TITAN
ANTEA CEMENT SH. A.

ANTEA CEMENT SH.A.

CONSOLIDATED BUSINESS ACTIVITY REPORT,
CONSOLIDATED REPORT ON PAYMENTS TO
GOVERNMENT INSTITUTIONS AND CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

GENERAL INFORMATION

CORPORATE INFORMATION

ANTEA Cement SH.A.('The Group') 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 Group is controlled by ALVACIM LTD, which has 100% shareholding in the Group. The Group'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 tons 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.

During 2024, the Group has finalized the merger of Alba Cemento SH.P.K. into Antea Cement SH.A. as part of its strategic initiative to streamline operations and enhance efficiency. The merger was executed in accordance with applicable legal and regulatory requirements, with Antea Cement SH.A. assuming all assets, liabilities, rights, and obligations of Alba Cemento SH.P.K. Following the completion of the merger, Alba Cemento SH.P.K. ceased to exist as a separate legal entity, and its financial results have been consolidated into Antea Cement SH.A. This transaction had no material impact on the Antea Cement's overall financial position or results.

The Group has one fully owned (100%) subsidiary:

<u>CEMENTI ANTEA SRL – Italy</u>

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

CONSOLIDATED BUSINESS ACTIVITY REPORT

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

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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

The Group 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 Group, through the technology installed in its plant, can produce both Clinker and Cement.

Clinker is a semi-product produced by the Group which can further be utilized 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 Group sells its product in the domestic market as well as exporting it internationally.

REPORT ON THE CONSOLIDATED ECONOMIC AND OTHER ACTIVITIES

<u>Antea Cement</u>

The Group reported stable results in 2024. Sales volumes remained consistent across both domestic and export markets, contributing to the overall performance of the group.

Simultaneously, ANTEA aimed to achieve balanced, responsible, and sustainable long-term growth, while adapting to organizational and environmental changes and accelerating adoption of innovation in its industry.

Presented below are key financial indicators for the current reporting period, benchmarked against the previous reporting period.

Financial Performance Highlights	**Antea Cement - Consolidated**	
Amounts in 000 ALL	**2024**	**2023**
Consolidated Revenue	10,141,107	12,033,389
Consolidated Operating profit	2,593,902	3,398,352
Consolidated EBITDA	3,689,231	4,411,736
Consolidated Profit before tax	2,517,109	3,423,383
Consolidated Profit for the year	2,090,965	2,865,808

Antea's consolidated revenues for the year fell by **16%** or **ALL 1,892,282 thousand** compared to last year. The decline was due to reduced sales volumes and lower selling prices caused by competition and decreased raw material costs.

The Group's consolidated export activities stayed stable, making up **31%** of total sales, which is unchanged from the previous year. The main export markets remain Albania's neighboring countries, including Italy and Kosovo.

Consolidated operating profit before interest and taxes fell by **23,7%** or **ALL 804,450 thousand** compared to last year, mainly due to lower sales volumes and prices. EBITDA also decreased by **16.4%** or **ALL 722,505 thousand** year-over-year.

Consolidated profits before tax for the year declined by **ALL 906,274 thousand** compared to the previous year, primarily due to the factors mentioned above. However, this was partially offset by lower finance costs and favorable exchange rate gains.

The above consolidated results coupled with the movement in the group's working capital led to consolidated net cash from operating activities resulting in **ALL 3,723,466 thousand,** which was lower by **ALL 547,949 thousand** compared to the prior year. The Group utilized the consolidated generated cash flow to invest in new capex amounting to **ALL 653,165 thousand** and utilized its consolidated free cash flow in repaying borrowings in the net amount of **ALL 190,585 thousand** during the period.

In 2024, the production line met demand efficiently, optimizing stocks and working capital. It operated reliably, ensuring timely delivery to both domestic and export markets, especially during peak periods, and seizing all available opportunities.

The Group adheres to all legal and TITAN Group **Health and Safety (H&S)** guidelines, implementing best practices to improve H&S. Training is crucial for educating employees on workplace procedures and hygiene to prevent injuries and illnesses. Annually, the Group schedules H&S training to update employees. In 2024, employees and subcontractors completed **11,054 hours** of H&S training.

ANTEA has donated cement to municipalities in Albania for civil projects such as road repairs, and the restoration or construction of local houses and schools. ANTEA also promotes CSR standards and best practices by organizing conferences and meetings with Local Authorities, Institutions, Universities, Organizations, and NGOs, while advancing SDGs in the country.

In 2024, the Group established itself as a leader in ESG in the private sector by focusing on sustainable strategies. It engaged in 18 community initiatives promoting education, inclusivity, and environmental concerns. Under a new logo and refreshed values, Antea Cement participated in reforestation campaigns and lobbied for legal reforms aimed at decarbonization.

The Group, in partnership with USAID and CBS, organized the BALKANOMICS Conference in Tirana on 16 September 2024. The conference aimed to promote regional economic growth, decarbonization efforts, and ESG policies. Entrepreneurs, development professionals, and policymakers discussed technological innovations and investment strategies for sustainable development.

Following the establishment of the first ESG Network in Albania, over which it presides, the Group engaged in meetings with state representatives and international partners to institutionalize the private sector's ESG efforts throughout the EU integration process of the Country. For the third consecutive year, Antea Cement maintained a health and safety record with zero Lost Time Incidents (LTI) for direct employees and welcomed study visits from various universities to showcase its best practices. With a focus on upskilling and reskilling employees, the Group remained committed to enhancing wellbeing and providing comprehensive training and qualifications.

The Group monitors and reviews its environmental performance throughout the year. The review addresses all significant operational issues in a timely manner. Since its inception, the Group has conducted its activities in accordance with the ISO 14001 environmental management system, certified by EuroCert every three years and audited annually. This certification encompasses the quality and adequacy of systems implemented to control and reduce air emissions, quarry rehabilitation, landscape aspects, groundwater management, wastewater treatment, liquid and solid waste disposal, natural resource and energy consumption, noise, and other environmental factors.

In this regard, the Group is fully compliant with relevant laws and regulations. The Group consistently aims to improve its environmental performance, focusing on climate change mitigation, responsible use of natural resources, enhancement of energy efficiency, and contribution to the circular economy.

The priority of the Group is to maintain a robust employer-employee relationship grounded in mutual trust and adherence to the Group's corporate values and principles. The Group ensures a comprehensive and respectable working environment that upholds health and safety standards as well as human rights.

TITAN annually reinforces its commitment to Health and Wellbeing through a detailed framework encompassing four key dimensions: physical, mental, social, and financial. In line with these efforts, TITAN has again extended the Employee Assistance Program (EAP), a consultancy support service available to all employees and their families, offering expert advice on personal, family, or work-related issues. Antea, aligning with TITAN Group's annual initiatives, actively participated in the Mental Health campaign—an effort aimed at raising awareness and promoting good mental health among employees. This campaign included valuable resources such as articles, videos, self-assessment tools, and continued promotion of the TITAN Group's consultancy support service. Additionally, the Group consistently offers Medical, Life Insurance, and Work Accident Plans for all employees, ensuring ongoing support for their wellbeing.

In 2024, the Group reaffirmed its commitment to social responsibility by successfully achieving recertification for the Social Accountability 8000:2014 Standard (**SA8000:2014**). This milestone demonstrates the Group's dedication to maintaining and enhancing accountability processes through transparent and direct communication with employees and inclusive decision-making. The Group continues to implement rigorous social practices in the workplace, ensuring equal opportunities and embracing diversity to improve effectiveness. The Group remains dedicated to recruiting qualified candidates while strictly prohibiting discrimination based on gender, race, nationality, religion, or family status. As part of these efforts, the TITAN Group Respect in the Workplace Policy was launched in 2024, reinforcing a culture of integrity, fairness, and respect among employees.

In 2024, the headcount of the Group at the end of the year reached 198 people (excluding internships and expats). During 2024 the consolidated employee related, and benefit expenses amounted to **ALL 590,429 thousand** as explained in the **Note 14** to the consolidated financial statements.

Personnel development is crucial for retaining qualified employees and fostering growth. ANTEA supports individual development by providing skills, competencies, and fostering a diverse environment. The Antea Leadership Academy enhances leadership and management capabilities. In 2024, we added Udemy and Coursera online platforms, increasing training hours to **12,137**.

Business risks

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

a) Research and Development activity of the Group

The Group did not perform any activity related to research and development in 2024.

b) Disclosure for acquisition of own shares

On 23 May 2023 the sole shareholder of the Group decided to decrease the registered share capital of the Group by decreasing the nominal value per share from ALL 2,000 per share to ALL 1,500 per share. As a result, the registered share capital of the Group decreased by ALL 2,671,627 thousand, from ALL 10,686,510 thousand to ALL 8,014,883 thousand.

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

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

d) Objectives of the Group and its subsidiaries for 2025

The Group and its subsidiaries are 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.

e) Corporate Governance

The Group is established as a joint stock company in compliance with Law 9901, dated 14 April 2008, "On entrepreneurs and commercial companies", the Commercial Law of the Republic of Albania, and has a governance system as follows:

- The Supervisory Board
- The Administrator/General Manager

The Supervisory Board as at 31 December 2024 is comprised as follows:

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

The Supervisory Board members are appointed from the Shareholder's General Assembly. The members of the Supervisory Board bring valuable experience of different areas comprising expertise on industrial, commercial, and financial areas.

