transactions between unrelated parties) if such transactions are not on an arm's-length basis. The management has implemented internal controls to comply with current TP legislation.

Tax liabilities arising from controlled transactions are determined based on their actual transaction prices. It is possible, with the evolution of the interpretation of TP rules, that such prices could be challenged. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the Company's operations.

As tax legislation may not provide definitive guidance in certain areas, the Company adopts, from time to time, interpretations of such uncertain areas that reduce the overall tax rate of the Company. While management currently estimates that the tax positions and interpretations that it has taken can probably be sustained, there is a possible risk that an outflow of resources will be required should such tax positions and interpretations be challenged by the tax authorities. The impact of any such challenge cannot be reliably estimated; however, it may be significant to the financial position and/or the overall operations of the Company.

b. Legal proceedings

From time to time and in the normal course of business, claims against the Company may be received. On the basis of its own estimates and both internal and external professional advice, management is of the opinion that no material losses will be incurred in respect of claims in excess of provisions that have been made in these financial statements.

On 31 December 2023, the Company was involved in litigation proceedings as a defendant with a third-party raising claim in relation to the costs of an entry road utilized by the Company, constructed in 2010. The case was lodged in front of the District Court of Kruja which ruled to partially accept the claim. The total amount of liabilities to be paid by the Company amounted to ALL 68,000 thousand. The company appealed the decision in front of the Tirana Appeal Court which during 2017 dismissed the Judgement of the Kruja District Court and ruled for a new trial in the Kruja District Court. Against this judgement the Company filed an appeal to the Supreme Court. Based on its own estimates and both external legal advice, management is of the opinion that no material losses will be incurred in respect of this claim and accordingly no provision has been made in these Separate Financial statements.

During the year 2023, Antea Cement was involved in an investigation by the Competition Authority concerning the production and wholesale market of gray and white cement. Antea is currently examining the Statement of Objectives and will defend its position during a hearing session. On the basis of its own estimates, management is of the opinion that the Competition Authority's decision will not result in any material financial penalties or other adverse outcomes, and therefore, no additional provisions have been made in these Separate Financial statements.