

**UNAUDITED BUSINESS REPORT  
OF CINKARNE CELJE  
IN THE PERIOD  
JANUARY – SEPTEMBER 2024**

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## COLLECTION OF THE MOST IMPORTANT DATA

<b>OPERATIONS in € 000</b>	<b>I.-IX. 2024</b>	<b>I.-IX. 2023</b>	<b>2023</b>	<b>2022</b>
Sales revenues	153,532	136,110	176,464	227,153
Operating profit (EBIT) <sup>1</sup>	17,985	8,135	12,723	53,176
Operating profit increased by depreciation (EBITDA) <sup>2</sup>	27,946	17,891	25,078	65,326
Net profit or loss	14,627	7,200	12,653	43,397
Non-current assets (end of period)	116,153	110,357	114,523	108,559
Current assets (end of period)	130,280	148,600	145,393	142,388
Capital (end of period)	203,046	216,210	221,230	209,010
Non-current liabilities (end of period)	18,594	18,399	18,844	18,832
Current liabilities (end of period)	24,793	24,348	19,841	23,106
Investments	10,107	10,174	19,825	10,547
<b>INDICATORS</b>				
The share of EBIT in sales revenues as a %	11.71	5.98	7.21	23.41
The share of EBITDA in sales revenues as a %	18.20	13.14	14.21	28.76
Return on sales (ROS) as a %	9.53	5.29	7.17	19.11
Return on equity (ROE) <sup>3</sup> as a %	6.98	3.39	5.88	21.74
Return on assets (ROA) <sup>4</sup> as a %	5.94	2.82	4.95	17.61
Added value per employee <sup>5</sup>	77,856	58,246	80,305	131,431
<b>NUMBER OF EMPLOYEES</b>				
End of year/period	717	753	742	775
End of year/period Average	725	759	754	776
<b>SHARE INFORMATION *</b>				
Total number of shares	8,079,770	8,079,770	8,079,770	8,079,770
Number of treasury shares	296,094	264,650	264,650	264,650
Number of shareholders	2,809	2,531	2,651	2,321
Net profit per share in € <sup>6</sup>	1.81	0.89	1.57	5.37
Dividend yield <sup>7</sup>	17%	N/A	N/A	10 %
Gross dividend per share in €	4.10	N/A	N/A	3.19
Share exchange rate at the end of the period in €	28.50	24.80	20.50	23.00
Book value of the share in € <sup>8</sup>	25.13	26.76	27.38	25.87
Market capitalisation in € 000 (end of period)	230,273	200,378	165,635	185,835

\* previous periods' recalculated share split. The gross dividend for 2024 is the sum of the two dividends paid in the year, namely €0.9 gross per share (28th General Meeting) and €3.2 gross per share (Extraordinary General Meeting).

<sup>1</sup> The difference between operating income and expenses.

<sup>2</sup> The difference between operating income and expenses increased by depreciation. It reflects the performance of the business.

<sup>3</sup> Net profit/average equity position over the period. The indicator reflects the effectiveness of the company in generating net profit or loss in relation to equity. Return on equity is also an indicator of management's performance in increasing the value of the company for its owners.

<sup>4</sup> Net profit/average assets position over the period. The indicator reflects the effectiveness of the company in generating net profit or loss in relation to assets. Return on assets is also an indicator of management's performance in using assets to generate profits.

<sup>5</sup> Operating profit increased by depreciation and labour costs, divided by the average number of employees after hours counted. A productivity indicator that reflects what the average newly created value per employee in Cinkarna is.

<sup>6</sup> Net profit/total number of shares issued.

<sup>7</sup> Dividend amount/share value (on the day of the General Meeting's decision).

<sup>8</sup> Equity at the end of the period/total number of shares issued.

## BUSINESS REPORT

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

Focusing on our core titanium dioxide pigment programme and rationalising our portfolio of strategic business areas are key building blocks of our business performance. Titanium dioxide pigment is our most important product and an indispensable raw material in the modern world, and we are committed to further developing and continuously improving quality and exploring its use in sustainable applications. As a relatively small pigment producer, we face market conditions and changes as a typical follower, but of course we try to make the most of the market's potential in terms of level and also time dynamics within the given framework.

In the first nine months of the year, we increased our revenue as well as our profit and realised sales that were 13% higher than in the same period last year, driven by higher volumes of titanium dioxide pigment sold. Demand gradually improved in the second quarter. The consideration of possible anti-dumping measures has encouraged some European buyers to consider changing their purchasing strategies. Provisional measures were announced towards the end of the second quarter. The permanent imposition of significant additional tariffs may lead to improving margins for European producers.