The Supervisory Board appoints the administrator/General Manager of the Group. The General Manager of the Group at the reporting date is Mr. Dimitrios Dimou.

f) 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 Group can face in the framework of the challenges that are coming from the country, the region and further. The Group manages the risks through:

- Internal audits and Systems to keep in consistency with Management Systems requirements in place.
- Creation of various committees in the Group 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 Group's management is involved in the Quality System through the Quality Board. The responsibilities of the Quality Board are the following:
- Establishing the Group'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 established a Social Accountability Board tasked with identifying social accountability issues, determining necessary preventive or corrective actions, and conducting annual reviews of the Social Accountability Management System.

The Group's employees have been extensively trained in the most sensitive areas like Anti-bribery, Anti-corruption and Sanctions and the Group 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 the committee responsible for clearing cases of possible conflict of interest has been established with the attendance of the Group's top management. Following up with the latest changes in the local legislation, the Group 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 Group extends its tools and policies to its employees by introducing the:

- Ethic Point platform.
- 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.

ANTEA Values

The following is an excerpt from the Group's values statements:

"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.

Below are presented the Group's 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."

The Group's reporting systems

The Group is now using SAP S/4HANNA as its ERP. SAP S/4H is a comprehensive enterprise resource planning (ERP) system that offers various capabilities for the production cycle of the Group in addition to support the Group's management and financial reporting. It includes modules for manufacturing, operational, and distribution capabilities, covering almost the entire production cycle alongside dedicated Titan's applications.

PAYMENTS MADE TO GOVERNMENT INSTITUTIONS

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

The table below indicates the actual cash payments made by Antea Cement (standing alone) to the authorities in Albania for the indicated type of taxes or categories as below:

Amounts are in 000'ALL

Payment type	2024	2023
Corporate income tax	618,075	556,046
VAT	304,072	336,478
Social and health insurance	88,160	69,781
Personal income tax	48,662	38,131
Carbon & Excise Tax	402,017	255,863
Local Taxes and Tariffs to Local Authorities	37,177	34,299
Royalties	50,576	48,718
TOTAL	**1,548,739**	**1,339,316**

The above amounts represent the actual cash payments made by the Group during the calendar year ending 31 December 2024.

ANTEA CEMENT SH.A.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
WITH INDEPENDENT AUDITOR'S REPORT THERON

Contents

Independent Auditor's Report

To the Shareholder of Antea Cement SH.A.:

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Antea Cement SH.A. (the "Company") and its subsidiaries (together - the "Group") as at 31 December 2024, and the Group's financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2024;
- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

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

Independence

We are independent of the Group in accordance with International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Code of Ethics for Statutory Auditors that are relevant to our audit of the consolidated financial statements in Albania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the Code of Ethics for Statutory Auditors.

Other information

Management is responsible for the other information. The other information comprises the Consolidated Business Activity Report and the Consolidated Report on Payments to Government Institutions (but does not include the consolidated financial statements and our auditor's report thereon).

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

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

Statutory Auditor

Jonid Lamllari

PricewaterhouseCoopers Assurance Services SH.P.K.

15 April 2025

Tirana, Albania

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(Amounts in ALL thousand unless otherwise stated)

	Notes	2024	2023
Revenue from contracts with customers	7	10,141,107	12,033,389
Cost of sales	9	(6,718,867)	(7,938,744)
Gross profit		**3,422,240**	**4,094,645**
Other operating income	10	104,019	70,502
Other operating expenses	11	(118,437)	(16,453)
Selling and marketing expenses	12	(82,642)	(84,740)
Administrative expenses	13	(742,197)	(665,602)
Provision for bad debts		10,919	-
Operating profit		**2,593,902**	**3,398,352**
Finance income	15	509,778	1,055,494
Finance costs	15	(586,571)	(1,030,463)
Profit before tax		**2,517,109**	**3,423,383**
Income tax expense	16	(426,144)	(557,575)
Profit for the year		**2,090,965**	**2,865,808**
Other Comprehensive income/(expense)			
Exchange difference on translation of foreign operations	31	(23,572)	(28,921)
Total Comprehensive Income for the year		**2,067,393**	**2,836,887**
Net Profit attributable to:			
Owner of the parent		2,067,393	2,836,887
Non-controlling interest		-	-
		2,067,393	**2,836,887**
Total comprehensive income attributable to:			
Owners of the parent		2,067,393	2,836,887
Non-controlling interest		-	-
Total comprehensive income for the year		**2,067,393**	**2,836,887**

The notes on pages 5 to 39 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Amounts are presented in ALL thousand, unless otherwise stated)

	Notes	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Property, plant, and equipment	17	15,102,157	15,629,122
Intangible assets	18	105,217	28,857
Right-of-use assets	19	312,627	202,139
Other non-current assets	20	9,537	9,537
Investment properties		26,206	-
Deferred tax asset		1,815	1,558
Total Non-Current Assets		**15,557,559**	**15,871,213**
Current assets			
Inventories	21	2,383,837	2,141,269
Trade receivables	22	820,973	676,252
Other receivables	23	90,485	102,272
Trade receivables from related parties	32b	168,910	72,289
Cash and cash equivalents	24	638,913	601,627
Income tax receivable		24,359	-
Total Current Assets		**4,127,477**	**3,593,709**
TOTAL ASSETS		**19,685,036**	**19,464,922**
EQUITY AND LIABILITIES			
Equity			
Share capital	25	8,014,883	10,686,510
Share-based payments	26	16,792	15,291
Merger Reserve		15,034	-
Retained eamings		4,039,456	1,956,759
Translation reserve	31	(81,213)	(57,641)
TOTAL EQUITY		**12,004,952**	**12,600,919**
Non-current liabilities			
Interest bearing loans and borrowings	27,32e	1,366,496	2,004,832
Lease liabilities	19	234,349	125,002
Deferred income tax liabilities, net	16	940,273	1,026,688
Total Non-Current Liabilities		**2,541,118**	**3,156,522**
Current liabilities			
Trade payables	29	1,401,444	1,128,857
Other liabilities	30	234,403	240,270
Income tax payable		1,276	98,849
Interest bearing loans and borrowings	27,32e	1,976,699	1,624,064
Lease Liabilities	19	68,318	74,001
Due to shareholders for capital reduction		883,350	-
Trade payables to related parties	32d	573,476	541,440
Total Current Liabilities		**5,138,966**	**3,707,481**
TOTAL LIABILITIES		**7,680,084**	**6,864,003**
TOTAL EQUITY AND LIABILITIES		**19,685,036**	**19,464,922**

These consolidated financial statements have been approved by the management of the Group on 19 March 2025 and signed on its behalf by:

Dimitrios Dimou	ANTEA CEMENT SH. A. ALBANIA	**Kostika Mihallari**
General Manager		***Finance Manager***

The notes on pages 5 to 39 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Amounts in ALL thousand unless otherwise stated)

	Share capital	Share based options	Merger reserve	Accumula-ted deficit	Translation reserve	NCI	Total equity
As of 1 January 2023	**10,686,510**	**11,371**	**-**	**(909,049)**	**(28,720)**	**-**	**9,760,112**
Net profit for the year	-	-	-	2,865,808	-	-	**2,865,808**
Other comprehensive loss	-	-	-	-	(28,921)	-	**(28,921)**
Total comprehensive income for the year	**-**	**-**	**-**	**2,865,808**	**(28,921)**	**-**	**2,836,887**
Share Based Payments **(note 26)**	**-**	3,920	-	-	-	-	**3,920**
As of 31 December 2023	**10,686,510**	**15,291**		**1,956,759**	**(57,641)**	**-**	**12,600,919**
Net profit for the year	-	-	-	2,090,965	-	-	**2,090,965**
Other comprehensive loss	-	-	-	-	(23,572)	-	**(23,572)**
Total comprehensive income for the year	**-**	**-**	**-**	**2,090,965**	**(23,572)**	**-**	**2,067,393**
Capital reduction paid to Share Holders	(2,671,627)	-	-	-	-	-	**(2,671,627)**
Business combinations	-	-	15,034	-	-	-	**15,034**
Share Based Payments **(note 26)**	-	1,501	-	(8,268)	-	-	**(6,767)**
As of 31 December 2024	**8,014,883**	**16,792**	**15,034**	**4,039,456**	**(81,213)**	**-**	**12,004,952**

CONSOLIDATED STATEMENT OF CASH FLOWS
(Amounts in ALL thousand unless otherwise stated)

