CINKARNA

Kemična industrija Celje, d. d.
Kidričeva 26, SI-3001 Celje, Slovenia

UNAUDITED ANNUAL REPORT 2024 OF CINKARNA CELJE

Celje, March 2025

CONTENTS

KEY HIGHLIGHTS

BUSINESS PERFORMANCE in EUR 000	2024	2023	2022	2021
Sales revenues	200,285	176,464	227,153	192,462
Operating profit (EBIT)[1]	26,664	12,723	53,176	39,977
Operating profit plus depreciation and amortisation (EBITDA)[2]	39,565	25,078	65,326	51,258
Net profit or loss	23,087	12,653	43,396	33,227
Non-current assets (end of period)	116,964	114,523	108,560	110,512
Current assets (end of period)	154,391	145,393	142,388	131,373
Equity (end of period)	211,036	221,230	209,010	190,166
Non-current liabilities (end of period)	18,925	18,844	18,832	23,273
Current liabilities (end of period)	41,393	19,841	23,106	28,446
Investments	14,302	19,825	10,547	11,325
RATIOS				
EBIT as a percentage of sales revenues	13.31	7.21	23.41	20.77
EBITDA as a percentage of sales revenues	19.75	14.21	28.76	26.63
Net profit as a percentage of sales revenues (ROS)	11.53	7.17	19.11	17.26
Return on equity (ROE)[3] in %	10.68	5.88	21.74	21.40
Return on assets (ROA)[4] in %	8.69	4.95	17.61	14.70
Value added per employee [5]	107,471	80,305	131,431	106,181
NUMBER OF EMPLOYEES				
End of year/period	718	742	775	793
End of year/period average	725	754	776	801
SHARE DETAILS *				
Total number of shares	8,079,770	8,079,770	8,079,770	8,079,770
Number of treasury shares	298,384	264,650	264,650	264,650
Number of shareholders	2,871	2,651	2,321	2,077
Net earnings per share in euros[6]	2.86	1.57	5.37	4.11
Dividend yield[7]	17%	n.a.	10%	9%
Gross dividend per share in EUR	4.10	n.a.	3.19	2.10
Share price at end of period in EUR/share	27.70	20.50	23.00	25.90
Book value of the share in EUR[8]	26.12	27.38	25.87	23.54
Market capitalisation in EUR 000 (end of period)	223,809.63	165,635.29	185,834.71	209,266.04

* Historical share split recalculated. The gross dividend for 2024 is the sum of the two dividends paid in the year, namely EUR 0.9 gross per share (28th AGM) and EUR 3.2 gross per share (Extraordinary AGM).

[1] Difference between operating income and operating expenditure.
[2] Difference between operating income and operating expenditure, plus depreciation and amortisation. Reflects operating performance.
[3] Net profit/average equity position during the period. The indicator reflects the efficiency of the company in generating net profit in relation to capital. Return on equity is also an indicator of management's performance in maximising the value of the company for its owners.
[4] Net profit/average assets for the period. The indicator reflects the efficiency of the company in generating net profit in relation to assets. Return on assets is also an indicator of management's performance in using assets efficiently to generate profit.
[5] Operating profit plus depreciation, amortisation and labour costs divided by average number of employees after accrued hours (GZS methodology). Productivity indicator reflecting the average newly created value per employee at Cinkarna.
[6] Net profit/total number of shares issued.
[7] Amount of dividend/share value (at the date of the AGM resolution).
[8] Equity at end of the period/total number of shares issued.

MANAGEMENT REPORT

Cinkarna Celje, d.d., a modern and forward-looking chemical company, has entered its 150th year of continuous operation in very good shape, with ambitious sustainability goals. As part of the chemical industry, a vital building block of the European and Slovenian economies, we recognise our opportunities, responsibilities, and challenges in the context of the green, low-carbon, and circular transformation of European industry, as well as the dynamism of the pigment industry.

Sales increased by 13% in 2024, primarily driven by higher volumes sold and increased prices for titanium dioxide pigment. Demand improved in the second quarter, mainly due to the announcement of the introduction of temporary anti-dumping measures, which prompted European customers to reconsider their sourcing strategies. The temporary measures, in place since mid-2023, were replaced by permanent ones at the beginning of this year. These differ in methodology, as the tariffs are now set as absolute amounts rather than as a percentage of the import price. Additionally, the type of pigment used in printing inks has been excluded from the measures. The impact of these changes on market conditions will become more apparent in the coming quarters.

Focusing on our core titanium dioxide pigment programme and rationalising our portfolio of strategic business areas are key pillars of our business performance. Titanium dioxide pigment is our most important product and an indispensable raw material in the modern world. We are committed to its further development, continuous quality improvement, and exploring its use in sustainable applications.

The results achieved exceed forecasts for the period. As a relatively small pigment producer, we navigate market conditions as a typical follower, but we continuously seek to capitalise on market potential, both in terms of scale and timing, within the given framework.

We are committed to a long-term business strategy based on an active marketing approach—identifying and developing the most profitable customers and markets, increasing market share in premium segments, and fostering long-term partnerships with key customers.

Sentiment indicators point to weak economic activity in the euro area, having declined in the fourth quarter of 2024. German institutions do not anticipate a significant recovery in the German economy in 2025. Changes in the economic outlook will remain closely tied to inflation trends, the labour market, and the geopolitical situation.

The macroeconomic environment, particularly in our key markets—the EU—and for our product portfolio, indicates continued weak demand. Despite some producers attempting to raise selling prices, buyer resistance remains strong due to ample market supply. In key sectors such as construction, decorative coatings, and automotive, no recovery is expected in the near term, while uncertainty persists due to macroeconomic and geopolitical risks. At the same time, the impact of certain exemptions from anti-dumping measures on demand for other pigment types will become clearer in the coming quarters.

Net profit reached EUR 23.1 million, an 82% increase from EUR 12.7 million in 2023. Operating profit plus depreciation and amortisation (EBITDA) amounted to EUR 39.6 million, representing 19.8% of sales. EBITDA increased by 58% compared to the previous year.

In employee relations and human resources management, we are focused on optimising the organisational structure to ensure smooth Company operations and, as a result, the highest possible standards of employee safety and well-being. We adhere to a positive and motivating remuneration policy, ensuring a high level of employee satisfaction and motivation. Concurrently, we are introducing IT support to develop competencies and enhance the organisational climate. At the end of the year, we presented a project to the social partners for the renewal of the competency and pay model. This modern system, co-designed by employees, will serve as a foundation for the Company's future growth.

In 2024, we invested EUR 14.3 million in capital expenditures, including fixed asset acquisitions and replacement equipment. Our investments focus on programmes with strong growth potential. In production, our primary investment objectives are reducing operating costs, ensuring profitable production volumes, achieving higher quality, maintaining regulatory compliance, and enhancing energy sustainability.

Our development activities follow a five-year strategy, responding to opportunities within our areas of expertise, market trends, and customer expectations. We manage several interlinked projects aimed at comprehensively addressing spatial and environmental risks. The most significant projects include the alternative water supply initiative, harmonisation of zoning regulations at the Za Travnik red gypsum filling plant, remediation of the Bukovžlak Non-Hazardous Waste Landfill (ONOB), and ensuring the stability of barrier structures.

All our activities are planned and executed in accordance with the principles of sustainable development and the circular economy. In support of the sustainable development of titanium dioxide production, we have continued our multi-year project on integrated water management and waste reduction. Additionally, we have launched new initiatives focused on carbon footprint reduction, the use of renewable energy sources, and material reuse. At the end of 2024 we approved our Sustainability strategy.

The following sections of the report provide more detailed information by business area, as well as an overview of the Company’s financial position and performance.

Management Board of the Company

MANAGEMENT'S RESPONSIBILITY STATEMENT

The Management Board of the Company is responsible for the preparation of the financial statements for each reporting period, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and the Companies Act (ZGD), so as to present a true and fair view of the Company's activities.

The Management Board has a reasonable expectation that the Company possesses adequate resources to continue operating as a going concern in the foreseeable future. Accordingly, the financial statements of the Company have been prepared on a going concern basis.

The Management Board's responsibilities for the preparation of the financial statements encompass:

- The appropriate selection and consistent application of accounting policies;
- The exercise of reasonable and prudent judgements and estimations;
- The preparation of the financial statements in accordance with IFRS as adopted by the European Union, with any material departures being disclosed and explained within the report.

To the best of its knowledge and belief, the Management Board declares that:

- The 2024 business report of Cinkarna Celje, d.d. provides a fair and accurate representation of the Company's performance, results of operations, and financial position, including a description of all material risks to which the Company is exposed;
- The 2024 financial statements of Cinkarna Celje, d.d. have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, and present a true and fair view of the Company's assets, liabilities, financial position, profit or loss, and comprehensive income.

The financial statements, together with the associated accounting policies and explanatory notes, were approved by the Management Board on 28th January 2025.

Management Board of the Company

President of the Management Board	**Member of the Management Board - Deputy President of the Management Board - CTO**	**Member of the Management Board - Worker Director**
Ales SKOK, BSc (Chem. Eng.), MBA - USA	Nikolaja PODGORŠEK SELIČ BSc (Chem. Eng.), Specialist	Filip KOŽELNIK, MBS

1 SALES

Total sales in 2024 amounted to EUR 200.3 million, representing a 13% increase compared to the same period in 2023.

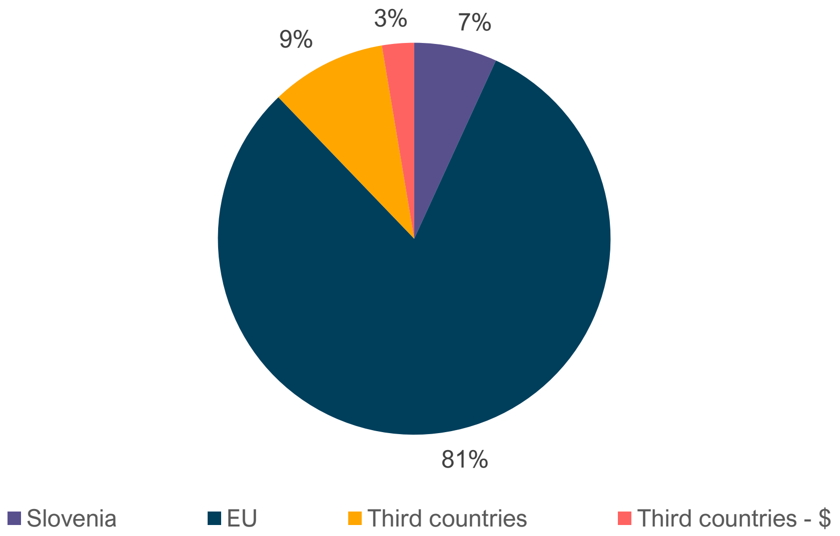
1.1 Sales by geographical segment

Total sales to export markets rose by 15% year-on-year, driven primarily by higher pigment volumes. The most significant growth, both in absolute and relative terms, was recorded in EU markets, which remain our key export region.

Sales by geographical segment

	2024	2023	ΔPY%
Slovenia	13,684,845	14,889,861	-8
EU	162,234,825	134,006,280	+21
Third countries	19,080,092	22,900,287	-17
Third countries - dollar markets	5,285,650	4,667,861	+13
TOTAL	**200,285,413**	**176,464,289**	+13

Share of individual market in the Company's total sales



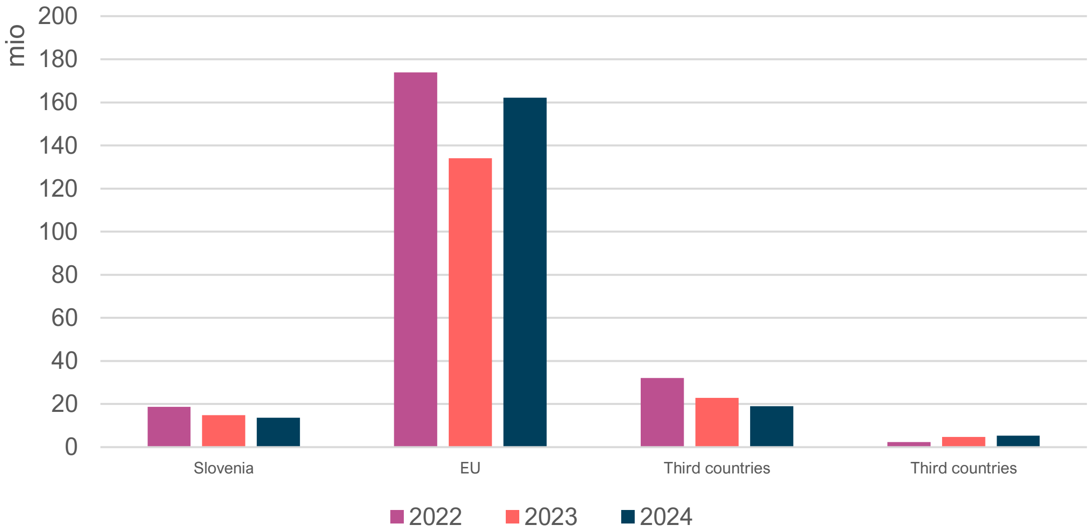
Sales to the **EU market** saw a 21% increase compared with the previous year, driven by higher pigment volumes resulting from regional anti-dumping measures, alongside a notable surge in demand for copper fungicides.