Based on macroeconomic forecasts and data for the rest of 2024, economic sentiment indicators in the euro area remain weak, but are gradually improving. The expected strengthening of economic activity towards the end of the year is expected to support a further decline in inflation, which currently remains close to the target, and to keep the unemployment rate low, with a positive impact on private consumption growth. The economic growth outlook for the euro area remains moderate, with future adjustments largely dependent on developments in the geopolitical conflicts in the Middle East and Ukraine, as well as on the monetary policies of the main central banks, which focus on balancing inflation with economic growth.

The macroeconomic situation in the context of our markets, especially the EU, and of the carrier products mentioned above mean that we are facing a gradual improvement in demand, which is mainly driven by higher demand related to the introduction of anti-dumping measures and only to a lesser extent by increased consumption of European buyers. Selling prices improved further in the third quarter, approaching 2023 levels. No significant price changes are expected in the fourth quarter.

In the period under review, we generated sales revenues of €153.5 million, an increase of 13% compared to the same period in 2023. The total value of exports in the period under review reached €142.6 million, 15% higher than in the comparable period in 2023. Net profit amounted to €14.6 million, which is double the amount in the comparable period of the previous year, when it amounted to €7.2 million. The operating profit or loss increased by depreciation or EBITDA amounted to EUR 27.9 million and amounts to 18% of the sales achieved. In comparison with the previous year, EBITDA is higher by 56%.

In the labour market, companies are facing rising labour costs due to wage increases driven by inflation and the need to remain competitive in recruitment. At the end of last year, we presented to the social partners a project to renew our competency and pay model, which will include employee participation and provide the basis for the company's future growth. In the area of human resources management, we focus on optimising the organisational structure to ensure the smooth running of the company and a safe and healthy working environment for all employees. We are improving the employee app with upgrades, which also serves as an additional communication channel. We have also improved the process of applying for open calls and set up an information point.

In the first three quarters of 2024, we spent €10.1 million on investments, acquisition of fixed assets and replacement equipment, and advanced €1.6 million for investments and acquisition of production equipment, totalling €11.7 million. We are investing in programmes that show growth potential. Our investments in production are primarily aimed at reducing operating costs, ensuring profitable volumes, achieving higher quality, regulatory compliance and energy sustainability.

Our development activity follows a five-year strategy. Development activities were carried out according to the perceived opportunities in the areas we professionally manage, according to trends and the expectations of our customers.

The company implements several interconnected projects, by which we comprehensively manage spatial and environmental risks. The most important projects are the project for alternative water supply, the harmonisation of spatial acts on the Za Travnik and Bukovžlak red gypsum filling plants, and ensuring the stability of barriers.

All our activities are planned and implemented with the principles of sustainable development and the circular economy in mind. In the context of ensuring the sustainable development of titanium dioxide production, we continued with the Integrated Water Management and Waste Acid Recovery projects and focused on the Red Gypsum Valuation project. We have also set up and implemented new activities in the areas of carbon footprint reduction, renewable energy use and materials re-use. We are updating last year's draft ESG strategy with the requirements of the ESRS standard and preparing for 2024 reporting in accordance with the CSRD as part of the Sustainability Team.

Subsequent chapters of the report provide more detailed data by individual business areas, as well as a presentation of the company's financial position and operations.

**Management Board of the Company**

## MANAGEMENT BOARD'S DECLARATION OF RESPONSIBILITY

The Management Board is responsible for preparing the financial statements for each period in accordance with the International Financial Reporting Standards (IFRS) adopted in the European Union and the Companies Act (ZGD) in such a way that they represent a true and fair view of the operations of Cinkarna Celje, d.d.

The Management Board expects the Company to have adequate resources to continue its operations in the future, which is why the Company's financial statements are prepared on the basis of the assumption of unlimited operating time.

The responsibility of the Management Board in drawing up the financial statements shall include the following:

- accounting policies are adequately selected and applied consistently,
- audits and assessments shall be reasonable and prudent,
- the financial statements shall be drawn up in accordance with the IFRS, adopted in the European Union, and any discrepancies shall be disclosed and explained in the report.

The Management Board shall declare to the best of its knowledge:

- that the business report of Cinkarna Celje, d.d., for the period January-September 2024 includes a fair presentation of the development and results of its operations and its financial position, including a description of all material types of risks to which the company is exposed,
- that the financial report of Cinkarna Celje, d.d., for the period January-September 2024 is drawn up in accordance with the International Financial Reporting Standards as adopted by the EU and that it is a true and fair view of the company's assets and liabilities, financial position, profit or loss and comprehensive income.

The Management Board adopted the financial statements and their related policies and explanations on 30 October 2024.