	Note	Year ended 31 December 2024	Year ended 31 December 2023
Cash flows from operating activities			
Profit before taxes		**2,517,378**	**3,423,383**
Adjustments for:			
Depreciation of property, plant, and equipment	17	994,648	921,814
Depreciation of right-of-use assets	19	95,198	86,648
Amortization of intangible assets	18	5,483	4,922
Gain on disposal of property, plant and equipment and intangible assets		-	-
Fair value gains from investment property			-
Movement in bad debt provision	22	74,625	-
Shared Bases Compensation	26	7,998	3,920
Interest income		15	(1,514)
Interest expense		166,141	293,533
Foreign exchange gains		(121,527)	(338,802)
Working Capital Adjustments			
Decrease / (Increase) in inventories	21	(242,567)	675,742
(Increase) in trade and other receivables	22,23	(245,919)	(16,463)
Increase / (Decrease) in trade and other payables	29,30	1,230,792	79,865
Cash generated from operations		**4,482,265**	**5,133,048**
Interest paid		(140,709)	(302,686)
Income tax paid		(618,075)	(560,461)
Interest received		(15)	1,514
Net cash flows from operating activities		**3,723,481**	**4,271,415**
Cash flows from investing activities			
Acquisition of property, plant, and equipment	17	(571,322)	(528,055)
Acquisition of intangible assets	18	(81,843)	(9,587)
Proceeds from sales of property, plant, and equipment		-	-
Net cash flows used in investing activities		**(653,165)**	**(537,642)**
Cash flows from financing activities			
Proceeds of borrowings		1,041,954	200,798
Repayment of borrowings		(1,232,539)	(3,737,414)
Principal elements of lease payments		(97,864)	(82,960)
Payment of Fees			
Increase in capital		(2,671,627)	-
Net cash flows used in financing activities		**(2,960,076)**	**(3,619,576)**
Net increase in cash and cash equivalents		**110,240**	**114,197**
Cash and cash equivalents on 1 January	24	601,627	570,512
Translation effect of foreign exchange currency		(72,938)	(83,082)
Cash and cash equivalents on 31 December	**24**	**638,914**	**601,627**

The notes on pages 5 to 39 are an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

These are the consolidated financial statements prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IFRS Accounting Standards"). of Antea Cement SH.A. (hereinafter referred as the **"Company"** or **"Antea"**) and its subsidiary (2023: subsidiaries) (hereinafter collectively referred as the **"Group"** or **"Antea Consolidated"**).

The Group's core activity is the production and trade of cement, bulk and packed in bags and semi-finished products (such as clinker).

The Group is incorporated in the Republic of Albania, with registered address at "Rruga e Durresit, Pallati prapa RING Center, Kati 1, Tirana, Albania." The Group has the following subsidiary: (2023: subsidiaries):

Subsidiary 2024	% of shares owned	Location
Cementi Antea SRL	100	Marghera, Italy

Subsidiaries 2023	% of shares owned	Location
Alba Cemento sh.p.k.	100	Tirana, Albania
Cementi Antea SRL	100	Marghera, Italy

The Group's immediate parent is ALVACIM Ltd registered in Cyprus, which has 100% shareholding in the Group. (31 December 2023; Alvacim Ltd had 100% shareholding in the Group).

The Group's ultimate parent company and controlling party is **Titan Cement International S.A** (hereinafter referred as **"TITAN Group"**) which is a listed company.

Presentation currency. These consolidated 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

The Group's management and Supervisory Board acknowledge the critical importance of addressing climate change and environmental impacts within the integrated business environment in which it operates. The commitment to sustainability is woven into the corporate strategy, reflecting a dedication to responsible environmental management that aligns with the Titan Group's overall business objectives. The environmental policy is designed to reduce greenhouse gas emissions, conserve resources, and minimize waste generation, supporting broader corporate goals.

Operating within the ISO 14001:2015 framework, the Environmental Management System (EMS) ensures that environmental considerations are seamlessly incorporated into operational processes, enabling systematic management of environmental risks. The Group strategically engages with the dynamic business environment, addressing environmental impact through various initiatives while remaining adaptable to broader economic and regulatory changes.

Environmental performance is rigorously monitored and reported annually, demonstrating progress in reducing the carbon footprint and increasing waste diversion. Compliance with environmental regulations and standards remains a cornerstone of the strategy. Management recognizes the importance of stakeholder engagement, working collaboratively with suppliers, communities, and regulators to inform and enhance the environmental strategy. Participation in industry forums allows the Group to contribute to the development of sustainable standards, keeping it at the forefront of change.

In recognizing the interconnected nature of the environment and business, the Group invests in research and development to drive innovation in renewable energy and sustainable materials. Collaborations with academic institutions help advance environmental solutions, ensuring that operations maintain high sustainability standards while adapting to emerging challenges and opportunities.

The Group is committed to ambitious goals such as further decreasing carbon emissions and achieving zero waste to landfill, with strategic plans that include renewable energy projects and expanding sustainable product lines. Management is highly responsive to external factors such as the COVID-19 pandemic, global conflicts, macro-economic trends, and the EU integration of Albania. These elements influence strategies, highlighting the need for resilience and adaptability in the environmental approach. Management remains vigilant regarding regulatory changes related to Albania's EU integration, ensuring practices evolve in line with new standards and opportunities within the integrated business landscape.

3. BASIS OF PREPARATION

These consolidated financial statements (also referred to in this document as the “consolidated 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 consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The Group’s functional currency is Albanian Lekë (“ALL”), currency of the primary economic environment in which the Group operates. The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’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 Group’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 Group. Even though the Group’s current liabilities exceed its current assets by **ALL 1,011,490 thousand**, the Group generated **ALL 3,723,466 thousand** net cash from operating activities during the year. Its operating profit resulted to **ALL 2,593,902 thousand**, net earnings amounted to **ALL 2,067,393** thousand, EBITDA amounted to **ALL 3,689,231 thousand**, therefore the Group is able to meet its obligations as they become due.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiary as at 31 December 2024. Subsidiaries are those investees, including structured entities, that the Group controls because the Group (i) has power to direct the relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of the investor’s returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Group has power over another entity.

For a right to be substantive, the holder must have a practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The Group may have power over an investee even when it holds less than the majority of the voting power in an investee. In such a case, the Group assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of the investee’s activities or apply only in exceptional circumstances, do not prevent the Group from controlling an investee. Subsidiaries are consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Group measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction-by-transaction basis, either at: (a) fair value, or (b) the non-controlling interest's proportionate share of net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and the fair value of an interest in the acquiree held immediately before the acquisition date. Any negative amount (“negative goodwill” or a “bargain purchase”) is recognised in profit or loss, after management reassesses whether it identified all the assets acquired and all the liabilities and contingent liabilities assumed and reviews the appropriateness of their measurement.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued, and liabilities incurred or assumed, including the fair value of assets or liabilities from contingent consideration arrangements, but excludes acquisition related costs such as advisory, legal, valuation and similar professional services. Transaction costs related to the acquisition of and incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt as part of the business combination are deducted from the carrying amount of the debt and all other transaction costs associated with the acquisition are expensed.

3. BASIS OF PREPARATION (CONTINUED)

Basis of Consolidation (continued)

Intercompany transactions, balances, and unrealised gains on transactions between Group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The Group and all of its subsidiaries use uniform accounting policies consistent with the Group's policies.

Non-controlling interest is that part of the net results and of the equity of a subsidiary attributable to interests which are not owned, directly or indirectly, by the Group. Non-controlling interest forms a separate component of the Group's equity. ANTEA CEMENT SH.A., fully owns its subsidiaries, and there are no non-controlling interests.

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 each entity'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 Group 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 assets, 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:

Land improvements	5 to 50 years
Buildings	5 to 40 years
Plant machinery	5 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.

3. BASIS OF PREPARATION (CONTINUED)

Material accounting policies (continued)

Right-of-use assets. The Group leases various lands, terminals, 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 Group 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	5 to 10 years
Motor vehicles	3 to 5 years

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

The Group'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 based on 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 labour 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 Group 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.

Financial assets - Classification and subsequent measurement – measurement categories. Group'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 Group'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.

3. BASIS OF PREPARATION (CONTINUED)

Material accounting policies (continued)

Financial assets - Impairment of financial assets – credit loss allowance for ECL. The Group assesses the ECL for its financial instruments (trade and other receivables) measured at AC. The Group 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 Group's financial instruments consisting in trade and other receivables only, credit loss allowance is recognized using a simplified approach of lifetime ECL. The Group does not assess ECL for trade receivables from related parties considering that the Group has no 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 Group 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 Group's incremental borrowing rate is used, being the rate that the Group 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 Group uses incremental borrowing rate of Titan Cement International, being the same or similar rate that the Group would obtain or which can be 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 Group's financial liabilities include trade and other payables, loans, and borrowings.

Income taxes have been provided for in the consolidated financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge 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 consolidated 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.

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 consolidated statement of financial position on a net basis and disclosed separately as an asset or liability.

3. BASIS OF PREPARATION (CONTINUED)

Material accounting policies (continued)

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 Group 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 Group 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, 2022,2023 and 2024, which concerns share awards. The Group 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 Group's financial statements as the Group has no obligation to settle the awards to the participants. Obligations are with the parent company. Consequently, the Group 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 Group revises its estimates of the number of awards that are expected to vest based on the service vesting conditions (time with the Group 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 Group as all subsidiaries is invoiced by TCI when the awards are settled to its employees. The Group reclassifies the respective amount classified in equity for the settled shares to liabilities to TCI at this stage. Once awards are vested, the Group is re-charged by its parent company at the fair value of the vested awards at the vesting date. At this moment, the Group derecognizes the amount of share-compensations in equity with the difference as an additional expense (staff costs).

Revenue is income arising in the course of the Group's ordinary activities. Revenue is recognized in the amount of the transaction price. Transaction price is the amount of consideration to which the Group 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.

3. BASIS OF PREPARATION (CONTINUED)

Material accounting policies (continued)

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 Group 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 Group 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 Group as a separate performance obligation (CPT).