Domestic sales, however, declined by 8% year-on-year, primarily due to reduced demand for powder coatings and the closure of the BU Metalurgija.

Sales to **third country markets** fell by 17%, largely attributable to decreased powder coating sales and diminished competitiveness in TiO2 sales.

We are successfully expanding our market share in **dollar-denominated markets** and, in the medium term, we intend to concentrate our marketing efforts on these regions, which offer valuable geographical diversification. The overall 13% increase in sales is largely attributable to accelerated activity within the US market.

Sales by geographical segment



The proportion of total exports within the Company's overall sales for the year under review reached 93.2%, representing a 1.6 percentage point increase compared with the preceding year. This elevated export share is attributed to increased sales revenue in key markets, including Germany, Italy, France, Poland, and the Netherlands. Germany accounted for the largest export volume, with sales rising by 10%. Titanium dioxide pigment remains a cornerstone of our export activity and the Company's primary product, driving growth in international markets.

The sales distribution across national markets is adjusted quarterly to reflect prevailing market conditions. However, the long-term sales structure is shaped by pivotal factors such as market profitability, alignment with the Company's marketing strategy, and the evaluation of political-economic stability and reliability in each market. Current data indicates that profitable markets maintain stability, while sales distribution is adapted in response to uncertainties arising from political or economic risks. Furthermore, anti-dumping measures in specific markets, such as the EU, have reinforced a strategic emphasis on more stable and competitive markets over the long term. This supports our strategic transition towards achieving sustainable growth in secure, higher-yield markets.

1.2 Sales by business segment

Sales by business segment

	2024	2023	ΔPY%
Titanium dioxide	168,728,022	146,042,369	+16
- of which TiO2 pigment	*165,044,453*	*143,356,887*	*+15*
Zinc processing	0	5,637,539	-
Coating, masterbatches and printing inks	16,140,315	16,579,785	-3
Agro programme	11,150,638	5,443,530	+105
Polymers	3,379,268	2,148,761	+57
Other	887,171	612,307	+45
TOTAL	**200,285,413**	**176,464,289**	**+13**

During the period under review, sales of our flagship **titanium dioxide pigment business** reached EUR 168.7 million. The EUR 22.7 million increase in sales revenue is primarily attributable to higher volumes. The challenging market conditions, which persisted from the previous year, reversed in the second quarter, resulting in improved demand. On the European market, we observed a gradual pickup in demand, driven by the culmination of expectations regarding the decision on anti-dumping measures against pigments of Chinese origin. In addition to traditional markets, we continued to sell to a limited extent in North American markets. The provisional measures in force since mid-last year were replaced by definitive measures at the beginning of this year.

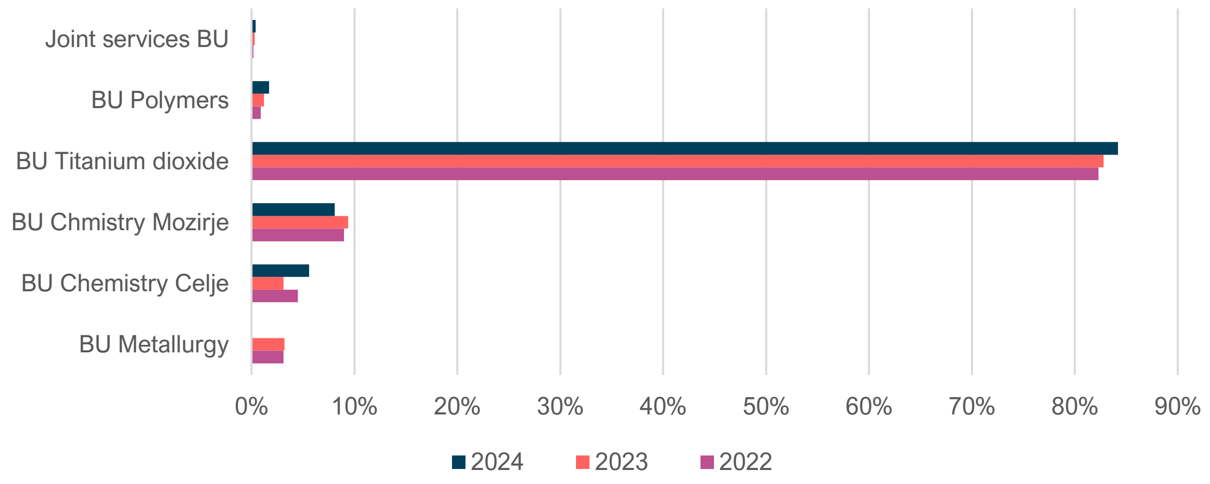
Within the programmes of this business segment, special mention should be made of **CEGIPS**, where 157.6 thousand tonnes were sold, representing a 22% increase compared with the previous period. This result is particularly significant as it directly contributes to the extension of the lifetime of the Za Travnik landfill.

The **zinc processing** sales programme was discontinued at the end of 2023, in line with the strategy to optimise the business portfolio. This decision allows the Company to focus resources and investments on programmes with higher added value and more promising market opportunities, aligning with the Company's long-term objectives.

During the period under review, we recorded a 3% decline in sales of **coatings and masterbatches**. The primary reason for this decrease is the decline in sales of powder coatings, which are subject to strong competitive pricing pressure, mainly due to low activity in the white goods and exhibition equipment sectors.

Sales of the **agro programme**, which includes copper fungicides, Pepelin, Green Gallica, and Humovit, increased by 105% in the period under review compared with the same period in 2023. This strong sales growth is primarily due to restocking and the start of the new season, coupled with the markedly weak sales market conditions in 2023. Sales activity in 2023 was still influenced by the sale of aged inventory accumulated due to the 2022 drought. We are managing to maintain sales of Humovit at the level of the comparable period in 2023, but we remain tied to the situation in the domestic and adjacent markets for this product. This is because the additional transport costs make it more difficult for Humovit to penetrate more distant markets, which limits the geographical scope of sales and underscores the importance of optimising distribution at the local level.

Contribution of each business unit to total sales of the Company



In the year under review, the relative ratios between business units were once again adjusted. With the exception of the BU Kemija Mozirje, where the percentage of sales did not increase, all other units recorded growth in their percentage of sales, excluding the BU Metalurgija, which was discontinued at the beginning of the year, from this comparison.

The share of the BU Polimeri increased due to larger projects. The increased business volume of this unit is closely linked to investment activity in the pharmaceutical and petrochemical sectors within the region, which supports our strategic focus on bespoke manufacturing with a high level of flexibility, committed to meeting specific customer needs. While this business model is highly dependent on industry investment cycles, it also allows us to achieve greater differentiation and maintain long-term partnerships.

Adjustments in business models have led to a restructuring of the scope and focus of individual business units, which has already resulted in a reduction in their number. In this context, we expect further growth in the relative importance of our core programme – titanium dioxide production – which will continue to strengthen as a key source of value creation and revenue stability in the coming periods.

2 PERFORMANCE ANALYSIS

2.1 Operating result

In EUR

	2024	2023	ΔPY%
Operating income	204,135,737	182,389,786	+12
Operating expenses	177,471,493	169,667,037	+5
OPERATING PROFIT	**26,664,244**	**12,722,749**	**+110**
Financial revenue	1,986,327	1,911,731	+4
Financial expenditure	123,439	828,878	-85
Profit before tax	**28,527,133**	**13,805,602**	**+107**
Corporate income tax	5,439,882	1,152,195	+372
NET PROFIT OR LOSS	**23,087,250**	**12,653,407**	**+82**

In 2024, the **operating profit** reached EUR 26.7 million. This result exceeds the operating profit of 2023 by 110%, when it amounted to EUR 12.7 million. The operating performance was significantly better than last year and far exceeded the results set out in the business plan. This better-than-planned and better-than-expected performance was driven by a significant improvement in sales volume. Earnings before interest, tax, depreciation and amortisation (EBITDA) reached EUR 39.6 million, representing 19.8% of total sales. Compared to the previous year, EBITDA increased by 58%.

Taking into account the impact of financial income and expenses, the **profit before tax** for 2024 is EUR 28.5 million, compared to EUR 13.8 million in 2023. The profit before tax exceeds the previous year's result by 107%.

In 2024, as in 2023, a positive financing balance of EUR 1.9 million is achieved (in 2023, the positive financing balance was EUR 1.1 million). This financing balance is the result of a positive exchange rate difference balance (forward purchases and sales of US dollars) of EUR 0.3 million and a positive balance of investment income and expenses, including interest, of EUR 1.6 million. The positive foreign exchange difference balance throughout the year demonstrates the effective use of hedging instruments to manage the volatility of the USD/EUR exchange rate in the procurement of titanium-bearing ores. The positive balance from investments reflects the efficient use and placement of surplus funds in profitable investments.

The **net profit for the period** amounted to EUR 23.1 million, which is 82% higher than the result achieved in the previous year (EUR 12.7 million). Considering the developments in the international economy, the titanium dioxide pigment market and especially the performance of competitors in the titanium dioxide industry, we can conclude that the result is more than satisfactory and exceeds expectations. The net profit includes the profit before tax and the income tax charge of EUR 5.4 million (resulting in an effective tax rate of 19%).

2.2 Expenses and costs

There are significant differences in the structure of raw material, packaging and energy consumption compared to 2023. In relative terms, the most significant reduction is in energy costs.

The relationship between purchase and selling prices changes due to higher input costs. Procurement prices for titanium-bearing raw materials are higher than in the previous year. The total cost of raw materials is 13% higher. Nevertheless, at the end of the period the largest proportion of production costs was accounted for by raw materials/production supplies (84.4%), followed by energy (14.1%) and packaging (1.5%). Compared to the previous year, there is a significant change in the structure, namely a decrease of 7.3 percentage points in the share of energy and an increase of 7.4 percentage points in the share of material costs.

The structure of labour costs is disclosed in the chapter 'Notes to the financial statements 5 Labour costs'. Gross salaries are determined in accordance with the collective agreement, taking into account the agreements between the trade unions and the Management Board. Commuting and meal allowances are in accordance with applicable regulations. Personnel expenses include supplementary pension plans, performance-related bonuses, severance payments, other employee benefits, solidarity expenses, jubilee benefits and other items. The paid holiday allowance per employee for 2024 was EUR 2,000 gross.

2.3 Assets

	31/12/2024	31/12/2023
ASSETS		
Intangible assets	2,408,779	1,585,108
Property, plant and equipment	111,699,615	109,855,569
Financial assets at fair value through other comprehensive income	1,287,325	1,558,531
Other non-current assets	105,470	84,444
Deferred tax assets	1,462,488	1,439,044
Total non-current assets	**116,963,678**	**114,522,696**
Current assets		
Inventories	58,969,428	53,841,480
Financial receivables	47,214,859	38,616,117
Operating receivables	30,243,586	31,545,008
Corporate income tax assets	0	5,493,528
Cash and cash equivalents	17,731,407	15,687,805
Other current assets	230,760	209,028
Total current assets	**154,390,040**	**145,392,966**
Total assets	**271,353,718**	**259,915,662**

The **share of non-current (long-term) assets** in the total asset structure decreased by 1 percentage point compared to the end of 2023, reaching 43.1%. Tangible fixed assets represent the largest category of non-current assets (96%). Their value increased by EUR 1.8 million or 2%, which is the difference between the amount invested in tangible fixed assets and the actual depreciation calculated for 2024. Non-current financial assets decreased by EUR 0.3 million in 2024 due to revaluation and include shares and participations in companies. Deferred tax assets increased by 2% due to an increase in the creation and use of provisions. Other non-current assets represent emission rights received free of charge from the government. Their balance at 31 December 2024 is EUR 21 thousand higher than at 31 December 2023 due to the positive balance between the purchase of allowances for 2024 and their surrender to ARSO for CO2 emissions in 2023.

The **share of current assets** in the total asset structure increased by 1 percentage point to 56.9% compared to the end of the previous year. Within the current asset structure, the most important categories in terms of value are inventories (38%), financial receivables (31%), trade receivables together with other current assets and income tax receivables (20%) and cash and cash equivalents (11%).

Inventories increased by 10% compared to the end of 2023, with the value of material inventories (including prepayments) increasing by 22%, the value of work in progress inventories increasing by 38% and the total value of finished goods and consumable inventories decreasing by 16% (all compared to the end of 2023). The main reason for the decrease in finished goods inventories is the higher sales volume of pigments in 2024 compared to production.

Current financial receivables at 31 December consist of investments in treasury bills, mainly with maturities of up to one year, for the purpose of efficient cash management.

Current operating receivables comprise current trade receivables from customers and current operating receivables due from others (mainly from the government for input tax). Compared to the end of 2002, trade receivables decreased by 4%. Receivables from customers also decreased by 1%, while other current receivables decreased by 23% due to a decrease in receivables from the State related to the receipt of the remaining payments under the Act Governing Aid to Businesses to Mitigate the Impact of the Energy Crisis - ZPGOPEK (EUR 1.5 million). An analysis of receivables from customers by maturity shows that the age structure of receivables remains sound and is secured by an external institution or other form of collateral.