### Management of the Company

**President of the  
Management Board**

Aleš SKOK,  
BSc (Chemical Engineering),  
MBA, USA




**Member of the Management  
Board – Deputy President  
of the Management Board –  
Technical Director**

Nikolaja PODGORŠEK SELIČ  
BSc (Chemical Engineering),  
Specialist



**Member of the  
Management Board –  
Worker Director**

Filip KOŽELNIK,  
MSc (Business Studies)



# 1 SALES

Total sales in 2024 are 13% higher than those achieved in the comparable period in 2023, or 17% higher taking into account the adjustment for sales of metallurgical products. The total amount of sales or net sales revenues amounted to EUR 153.5 million.

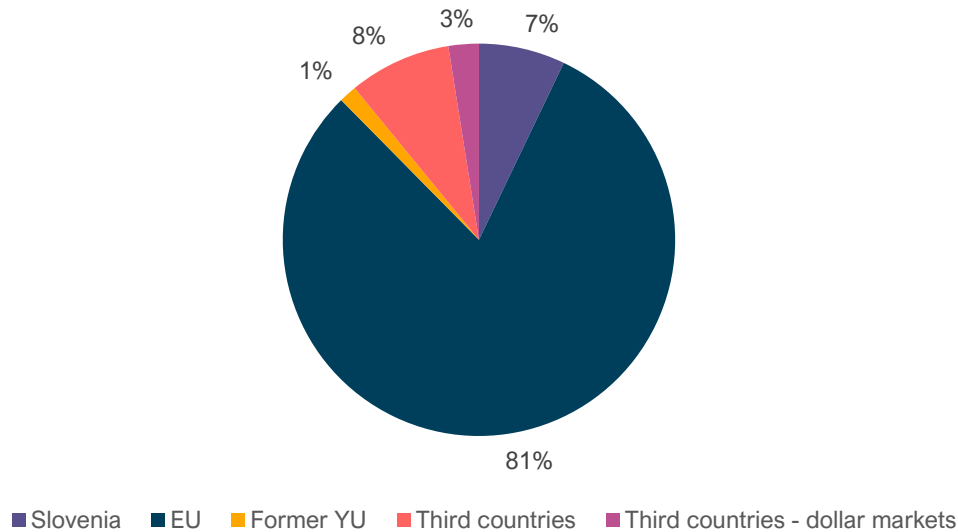
## 1.1 Sales by geographical segment

Total sales to the foreign market increased by 15% compared to the same period last year. The increase in sales to foreign markets is undoubtedly due to higher quantities of pigment.

### Sales by geographical segment

	2023	2024	ΔPY %
Slovenia	12,070,411	10,926,698	-9
EU	102,768,662	123,580,108	+20
Former YU	2,680,109	2,239,949	-16
Third countries	15,228,031	12,945,514	-15
Third countries - dollar markets	3,362,725	3,839,655	+14
<b>TOTAL</b>	<b>136,109,939</b>	<b>153,531,924</b>	<b>+13</b>

### The share of each market in the total sales of the Company



Sales to the **EU market** are 20% higher than in the previous year. The increase in sales was driven by higher pigment quantities and significantly improved demand for copper fungicides. One of the key markets is Germany, where we generate 27.6% of export sales and 25.6% of the company's total sales. The importance of the German market decreased slightly compared to the previous year, due to the objective maturity of the market.

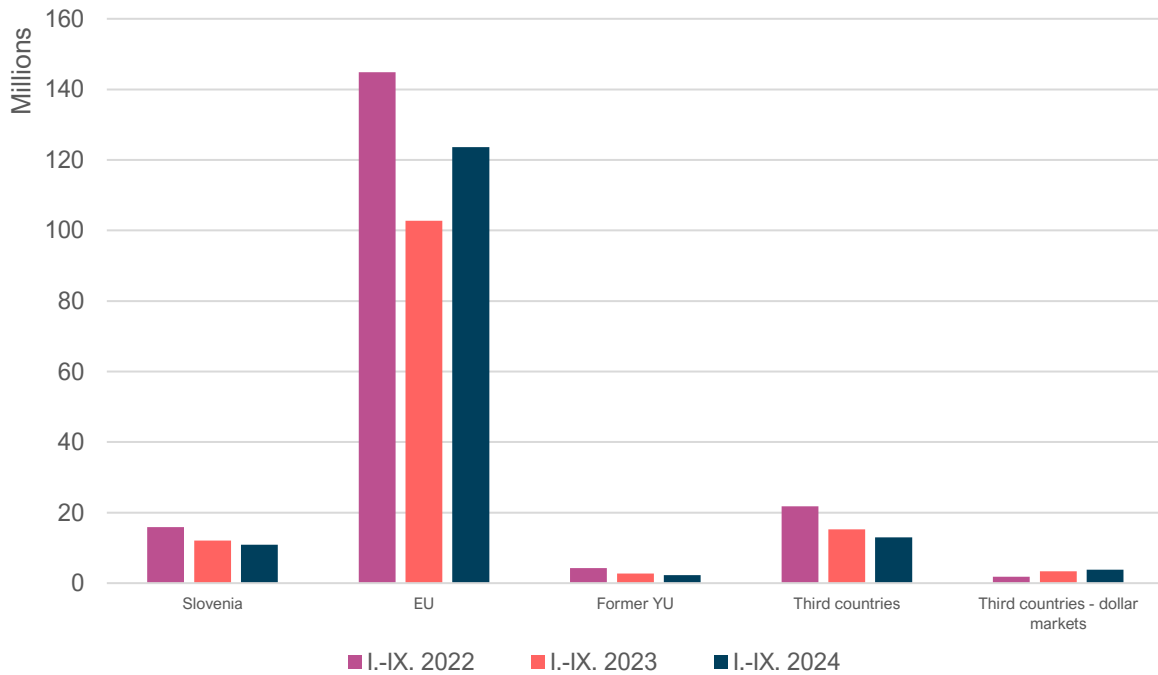
Sales to the **markets of the former Yugoslavia** decreased by 16%, due to lower sales of and powdered coatings.