The Group 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 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 Group. The Group has no legal or constructive obligation to make pension or similar defined benefit payments beyond the statutory defined contribution scheme.

The Group has a discretionary retention plan in place provided to key personnel based on which, the Group 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 Group 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 Group makes estimates and assumptions that affect the amounts recognized in the consolidated 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 consolidated 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 – **Note 17**
Classification of spare parts to inventory – **Note 21**
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 Group 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 Group'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 Group utilizes the planned levels of the quarries area. The Group 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 2024:

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 recognise 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 Group does not have such transactions.

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 Group does not have such circumstances.

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 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 Group does not have supplier financing arrangements.

6. NEW ACCOUNTING PRONOUNCEMENTS

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2025 or later, and which the Group has not early adopted.

Amendments to IAS 21 Lack of Exchangeability (Issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025). In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. When applying the new requirements, it is not permitted to restate comparative information.

It is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings or to the reserve for cumulative translation differences. The amendments do not have an impact on the Group's financial statements as the Group does not have any transactions in such currencies.

Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026). On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:

(a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
(b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
(c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
(d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments do not have an impact on the Group's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027). In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information. The Group is currently assessing the impact of the amendments on its financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027). The International Accounting Standard Board (IASB) has issued a new IFRS Accounting Standard for subsidiaries. IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements. Subsidiaries using IFRS Accounting Standards for their own financial statements provide disclosures that maybe disproportionate to the information needs of their users. IFRS 19 will resolve these challenges by:

- enabling subsidiaries to keep only one set of accounting records – to meet the needs of both their parent company and the users of their financial statements;
- reducing disclosure requirements – IFRS 19 permits reduced disclosure better suited to the needs of the users of their financial statements.

6. NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

- The Group is assessing the impact of the new standard but does not expect to adopt it.

- ***IFRS 14, Regulatory Deferral Accounts (issued on 30 January 2014).*** IFRS 14 permits first-time adopters to continue to recognise 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 recognise 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 standard will be effective from a date that is yet to be determined by the IASB. The Group is not in such circumstances and thus does not expect an impact.

- ***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 recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are held by a subsidiary. In 2015, the IASB decided to postpone the effective date of these amendments indefinitely. The Group does not expect to be impacted by the amendments.

- ***Annual Improvements to IFRS Accounting Standards (Issued in July 2024 and effective from 1 January 2026).*** IFRS 1 was clarified that a hedge should be discontinued upon transition to IFRS Accounting Standards if it does not meet the ‘qualifying criteria’, rather than ‘conditions’ for hedge accounting, in order to resolve a potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9. IFRS 7 requires disclosures about a gain or loss on derecognition relating to financial assets in which the entity has a continuing involvement, including whether fair value measurements included ‘significant unobservable inputs’. This new phrase replaced reference to ‘significant inputs that were not based on observable market data’. The amendment makes the wording consistent with IFRS 13. In addition, certain IFRS 7 implementation guidance examples were clarified and text added that the examples do not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. IFRS 16 was amended to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9 guidance to recognise any resulting gain or loss in profit or loss. This clarification applies to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. In order to resolve an inconsistency between IFRS 9 and IFRS 15, trade receivables are now required to be initially recognised at ‘the amount determined by applying IFRS 15’ instead of at ‘their transaction price (as defined in IFRS 15)’. IFRS 10 was amended to use less conclusive language when an entity is a ‘de-facto agent’ and to clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de-facto agent. IAS 7 was corrected to delete references to ‘cost method’ that was removed from IFRS Accounting Standards in May 2008 when the IASB issued amendment ‘Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate’

- The Group is not expected to have a significant impact on its financial statements except for IFRS 18.

7. REVENUE FROM CONTRACTS WITH CUSTOMERS

The revenues reflected in the consolidated statement of profit or loss and other comprehensive income are analysed as follows**:**

	2024	**2023**
Sales of own cement	8,955,628	10,796,459
Sales of clinker	693,264	668,293
Sales of imported cement	4,064	43,967
Revenue from freight	295,984	341,679
Revenue from other materials	1,826	1,669
Revenue from services	190,341	181,322
Total	**10,141,107**	**12,033,389**

7. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

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

	2024	2023
Domestic market	6,981,676	8,991,055
Foreign market (exports) **(Note 32a)**	3,159,431	3,042,334
Total	**10,141,107**	**12,033,389**
Domestic market		
Sales of own cement	5,934,268	7,872,563
Sales of clinker	693,264	668,293
Sales of imported cement	4,064	43,967
Revenues from freight	157,913	223,241
Revenues from other materials	1,826	1,669
Revenues from services	190,341	181,322
Total	**6,981,676**	**8,991,055**
Foreign market		
Sales of own cement	3,021,360	2,923,896
Sales of clinker	-	-
Sales of imported cement	-	-
Revenues from freight	138,071	118,438
Total	**3,159,431**	**3,042,334**

The Group derives revenue from the transfer of goods at a point in time. For domestic sales, 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.

	2024	2023
Point-in-time	9,652,956	11,508,719
Over time	488,151	524,670
Total	**10,141,107**	**12,033,389**

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 Group provides no discount for early settlement.

8. EXPENSES BY NATURE

	2024	2023
Staff costs and related expenses	585,903	494,038
Raw materials, packing and consumables	1,335,746	2,076,558
Energy cost	2,812,223	3,598,648
Changes in inventory of finished goods and work in progress	42,251	(241,007)
Cost of trading goods	6,729	69,875
Losses from derivative contracts	-	57,802
Utilities	20,281	18,452
Distribution expenses	718,694	710,900
Third party services **(Notes 9, 12, 13)**	809,859	725,478
External audit fees	6,614	2,202
Depreciation, amortization and impairment of tangible, intangible assets & right of use assets **(Note 35)**	1,089,888	1,013,383
Other expenses	115,518	162,757
Total expenses by nature	**7,543,706**	**8,689,086**
Included in:		
Cost of sales **(Note 9)**	6,718,867	7,938,744
Administrative expenses **(Note 13)**	742,197	665,602
Selling and marketing expenses **(Note 12)**	82,642	84,740
Total	**7,543,706**	**8,689,086**

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 Financial Statements as well as audit and review of Group Reporting forms of Titan Cement International S.A. for 2024 is ALL 4,700 thousand. The external auditor did not provide any non-audit services during the year.

9. COST OF SALES

	2024	2023
Variable costs:	**4,653,064**	**6,345,623**
Freight and logistic costs	730,054	710,900
Kiln fuel	1,454,224	2,139,432
Electricity	1,167,659	1,459,216
Raw materials and additives	743,004	1,302,619
Refractories	107,537	138,908
Fuel and oil	-	11,627
Royalty	50,576	53,776
Packing expenses	264,389	398,070
Cost of imported Cement	4,430	68,669
Cost of materials sold	2,299	1,205
Electricity – Change in FV of derivatives	-	57,802
Other variable costs	128,892	3,399
Fixed costs:	**2,023,553**	**1,834,128**
Plant salaries and related expenses	373,560	326,866
Repair and maintenance – spare parts	124,523	155,776
Services from third parties	408,509	367,261
Rent expenses	254	276
Plant utilities	47,248	17,047
Other fixed cost	77,281	55,473
Depreciation charges	916,739	845,812
Depreciation Right of use Assets	75,439	65,617
Changes in inventory of finished goods and work in progress	**42,250**	**(241,007)**
Total	**6,718,867**	**7,938,744**

Overheads are allocated to cost of sales, selling and marketing and administrative expense based on the cost centers they are related 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 2024 and 2023:

	2024	2023
Freight and logistic costs related to domestic sales	279,277	320,689
Freight and logistic costs related to exports sales	185,252	170,027
Freight related to overseas transportation	265,525	220,184
Total	**730,054**	**710,900**

10. OTHER OPERATING INCOME

Other income in the consolidated statement of profit or loss and other comprehensive income are analysed as follows:

	2024	2023
Income from sales of fixed assets	-	-
Fair value gains from investment property	24,373	-
Reimbursement of excise duties	27,109	44,756
Other income	52,237	25,746
Total	**104,019**	**70,502**

2024: Included in other operating income, the amount of ALL 9,528 thousand (2023: ALL 19,681 thousand) relates to the recharge of employee expenses that arise for their service for affiliated companies.

11. OTHER OPERATING EXPENSES

	2024	2023
Net Book Value of Fix Assets Sold	3,217	-
Fines and Penalties	98,998	-
Other provisions	4,526	5,325
Losses of inventory	3,555	4,318
Other expenses	8,141	6,810
Total	**118,467**	**16,453**

11. OTHER OPERATING EXPENSES (CONTINUED)

Inventory losses are related to disposal of production due to quality issues in the amount of ALL 1,283 thousand and spare parts of ALL 2,272 thousand (2023: ALL 2,722 thousand trading goods and ALL 1,596 thousand of raw materials). Because of the small value, these were not allocated to cost of sale. Fines and penalties include a fine imposed by the Competition Authority for alleged abuse of market position in setting prices (**Note 36**).

12. SELLING AND MARKETING EXPENSES

These expenses relate to costs incurred during the main activities of the Group companies for selling and marketing of the primary products.