Cash and cash equivalents represent 11% of the total value of current assets. The volume of cash and cash equivalents increased by 13% compared to the last day of the previous year due to the strong operating performance. The remaining cash is required for the ongoing operations.

Other current assets comprise pre-paid expenses. The value rose by 1’%.

2.4 Liabilities

	31/12/2024	31/12/2023
EQUITY AND LIABILITIES		
Called-up capital	20,229,770	20,229,770
Capital reserves	44,284,976	44,284,976
Revenue reserves	125,078,814	119,583,496
Fair value reserve	-1,650,342	-1,242,486
Retained earnings	23,093,258	38,374,703
Total equity	**211,036,476**	**221,230,458**
Provisions for employee benefits	3,748,722	3,843,523
Other provisions	14,302,270	14,233,199
Non-current deferred revenues	873,579	767,414
Total non-current liabilities	**18,924,572**	**18,844,136**
Financial liabilities	29,915	103,692
Operating liabilities	36,124,537	18,530,350
Corporate income tax liabilities	4,019,469	0
Liabilities under contracts with customers	0	11,351
Other current liabilities	1,218,750	1,195,674
Total current liabilities	**41,392,670**	**19,841,067**
Total equity and liabilities	**271,353,718**	**259,915,662**

The **value of equity** within the liabilities structure as of 31 December 2024 represented 77.8%, a decrease of 7.3 percentage points compared with the end of 2023. The total equity amount decreased by 5% compared with the end of 2024. This decrease (EUR 10.2 million) reflects the difference between the net profit for 2024 of EUR 23.1 million and dividend payouts of EUR 25 million in February 2024, EUR 7 million in June 2024, and the purchase of treasury shares amounting to EUR 0.8 million. As of 31 December 2024, the Company held 298,384 treasury shares (3.7% of the total shares). In accordance with the resolution of the 28th Annual General Meeting of shareholders of Cinkarna Celje, d.d. on 19 June 2024, the Company acquired 33,734 treasury shares in 2024 at a value of EUR 0.8 million. Additionally, under the same resolution, the Company transferred the retained profit for 2023 (50% of the net profit for 2023) to other reserves, mirroring the transfer of the first 50% of the balance as of 31 December 2023, which will remain permanently in reserves and will not be distributed. There were no other significant movements in equity.

Within the total equity, the value of the share capital amounted to EUR 20,229,769.66, comprising 8,079,770 freely transferable ordinary shares, following a 1:10 share split on 15 August 2022 (of which 298,384 are treasury shares recorded in the treasury share fund). The book value per share as of 31 December 2024 was EUR 26.1 (down 4.6% from the beginning of the year, when it was EUR 27.4).

Provisions and long-term deferred revenues accounted for 7% of liabilities. Provisions for pensions and similar obligations were established on 1 January 2006 (severance pay and jubilee awards) and are adjusted annually based on actuarial calculations. Other provisions were established during the privatisation process for environmental remediation. In recent years, additional environmental provisions were made: EUR 5 million in 2010 for the remediation of the Bukovžlak landfill, and EUR 7 million and EUR 5 million in 2011 for the remediation of the Za Travnik landfill and the disposal of low-level radioactive waste. At the end of 2017, a detailed review and revaluation of provisions was conducted, retaining only the provision for the elimination of risks due to historical pollution, which amounted to EUR 6.4 million and was fully utilised in 2022. As of the end of 2024, as was the case at the end of 2023, the scope of provisions was reviewed and adjusted appropriately in line with prevailing market conditions and the reasons for their existence. The value of environmental provisions during the reporting period did not change significantly (increased by EUR 69,000) due to targeted increases for inflation and discounting to present value, while simultaneously covering the costs of the aforementioned remediation projects. Long-term deferred income increased by 14% due to the acquisition of additional funds to co-finance the installation of solar power plants in 2024.

Financial and operating liabilities increased by 95% compared with the position at the end of the previous year, owing to an increase in short-term trade payables to suppliers of strategic raw materials. Trade payables thus increased by 111% for the aforementioned reason. Other short-term operational liabilities increased by 33% due to higher obligations to employees and state institutions. The income tax payable for the financial year 2024 as of 31 December 2024 amounted to EUR 4 million, as the paid advances during 2024 did not cover the calculated tax obligations for 2024. All financial and operational liabilities are short-term. The Company’s gross debt ratio was 15%, an increase of 0.7 percentage points compared with 31 December 2023.

Short-term financial liabilities as of 31 December 2024 amounted to EUR 30,000, compared with EUR 104,000 at the end of 2023. The Company's financial leverage ratio was therefore 0.1‰ (it was 0.4‰ at the end of 2023).

Current operating liabilities increased by 95% during the reporting period. Short-term trade payables to suppliers at the end of 2024 amounted to EUR 31 million, an increase of 111% compared with the end of 2023, due to higher obligations to suppliers of strategic raw materials. Other operational liabilities increased by 33% (or EUR 1.3 million) and mainly comprised EUR 2.5 million in obligations for net wages and other net employment-related payments, EUR 2.6 million in obligations for contributions and taxes on personal income, and obligations for VAT and other institutions.

Other current liabilities increased by 2% during the reporting period. These mainly included accrued liabilities for annual leave and other labour costs, prepaid environmental contributions and taxes, and VAT on received advances.

3 HUMAN RESOURCES

HR activities focused on achieving the key objectives of the business policy, with special attention dedicated to finding innovative recruitment methods, acquiring professionally skilled personnel, and enhancing the social cohesion of the Company. These efforts were particularly dynamic due to labour market conditions, the general state of the country, and the rise in interest rates, which impacted labour costs. We continued with a rational approach to external recruitment, covering the need for skilled workers and employees with higher and university education, while addressing most other staffing needs through internal redeployment and hiring of professional staff. Our focus was on rejuvenating the workforce across individual organisational units, filling critical positions, seeking employees with shortage skills, especially in natural sciences, and actively negotiating retirement plans with employees who had already met the retirement conditions, as well as those who would soon be eligible through the Employment Service of the Republic of Slovenia.

As of 31 December 2024, the Company had 718 employees, representing a decrease of 24 employees, or 3.2%, compared with the end of 2023. Notable changes were observed in the number of employees across individual business units.

In communication with employees, we promoted open and comprehensive communication between the Company's management, employees, the Works Council, and the two representative trade unions. In addition to informing employees about current general conditions, it was equally important to gather feedback and suggestions from employees, which positively influenced the working atmosphere, fostered a strong organisational culture, increased employees' loyalty to the Company, and strengthened trust in management.

During this period, Company management, directors of business units, and the Works Council placed great emphasis on communication, utilising a wide range of communication channels. To convey information to employees, we used both printed and electronic media such as: management messages via email with up-to-date news for employees and electronic communications from the Company mascots (Cinko and Cinka), the printed version of the Informer, the Cinkarna Company magazine (published twice annually), an active social media presence on Facebook and LinkedIn for Cinkarna Celje, a union newsletter, our own SharePoint (intranet and extranet), and the ever-active notice boards for company news. Over 70 notice boards were used throughout the Company as communication tools.

In addition, we enhanced the "My Cinkarna" app as an additional communication channel with employees. The app became increasingly popular among employees and was updated with new functionalities. For those who did not use the "My Cinkarna" app, we installed INFO points through which employees could access company domains, reports, and content.

In the social field, activities continued to address individual employee issues, manage and allocate employees with work disabilities, ensure proper ergonomics, employee well-being, and the retirement of those who were eligible.

Looking ahead, we plan to continue optimising the HR structure through redeployment, business process optimisation, and recruiting new, young, and technically skilled personnel. Investment in employee development, education, and further improvements to the working environment will continue, with particular attention to the renewal and development of HR systems.

3.1 Value added value at Company level

The value added per employee (according to the methodology of the Chamber of Commerce and Industry of Slovenia - GZS) was higher by 34% compared to 2023. This was positively influenced by higher sales. The number of employees, based on calculated hours, decreased by 3% (23 employees), which had a positive impact.

	2024	2023	ΔPY%
Sales revenues	200,285,413	176,464,289	+13
Increase or decrease in the value of inventories	-2,142,794	-6,549,243	-67
Capitalised own products and services	3,372,409	3,019,539	+12
Other operating revenues	2,620,709	9,455,201	-72
Cost of goods, materials and services	127,545,069	122,720,736	4
Other operating expenses	2,543,440	2,491,735	2
Value added	**74,047,227**	**57,177,315**	**30**
Average number of employees according to accounted hours	689	712	-3
Valued added (EUR) / employee	**107,471**	**80,305**	**34**

4 KEY OPERATIONAL RISKS OF THE COMPANY

The risk management process is a key process and the basis of the Integrated Management System (IMS). Risks are managed through the Impact, Risk and Opportunity Management Policy of Cinkarna Celje, d.d. This policy defines the organisation, responsibilities and methodology used.

The risk management system includes risk identification, assessment and classification, implementation of measures, monitoring and reporting. Based on the monitoring and analysis of the external and internal environment, we collect input data to define key risks and opportunities, which are crucial for our operational, tactical and strategic planning in line with sustainability goals.

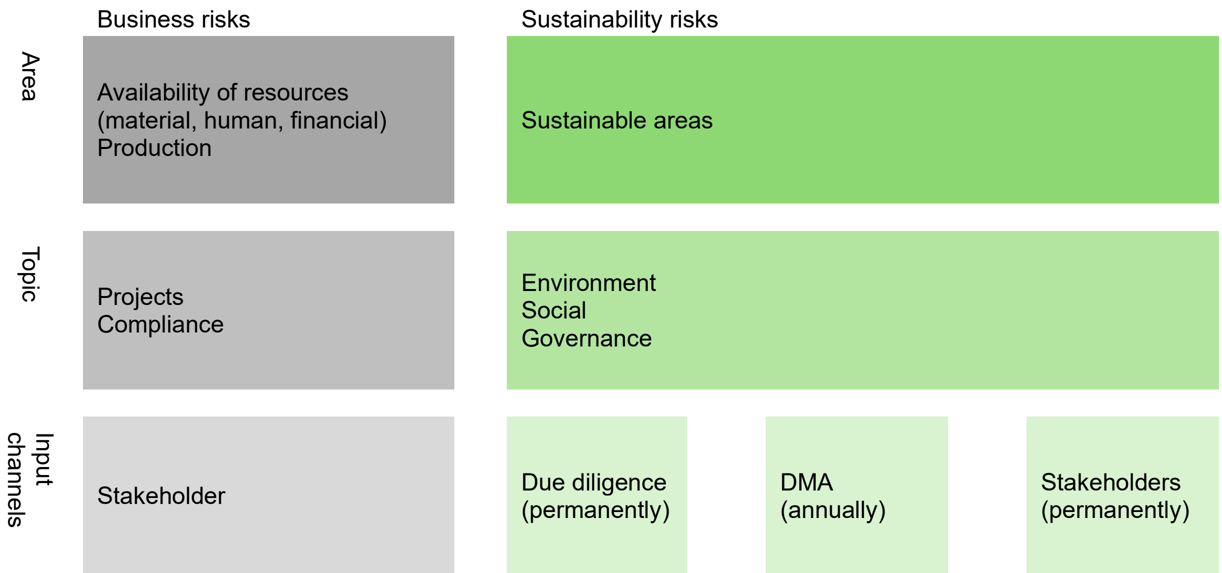
With a view to reporting in line with the CSRD for 2024, we are adding the assessment of sustainability impacts and the resulting risks and opportunities to our existing risk management approach. The methodology for assessing sustainability impacts and risks has been endorsed by the Double Materiality Assessment (DMA) process.

Impacts, risks and opportunities are managed through specific objectives or tasks, which are followed up through reports and/or minutes. Impacts, risks and opportunities are monitored on an ongoing basis, with a thorough review by the Committee on a quarterly basis. This is followed by reporting to the extended Management Board meeting. The Management Board and the Supervisory Board are informed of the most important impacts, risks and opportunities on a quarterly basis.

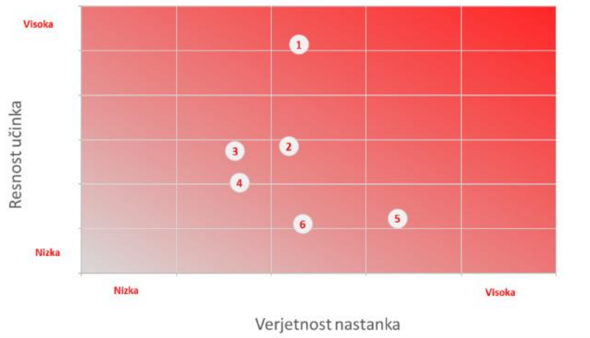
We also inform the public about the risks associated with the Company's operations and how they are being managed through half-yearly and annual reports, i.e. every three months. These reports are publicly available on the SEO-net portal and on the Company's website, www.cinkarna.si.

The following **overview of key risks** has been updated and defined on the basis of the status and expectations as at the reporting date for 2024 (31 December 2024).

Schematic representation of business and sustainability risk management at Cinkarna Celje, d.d.