**Domestic sales** are 9% lower compared to 2023. This decrease is mainly due to lower demand for powdered coatings and the loss of sales due to the closure of the Metallurgy BU.

Total sales to **third country markets** are down by 15% compared to the same period of the previous year, resulting from lower pigment sales to North African and Middle Eastern markets.

In the **dollar markets**, we recorded growth of 14%, while successfully maintaining our market shares. In the next medium term, we intend to intensify our marketing activities in these markets, as they represent an important opportunity to diversify our portfolio geographically and reduce our dependence on individual regions. This approach is intended to increase the stability and long-term growth of exports in the dollar markets, where we expect favourable conditions for further development.

**Sales by geographical segment**



The share of total exports in total sales of the company in the year under examination was 92.9%, compared to the previous year this share increased by 1.8 percentage points. The higher share of exports relates to an increase in value sales to the key markets of Italy, France, Poland and the Netherlands. The largest export volume was to Germany, where sales grew by a modest 3%. Titanium dioxide pigment continues to be the core of our exports and remains the company's key product, driving growth in foreign markets.

The sales structure by national markets is adjusted quarterly according to the specific conditions prevailing in each market. However, the long-term sales structure is influenced by key factors such as the profitability of the markets, alignment with the company's marketing strategy, and an assessment of the political-economic security and reliability of individual markets. Based on current data, it can be seen that profitable markets remain stable, while the sales structure adjusts where political or economic risks create uncertainties. At the same time, anti-dumping protection in certain markets, such as the EU, has also reinforced the focus on more stable and more competitive markets in the long term, supporting the strategic shift towards delivering sustainable growth in safer, higher-return markets.



## 1.2 Sales by business segment

### Sales by business segment

	2023	2024	ΔPY %
Titanium dioxide	112,543,498	129,201,422	+15
- of which TiO <sub>2</sub> pigment	110,379,220	126,462,582	+15
Zinc recycling	4,499,823	0	-
Varnishes, coatings, masterbatches	13,119,605	12,482,102	-5
Agricultural products	3,807,948	8,606,545	+126
Polymers	1,737,337	2,461,811	+42
Others	401,728	780,044	+94
<b>TOTAL</b>	<b>136,109,939</b>	<b>153,531,924</b>	<b>+13</b>

Over the period considered, the sales of the carrier line of **titanium dioxide pigment** reached a value of EUR 126.5 million. The €16.1 million increase in value sales is due to higher quantities. The challenging market situation, which continued from the previous year, turned around in the second quarter and resulted in improved demand. On the European market, a gradual increase in demand was observed, driven by the culmination of expectations regarding the decision on anti-dumping measures against pigment of Chinese origin. In addition to the traditional markets, we continued to sell to some extent in North America. For the last quarter, there is a high probability that sales prices will be at similar levels as in the third quarter.