	2024	2023
Salaries and related expenses **(Note 14)**	59,910	59,512
Utilities	12,387	12,608
Depreciation Right of use Assets	2,126	4,439
Other expenses	8,219	8,181
Total	**82,642**	**84,740**

13. ADMINISTRATIVE EXPENSES

An analysis of general and administrative expenses is presented in the table below:

	2024	2023
Parent company management fees	206,921	228,876
Salaries and related expenses	152,433	107,661
Supplies	79,148	76,198
Depreciation	72,468	76,002
Insurance and taxes	39,612	37,666
IT consulting services	23,233	19,529
Depreciation of right of use assets	17,633	16,592
Utilities	7,894	5,844
Repairs and maintenance	5,517	5,791
Amortization	5,483	4,922
Travel-entertainment	4,228	4,907
Tax consulting services	3,426	3,811
Legal consulting services	60,916	12,455
Audit fees	6,614	2,202
Other administrative expenses	56,671	63,146
Total	**742,197**	**665,602**

Other administrative expenses include donations ALL 26,510 thousand and other professional services ALL 24,397 thousand. 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. Increase in legal consulting fees is related to experts involved in handling the case against the Competition Authority before the fine was finally imposed.

14. EMPLOYEE BENEFIT EXPENSES

Employee benefit expenses represent costs for salaries and wages incurred during the year.

	2024	2023
Gross salaries	384,270	333,133
Social security (public defined contribution plan)	40,617	37,044
Health contributions	5,822	7,952
Share-based payments	7,998	7,196
Accruals for annual leave	1,771	2,864
Long-term retention plan	2,755	2,461
Other employee related expenses	147,196	108,714
Total Employee Expenses	**590,429**	**499,364**

14. EMPLOYEE BENEFIT EXPENSES (CONTINUED)

	2024	2023
Allocated to:		
Cost of sales **(Note 9)**	373,560	326,866
Other operating expenses **(Note 11)**	4,526	5,325
Selling and marketing expenses **(Note 12)**	59,910	59,512
Administrative expenses **(Note 13)**	152,433	107,661
Total	**590,429**	**499,364**

Other employee-related expenses include catering, transportation and training expenses and performance bonuses. The increase during the year is related to higher meal coupons given to the Group's personnel as compared to the prior year as well as the annual performance bonus paid for 2023 results.

15. FINANCE INCOME AND FINANCE COSTS

Net finance costs for years ended 31 December 2024 and 2023 are detailed as follows:

	2024	2023
Interest income	(15)	1,514
Foreign exchange gain	509,793	1,053,980
Finance Income	**509,778**	**1,055,494**
Interest expenses	(166,141)	(293,533)
Interest expenses – leases	(9,423)	(7,423)
Bank Charges	(22,741)	(14,328)
Foreign exchange losses	(388,266)	(715,179)
Finance cost	**(586,571)**	**(1,030,463)**
Total finance cost	**(76,793)**	**25,031**

16. INCOME TAX

a) Components of income tax (expense) / benefit

	2024	2023
Current income tax	(512,815)	(586,750)
Deferred income tax	86,671	29,175
Income tax expense	**(426,144)**	**(557,575)**

b) Reconciliation between the income tax expense and profit or loss multiplied by applicable tax rate.
The Group determines income tax at the end of the year in accordance with the respective tax legislation currently enacted.
The following is a reconciliation of income taxes calculated at the applicable tax rate to the actual taxation credited in profit or loss.

	2024	2023
Profit before tax	**2,517,109**	**3,423,383**
Tax Calculated at domestic rates applicable to profits	386,635	523,198
Tax effect of items which are not deductible or assessable for taxation purposes:		
- Income which is exempt from taxation	(1,198)	(752)
- Taxable income	2,255	-
- Non-deductible expenses	45,656	28,454
- Other	(7,204)	6,675
Income tax expense/(credit) for the year	**426,144**	**557,575**
Effective income tax rate	16.9%	16.3%

16. INCOME TAX (CONTINUED)

Current income tax for the years 31 December 2024 and 2023 is calculated as follows based on the income tax law:

	2024	2023
Profit before income tax	**2,517,109**	**3,423,383**
Add Back:		
Expenses not deductible for tax purposes	412,108	189,692
Tax depreciation	450,687	336,997
Utilization of taxable losses	1,067	(61,245)
Less:		
Non-taxable income	(29,365)	(3,134)
Taxable profit	**3,351,606**	**3,885,693**
Current income tax charge	**512,815**	**586,750**

c) Deferred taxes analysed by type of temporary difference

Differences between IFRS and statutory taxation regulations in Albania and Italy 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 analysed below.

Deferred tax assets	**31 December 2022**	Charged/ (credited) to profit or loss	**31 December 2023**	Charged/ (credited) to profit or loss	**31 December 2024**
Provisions for liabilities and charges	61,786	(4,938)	56,848	(2,960)	53,888
Losses carried forward	17,602	(17,602)	-	-	-
Right-of-use assets and lease liabilities	1,970	1,286	3,256	3,356	6,614
Recognized deferred income tax asset	**81,358**	**(21,254)**	**60,105**	**397**	**60,502**

Deferred tax liability	**31 December 2022**	Charged/ (credited) to profit or loss	**31 December 2023**	Charged/ (credited) to profit or loss	**31 December 2024**
Difference between tax and accounting value of PPE	(1,135,664)	50,430	(1,085,234)	86,274	(998,960)
Recognized deferred income tax liability	(1,135,664)	50,430	(1,085,234)	86,274	(998,960)
Net deferred tax asset/(liability)	**(1,054,306)**	**29,176**	**(1,025,129)**	**86,671**	**(938,458)**

17. PROPERTY, PLANT AND EQUIPMENT

	Land and improvements	Buildings	Plant and machinery	Vehicles	Furniture and Fittings	Electronic Equipment	Assets under construction	Total
Cost								
At 1 January 2023	3,059,213	1,916,586	20,325,566	81,520	37,265	243,664	807,420	**26,471,234**
Additions	-	-	-	-	-	5,978	522,078	**528,056**
Disposals	-	-	-	(11,486)	-	-	-	**(11,486)**
Transfers	44,742	30,382	677,750	-	6,345	4,948	(764,167)	**-**
At 31 December 2023	**3,103,955**	**1,946,968**	**21,003,316**	**70,034**	**43,610**	**254,590**	**565,331**	**26,987,804**
Depreciation:								
At 1 January 2023	812,744	622,182	8,682,433	81,003	33,268	216,778	-	**10,448,408**
Depreciation charge for the year	70,791	55,091	785,379	100	1,270	9,183	-	**921,814**
Disposal	-	(54)	-	(11,486)	-	-	-	**(11,540)**
Transfers	-	-	-	-	-	-	-	**-**
At 31 December 2023	**883,535**	**677,219**	**9,467,812**	**69,617**	**34,538**	**225,961**	**-**	**11,358,682**
Net book value at 1 January 2023	**2,246,469**	**1,294,404**	**11,643,133**	**517**	**3,997**	**26,886**	**807,420**	**16,022,826**
Net book value at 31 December 2023	**2,220,420**	**1,269,749**	**11,535,504**	**417**	**9,072**	**28,629**	**565,331**	**15,629,122**

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and improvements	Buildings	Plant and machinery	Vehicles	Furniture and fittings	Electronic equipment	Assets under construction	Total
Cost								
At 1 January 2024	**3,103,955**	**1,946,968**	**21,003,316**	**70,034**	**43,610**	**254,590**	**565,331**	**26,987,804**
Additions	-	-	-	-	1,231	-	570,091	**571,322**
Disposals	-	(3,963)	(104,599)	-	-	-	-	**(108,562)**
Transfers	4,841	12,451	812,402	-	-	8,462	(838,156)	**-**
At 31 December 2024	**3,108,796**	**1,955,456**	**21,711,119**	**70,034**	**44,841**	**263,052**	**297,266**	**27,450,564**
Depreciation:								
At 1 January 2024	**883,535**	**677,219**	**9,467,812**	**69,617**	**34,353**	**225,961**	**-**	**11,358,682**
Depreciation charge for the year	73,602	51,659	857,076	100	2,245	9,966	-	**994,648**
Disposal	-	-	(4,923)	-	-	-	-	**(4,923)**
Transfers	-	-	-	-	-	-	-	**-**
At 31 December 2024	**957,137**	**728,878**	**10,319,965**	**69,717**	**36,783**	**235,927**	**-**	**12,348,407**
Net book value at 1 January 2024	**2,220,420**	**1,269,749**	**11,535,504**	**417**	**9,072**	**28,629**	**565,331**	**15,629,122**
Net book value at 31 December 2024	**2,151,659**	**1,226,578**	**11,391,154**	**317**	**8,058**	**27,125**	**297,266**	**15,102,157**

Included under assets under construction are strategic spare parts amounting to ALL 262,641 thousand (31 December 2023: ALL 262,641 thousand).

No property, plant and equipment have been pledged as a collateral as at 31 December 2024 (2023: Nil).

No finance costs qualified as borrowing costs to be capitalised as at 31 December 2024 (2023: Nil).

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 Group. 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 2024 would be to increase it by ALL 99,468 thousand or decrease it by ALL 89,518 thousand (2023: increase by ALL 101,878 thousand or decrease by ALL 83,355 thousand).