Key remaining business risks



1	Warehouse and production capacity
2	Digitalisation
3	Raw materials
4	Cyber attacks
5	Workforce availability
6	Financial risks

Key remaining sustainability risks

1	Waste - red gypsum
2	Process water
3	Barrier failure
4	Pollution
5	Legislative compliance – products
6	Competences
7	Industrial accidents

1	Warehouse and production capacity

The Company develops annual and strategic plans to maximise asset utilisation. Breakdowns, unplanned maintenance and limited storage capacity pose risks to the achievement of these targets. In 2024, the main risk of equipment failure is related to the titanium dioxide calcination flue gas cleaning process and the potential failure of the masterbatch production lines.

To manage the risk in titanium dioxide production, temporary repairs have been made to the most critical filter and key spare parts have been purchased for an additional filter. Installation of an additional electrostatic precipitator is underway and, once operational, will facilitate a phased and comprehensive overhaul of all existing filters.

We are also reducing the risk of breakdowns through the implementation of lean production principles, which include planned and autonomous maintenance and continuous improvement, as well as projects to remove technological bottlenecks.

At the Mozirje chemical plant, we are implementing extended preventive maintenance and ensuring the availability of critical spare parts. A feasibility study has been completed for the installation of an additional production line.

2	Digitalisation

Unrealised opportunities in the field of digitalisation and additional costs arising from unsuccessful digital transformation or inadequate digital security pose risks. Falling behind modern technologies may lead to greater non-competitiveness. Digitalisation can help mitigate risks related to

the loss of production volume, higher maintenance costs, errors in manual data entry, administrative cost reductions, and better management of security risks.

We are reducing these risks by implementing several strategic objectives that enhance the level of digitalisation, streamline business processes, and improve efficiency (upgrading modules in business analytics such as Power BI and Moja Cinkarna, implementing a document management system, migrating Oracle Forms programmes, and updating both the maintenance management information system and the production information system Spekter).

3	Raw materials

In the area of raw material procurement, we encounter two types of risks. Production interruptions, and consequently shortfalls in planned revenue, can result from supply disruptions of raw materials from monopolistic suppliers, as well as from unforeseen extensions of delivery times throughout the supply chain.

We manage this risk by implementing appropriate contractual protections.

In critical cases, we maintain increased inventory levels. We conduct thorough market research on raw materials and potential substitutes, and take timely action based on our findings.

We are actively seeking, testing, and introducing new raw material sources into production. We also evaluate alternative raw material sources by developing catalogues of verified alternative raw materials and suppliers. We strategically build long-term and stable partnerships. Both independently and with the assistance of market specialists, we monitor and analyse international market conditions.

We maintain regular contact with suppliers with whom we do not currently conduct operational business, but who represent a valuable potential alternative.

We place timely orders, make reservations with suppliers, and seek alternative suppliers and alternative testing procedures.

We ensure timely planning of requirements and ordering of raw materials, account for historical lead times, and increase minimum stock levels as necessary. For all strategic raw materials, we continuously update the business case and checklist based on market changes, raw material prices, Company business needs, and other external factors.

4	Cyberattacks

Production disruption due to a cyberattack targeting workstations and/or server systems within the control system, driven by malicious software aimed at extortion or data theft.

To address this, we have implemented enhanced monitoring systems to safeguard information security. Regular security audits are conducted, and, with the support of an external expert, we have completed an internal audit of this area. Identified opportunities for improvement are being actively applied. We continually monitor emerging threats and proactively raise employee awareness.

5	Workforce availability

The Company faces the dual challenge of an impending wave of retirements and a shortage of skilled labour in the job market. An additional risk is posed by the percentage of sick leave absences.

In our search for new employees, we utilise recruitment solutions via social media alongside traditional recruitment methods. We have increased our collaboration with labour placement agencies and, for specific cases, entered into contracts with external service providers.

We offer Company-sponsored scholarships. We actively participate in career fairs. We have strengthened our collaboration with secondary schools. We provide opportunities for secondary school students and university students to undertake mandatory internships and part-time student work. We also enable university students to complete bachelor's, master's, and doctoral theses within the Company.

We continuously implement organisational changes and adapt agilely to new circumstances.

Through the introduction of team-based problem-solving and communication with employees, we strive to enhance employee engagement. We systematically address safety issues during daily meetings and mitigate the causes of injuries. Where possible, we ensure employee versatility.

6	Financial risks

Credit risk: A potential risk arises from the possibility of increased expenses due to customer defaults, particularly for unsecured receivables, which make up approximately 5% of total receivables. To mitigate this risk, in addition to securing receivables with an external institution, we implement internal credit control for each customer. An individual credit limit is assigned to each customer based on their creditworthiness.

Liquidity risk: Payment defaults within agreed timelines, caused by customer insolvency or poor payment discipline, could lead to liquidity issues. We manage this risk by ensuring stable cash flow. We regularly gather updated information to improve the accuracy of our cash flow planning, which is prepared with care and precision on a daily, monthly, and annual basis. The Company traditionally follows a conservative approach, maintaining high cash reserves. Liquidity management involves planning expected cash obligations and their coverage on a daily, weekly, monthly, and annual basis, continuously monitoring customer solvency, and actively pursuing overdue receivables.

Currency risk: Revenue losses and higher costs may result from fluctuations in the EUR/USD exchange rate, particularly in the procurement of materials and raw materials in US dollars (e.g., titanium-bearing raw materials and partially copper compounds). To mitigate this risk, we continuously monitor the movement and forecasts related to the EUR/USD exchange rate. We limit short-term exposure to unfavourable dollar exchange rate fluctuations by consistently using financial instruments such as dollar forward contracts. Additionally, we regularly obtain more accurate data for advance foreign exchange purchases.

1	Waste - red gypsum

The Company disposes of waste red gypsum from titanium dioxide production at the Za Travnik waste disposal facility. The existing zoning plan (ZP) and building permit allow for disposal up to an elevation of 300 metres above sea level, which will be reached within 6-7 years.

Due to newly arisen circumstances and insights gained during disposal, the implementation as envisioned by the project is not feasible in certain areas or could lead to the collapse of planned structures. Another negative aspect is the planned inadequate drainage, which would result in the partial re-flooding of the site with rainwater.

The design engineer, together with expert support from the University of Ljubljana Faculty of Civil and Geodetic Engineering (UL FGG) Department of Geotechnics, has prepared a project amendment. This amendment proposes increased quantities of red gypsum infill and a different infill configuration. The projected volumes are already included in the environmental permit, and the Ministry of the Environment, Climate and Energy (MOPE) has issued a decision stating that a renewed environmental impact assessment is not required for the planned change. However, a change to the zoning plan and building permit is necessary.

We have submitted an initiative to amend all three relevant municipalities. Coordination of the terms for signing an agreement between the municipalities is underway, which will be followed by the submission of an initiative to amend the zoning plan to MOPE.

According to a provision in the Municipality of Šentjur's decree, Cinkarna should have ceased disposal on 27 October 2023. Due to the separation of white gypsum and significant settlement, which the disposal project did not anticipate, this deadline is not achievable in practice. We have been informing representatives of the Municipality of Šentjur and the Blagovna Local Community about this since 2017, but they have insisted on the need to adhere to the specified date. We have obtained a legal opinion regarding the validity of this decree. This opinion concludes that the decree is inconsistent with applicable legislation. Therefore, we have submitted an initiative to the Ministry of Natural Resources and Spatial Planning (MNVP) for oversight of the legality of the Decree on Amendments and Supplements to the ZP Za Travnik. The Ministry of Natural Resources and Spatial Planning has forwarded the application to the Ministry of the Environment, Climate and Energy (MOPE) for review. MOPE agreed with the legal opinion and called on the Municipality of Šentjur to align the decree with applicable legislation within 90 days. As this was not done, the Government, at the proposal of MOPE, initiated constitutional review proceedings.

The Company, with the aim of sustainable development and a circular economy, and to extend the available disposal time, is also developing processes to reduce red gypsum quantities and exploring other disposal options at various locations.

2	Process water

This risk is linked to climate change, which may negatively impact the Company’s operations due to water supply restrictions during drought periods.

The Company recognises water scarcity for production as a significant risk, particularly due to drought, but also views it as an opportunity to adopt sustainable business practices.

The use of treated wastewater from the Celje Central Wastewater Treatment Plant (CČN) has proven to be the most suitable and, notably, the most sustainable solution. This source consistently provides sufficient volume, though it requires additional treatment. Its use contributes to improving both the biological and hydromorphological status of the watercourse.

Pilot tests at the CČN site have been completed and serve as the foundation for equipment planning. We are also assessing alternative technologies. In collaboration with the Municipality of Celje, we are in the process of preparing a Detailed Municipal Spatial Plan (OPPN) for the installation of a pipeline. At the same time, we are developing the project documentation for the pipeline's construction.

3	Breach of the dam

Heavy rainfall (floods, landslides) or earthquakes pose a risk of negative impact on the Company's operations due to damage to dam structures, which could result in partial collapse and a subsequent flood wave.

Regular technical observation and monitoring are conducted on high embankment dams (Bukovžlak and Za Travnik).

Based on the observation results, we implement systematic and long-term maintenance measures to ensure the stability of barrier structures, or, if necessary, we take measures to mitigate the consequences of adverse weather conditions.

One such instance is the triggering of a landslide following heavy August rainfall on the lower western section of the Za Travnik high embankment barrier. The landslide is monitored through measurements. We have carried out urgent remedial work, which will be followed by comprehensive rehabilitation, for which an environmental provision has been established.

4	Pollution

At the Bukovžlak Non-Hazardous Waste Disposal Site (ONOB), waste was historically deposited, leading to rainfall and groundwater leaching heavy metals. While we have partially succeeded in collecting and directing these leachate waters to a Company for treatment, some still leak into the environment. To mitigate this impact, the Company is undertaking extensive remediation of the area, with an environmental reserve allocated for this purpose. The remediation includes strengthening the embankment, restoring drainage and deep piping (both of which have been completed), constructing channels for the diversion of backwaters, restoring the C1 drainage under the high embankment of Bukovžlak, installing a sealing curtain, and creating a minimized-permeability cover and diversion embankment.

5	Legislative compliance - products

In the area of chemicals, a number of compliance requirements have been introduced in countries around the world under various legislations (REACH, registration of copper products). Ongoing assessments of potential harm and subsequent withdrawal of products from the market are taking place (TMP, PFAS). Requirements for the use of plastics, both for food contact and microplastics, are becoming more stringent.

This legislation has an impact on our products. We are managing the risks in a number of ways. We carry out the necessary registration procedures and seek alternatives for products whose use may be restricted or even banned.

6	Competences

Given the large number of retirements, there is a risk associated with an underdeveloped succession policy and inadequate competences of new employees, as acquiring these competences requires a considerable amount of time.

We have established a staffing system in which a training programme and a mentor are prescribed for each job position.

We are documenting both specific and general knowledge within the Company, updating the system for integrating new employees, and assessing the existing knowledge of current employees.

We have developed and approved a new competences model.

We are implementing a broad project on Knowledge Transfer in the key titanium dioxide production process.

We have outlined key job positions within the Company, identified potential successors, and defined the time required for replacement and the necessary additional competences.

For the most promising candidates, we offer a development leadership programme, the Leadership Academy, as well as individual coaching sessions.

7	Industrial accidents

An industrial accident poses a potential risk of negatively impacting the Company’s operations.

We manage this risk through a systematic assessment of impacts on the environment and employees, periodic fire risk assessments, and by categorising job roles according to these risk assessments.

To limit environmental impacts, we have systematically implemented European environmental standards by enforcing the principles of the Responsible Care Programme and aligning our operations with the requirements of the IED and SEVESO directives.

We conduct internal audits to ensure the effective implementation of measures outlined in the SEVESO permit and address any identified shortcomings.

Regarding fire safety, we maintain an organised in-house fire brigade, and the Company is adequately insured against fire.

In the area of workplace accidents, we have a dedicated professional service that oversees compliance with occupational safety and health regulations and measures. We provide regular training and education for employees, and the Company is insured for liability.

We enter into written agreements with external contractors and provide them with appropriate training. A permanent health and safety coordinator is engaged, and we have introduced work instructions for maintenance interventions, focusing on fire prevention, accident prevention, and improving cleanliness in the working environment.