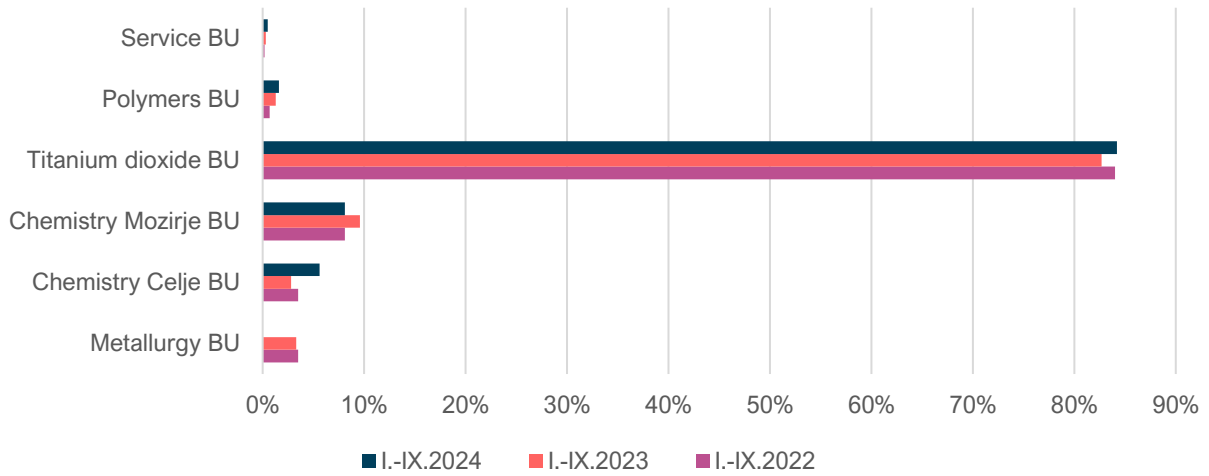
Within the programmes of this business segment, special mention should be made of **CEGIPS**, where 113.4 thousand tonnes were sold, representing an increase of 6% compared to the previous period. This result is particularly important as it directly contributes to extending the lifespan of the "Za Travnikom" site.

The **zinc recycling sales line** was discontinued at the end of 2023, in line with the strategy to optimise the business portfolio. This decision allows resources and investments to be directed towards programmes with higher added value and more promising market opportunities, in line with the company's long-term objectives.

During the period under review, we recorded a 5% decline in sales of **varnishes, coatings and masterbatches**. The main reason for this decline is the fall in sales of powdered coatings, which are subject to strong competitive price pressure, mainly due to low activity in the white goods and trade and exhibition equipment sectors. In masterbatches, after a somewhat weak first quarter, we managed to exceed the sales level of the nine-month period in 2023. In addition, we have successfully entered more demanding application markets in masterbatches, reflecting the strengthening of our position in a segment with higher added value and demands for technical excellence.

Sales of the **agricultural products**, which includes copper fungicides, Pepelin, green vitriol (copperas) and Humovit, increased by 126% in the period under review compared to the same period in 2023. This strong sales growth is mainly due to restocking and the start of the new season, as well as the very weak sales market conditions in 2023. Sales activity in 2023 was still influenced by the sale of old stocks accumulated as a result of the drought in 2022. We are managing to maintain sales of Humovit at the level of the comparable period in 2023, but we remain linked to the situation in local and nearby markets for this product. The additional transport costs make it more difficult for Humovit to enter more distant markets, limiting the geographical scope of sales and underlining the importance of optimising distribution at the local level.

**Participation of individual BUs in the total sales of the Company**



During the period under review, the relative ratios between the business units have been readjusted. With the exception of the Chemistry Mozirje BU, where the share of sales did not increase, the other units recorded growth in the share of sales, with the Metallurgy BU, which was discontinued at the beginning of the year, not being included in this comparison.

The share of the Polymers BU increased on account of major projects. The increased business volume of the unit is closely linked to the investment activity of the pharmaceutical and petrochemical sectors in the region, confirming our strategic focus on contract manufacturing with a high degree of flexibility and commitment to specific customer needs. While this business model is highly dependent on the industry's investment cycles, it also allows us to differentiate ourselves and maintain long-term partnerships.

The adjustments in business models entail a restructuring of the size and focus of individual business units, which has already had the effect of reducing their number. In this context, we expect further growth in the relative importance of our core programme - titanium dioxide production - which will further strengthen as a key source of value creation and revenue stability in the coming periods.

## 2 ANALYSIS OF BUSINESS PERFORMANCE

### 2.1 Profit or loss

#### Overview of revenue and expenditure achieved

	In €		
	1 January - 30 Sept. 2023	1 January - 30 Sept. 2024	ΔPY %
Operating revenues	139,954,231	148,955,158	+6
Operating expenses	131,818,847	130,970,522	-1
<b>OPERATING PROFIT OR LOSS</b>	<b>8,135,384</b>	<b>17,984,636</b>	<b>+121</b>
Financial revenues	415,349	835,818	+101
Financial expenses	793	67,249	-
<b>PROFIT/LOSS before taxes</b>	<b>8,549,940</b>	<b>18,753,204</b>	<b>+119</b>
Income tax	1,350,369	4,125,705	+206
<b>NET PROFIT OR LOSS</b>	<b>7,199,571</b>	<b>14,627,499</b>	<b>+103</b>

In the first nine months of 2024, an **operating profit or loss** of €18 million is achieved. This result is 121% higher than the operating profit or loss for the comparable period in 2023, which was €8.1 million. This outperformance of the previous comparable period in 2023 and of the business plan is due to significantly higher sales of the carrier product in volume and value as a result of the introduction of import duties on Chinese pigment imports in mid-2024. The operating profit or loss increased by depreciation or EBITDA amounted to €27.9 million and amounts to 18% of the sales achieved. In comparison with the previous year, EBITDA is higher by 56%.