18. INTANGIBLE ASSETS

Group's movements in intangible assets are shown as follows:

	Computer software	Licences	Total
Cost:			
At 1 January 2023	**158,280**	**8,294**	**166,574**
Additions	9,587	-	**9,587**
At 31 December 2023	**167,867**	**8,294**	**176,161**
Additions	81,101	743.00	**81,844**
At 31 December 2024	**248,968**	**9,037**	**258,005**
Amortization:			
At 1 January 2023	**139,162**	**3,221**	**142,383**
Amortization charge for the year	4,140	782	**4,922**
At 31 December 2023	**143,302**	**4,003**	**147,305**
Amortization charge for the year	4,592	891	**5,483**
At 31 December 2024	**147,894**	**4,894**	**152,788**
Net book value:			
At 31 December 2023	**24,565**	**4,291**	**28,856**
At 31 December 2024	**101,074**	**4,143**	**105,217**

No intangible assets have been pledged as a collateral as at 31 December 2024 and 2023.

19. RIGHT OF USE ASSETS AND LEASE LIABILITIES

The balance sheet shows the following amounts relating to leases:

Right of Use Assets (ROUA)	Land and buildings	Motor vehicles	Total
Carrying amount at 1 January 2023	**144,556**	**26,041**	**170,597**
Additions	103,444	25,736	129,180
Terminations	(5,761)	(958)	(6,719)
Depreciation charge	(74,056)	(12,593)	(86,648)
Translation difference	(4,270)	-	(4,270)
31 December 2023	**163,913**	**38,226**	**202,139**
Additions	207,369	7,492	214,861
Terminations	(5,317)	(4,028)	(9,345)
Depreciation charge	(85,235)	(9,963)	(95,198)
Translation difference	170	-	170
31 December 2024	**280,900**	**31,727**	**312,627**

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

The Group recognised lease liabilities as follows:

Lease Liabilities	31 December 2024	31 December 2023
Current	68,318	74,001
Non-Current	234,349	125,002
Total	**302,667**	**199,003**

Interest expense included in finance costs of 2024 was ALL 9,423 thousand (2023: ALL 7,423 thousand).

Expenses relating to short-term leases and to leases of low-value assets that are not included in RoU:

	2024	2023
Expense relating to short-term leases	2,492	4,958
Expense relating to leases of low-value assets that are not shown above as short-term leases	1,847	725

Total cash outflow for leases in 2024 was ALL 99,735 thousand (2023: ALL 90,383 thousand).

20. OTHER NON-CURRENT ASSETS

	31 December 2024	31 December 2023
Other Non-current Assets	32,761	32,761
Provisions	(23,224)	(23,224)
Total	**9,537**	**9,537**

Other non-current assets consist of repossessed collateral, i.e. properties foreclosed by the Group against receivables due from its customers. The Group 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 Group 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.

21. INVENTORIES

	31 December 2024	31 December 2023
Raw materials	690,928	341,454
Spare parts	900,190	1,014,160
Packing materials	61,803	79,087
Semi-finished goods	416,788	359,490
Finished goods	135,352	234,900
Goods for resale	40,548	38,820
Other materials	187,446	122,576
Inventory write down	(49,218)	(49,218)
Balance as at 31 December	**2,383,837**	**2,141,269**

21. INVENTORIES (CONTINUED)

Critical accounting estimates and judgments in applying accounting policies

Spare parts classified as inventory consist in materials used in the production process. Spare parts used in the production process are integral to the operation of manufacturing equipment. These components support the continuous function of machinery, preventing downtime and ensuring that production schedules are met. Examples include replacement gears, belts, filters, and other components essential for the functioning of production machinery

Spare parts classified as inventory are measured at the lower of cost or net realizable value. The cost is determined using the weighted average cost method, which includes all expenditures directly attributable to bringing the inventory to its current condition and location.

22. TRADE RECEIVABLES

As at 31 December 2023, trade receivables are composed of the following:

	31 December 2024	31 December 2023
Trade receivables	1,477,140	1,349,469
Less: Credit Loss Allowance	(656,167)	(673,217)
Trade Receivables, Net	**820,973**	**676,252**

Movements in the allowance for doubtful receivables are illustrated below. The new model has not impacted the provision for impairment of the Group as the provisioning matrix was not substantially different:

	2024	2023
Balance at 1 January	**673,217**	**686,328**
Impairment Charge		-
Translation difference	(7,137)	(8,695)
Forex Difference	-	(4,416)
Transferred from Alba Cemento	(9,913)	-
Balance at 31 December	**656,167**	**673,217**

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 Group has calculated ECL based on the historical probability of default considering 100% loss given default.

The Group 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 Group 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 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.

22. TRADE RECEIVABLES (CONTINUED)

	31 December 2024			31 December 2023		
In % of gross value	Loss rate	Gross carrying amount	Lifetime ECL	Loss rate	Gross carrying amount	Lifetime ECL
- 0 to 30 days	4.4%	690,340	(30,466)	4.9 %	682,155	(33,375)
- 31 to 90 days	6.1%	138,560	(8,521)	4.7 %	12,455	(582)
- 91 to 180 days	6.4%	21,705	(1,396)	0.3 %	582	(2)
- 181 to 365 days overdue	73.1%	3,010	(2,200)	75.9 %	4,508	(3,420)
- over 365 days overdue	98.4%	623,525	(613,584)	97.9 %	649,770	(635,839)
Gross receivables		**1,477,140**			**1,349,470**	
Credit loss allowance			*(656,167)*			*(673,218)*
Total trade receivables from customers (carrying amount)			***820,973***			***676,252***

As at 31 January 2024, the Group has collected a total of 405,791 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 Group
- 0 to 30 days	291,885
- 31 to 90 days	113,105
- 91 to 180 days	801
- 181 to 365 days overdue	-
- over 365 days overdue	-
Total	**405,791**

23. OTHER RECEIVABLES

Other receivables are composed of the following:

	31 December 2024	31 December 2023
Deferred expenses	59,597	47,737
Sundry debtors	27,653	35,613
Prepayments for supplies	1,244	11,639
Other Tax Receivables	1,991	7,283
Total other receivables	**90,485**	**102,272**

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

24. CASH AND CASH EQUIVALENTS

	31 December 2024	31 December 2023
Cash on hand in domestic currency	39	68
Cash on hand in foreign currency	366	245
Cash at bank in domestic currency	59,519	57,506
Cash at bank in foreign currency	578,989	543,808
Total cash and cash equivalents	**638,913**	**601,627**

Cash and cash equivalents consist of current accounts held with 9 commercial banks operating in Albania and one commercial bank in Italy. 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 Group as it would not be significant.

25. SHARE CAPITAL

	31 December 2024			31 December 2023		
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%	8,014,883	5,343,255	100%	10,686,510
Total	**5,343,255**	**100%**	**8,014,883**	**5,343,255**	**100%**	**10,686,510**

During the year the general assembly of the shareholder decided to reduce the nominal value of each share of the Group from ALL 2,000 per share to ALL 1,500 per share. In total it was reduced by ALL 2,671,627 thousand. The amount advancing by the reduction is due to the Shareholder of the Group at the reporting date.

	Number of outstanding shares in thousand	**Nominal value per share**	**Total**
At 1 January 2023	5,343	2,000	10,686,510
New shares issued	-	-	-
At 31 December 2023	5,343	2,000	10,686,510
New shares issued	-	-	-
Reduction in nominal price per share	-	(500)	-
At 31 December 2024	**5,343**	**1,500**	**8,014,883**

26. SHARE-BASED COMPENSATION

<u>2020 Plan</u>

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 Group as all subsidiaries is invoiced by TCI when the awards are settled to its employees. The Group 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.

26. SHARE-BASED COMPENSATION (CONTINUED)

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.

2024 Plan On 9 May 2024, the Annual General Meeting of TCI, approved the following plan.

On 31 December 2024, the number of awards granted to the employees of Antea Cement was 3,068 restricted stock and 1,312 performance shares. The fair value of the award was calculated based on the closing price of the TCI share on 30.6.2024, €29.10 (ALL 2,930) in Euronext Brussels. The calculation of the un-forfeited awards resulted in the recognition of an expense of ALL 1,501 thousand with a corresponding increase in equity.

Number of awards	2024 Plan	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**
Granted	4,380	-	-	-	-
Vested	-	-	-	(1,910)	(2,655)
Transferred	-	(210)	(155)	(130)	(190)
At 31 December 2024	**4,380**	**5,106**	**5,276**	**1,910**	**-**

Refer to Note 14 for expenses incurred during the year.

27. BORROWINGS

The Group's borrowings as at 31 December 2024 and 31 December 2023 are as follows:

	31 December 2024	31 December 2023
Borrowings from Related Parties		
Term loans	1,778,172	2,290,632
Borrowings from Financial Institutions		
Revolving credit facility	1,390,299	348,347
Term loans	174,724	989,917
Total borrowings	**3,343,195**	**3,628,896**

27. BORROWINGS (CONTINUED)

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

The maturities of the non-current portion of borrowings which are due to Titan Global Finance are as follows:

	31 December 2024	31 December 2023
After one year but not more than two years	1,366,496	638,336
After two years but not more than five years	-	1,366,496
More than five years	-	-
Total	**1,366,496**	**2,004,832**

Term loans and revolving credit lines are secured by a corporate guarantee from Titan Cement Company S.A. No Group's assets are pledged as a collateral against these borrowings. These borrowings (financial institutions – banks) - mature until the end of 2025. The Group's borrowings are denominated in the following currencies:

	31 December 2024	31 December 2023
Term loans		
ALL	174,724	989,917
EUR	1,778,172	2,290,632
Revolving credit facility		
ALL	1,390,299	348,347
EUR	-	-
Total borrowings	**3,343,195**	**3,628,896**

The Group'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 Group was in line with both limits at the reporting date (2023: below both limits).