5 SHAREHOLDER DATA AND OWNERSHIP STRUCTURE

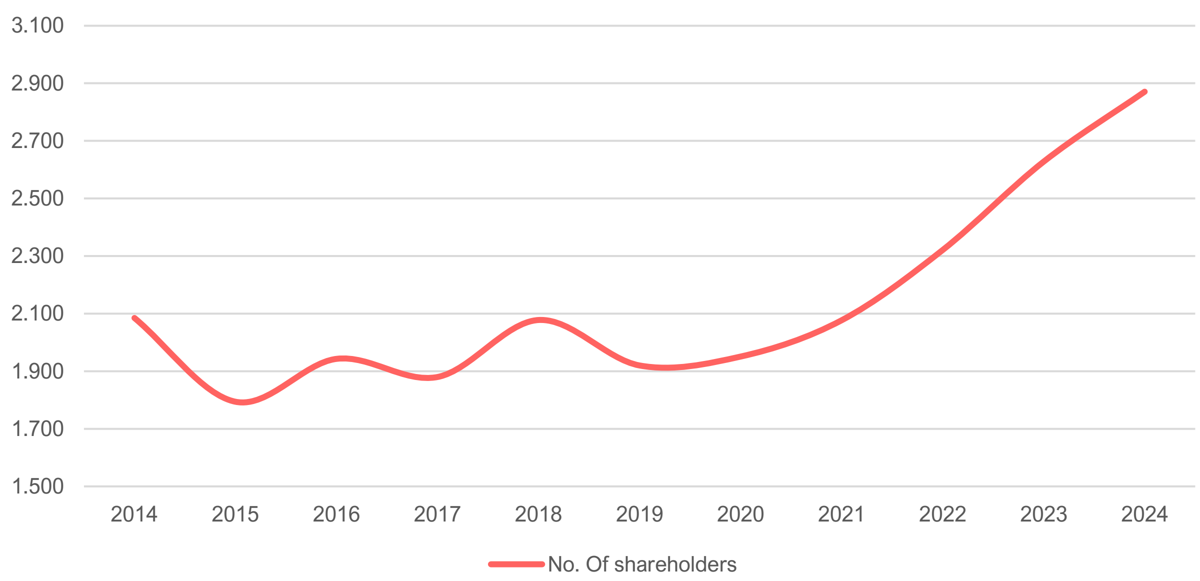
5.1 Ownership structure

The share capital of Cinkarna Celje, d. d., amounting to EUR 20,229,769.66, is divided into 8,079,770 ordinary freely transferable no-par value shares. At the end of the period, the Company holds a treasury stock comprising 298,384 shares (or 3.7% of the total issuance). The number of shareholders at the end of the relevant period is 2,871. The ownership structure at the end of the period is shown in the table below.

Shareholding structure of Cinkarna Celje, d. d

	No. of shares	%
SDH, d.d.	1,974,540	24.44
Modra zavarovalnica, d.d.	1,629,630	20.17
OTP BANKA D.D. - fid.	388,417	4.81
TR5 d.o.o	364,943	4.52
Treasury shares	298,384	3.69
KRITNI SKLAD PRVEGA POKOJNINSKEGA SKLADA	167,050	2.07
RAIFFEISEN BANK AUSTRIA D.D. – FID	157,740	1.95
CITIBANK N.A. - fid.	102,000	1.26
Generali South Eastern Europe	75,700	0.94
Zagrebačka banka d.d. - fid.	69,560	0.86
Privredna banka Zagreb d.d. - fid.	65,985	0.82
Internal shareholders – natural persons	60,530	0.75
External shareholders – natural persons	1,959,667	24.25
Others	765,624	9.47

Movement in the number of shareholders at the end of the year/period



5.2 Share trading

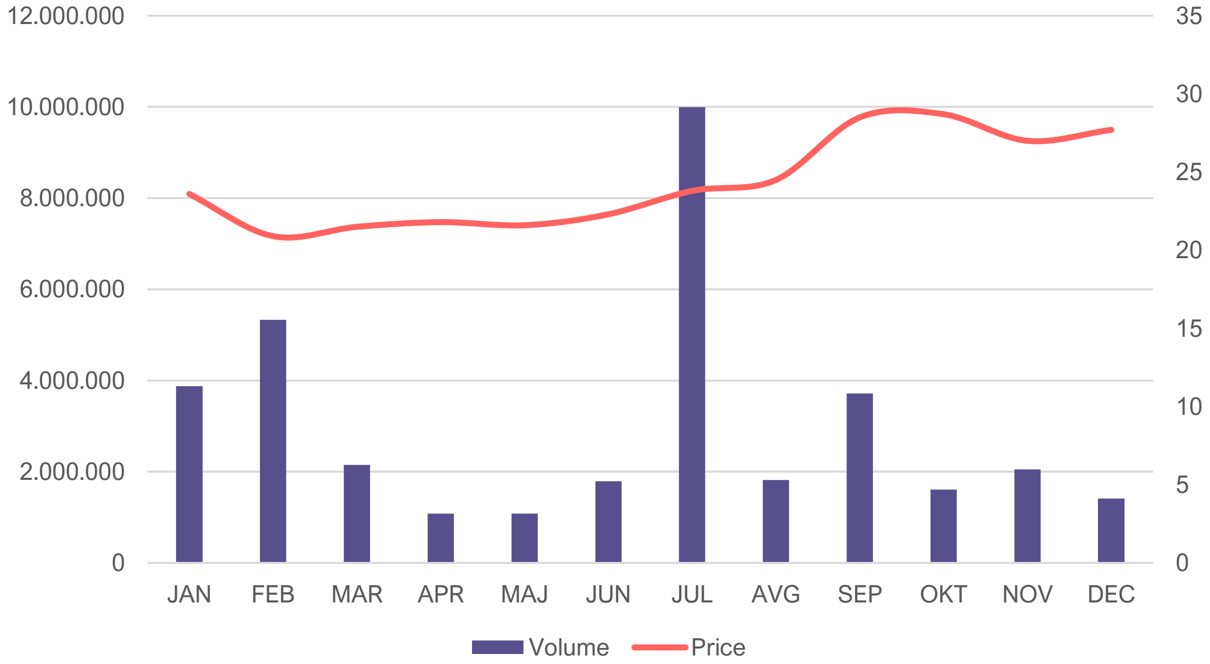
Trading in Cinkarna shares, under the ticker symbol CICG, takes place on the over-the-counter securities market. The first day of trading was 6 March 1998. The closing price on that day was EUR 33.71. In August 2022, a share split was carried out, in a ratio of 1:10.

Fluctuation of share market value (closing price on the last trading day of the month) and trading volume:

	Share price		Trading volume
	Year 2023	Year 2024	Year 2024
JAN	25.8	23.6	3,874,123
FEB	28.2	20.9	5,331,682
MAR	28.8	21.5	2,148,822
APR	27.8	21.8	1,079,058
MAY	24.4	21.6	1,080,289
JUN	24.8	22.3	1,793,351
JUL	24.8	23.8	9,995,320
AUG	23.2	24.5	1,820,420
SEP	22.6	28.5	3,712,825
OCT	23.9	28.7	1,610,799
NOV	22.0	27.0	2,049,682
DEC	20.5	27.7	1,414,968

The value of Cinkarna Celje, d. d. shares, listed on the prime market of the Ljubljana Stock Exchange under the ticker symbol CICG, fluctuated between EUR 22.3 per share and EUR 28.8 per share during the period under review. From the last trading day of 2023 to the last trading day of the reviewed period, the share price increased by 33%. Taking dividend payments into account, the total gross return amounted to 53%.

Share price movement (right axis) and trading volume (left axis) by month



6 FOUNDATIONS OF DEVELOPMENT

6.1 Investments

In 2024, we allocated EUR 14.3 million for investments, the acquisition of fixed assets, and replacement equipment, with EUR 1.7 million in advance payments. This totalled EUR 16 million, achieving 87.1% of the planned budget. Investments were carried out across individual programmes based on their needs, feasibility, and long-term prospects, in line with the five-year strategic plan.

Investments in sustainability initiatives targeted various areas. To enhance energy efficiency and self-sufficiency, we:

- continued with the construction of solar power plants, completing a 1.3 MW facility;
- upgraded a transformer station to enable solar power plant connection;
- implemented electricity consumption reduction measures, including replacing lighting, replacing inefficient electric motors, and installing frequency converters;
- and commissioned detailed engineering for a cogeneration unit to generate electricity from sulphur combustion steam, following a positive feasibility study, along with related sulphuric acid production process adaptations.

For circular economy initiatives, we:

- initiated project documentation for a seventh CEGIPS separation centrifuge in titanium dioxide production;
- and acquired a filter press for filtering dissolved copper-bearing ashes in fungicide production, enabling the use of recycled copper from fishing nets.

Soil and water pollution was prevented by:

- renovating 20% of stormwater drainage and asphalt surfaces where hazardous spills are possible;
- and fully replacing oil separators on parcel 115/1 in Teharje, relocating and renovating our gypsum pipeline.

Air emissions were reduced by:

- refurbishing a calcination flue gas electrostatic filter;
- and replacing part of the vehicle fleet with electric models.

To enhance safety and mitigate legacy risks, we:

- invested in fire safety improvements, including Euro hydrant upgrades, AJP system installations, and fire doors;
- implemented drainage reinforcements on the Za Travnik high embankment’s eastern slope and remediation measures following a landslide;
- and implemented maintenance and monitoring for all embankment structures.

Workplace safety and health measures were improved by:

- introducing the LOTO system and LEAN (safety pillar, 5S).

Alongside sustainability investments, we continued to allocate significant capital to eliminate production bottlenecks. The largest share of investment was directed towards titanium dioxide production, continuing project planning, permitting, and both ongoing and new investments. In the Polymers division, we procured a laser cutter for sheet metal and progressed with a new blasting facility, scheduled for completion in 2025.

We also upgraded the Spekter production information system within the Titanium Dioxide division and are developing a new maintenance information system. To strengthen cybersecurity, we are investing in a virtual server and workstation environment.

6.2 Development activity

Development activities in 2024 were largely in line with our strategic sustainability goals.

We optimised the formulation of weather-resistant titanium dioxide and validated the process on an industrial scale.

We explored a number of alternatives to the organic additive TMP, which is classified as suspected to be reprotoxic.

The most extensive development work is taking place on the processing of acid waste, where the main objective is to produce commercially interesting products instead of waste and to recycle part of the titanium dioxide. We are also involved in the EU consortium project REMHub.

We completed tests on pilot plants to treat effluent from a municipal wastewater treatment plant to replace fresh river water. In parallel, we are gathering information on other possible treatment technologies.

We developed a low-temperature primer powder coating.

We produced two grades of white masterbatch for incorporation into stretch film for outdoor agricultural applications.

7 FINANCIAL STATEMENTS

7.1 Profit and loss account

Profit and loss account for the period from 1 January to 31 December

	YEAR 2024	YEAR 2023
Revenue from contracts with customers	**200,285,413**	**176,464,289**
- revenue from contracts with customers (domestic market)	13,684,845	14,889,861
- Revenue from contracts with customers (foreign market)	186,600,568	161,574,428
Change in the value of inventories of products and work in progress	-2,142,794	-6,549,243
Capitalised own products and own services	3,372,409	3,019,539
Cost of goods and materials sold	100,483	296,838
Costs of materials	110,211,321	106,375,957
Costs of services	17,233,265	16,047,941
Labour costs	33,774,717	30,656,494
a) Payroll costs	24,918,269	22,408,797
b) Social security costs	1,953,520	1,718,221
(c) Pension insurance costs	2,718,674	2,407,614
(n) Other labour costs	4,184,254	4,121,862
Depreciation	12,900,809	12,355,367
Other operating revenues	2,620,709	9,455,201
Other operating expenses	3,250,896	3,909,344
Impairments and write-offs of operating receivables	0	25,096
Operating profit or loss	**26,664,244**	**12,722,749**
Financial revenue	1,986,327	1,911,731
Financial expenditure	123,439	828,878
Financial result	**1,862,888**	**1,082,853**
Profit before tax	**28,527,133**	**13,805,602**
Tax levied	**5,403,661**	**1,304,115**
Deferred tax	**-36,222**	**151,920**
Corporate income tax	**5,439,882**	**1,152,195**
Net profit for the year	**23,087,250**	**12,653,407**
Basic and diluted earnings per share	**2.86**	**1.57**

7.2 Statement of financial position of the Company

Statement of financial position of the Company

	31/12/2024	31/12/2023
ASSETS		
Non-current assets		
Intangible assets	2,408,779	1,585,108
Property, plant and equipment	111,699,615	109,855,569
Land	9,551,633	9,532,167
Buildings	38,846,617	39,609,507
Production plant and machinery	52,831,132	51,068,573
Other plant and equipment	41,538	41,792
Property, plant and equipment under construction and in production	8,731,586	9,603,529
Advances for the acquisition of property, plant and equipment	1,697,110	0
Financial assets at fair value through other comprehensive income	1,287,325	1,558,531
Financial receivables	0	0
Operating receivables	0	0
Other non-current assets	105,470	84,444
Deferred tax assets	1,462,488	1,439,044
Total non-current assets	**116,963,678**	**114,522,696**
Current assets		
Assets held for sale	0	0
Inventories	58,969,428	53,841,480
Materials	40,009,286	32,611,021
Work-in-progress	3,407,765	2,469,985
Products and consumables	15,421,020	18,466,478
Advances for inventories	131,357	293,996
Assets under contracts with customers	0	0
Financial receivables	47,214,859	38,616,117
Operating receivables	30,243,586	31,545,008
Trade receivables	27,100,674	27,437,194
Other receivables	3,142,911	4,107,814
Corporate income tax assets	0	5,493,528
Cash and cash equivalents	17,731,407	15,687,805
Other current assets	230,760	209,028
Total current assets	**154,390,040**	**145,392,966**
Total assets	**271,353,718**	**259,915,662**

Statement of financial position of the Company (cont.)