After calculating the impact of financial revenues and expenses, **the profit or loss before tax** of €18.8 million is reported for the first nine months of 2024, compared to a profit or loss before tax of €8.6 million in the comparable period last year. The 2024 result before tax exceeds the previous year's result by 119%.

In the first nine months of 2024, a positive financing balance of €0.8 million is achieved (in the same period in 2023, the positive financing balance was only €0.4 million). The resulting financing balance is mainly due to a positive balance of investment income and expenses and interest. The balance of exchange differences (forward purchase and sale of dollars) is negative by an amount of €64 thousand. Despite the negative exchange rate balance throughout the year, this represents an effective use of hedging instruments to manage the volatile movement of the \$/€ currency pair in the procurement of titanium-bearing ores.

**The net profit for the accounting period** amounts to €14.6 million, which is 103% or €7.4 million higher than the result for the comparable period in 2023. Taking into account developments in the international economy, the situation on the titanium dioxide pigment market and the results of our competitors in the titanium dioxide industry, we estimate that the result is above average and significantly above expectations. The result is largely due to the favourable sales situation (volumes) in the carrier programme area in the second and third quarters of 2024. Net profit or loss comprises profit before tax and income tax of €4.1 million (22% tax rate applied).

### 2.2 Expenses and costs

In the structure of consumption of raw materials, packaging and energy, there are larger variations compared to 2023. In relative terms, the most significant is the reduction in energy costs, which are 39% lower due to the calm situation on the energy market. Energy efficiency improvement measures aim to further control this cost category.

The ratio between the purchase and selling prices is changing, at the expense of lower input prices. Procurement prices for titanium-bearing raw materials are at slightly lower levels than in the previous year. The purchase prices of certain process support chemicals are significantly lower than in the first half of 2023. The total cost of raw material consumption is higher by 5% at the higher pigment production level. At the end of the period, the largest share of production costs was for raw materials/materials for production (85.1%), followed by energy (13.4%) and packaging (1.5%).

The structure of labour costs is disclosed in the Notes to Financial Statements, 5 Labour costs. Gross wages were established according to the provisions of the collective agreement, taking into account the agreements between trade unions and the administration. Transport to work and meals during work are in compliance with the regulations in force. Labour costs include supplementary pension insurance, performance-related payments, annual leave, severance pay, other employee benefits, solidarity costs, jubilee benefits and other items.

## 2.3 Assets

	31 December 2023	30 September 2024
	In €	
<b>ASSETS</b>		
Intangible assets	1,585,108	1,569,134
Property, plant and equipment	109,855,569	111,480,613
Financial assets at fair value through other comprehensive income	1,558,531	1,558,531
Other long-term assets	84,444	105,470
Deferred tax assets	143,904	1,439,044
<b>Total non-current (long-term assets)</b>	<b>114,522,696</b>	<b>116,152,792</b>
<b>Current assets</b>		
Inventories	53,841,480	33,942,411
Financial receivables	38,616,117	48,091,916
Operating receivables	31,545,008	38,625,725
Income tax receivable	5,493,528	0
Cash and cash equivalents	15,687,805	9,551,186
Other current assets	209,028	69,145
<b>Total current assets</b>	<b>145,392,966</b>	<b>130,280,383</b>
<b>Total assets</b>	<b>259,915,662</b>	<b>246,433,176</b>

**The share of non-current (long-term) assets** in the structure of total assets increased by 3.1 percentage points compared to the end of 2023 and amounted to 47.1%. The largest category of long-term assets is tangible fixed assets (96%). Their value has increased by €1.6 million for the difference between the amount invested in property, plant and equipment and the actual depreciation charged for the first nine months of 2024. Long-term financial investments, comprising shares and stakes in companies, remain unchanged in 2024. Deferred tax assets are also unchanged compared to the situation at the end of 2023. Other long-term assets consist of emission allowances acquired free of charge from the State, the balance of which at 30 September 2024 is 21,026 allowances higher than at 31 December 2023 and represents the difference between the allowances acquired free of charge in 2024 and the surrender for CO2 emissions in 2023.

**The share of current (short-term) assets** in the structure of total assets decreased by 3.1 percentage points compared to the end of the previous year and amounted to 52.9%. The most important categories in the structure of short-term assets by value are financial receivables (37%), operating receivables together with other short-term assets (30%), inventories (26%) and cash (7%).