28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below sets out an analysis of liabilities from financing activities and the movements in the Group'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:

	31 December 2024			31 December 2023		
	Borrowings	**Lease Liabilities**	**Total**	**Borrowings**	**Lease Liabilities**	**Total**
Liabilities from financing activities at 1 January	**3,628,896**	**199,003**	**3,827,899**	**7,610,971**	**169,871**	**7,780,842**
Cash Flows:						
Loan drawdowns	1,041,954		**1,041,954**	200,798	-	**200,798**
Principal repayments	(1,232,539)		**(1,232,539)**	(3,737,414)	-	**(3,737,414)**
Interest payments	(140,709)		**(140,709)**	(302,686)	-	**(302,686)**
Principal Elements of Lease Payments	-	(97,864)	**(97,864)**	-	(82,960)	**(82,960)**
Non-cash changes						
Interest accrual	166,141	-	**166,141**	293,533	-	**293,533**
New leases	-	214,861	**214,861**	-	129,180	**129,180**
Foreign exchange effect	(117,680)	(3,988)	**(121,668)**	(423,772)	(10,368)	**(434,140)**
Lease termination and withholding taxes	(2,868)	(9,345)	**(12,213)**	(12,534)	(6,720)	**(19,254)**
Liabilities from financing activities at 31 December	**3,343,195**	**302,667**	**3,645,862**	**3,628,896**	**199,003**	**3,827,899**

29. 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 2024	31 December 2023
Trade creditors third parties	1,385,271	1,117,908
Accruals for suppliers	16,173	10,949
Total	**1,401,444**	**1,128,857**

30. OTHER LIABILITIES

Other payables are composed of the following balances.

	31 December 2024	31 December 2023
Other taxes	104,754	117,065
VAT payable	42,541	47,729
Provisions and accruals for employee benefits	34,169	32,519
Other payables	22,885	16,504
Contract liabilities - advances from customers	16,885	16,412
Social security	6,594	6,198
Payroll taxes	5,624	3,574
Due to employees	951	269
Total	**234,403**	**240,270**

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).

30. OTHER LIABILITIES (CONTINUED)

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:

	2024	2023
Balance on 1 January	**32,519**	**27,195**
Additions	4,527	5,324
Utilization	(2,877)	-
Cancellations	-	-
Balance on 31 December	**34,169**	**32,519**

31. TRANSLATION OF FOREIGN OPERATIONS

During 2010, the Group established a fully owned subsidiary Cementi Antea Srl, which is operating in Italy. Cementi Antea Srl has EURO as its functional currency. To be consolidated with Antea Group, the subsidiary's financial statements line items are translated into these consolidated financial statements presentation currency which is Albanian Lek. An amount of **ALL 81,213 thousand** loss (31 December 2023: **ALL 57,641 thousand** loss) has resulted from the translation and the difference between opening balance rates as well as profit or loss rates which is recognized as translation unrealised gains in other comprehensive income.

32. RELATED PARTY TRANSACTIONS

The Group is controlled by Alvacim Ltd which is in turn a fully owned subsidiary of Titan Cement International S.A. The Group considers as related parties all the 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 2024 and 2023 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 S.A.

32. RELATED PARTY TRANSACTIONS (CONTINUED)

a) Sales of goods and services.

	2024	2023
TCK MONTENEGRO (Sales of Cement)	793,092	973,252
SHARRCEM (Sales of Cement)	511,601	575,859
ZLATNA PANEGA CEMENT (Other)	101,187	
CEMENTARA KOSJERIC (Sales of Cement)	-	8,980
SHARRCEM (Recharge employee cost)	21,512	18,264
CEMENT PLUS (Sales of Cement)	-	-
SHARRCEM (Sales of Clinker)	-	-
TITAN CEMENT COMPANY SA (Other)	2,548	1,417
Total	**1,429,940**	**1,577,772**

The major transactions during the year are related with TCK Montenegro and Sharrcem for sales of cement both for 2024 and 2023.

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

b) Receivables from related parties

	31 December 2024	31 December 2023
TCK MONTENEGRO	39,576	24,248
SHARRCEM	31,354	47,549
TITAN CEMENT COMPANY SA	1,831	492
ZLATNA PANEGA CEMENT	96,149	-
TITAN CEMENTARA KOSJERIC	-	-
Total	**168,910**	**72,289**

c) Purchases of goods and services.

	2024	2023
TITAN CEMENT COMPANY SA - Services	560,143	543,152
TITAN CEMENT COMPANY SA - Goods	3,014	16,044
CEMENTARNICA USJE AD - Services	7,743	11,499
TITHYS HOLDING LIMITED - Derivative	-	70,623
ADOCIM - Goods	-	166,831
TITAN CEMENT INTERNATIONAL SA - Services	12,787	4,330
FINTITAN – Services	1,197	1,267
CEMENTARNICA USJE AD - Goods	-	-
ZLATNA PANEGA CEMENT	-	15
OPALIT	-	-
SHARRCEM	-	-
TITAN CEMENTARA KOSJERIC - Services	9,012	-
Total	**593,896**	**813,761**

32. RELATED PARTY TRANSACTIONS (CONTINUED)

d) Payables to related parties

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

	31 December 2024	31 December 2023
TITAN CEMENT COMPANY SA	550,293	535,506
CEMENTARNICA USJE AD	11,128	4,629
ZLATNA PANEGA CEMENT	-	38
FINTITAN SRL	3,043	1,267
SHARRCEM	-	-
TITAN CEMENTARA KOSJERIC	9,012	-
Total	**573,476**	**541,440**

e) Loans from related parties/shareholders

Titan Global Finance plc	31 December 2024	31 December 2023
Non-current portion of principal	1,374,100	1,869,840
Current portion of principal	392,600	415,520
Accrued interest	17,210	23,474
Total term loan	**1,783,910**	**2,308,834**

	2024	2023
Interest expense	101,195	188,534

During 2024 the Group has repaid TGF loan principal in the amount of Euro 4,000 thousand or the equivalent of ALL 400,730 thousand (2023: loan principal in the amount of Euro 24,331 thousand or the equivalent of ALL 2,593,587 thousand) and the respective interests and related fees in the amount of Euro 832 thousand or the equivalent of ALL 83,871 thousand (2023: respective interests and related fees in the amount of Euro 1,670 thousand or the equivalent of ALL 184,172 thousand).

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

Key management compensations are detailed below.

	2024		2023	
	Expense	Accrued liability	Expense	Accrued liability
Short-term benefits:				
- Salaries	41,247	-	38,158	-
- Short-term bonuses	7,093	-	5,083	-
- Benefits in-kind	12,849	-	9,214	-
Post-employment benefits:				
- State pension and social security costs	2,351	-	2,052	-
- Retention plan	-	2,755	-	2,461
Share-based compensation:				
- Equity-settled share-based compensation	7,998	-	7,196	-
Total key management compensation	71,537	2,755	61,703	2,461

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

32. RELATED PARTY TRANSACTIONS (CONTINUED)

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 (2023: 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

Policies and objectives

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

The Supervisory Council has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group, 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 Group's activities. The Group, 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 Group consist of cash on hand and at banks, trade accounts receivable and payable, other receivables and liabilities.

The main risks arising from the Group'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 risk

The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's long-term debt obligations with a floating interest rate. At 31 December 2024 (31 December 2023: Nil) no interest rate swaps were agreed, which makes 100% of the Group's borrowings to be at a variable rate of interest.

	31 December 2024	31 December 2023
Fixed rate instruments		
Financial assets	820,973	676,252
Financial Liabilities	1,401,444	1,128,857
Variable rate instruments		
Financial assets	-	-
Financial Liabilities	3,645,862	3,827,899

The Group'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 Group's Long-Term Debt might have on the Group results is shown as follows:

	31 December 2024		31 December 2023	
	Increase/ Decrease in Basis/Point	Effect on Profit Before Tax	Increase/ Decrease in Basis/Point	Effect on Profit Before Tax
EURO	20	2,737	20	3,703
ALL	100	(19)	100	1,532
EURO	(20)	(2,737)	(20)	(3,703)
ALL	(100)	19	(100)	(1,532)

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Foreign currency risk

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

31 December 2024	ALL	USD	EUR	Total (ALL)
Financial assets				
Trade receivables	-	-	820,973	**820,973**
Other receivables	-	-	28,897	**28,897**
Trade receivables from related parties	-	-	168,910	**168,910**
Cash and cash equivalents	59,558	2,187	577,168	**638,913**
Total financial assets	**59,558**	**2,187**	**1,595,948**	**1,657,693**
Financial liabilities				
Borrowings	(1,565,024)	-	(1,778,171)	**(3,343,195)**
Trade payables	(476,505)	(224,093)	(700,846)	**(1,401,444)**
Lease liabilities	-	-	(302,667)	**(302,667)**
Trade payables to related parties	-	-	(573,476)	**(573,476)**
Total financial liabilities	**(2,041,529)**	**(224,093)**	**(3,355,160)**	**(5,620,782)**
Net position	**(1,981,971)**	**(221,906)**	**(1,759,212)**	**(3,963,089)**