	31/12/2024	31/12/2023
EQUITY AND LIABILITIES		
Equity		
Called-up capital	20,229,770	20,229,770
Capital reserves	44,284,976	44,284,976
Revenue reserves	125,078,814	119,583,496
Legal reserves	16,931,435	16,931,435
Reserves for treasury shares	5,646,149	4,814,764
Treasury shares	-5,646,149	-4,814,764
Other revenue reserves	108,147,379	102,652,061
Fair value reserve	-1,650,342	-1,242,486
Retained earnings	23,093,258	38,374,703
Total equity	**211,036,476**	**221,230,458**
Non-current liabilities		
Provisions for employee benefits	3,748,722	3,843,523
Other provisions	14,302,270	14,233,199
Non-current deferred revenues	873,579	767,414
Financial liabilities	0	0
Operating liabilities	0	0
Liabilities under contracts with customers	0	0
Deferred tax liabilities	0	0
Total non-current liabilities	**18,924,572**	**18,844,136**
Current liabilities		
Liabilities included in disposal groups	0	0
Financial liabilities	29,915	103,692
Operating liabilities	36,124,537	18,530,350
Trade payables	30,982,718	14,656,554
Other liabilities	5,141,818	3,873,796
Corporate income tax liabilities	4,019,469	0
Liabilities under contracts with customers	0	11,351
Other current liabilities	1,218,750	1,195,674
Total current liabilities	**41,392,670**	**19,841,067**
Total liabilities	**60,317,242**	**38,685,203**
Total equity and liabilities	**271,353,718**	**259,915,662**

7.3 Statement of changes in equity

Statement of changes in equity in 2024

CINKARNA Metaluško – kemična industrija Celje, d.d.	Called-up capital	Capital. reserves	Profit reserves				Fair value reserves	Retained earnings		Total equity
			Legal reserves	Reserves for treasury shares	Treasury shares	Other revenue reserves		Net profit or loss brought forward	Net profit or loss for the financial year	
Opening balance for the period	**20,229,770**	**44,284,976**	**16,931,435**	**4,814,764**	**-4,814,764**	**102,652,061**	**-1,242,486**	**32,047,999**	**6,326,704**	**221,230,458**
Changes in equity - transactions with owners				**831,386**	**-831,386**			**32,041,992**		**32,041,992**
Share buyback				831,386	-831,386					0
Cancellation of treasury shares										0
Payment of dividends								32,041,992	0	32,041,992
Total comprehensive income for the period							**-407,856**	**0**	**23,087,250**	**22,679,395**
Entry of net profit or loss for the period									23,087,250	23,087,250
Other items of comprehensive income in the period							-407,856	0		-407,856
B3. Changes in equity						**5,495,319**		**0**	**-6,326,704**	**-831,385**
Allocation of the remaining net profit for the period to other equity components										0
Part of the net profit brought forward for the period to other equity components according to the resolutions of the management and supervisory bodies						6,326,704		0	-6,326,704	**0**
Formation of reserves for treasury shares										0
Release of reserves for treasury shares						-831,386				-831,386
Closing balance for the period	**20,229,770**	**44,284,976**	**16,931,435**	**5,646,150**	**-5,646,150**	**108,147,379**	**-1,650,342**	**6,007**	**23,087,251**	**211,036,476**
DISTRIBUTABLE PROFIT								**6,007**	**23,087,251**	**23,093,258**

Statement of changes in equity in 2023

CINKARNA Metaluško – kemična industrija Celje, d.d.	Called-up capital	Capital. reserves	Profit reserves				Fair value reserves for	Retained earnings		Total equity
			Legal reserves	Reserves for treasury shares	Treasury shares	Other revenue reserves		Net profit or loss brought forward	Net profit or loss for the financial year	
Opening balance for the period	**20,229,770**	**44,284,976**	**16,931,435**	**4,814,794**	**-4,814,794**	**103,358,966**	**-809,390**	**84,159**	**24,930,233**	**209,010,148**
Changes in equity - transactions with owners								**0**		**0**
Share buyback										0
Cancellation of treasury shares										0
Payment of dividends										0
Total comprehensive income for the period							**-433,096**	**0**	**12,653,407**	**12,220,311**
Entry of net profit or loss for the period									12,653,407	12,653,407
Other items of comprehensive income in the period							-433,096			-433,096
B3. Changes in equity						**-706,905**		**31,963,840**	**-31,256,936**	**0**
Allocation of the remaining net profit										0
for the period to other equity components						-7,033,608		7,033,608		0
Part of the net profit brought forward for the period to other equity components according to the resolutions of the management and supervisory bodies						6,326,703		24,930,232	-31,256,936	0
Formation of reserves for treasury shares										0
Release of reserves for treasury shares										
Closing balance for the period	**20,229,770**	**44,284,976**	**16,931,435**	**4,814,794**	**-4,814,794**	**102,652,061**	**-1,242,486**	**32,047,999**	**6,326,704**	**221,230,458**
DISTRIBUTABLE PROFIT								**32,047,999**	**6,326,704**	**38,374,703**

7.4 Statement of cash flows for the period

Statement of cash flows for the period from 1 January to 31 December

	YEAR 2024	YEAR 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Pre-tax net operating profit or loss	**28,527,133**	**13,805,602**
Adjustments for:	**15,479,885**	**15,678,565**
Amortisation +	12,900,809	12,355,367
Profit/loss from disposal of fixed assets	15,038	130,529
Impairment/write-down (reversal of impairment) of assets	701,149	1,227,035
Net reduction/revaluation adjustment of receivables	0	25,096
Net financial income/expenditure	1,862,888	1,082,853
Formation of non-current provisions	0	1,797,223
Reversal of non-current provisions	0	-939,538
Cash flow from operating activities before change in net current assets (working capital)	**12,741,944**	**-1,728,285**
Change in operating receivables	1,301,422	-7,279,560
Change in other non-current and current assets	-21,732	-76,019
Change in inventories	-5,127,948	17,730,678
Change in operating liabilities	17,382,706	-987,794
Change in provisions	-25,729	-391,942
Change in deferred income	106,165	404,361
Change in other current liabilities	23,076	-3,456,228
Change in liabilities under contracts with customers	-11,351	-146,169
Corporate income tax paid	-1,484,665	-7,525,611
Net cash flow from operating activities	**56,148,961**	**27,755,882**
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Receipts from investment activities	**1,746,816**	**1,119,833**
Interest income	1,725,767	1,119,833
Dividend interest income	6,011	0
Proceeds from the disposal of property, plant and equipment	15,038	0
Expenditure on investments	**-23,500,906**	**-58,441,421**
Expenditure on the acquisition of intangible assets	-1,772,185	-621,559
Expenditure on the acquisition of property, plant and equipment	-12,529,978	-19,203,744
Expenditure on the acquisition of financial investments	-8,598,742	-38,616,117
Net cash flow from investment activities	**-21,754,090**	**-57,321,588**
Cash flows from financing activities		
Financing revenue	**0**	**0**
Financing expenditure	**-32,951,269**	**43,413**
Expenditure on the repayment of financial liabilities	-73,777	44,300
Expenditure on interest paid	-4,114	-887
Expenditure on share buyback	-831,386	0
Expenditure on dividends and other profit distributions	-32,041,992	0
Net cash flow from financing activities	**-32,951,269**	**43,413**
Closing balance of cash and cash equivalents	**17,731,407**	**15,687,805**
Net increase/decrease in cash and cash equivalents	**2,043,602**	**-29,522,293**
Opening balance of cash and cash equivalents as at 1 January	**15,687,805**	**45,210,098**

7.5 Statement of other comprehensive income

Statement of other comprehensive income for the period from 1 January to 31 December

	YEAR 2024	YEAR 2023
Net profit	23,087,250	12,653,407
Other comprehensive income for the year	0	0
Other comprehensive income for the year that will not be recognised in the profit or loss account in the future	0	0
Other comprehensive income for the year that will be recognised in the profit or loss account in the future	0	0
Change at fair value through other comprehensive income	-271,207	-415,234
Recalculation of post-employment benefit plans	-196,314	-78,512
Impact of deferred taxes	59,665	60,649
Net other comprehensive income for the year that will not be recognised in the profit or loss account in the future	-407,856	-433,097
Total other comprehensive income for the year (after tax)	**-407,856**	**-433,096**
Total comprehensive income for the year (after tax)	**22,679,395**	**12,220,311**

8 NOTES TO THE FINANCIAL STATEMENTS

1 Reporting by segment

Sales by business segment

in EUR

	YEAR 2024	YEAR 2023
Titanium dioxide	168,728,022	146,042,369
- of which TiO2 pigment	*165,044,453*	*143,356,887*
Zinc processing	0	5,637,539
Coating, masterbatches	16,140,315	16,579,785
Agro programme	11,150,638	5,443,530
Polymers	3,379,268	2,148,761
Other	887,171	612,307
TOTAL	**200,285,413**	**176,464,289**

Sales by geographical segment

in EUR

	YEAR 2024	YEAR 2023
Slovenia	13,684,845	14,889,861
European Union	162,234,825	134,006,280
Third countries	19,080,092	22,900,287
Third countries - dollar market	5,285,650	4,667,861
TOTAL	**200,285,413**	**176,464,289**

Profit or loss by business segment

in EUR

	Titanium dioxide		Zinc processing		Coatings and masterbatches		Agro programme		Polymers		Other		Total	
	31/12/ 2023	**31/12/ 2024**	**31/12/ 2023**	**31/12/ 2024**	**31/12/ 2023**	**31/12/ 2024**	**31/12/ 2023**	**31/12/ 2024**	**31/12/ 2023**	**31/12/ 2024**	**31/12/ 2023**	**31/12/ 2024**	**31/12/ 2023**	**31/12/ 2024**
- Revenue from contracts with customers	146,042,369	168,728,022	5,637,539	0	16,579,785	16,140,315	5,443,530	11,150,638	2,148,761	3,379,268	612,306	887,170	**176,464,289**	**200,285,413**
Other operating revenues	9,229,904	1,100,495	1,953	0	16,354	794,331	66,134	55,775	260,983	325,978	2,899,413	3,716,539	**12,474,740**	**5,993,118**
Change in the value of inventories	-6,293,658	-1,800,756	-10,368	0	-117,437	-482,832	-118,274	522,144			-9,506	-381,350	**-6,549,243**	**-2,142,794**
Operating costs	-135,499,622	-143,635,715	-5,553,788	0	-16,577,133	-15,050,725	-6,415,451	-11,525,534	-1,939,868	-2,768,843	-3,681,175	-4,490,676	**-169,667,037**	**-177,471,493**
-of which amortisation/depreciation	-8,788,685	-9,243,069	-65,421	0	-385,472	-416,190	-270,655	-266,481	-188,449	-192,803	-2,656,685	-2,782,266	**-12,355,367**	**-12,900,809**
Operating profit or loss	**13,478,993**	**24,392,046**	**75,335**	**0**	**-98,431**	**1,401,089**	**-1,024,061**	**203,023**	**469,875**	**936,403**	**-178,962**	**-268,317**	12,722,749	26,664,244
Interest income													**1,121,471**	**1,726,438**
Other financial income													**0**	**140,564**
Interest expense													**887**	**4,114**
Other financial expenditure													**37,731**	**0**
Financial result	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1,082,853**	**1,862,888**
Deferred taxes													**151,920**	**-36,221**
Corporate income tax													**1,304,115**	**5,403,661**
Net profit	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**12,653,407**	**23,087,250**

2 Revenues from contracts with customers

Revenues from contracts with customers consist of the sales values of products, consumables and materials sold as well as services provided during the accounting period. A breakdown of net sales revenue by business and geographical segment is shown below.

in EUR

	Year 2024	Year 2023
Net revenues from contracts with customers of products and services	199,950,152	175,954,207
Net revenues from contracts with customers of goods and materials	335,261	510,082
TOTAL	**200,285,413**	**176,464,289**

3 Other operating revenue

in EUR

Revenue	Year 2024	Year 2023
Revenue from depreciation of assets acquired free of charge	512,229	510,795
Profit on disposal and write-down of assets	15,038	60,045
Revenue from reimbursement claims	817,575	0
Recovered written-off receivables	1,983	2,011
Compensation received	764,430	27,562
Indirect cost allowance for the cost of greenhouse gas emissions for the year 23/22	297,966	277,257
Subsidies to mitigate the increase in energy prices under the ZPGOPEK	0	7,609,359
Reversal of long-term provisions	0	939,538
Revenue from previous years	174,611	3,481
Other revenue	36,877	25,153
TOTAL	**2,620,709**	**9,455,201**

4 Costs by functional group

in EUR

	Year 2024	Year 2023
Cost of goods and materials sold	100,483	296,838
Costs of materials	110,211,321	106,375,957
Cost of services	17,233,265	16,047,941
Labour costs	33,774,717	30,656,494
Depreciation expense	12,900,809	12,355,367
Other operating expenses	3,250,896	3,909,344
Impairments and write-down of operating receivables	0	25,096
TOTAL	**177,471,492**	**169,667,037**

5 Labour costs

in EUR

Labour cost	Year 2024	Year 2023
Salaries, wages and compensations for salaries and wages	24,918,269	22,408,797
Social security contributions	4,222,816	3,706,668
Reimbursements of expenses and other employee income	4,184,254	4,121,862
Supplementary pension insurance	449,378	419,167
TOTAL	**33,774,717**	**30,656,494**

As at 31 December 2024, the Company employed 718 persons. The average number of employees was 725.