**Inventories** decreased by 37% compared to the end of 2023, with a 36% decrease in the value of material inventories (including advances), a 14% increase in work-in-progress inventories and a 46%

decrease in the total value of the company's finished goods and merchandise inventories (all compared to the end of 2023). The main reason for such a large decrease in finished goods inventories is the lower volume production of pigment in the last quarter of 2023, which continued at reduced capacity in the first few months of 2024, and the increased volume sales in the second and third quarters of 2024.

**Short-term financial receivables** as at 30 September 2024 mainly relate to investments in treasury bills with short-term maturities in order to use cash efficiently.

**Short-term operating receivables** include short-term operating receivables from customers and short-term operating receivables from others (mainly from the state for input VAT). Compared to the situation at the end of 2023, receivables increased by 20%. Trade receivables from customers also increased by 26%, while other short-term receivables decreased by 22%. An overview of the receivables from customers according the maturity dates reflects the fact that the age structure of the receivables continues to be of high quality and secured with an external institution or with another form of collateral.

**Cash** (and cash equivalents) represent 7% of the total value of short-term assets, the volume of cash decreased by 39% compared to the previous year due to the payment of dividends in February and June 2024.

**Other short-term assets** include deferred costs paid in advance. Their value decreased by 67%.

## 2.4 Liabilities to sources of funds

	31 December 2023	30 September 2024
In €		
<b>EQUITY AND LIABILITIES</b>		
Called-up capital	20,229,770	20,229,770
Capital reserves	44,284,976	44,284,976
Profit reserves	119,583,496	125,140,701
Fair value reserves	-1,242,486	-1,242,486
Retained profits	38,374,703	14,633,507
<b>Total equity</b>	<b>221,230,458</b>	<b>203,046,467</b>
Provisions for employee benefits	3,843,523	3,484,044
Other provisions	14,233,199	14,127,309
Long-term deferred revenues	767,414	982,640
<b>Total non-current liabilities</b>	<b>18,844,136</b>	<b>18,593,993</b>
Financial liabilities	103,692	91,972
Operating liabilities	18,530,350	18,678,965
Income tax liabilities	0	3,117,915
Liabilities from contracts with customers	11,351	564,122
Other current liabilities	1,195,674	2,339,742
<b>Total current liabilities</b>	<b>19,841,067</b>	<b>24,792,716</b>
<b>Total liabilities</b>	<b>38,685,203</b>	<b>43,386,709</b>
<b>Total equity and liabilities</b>	<b>259,915,662</b>	<b>246,433,176</b>

**The value of equity** in liabilities structure as at 30 September 2024 represents 82.4%, which is 2.7 percentage points less than at the end of 2023. The amount of equity decreased by 8% compared to the situation at the end of 2023. The decrease (€18.2 million) relates to the difference between the 2024 net profit of €14.6 million and the dividend payment of €25 million in February 2024 and the dividend payment of €7 million in June 2024 and the purchase of own shares amounting to €0.8 million. As at 30 September 2024, the Company holds 296,094 treasury shares (3.6% of the total). In accordance with the resolution of the 28th Ordinary General Meeting of Shareholders of Cinkarna Celje,

d.d., of 19 June 2024, the Company acquired 31,444 treasury shares worth €0.8 million in 2024. Also, on the basis of a resolution of the same General Meeting, the Company has transferred the profit carried forward in 2023 (50% of the net profit generated in 2023) to other revenue reserves, similar to the first 50% as at 31 December 2023, which will remain permanently in the reserves and will never be shared. There were no other major movements in equity.

In total, the share capital amounts to €20,229,769.66 and consists of 8,079,770 ordinary freely transferable no-par value shares, after a split of 1:10 as at 15 August 2022 (of which 296,094 treasury shares were subscribed in the treasury shares fund). The book value of the share on 30 September 2024 is €25.1 (down 8.2% from €27.4 at the beginning of the year).

**Provisions and long-term deferred income** account for 8% of liabilities to assets. Provisions for pensions and similar liabilities were established as at 1 January 2006 (termination and jubilee benefits) and are adjusted annually based on actuarial calculations. Other provisions were established in the ownership transformation procedure for environmental provisions. Over the last number of years, we have established the following additional environmental provisions: EUR 5 million in 2010 for the rehabilitation of the Bukovžlak solid waste landfill and EUR 7 and 5 million in 2011 for the rehabilitation of the Za Travnik landfill and the destruction of low-level radioactive waste. At the end of 2017, we reviewed the provisions in detail, checked and only set aside new provisions for elimination of risks arising from old burdens in the amount of EUR 6.4 million. At the end of 2023, as at the end of 2022, we re-examined the level of provisions and made/adjusted them accordingly in light of actual market conditions and the reasons for their existence. The amount of environmental provisions decreased by €106 thousand in the period under review due to the dedicated cost coverage of the above mentioned rehabilitation costs. Long-term deferred income increased by 28% as a result of funding obtained to co-finance the installation of solar power plants.