31 December 2023	ALL	USD	EUR	Total (ALL)
Financial assets				
Trade receivables	-	-	676,252	**676,252**
Other receivables	140	-	47,112	**47,252**
Trade receivables from related parties	-	-	72,289	**72,289**
Cash and cash equivalents	52,151	1,039	548,437	**601,627**
Total financial assets	**52,291**	**1,039**	**1,344,090**	**1,397,420**
Financial liabilities				
Borrowings	(1,338,264)	-	(2,290,632)	**(3,628,896)**
Trade payables	(421,128)	(3,737)	(703,992)	**(1,128,857)**
Lease liabilities	-	-	(199,003)	**(193,003)**
Trade payables to related parties	-	-	(541,440)	**(541,440)**
Total financial liabilities	**(1,759,392)**	**(3,737)**	**(3,735,067)**	**(5,498,196)**
Net position	**(1,707,101)**	**(2,698)**	**(2,390,977)**	**(4,100,776)**

The above analysis includes only monetary assets and liabilities. 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	
	2024	**2023**	**2024**	**2023**
EUR/ALL	100.69	108.75	98.15	103.88
USD/ALL	93.04	100.62	94.26	93.94

The Group'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 87,961 thousand (2023 – ALL 119,549 thousand).

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Other price risk

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

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group is exposed to daily calls on its available cash resources. Liquidity risk is managed by the Finance function of the Group. Management monitors monthly rolling forecasts of the Group's cash flows. Prudent liquidity risk management implies maintaining enough cash and availability of funds through an adequate amount of committed credit facilities. The Group 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 Group 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 2024 (in '000 ALL)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Long Term Borrowings	-	-	-	1,366,496	-	**1,366,496**
Short Term Borrowings	-	156,170	1,858,831	-	-	**2,015,001**
Trade and other Payables	-	1,637,123	-	-	-	**1,637,123**
Trade payables to related parties	-	573,476	-	-	-	**573,476**
Lease Liabilities	-	17,079	51,239	196,706	37,643	**302,667**
Off-balance sheet guarantees (short-term)	-	-	98,150	-	-	**98,150**
Total future payments, including future principal and interest payments	**-**	**2,383,848**	**2,008,220**	**1,563,202**	**37,643**	**5,992,913**

Year ended 31 December 2023 (in '000 ALL)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Long Term Borrowings	-	-	-	2,040,313	-	**2,040,313**
Short Term Borrowings	-	751,605	987,888	-	-	**1,739,493**
Trade and other payables	-	1,467,976	-	-	-	**1,467,976**
Trade payables to related parties	-	541,440	-	-	-	**541,440**
Lease liabilities		18,500	55,501	85,161	39,841	**199,003**
Off-balance sheet guarantees (short-term)	-	-	103,880	-	-	**103,880**
Total future payments, including future principal and interest payments	**-**	**2,779,521**	**1,147,269**	**2,125,474**	**39,841**	**6,092,105**

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

The Group 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 Group's credit and other transactions with counterparties, giving rise to financial assets and off-balance sheet credit-related commitments.

The Group'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 Group'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 Group 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 Group has required as collateral: bank guaranties and deposits.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and other financial assets (non-current), the Group'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 2024	31 December 2023
Trade receivables	**22**	820,973	676,252
Other receivables	**23**	28,897	47,252
Trade receivables from related parties	**32b**	168,910	72,289
Current accounts with banks	**24**	638,508	601,314
Undrawn credit commitments	**27**	109,701	1,710,333
Financial guarantees received from customers		70,484	72,716
Total		**1,837,473**	**3,180,156**

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

34. FAIR VALUES

Investment property is held to earn rental income. Investment property was initially recognised at cost, and subsequently remeasured at fair value updated to reflect market conditions at the end of the reporting period.

Fair value of investment property is the price that would be received from sale of the asset in an orderly transaction, without deduction of any transaction costs. The best evidence of fair value is given by current prices in an active market for similar property in the same location and condition.

Market value of the Group's investment property is determined based on reports of independent appraisers, who hold recognised and relevant professional qualifications and who have recent experience in the valuation of property in the same location and category. The appraiser used level 2 information in determining the fair value.

Earned rental income is recorded in profit or loss for the year within other income. Gains and losses resulting from changes in the fair value of investment property are recorded in profit or loss for the year and also included in other income (Note 10). 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 Group's financial instruments that are carried in the consolidated financial statements.

34. FAIR VALUES (CONTINUED)

in ALL'000	Carrying amount		Fair Value	
Financial assets	**31 December 2024**	**31 December 2023**	**31 December 2024**	**31 December 2023**
Cash and banks	638,913	601,627	638,913	601,627
Trade receivables	820,973	676,252	820,973	676,252
Trade receivables from related parties	168,910	72,289	168,910	72,289
Other receivables	90,485	102,272	90,485	102,272
Total	**1,719,281**	**1,452,440**	**1,719,281**	**1,452,440**

in ALL'000	Carrying amount		Fair Value	
Financial Liabilities	**31 December 2024**	**31 December 2023**	**31 December 2024**	**31 December 2023**
Borrowings	3,343,195	3,628,896	3,343,195	3,628,896
Trade accounts payable	1,401,444	1,128,857	1,401,444	1,128,857
Lease Liability	302,667	199,003	302,667	199,003
Trade payables to related parties	573,476	541,440	573,476	541,440
Total	**5,620,782**	**5,498,196**	**5,620,782**	**5,425,130**

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 Group'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 Group'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 Group is not subject to externally imposed capital requirements.

The Group's principal financial instruments comprise bank loans, and cash and short-term deposits. The main purpose of these financial instruments is to fund the Group's operations. The Group 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 Group'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 Group manages its capital structure and adjusts it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares, following shareholder's approval. The Group 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 Group and is calculated as follows:

35. CAPITAL MANAGEMENT (CONTINUED)

The Group manages its capital structure and adjusts it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares, following shareholder's approval. The Group 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 Group and is calculated as follows:

	31 December 2024	31 December 2023
Profit before tax	2,517,109	3,423,383
Finance costs **(Note15)**	586,571	1,030,463
Finance income **(Note 15)**	(509,778)	(1,055,494)
Depreciation and amortization expense	1,095,329	1,013,384
EBITDA	**3,689,231**	**4,411,736**

A reconciliation of depreciation and amortization expense is provided below:

	31 December 2024	31 December 2023
Depreciation charges **(Note 9)**	922,180	845,812
Depreciation of right of use assets **(Note 9)**	75,439	65,617
Depreciation of right of use assets **(Note 12)**	2,126	4,439
Depreciation charges **(Note 13)**	72,468	76,002
Depreciation of right of use assets **(Note 13)**	17,633	16,592
Amortization **(Note 13)**	5,483	4,922
Depreciation and amortization	**1,095,329**	**1,013,384**

The Group 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 Group. 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 Group's operations.

36. COMMITMENTS AND CONTINGENCIES (CONTINUED)

A. TAXATION (continued)

As tax legislation may not provide definitive guidance in certain areas, the Group adopts, from time to time, interpretations of such uncertain areas that reduce the overall tax rate of the Group. 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 Group.

B. Legal proceedings

From time to time and in the normal course of business, claims against the Group 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 consolidated financial statements.

On 31 December 2024, the Group 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 Group, 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 Group amounted to ALL 68,000 thousand. The Group 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 Group 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 Consolidated Financial statements.

In 2023, Antea Cement underwent an investigation by the Competition Authority concerning the production and wholesale market for grey and white cement. In June 2024, the Competition Authority imposed a fine on the Group for alleged abuse of its alleged dominant position in setting prices. The Group has paid the fine (Note 11) and has formally appealed contesting the decision of the Authority. Legal proceedings are currently in progress. The fine was accrued in June 2024 and subsequently settled. Management continues to monitor the situation closely, and based on current evaluations, no additional provisions have been included in these Separate Financial Statements. The Group is committed to defending its position.

37. PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

The Group has participation in the following subsidiaries, which are fully consolidated in these consolidated financial statements. The Group has no participation in associates and join-venture.

Name	Nature of business	Percentage of voting rights	Percentage of ownership	Country of registration
Subsidiaries:				
Cementi Antea SRL	Cement Handling Terminal	100%	100%	Italy

38. BUSINESS COMBINATIONS

In merging its former subsidiary Alba-Cemento SH.P.K., the Group used the carrying values at which it was previously consolidating the former subsidiary's balances and transactions in its consolidated financial statements (the predecessor values method). As the business combination was under common control, the requirements of IFRS 3 to account for the business combination at the fair value of the assets and liabilities transferred was not applied.

38. BUSINESS COMBINATIONS (CONTINUED)

The following assets and liabilities were transferred to the Group at 31 December 2024:

	At 31 December 2024
Consideration	
Carrying value of investment before the transfer	**230,586**
Assets and liabilities transferred	
Cash and cash equivalents	82,841
Property and equipment	156,987
Investment property	1,832
Other receivables	3,960
Net assets transferred	**245,620**
Merger reserve attributable to the shareholder of the Group	**15,034**