6 Amortisation and depreciation expense

The Company uses the straight-line depreciation method to depreciate fixed assets over the expected useful life of an individual fixed asset. Depreciation is debited to the value of an individual fixed asset.

in EUR

Description	Year 2024	Year 2023	
Depreciation expense			
- intangible assets	348,512	244,677	
- easements	72,342	72,342	
- buildings	3,197,997	3,399,172	
- production equipment	9,280,386	8,634,426	
- other equipment	1,572	4,751	
TOTAL	**12,900,809**	**12,355,367**	

7 Operating expenses

<u>Operating expenses</u>

in EUR

Expenses	Year 2024	Year 2023
Costs of materials	110,211,321	106,375,957
Cost of services	17,233,265	16,047,941
Cost of goods and materials sold	100,483	296,838
Other operating expenses	3,250,896	3,909,344
TOTAL	**130,795,966**	**126,630,079**

Other operating expenses

in EUR

Other operating expenses	Year 2024	Year 2023
Provisioning for ecology	575,387	851,245
Eco taxes and reimbursements	316,868	427,275
Bonuses to students and pupils for practical training	268,918	247,804
Charge for the use of building land	1,001,551	565,939
Revaluation of stocks of materials and goods	14,771	1,182,665
Loss on sale (disposal) of property, plant and equipment and impairments	692,685	234,944
Other costs and expenses	380,716	399,472
TOTAL	**3,250,896**	**3,909,344**

8 Financial income and expenditure

in EUR

Income	Year 2024	Year 2023
Net exchange rate differences	253,877	105,125
Income from interest and investments	1,726,439	1,121,471
Dividend income	6,011	0
Total financial income	1,986,327	1,226,596
Net exchange rate differences	0	0
Interest expenses	-4,114	-887
Interest on provisions for severance pay and jubilee bonuses	-119,324	-142,856
Total financial expenditure	-123,439	-143,743
Net financial result	**1,862,888**	**1,082,853**

9 Corporate income tax

The accounted tax at the effective tax rate of 19% amounts to EUR 5.4 million.

10 Intangible assets

in EUR

Group intangible assets for 2024	Cost		Adjustment		Carrying amount	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Property rights	5,690,758	6,161,514	4,630,391	5,093,263	1,060,367	1,068,251
Assets being acquired	1,348,412	516,856	0	0	1,348,412	516,856
TOTAL	**7,039,170**	**6,678,369**	**4,630,391**	**5,093,263**	**2,408,779**	**1,585,108**

The useful lives of intangible assets are final. The Company verified their values and found that their current value does not exceed their recoverable amount.

11 Property, plant and equipment

in EUR

Group of property, plant and equipment for 2024	Cost		Adjustment		Carrying amount	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Land	10,895,071	10,803,263	1,343,438	1,271,096	9,551,633	9,532,167
Buildings	131,641,160	130,042,752	92,794,543	90,433,245	38,846,617	39,609,507
Equipment	245,772,392	239,932,766	192,899,722	188,822,401	52,872,669	51,110,365
Assets being acquired	8,731,586	9,603,529	0	0	8,731,586	9,603,529
Advances	1,697,110	0	0	0	1,697,110	0
TOTAL	**398,737,319**	**390,382,311**	**287,037,703**	**280,526,742**	**111,699,615**	**109,855,569**

The Company verified their values and found that their current value does not exceed their recoverable amount. The Company holds no assets under finance lease. As at 31 December 2024, the Company also had no assets pledged as collateral.

12 Financial assets

in EUR

Group of non-current financial investments for 2024	Cost		Adjustment		Fair value	
	31/12/2024	31/12/2023	31.12.2024	31/12/2023	31/12/2024	31/12/2023
Other investments	2,077,692	2,077,692	790,367	519,161	1,287,325	1,558,531
TOTAL	**2,077,692**	**2,077,692**	**790,367**	**519,161**	**1,287,325**	**1,558,531**

Investments in the shares of Elektro Celje and Elektro Maribor are valued according to the fair value model and their share in the total shares of the mentioned companies is less than 1%. The Company verified the value of the investments on the last balance sheet day of 2024 and disclosed a decrease in their value through an increase in the revaluation adjustment of investments in the amount of EUR 271,207 and a decrease in the reserves resulting from the revaluation.

Members of the Management Board and Supervisory Board did not receive any long-term loans. Cinkarna Celje, d.d. has no subsidiary or associated company and does not do business with other related parties.

13 Other non-current assets

in EUR

Group of other non-current assets for 2024	Cost		Adjustment		Carrying amount	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Emission allowances	105,470	84,444	0	0	105,470	84,444
TOTAL	**105,470**	**84,444**	**0**	**0**	**105,470**	**84,444**

In 2024, the Company handed over 19,371 emission allowances for the 2023 financial year to ARSO for CO2 emissions and, based on the decision, received 40,397 allowances for the 2024 financial year.

14 Deferred tax assets and tax liabilities

in EUR

Deferred tax assets	31/12/2024	31/12/2023
Environmental provisions	1,328,433	1,290,368
Provisions for post-employment and other non-current employee benefits	198,190	275,464
Trade receivables	9,996	7,009
Total deferred tax assets	**1,536,619**	**1,572,841**
Deferred tax liabilities	-74,131	-133,797
Balance	**1,462,488**	**1,439,044**

15 Current financial receivables

in EUR

Group of current financial receivables for 2024	Investment value		Adjustment of investments		Net investments	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Current financial receivables – treasury bills	47,150,115	38,616,117	0	0	47,150,115	38,616,117
Fair value of derivatives	64,744	0	0	0	64,744	0
TOTAL	**47,214,859**	**38,616,117**	**0**	**0**	**47,214,859**	**38,616,117**

16 Inventories

in EUR

Group of inventories	31/12/2024	31/12/2023	Realisable value
Materials	40,009,286	32,611,021	40,009,286
Work-in-progress	3,407,765	2,469,985	3,407,765
Products	15,354,235	18,434,810	21,794,695
Consumables	66,785	31,669	66,785
Advances given	131,357	293,996	131,357
TOTAL	**58,969,428**	**53,841,480**	**65,409,888**

Inventories have not been pledged as collateral. Advances given comprise funds provided for the acquisition of raw materials and materials. The net realisable value of inventories as at 31 December 2024 exceeds their carrying amount.

17 Operating receivables

Current trade receivables

in EUR

Group of receivables for 2024	Value of receivables		Value adjustment		Net receivable	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Domestic customers	2,157,838	2,841,398	273,233	266,985	1,884,604	2,574,413
Foreign customers	25,408,800	25,012,549	363,719	394,858	25,045,081	24,617,691
Exporting agents	170,989	242,410	0	0	170,989	242,410
Receivables on behalf of others	0	2,681	0	0	0	2,681
TOTAL	**27,737,626**	**28,099,037**	**636,952**	**661,843**	**27,100,674**	**27,437,194**

Since 1 June 2021, trade receivables have been secured with an external institution.

Movement in value adjustments of current trade receivables

in EUR

Year 2023	As at 31/12/2023	Value adjustment/rev. 2024	Value adjustment in 2024	Write-off of a value adjustment from previous years	Paid written-off receivables	As at 31/12/2024
Domestic customers	266,985	0	6,248	0	0	273,233
Foreign customers	394,858	-38,470	18,766	9,452	1,983	363,720
TOTAL	**661,843**	**-38,470**	**25,013**	**9,452**	**1,983**	**636,952**

Group of trade receivables by due date

in EUR

Group of receivables by maturity	Gross value as at 31/12/2024	Adjustment as at 31/12/2024	Gross value as at 31/12/2023	Adjustment as t 31/12/2023
Non-past-due	21,758,815	4,298	24,024,487	16,944
Past due up to 15 days	4,776,348	919	2,913,989	2,050
Past due from 16 to 60 days	402,918	440	432,721	1,180
Past due from 61 to 180 days	30,602	30,202	109,582	23,954
Past due by more than 180 days	768,943	601,093	618,259	617,716
TOTAL	**27,737,626**	**636,951**	**28,099,038**	**661,844**

Other current receivables

in EUR

Group of receivables	31/12/2024	31/12/2023
Receivables for VAT	2,697,649	2,210,850
Receivables from state institutions	2,990	77,506
Receivables under the ZPGOPEK*	0	1,521,872
Receivables due from employees	6,297	6,771
Other receivables	435,975	290,815
TOTAL	**3,142,911**	**4,107,814**

The Company has no receivables due from members of the Management Board and Supervisory Board.

18 Cash and cash equivalents

in EUR

Group of assets	31/12/2024	31/12/2023
Cash in hand	30	30
Bank balances	9,218,478	5,687,775
Short-term call deposits	8,040,374	10,000,000
Foreign currency bank balances	472,524	0
TOTAL	**17,731,407**	**15,687,805**

The cash is deposited with domestic banks and bears interest at a fixed annual rate.

19 Other current assets

Other current liabilities of the Company include short-term deferred costs or expenses and VAT on received advances.

in EUR

Description	31/12/2024	31/12/2023
Prepaid expenses	179,975	142,307
VAT on advances received	2,100	1,681
Other	48,686	65,040
TOTAL	**230,760**	**209,028**

20 Equity

in EUR

Equity items	31/12/2024	31/12/2023
Called-up capital	20,229,770	20,229,770
Capital reserves	44,284,976	44,284,976
Legal reserves	16,931,435	16,931,435
Reserves for treasury shares	5,646,149	4,814,764
Treasury shares	-5,646,149	-4,814,764
Other revenue reserves	108,147,379	102,652,061
Fair value reserve	-1,650,342	-1,242,486
Retained earnings	23,093,258	38,374,703
TOTAL EQUITY	**211,036,476**	**221,230,458**

The Company's share capital consists of 8,079,770 freely transferable no-par value shares of the same class. All no-par value shares have the same nominal value and have been paid up in full. As of the balance sheet date, 31 December 2024, the value of the share capital amounts to EUR 20,229,770.

As of 31 December 2024, the Company holds 298,384 treasury shares (3.7% of the total number of shares). Based on the resolution passed at the 28th ordinary General Meeting of Shareholders of Cinkarna Celje, d. d. on 19 June 2024, the Company acquired 33,734 treasury shares in 2024, with a total value of EUR 0.8 million.

Based on the resolution of the extraordinary General Meeting of Shareholders of Cinkarna Celje, d. d. on 13 February 2024, the Company paid dividends in February as of 23 April 2024 in the amount of EUR 3.2 per share, totalling EUR 25 million, from retained earnings generated before 2023. Based on the resolution passed at the 28th ordinary General Meeting of Shareholders of Cinkarna Celje, d. d. on 19 June 2024, the Company paid dividends on 28 June 2024 in the amount of EUR 0.9 per share, totalling EUR 7 million, from retained earnings generated before 2023. At the same time, based on the aforementioned resolution, the Company transferred EUR 6.3 million of retained earnings to other revenue reserves, which will remain permanently under other revenue reserves.

21 Non-current liabilities

in EUR

Group of non-current liabilities	31/12/2024	31/12/2023
Provisions for jubilee benefits and severance pay	3,748,722	3,843,523
Environmental provisions	14,302,270	14,233,199
Government grants received - emission allowances	78,675	65,120
Deferred revenues	794,904	702,294
TOTAL	**18,924,572**	**18,844,136**

Post-employment employee benefits

in EUR

Post-employment employee benefits	31/12/2024	31/12/2023
Provisions for severance pay	2,947,434	3,101,653
Provisions for jubilee benefits	801,288	741,870
TOTAL	**3,748,722**	**3,843,523**

in EUR

Post-employment employee benefits 2023	31/12/2023	Formation	Dedicated use	31/12/2024
Provisions for severance pay	3,101,653	429,872	584,091	2,947,434
Provisions for jubilee benefits	741,870	177,815	118,397	801,288
TOTAL	**3,843,523**	**607,687**	**702,487**	**3,748,722**

Provisions

in EUR

Environmental provisions	As at 31/12/2023	Annual plan of dedicated use 2024	Formation 2024	Use 2024	As at 31/12/2024
Provisions for the Za Travnik landfill	1,637,234	1,400,000	431	213,039,50	1,424,626
Provisions for the Bukovžlak landfill (non-hazardous waste landfill)	8,537,531	2,000,000	513,254	7,078,56	9,043,707
Provisions for the Bukovžlak landfill dam	1,814,771	75,000	55,813	9,226,13	1,861,358
Provisions for ecology - eco investment in the field of TIO2 production	2,243,663	430,000	6,320	277,403	1,972,580
TOTAL	**14,233,199**	**3,905,000**	**575,819**	**506,748**	**14,302,270**

The use of environmental provisions in 2024 is represented by contractors' costs for work carried out amounting to EUR 229,344 and to cover depreciation amounting to EUR 277,404. New provisioning was carried out amounting to EUR 506,748. There was no reversal of provisions in 2024.

Deferred revenues

in EUR

Deferred revenues	31/12/2024	31/12/2023
Assigned contributions for employment of disabled persons	0	780
Non-current deferred revenue for equipment	0	1,345
Money received from EU fund	35,341	105,499
Emission allowances	78,675	65,120
Photovoltaic subsidies	759,563	594,670
TOTAL	**873,579**	**767,414**

22 Current financial liabilities

in EUR

Group of liabilities	31.12.2024	31.12.2023
Current financial liabilities - assignments, cessions	29,915	100,651
Current liabilities from derivatives – futures and forwards	0	3,041
TOTAL	**29,915**	**103,692**

23 Current operating liabilities

in EUR

Group of liabilities	31/12/2024	31/12/2023
Current trade payables to domestic suppliers	13,112,651	12,215,153
Current trade payables to foreign suppliers	17,830,038	2,435,198
Current liabilities for goods and services not invoiced	40,029	6,203
Current operating liabilities from advances	749,351	407,334
Current liabilities to employees	2,508,986	2,059,725
Current liabilities for contributions of the payer	1,288,315	1,005,215
Current liabilities to government and other institutions	559,614	389,631
Other current liabilities	35,555	11,891
TOTAL	**36,124,537**	**18,530,350**

24 Corporate income tax liabilities

in EUR

Corporate income tax	31/12/2024	31/12/2023
Current liability for corporate income tax	4,019,469	0
TOTAL	**4,019,469**	**0**

25 Liabilities from contracts with customers

in EUR

Liabilities under contracts with customers	31/12/2024	31/12/2023
Liabilities under contracts with customers	0	11,351
TOTAL	**0**	**11,351**

Liabilities based on contracts with customers arose from contractual commitments to the customers for the agreed fees for higher product placement volumes.

26 Other current liabilities

Other current liabilities comprise accrued costs or expenses.

in EUR

Description	31/12/2024	31/12/2023
Accrued unused annual leave bonus	851,641	914,887
Accrued costs	277,173	260,042
VAT on advances made	2,100	16,627
Current deferred income	86,180	0
Other	1,656	4,118
TOTAL	**1,218,750**	**1,195,674**

* Government aid according to the Act Governing Aid to Businesses to Mitigate the Impact of the Energy Crisis (ZPGOPEK) will be disclosed as operating revenues when all the facts for their recognition are known and confirmed.

27 Contingent assets and liabilities

in EUR

Description	31/12/2024	31/12/2023
Guarantees granted	2,131,657	2,202,183
Futures and forwards	3,966,896	1,867,592
VISA and Mastercard	60,000	40,000
Material in the process of completion and processing	59,726	59,726
TOTAL	**6,218,279**	**4,169,501**

28 Fair value

in EUR

	31/12/2024		31/12/2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at fair value through other comprehensive income	1,287,325	1,287,325	1,558,531	1,558,531
Current financial receivables	47,214,859	47,214,859	38,616,117	38,616,117
Trade receivables	27,100,674	27,100,674	27,437,194	27,437,194
Cash and cash equivalents	17,731,407	17,731,407	15,687,805	15,687,805
Financial liabilities	-29,915	-29,915	-103,692	-103,692
Trade payables	-30,982,718	-30,982,718	-14,656,554	-14,656,554
Liabilities under contracts with customers	0	0	-11,351	-11,351
Total	**62,321,632**	**62,321,632**	**68,528,050**	**68,528,050**

Financial assets are classified in three levels subject to the fair value calculation:
- level 1 - assets at market price;
- level 2 - assets not classified under level 1 and the value of which is determined directly or indirectly based on comparable market data;
- level 3 - assets for which market data cannot be obtained.

Fair value of assets	31/12/2024				31/12/2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	0	1,287,325	0	1,287,325	0	1,558,531	0	1,558,531
Total assets measured at fair value	**0**	**1,287,325**	**0**	**1,287,325**	**0**	**1,558,531**	**0**	**1,558,531**
Assets with disclosed fair value								
Current financial receivables	0	0	47,214,859	47,214,859	0	0	38,616,117	38,616,117
Trade receivables	0	0	27,100,674	27,100,674	0	0	27,437,194	27,437,194
Cash and cash equivalents	0	0	17,731,407	17,731,407	0	0	15,687,805	15,687,805
Total assets with disclosed fair value	**0**	**0**	**92,046,940**	**92,046,940**	**0**	**0**	**81,741,116**	**81,741,116**
Total	**0**	**1,287,325**	**92,046,940**	**93,334,265**	**0**	**1,558,531**	**81,741,116**	**83,299,647**

in EUR

Fair value of liabilities	31/12/2024				31/12/2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial liabilities	0	0	29,915	29,915	0	0	103,692	103,692
Trade payables	0	0	30,982,718	30,982,718	0	0	14,656,554	14,656,554
Liabilities under contracts with customers	0	0	0	0	0	0	11,351	11,351
Total liabilities with disclosed fair value	**0**	**0**	**31,012,633**	**31,012,633**	**0**	**0**	**14,771,597**	**14,771,597**

III CASH FLOW STATEMENT

The cash flow statement shows the change in the balance of cash and cash equivalents for the financial year as the difference between the balance as at 31 December 2024 and 31 December 2023. It is compiled according to the indirect method using data from the statement of financial position as at 31 December of the reporting year and the statement of financial position as at 31 December 2023 as well as additional data required for the adjustment of revenues and expenditures and the appropriate breakdown of major items. Theoretically possible items are not shown and values are disclosed for the current and previous year.

IV STATEMENT OF CHANGES IN EQUITY

The statement of changes in equity is a table featuring changes in all equity items. Theoretically possible items are not shown. Changes in equity relate to the resolution of the General Meeting on the allocation of distributable profit for the previous year for dividend payment to the owners that were or will be paid out and the share buyback. Pursuant to point 14 of Article 64 of the Companies Act (ZGD-1), the determination of distributable profit is attached to the statement of changes in equity.

V FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

Financial risks (liquidity and interest rate risk)

Liquidity risk

Cinkarna Celje, d. d. is a business partner that is known for its payment discipline both on the domestic and foreign markets. It has no debts owed to banks and boasts stable cash flows. The Company's business is traditionally conservative with high cash flow levels. Liquidity risk management includes the planning of expected cash liabilities and their coverage, ongoing monitoring of the customers' solvency and regular recovery of past due receivables. The Company is rated AAA and has received the platinum rating.

Interest rate risk

Interest rate risk represents the possibility of loss as a result of an unfavourable change in the interest rates on the market. The Company has no non-current financial liabilities and therefore implements no measures in this respect. If this fact were to change, we would put in place suitable measures to mitigate these risks.

Owing to its strong financial position, the Company concludes deposit contracts with banks at positive interest rates with the aim of increasing financial revenues. As of the balance sheet date of 31 December 2024, deposits with a maturity of up to one year amount to EUR 8 million. Aiming to efficiently use surplus funds, the Company only invests in treasury bills with a short maturity, which amount to EUR 47.2 million as at the last day of 2024.

Credit risk

The main risk for the Company is the risk that customers will not be able to settle their liabilities upon maturity. The risk is limited as we mostly do business with long-standing partners who are frequently well-known traditional European industrial companies with a high credit rating. In recent years, we have seen payment discipline in Slovenia, the Balkans and Eastern Europe to be relatively poor, but we do not expect problems in this region in the future, rather we expect the situation in this area to improve. By cleaning out the portfolio of strategic businesses of the Company, i.e. the discontinuation of the programme of graphic materials, the rolled titanium zinc sheets programme, the anticorrosion coatings programme and the construction materials programme, the exposure to credit risk has decreased substantially, which is demonstrated by the receivables maturity data as well as the fact that we practically no longer have additional revaluation adjustments of receivables due to the doubts as to their payment or the default on the disclosed trade receivables.

For a number of years, the Company has implemented internal credit control for each individual customer that is assigned an individual credit limit based on payment discipline, credit rating and good standing with the Company.

The credit risk monitoring and management process was further enhanced in mid-2021 through receivables insurance with an external institution where credit limits are set, monitored and changed on a daily basis.

In addition to the regular monitoring of the credit limit for each customer, the payment discipline of the customer and the publication on the AJPES (Agency of the Republic of Slovenia for Public Legal Records and Related Services) website regarding proceedings under the Financial Operations, Insolvency Proceedings, and Compulsory Dissolution Act are monitored on a daily basis. Moreover, as the receivable becomes due, the customer is reminded of the due date of the receivable by way of a reminder, firstly by telephone and then in writing, whereby default interest is charged from the due date until payment. The process of regular monitoring and control of the portfolio of trade receivables is a permanent feature at the Company, which results in a small percentage of write-offs or impairment of receivables in relation to the share in sales.

The carrying amount of financial assets, which were most exposed to credit risk, was as follows as at the reporting date:

in EUR

	Notes	31/12/2024	31/12/2023
Financial assets at fair value through other comprehensive income	12	1,287,325	1,558,531
Financial receivables	15	47,214,859	38,616,117
Trade receivables	17	27,100,674	27,437,194
Cash and cash equivalents	18	17,731,407	15,687,805
TOTAL		**93,334,265**	**83,299,647**

The Company boasts a healthy structure of trade receivables which is evident from Note 17 Operating Receivables in the table showing receivables by maturity and the table showing the changes in the revaluation adjustment of current trade receivables.

Currency risk

Cinkarna Celje, d. d. performs its purchasing and sales in the global market, which is why it is also exposed to the risk of unfavourable currency ratios. The main ratio is the EUR/USD. Because the majority of sales are transacted in euros, exposure is worrying especially in dollar-denominated purchasing of titanium-bearing raw materials as well as exceptionally also of sulphur and copper compounds. Exposure to dollar-denominated sales is much lower in terms
of volume.

Changes and forecasts of the dynamic of the EUR/USD pair are monitored at all times. We basically mitigate the short-term risk of unfavourable USD exchange rates by consistently using financial instruments in a standardised manner (USD futures and forwards). We are achieving almost complete coverage of the relevant business events which include the EUR/USD pair.

Exposure to exchange rate risk

in EUR

	31/12/2024		31/12/2023	
	EUR*	USD	EUR*	USD
Financial assets at fair value through other comprehensive income	1,287,325	0	1,558,531	0
Current financial receivables	47,214,859	0	38,616,117	0
Trade receivables	26,086,389	1,059,110	26,386,651	1,160,850
Advances given	1,811,435	7,720	301,333	0
Cash and cash equivalents	17,731,407	0	15,687,805	0
Current financial liabilities	-29,915	0	-103,692	0
Current trade payables	-44,536,428	-14,177,564	-14,647,822	-9,649
Exposure of the statement of financial position (net)	**49,565,073**	**-13,110,734**	**67,798,922**	**1,151,201**

* Euro is the functional currency and does not represent exposure to the risk of changes in exchange rates. In addition to the functional currency (EUR), the Company also uses the USD (US dollar), which was used in the recalculation of balance sheet items on 31 December and is equal to the reference exchange rate of the European Central Bank, i.e. the amount for one national currency unit (1 euro) on 31 December 2024 was 1.0389 and on 31 December 2023 it was 1.10500.

Sensitivity analysis

A change in the value of the USD by 1% against the EUR as at 31 December 2024 or 31 December 2023 would change the pre-tax profit by the amount indicated below. The analysis which was performed for both years in the same manner assumes that all variables, mainly interest rates, remain the same. When calculating the impact of a change in the US dollar exchange rate, the balance of receivables and liabilities denominated in dollars is taken into account.

in EUR

	31/12/2024		31/12/2023	
Currency change USD	1%	-1%	1%	-1%
Effect on pre-tax net operating profit or loss	124,949	-124,949	12,721	-12,721

Any further change in the exchange rate of the US dollar by 1% in relation to the EUR would mean an additional change in the pre-tax profit by the values indicated above.

Capital management

The primary objective of the management of capital of the Company is the assurance of a high credit rating and suitable funding ratios, which in turn ensures appropriate development of operations and maximises value for the shareholders.

The aim of the management and adjustment of the capital structure at Cinkarna Celje is to keep pace with the changes in the economic environment. Dividends are paid out once a year in accordance with the adopted dividend policy and resolutions of the General Meeting. Cinkarna Celje has no specific targets regarding employee ownership and no stock option programme. In 2024, there were no changes in the method of capital management. Cinkarna Celje uses the financial leverage indicator to control capital, whereby the indicator shows the share of net debt to equity and total net debt. Net debt includes financial and operating liabilities less cash and cash equivalents with treasury bills.

in EUR

	31/12/2024	31/12/2023
Financial liabilities	29.915	103.692
Operating and other current liabilities	37.343.286	19.737.375
Cash, cash equivalents and treasury bills	-64.881.522	-54.303.922
Net debt	**-27.508.321**	**-34.462.855**
Equity	211.036.476	221.230.458
Equity and net debt	**183.528.155**	**186.767.604**
Financial leverage ratio	**-15%**	**-18%**

9 MAJOR EVENTS AFTER THE REPORTING PERIOD

No significant events have been recorded after the balance sheet date that would materially impact the financial statements presented as of 31 December 2024.