**Financial and operating liabilities** increased by 25% compared to the end of the previous year due to an increase in short-term trade liabilities, other liabilities and income taxes. Trade payables increased by 8% due to the extension of payment terms to suppliers. Other liabilities decreased by 26% due to lower payables to employees and government institutions. The income tax liability for the 2024 financial year as at 30 September 2024 amounts to €3.1 million (the balance of the difference between the payment of advance income tax made during 2024 and the tax liability for 2024), and an income tax receivable was established at the end of 2023. All financial and operating liabilities are short-term. The company's gross debt ratio is 10%, and compared to 31 December 2023, it increased by 32%.

**Short-term financial liabilities** as at 30 September 2024 amounted to €92 thousand, and amounted to €104 thousand at the end of 2023. The Company's financial debt ratio is thus 0.04‰ (at the end of 2023 it was also 0.4‰).

**Short-term operating liabilities** rose by 1% in the period. Short-term operating liabilities amounted to €15.8 million as at the last day of September 2024 and have increased by 8 % compared to the situation at the end of 2023. Other operating liabilities decreased by 26% (or by €1 million), and mainly included €1.4 million of liabilities for the payment of net wages and other net payments from employment relationship, €1.5 million of liabilities arising from contributions and taxes from and to personal income and VAT liabilities and to other institutions.

**Other short-term liabilities** increased by 96% over the period considered. They mostly comprise accounted liabilities for annual leave and other labour costs, accrued environmental contributions and taxes, and VAT on advances given.

### 3 EMPLOYEES

Human resources activities are geared towards achieving the basic objectives of the business policy, where particular attention has been paid to finding innovative ways of recruiting, to attracting professionally qualified staff and to the social cohesion of the company, which has been quite dynamic in terms of labour costs, due to the situation on the labour market, the general state of the country and the high rise in interest rates. We have continued our rational policy on external recruitment, covering the need for professional staff and those with higher and university education, while most other needs have been addressed through internal redeployment and recruitment of professional staff. We have focused on rejuvenating the workforce in individual organisational units, replacing critical posts, finding employees with deficit occupations, especially in the natural sciences, and intensively negotiating retirement with those employees who have already fulfilled the conditions for retirement and those who will be able to achieve these conditions through the Employment Service of the Republic of Slovenia.

As at 30 September 2024, 717 employees were employed in Cinkarna Celje, d.d., which means that compared to the end of 2023 the number of employees decreased by 25 or by 3.4 %. There are slight changes in the number of employees by business units.

In communication with employees, we encourage open and comprehensive communication between the company's Management Board, employees, the Works Council and two representative trade unions. In addition to informing employees about the overall current situation, it is very important to obtain feedback and suggestions from employees, which has a positive impact on the positive working climate in the company, promotes a good organisational culture and increases loyalty to the company, and strengthens the trust of employees in the company's management.

The area of communication continued to receive considerable attention from the Management Board, the Business Unit Managers and the Works Council through a wide range of communication channels. We used print and electronic media to provide information to our employees, such as: Company management messages via e-mail with current news for employees and with electronic communication dialogue of our company's mascots (Cinko and Cinka), Informator magazine – printed version, our company's magazine Cinkarnar – 2x annually, active social networks Facebook and LinkedIn Cinkarna Celje, we also issue a trade union Informator magazine, we have our own SharePoint (intranet and extranet) and bulletin boards – which are interesting and active for publishing news. More than 70 bulletin boards are installed as a means of communication throughout the company.

In addition, with new upgrades, we are improving and upgrading the Moja Cinkarna employee app, which serves as an additional communication channel with our employees. The app is increasingly well received by employees and will be expanded with new functionalities. For those who do not use the Moja Cinkarna app, we have installed an INFO point through which all employees can access company domains, reports and content.

In the field of social work, activities continued during the period under review in the areas of individual problem-solving, the management and the placement of disabled workers, ergonomics, employee prevention and the retirement of those employees who meet the conditions for retirement.

In the future, we plan to continue to optimise our staffing structure by rehiring, optimising business processes and recruiting new young and technically qualified staff. We will also continue to invest in the development, training and further improvement of the working environment of our employees, with a particular focus on the renewal and development of our HR systems.

### 3.1 Added value at the Company level

The value added per employee (according to the methodology of the Chamber of Commerce and Industry) is 34% higher than in 2023. The number of employees per calculated hours decreased by 4% (28 employees) and has had a positive impact.

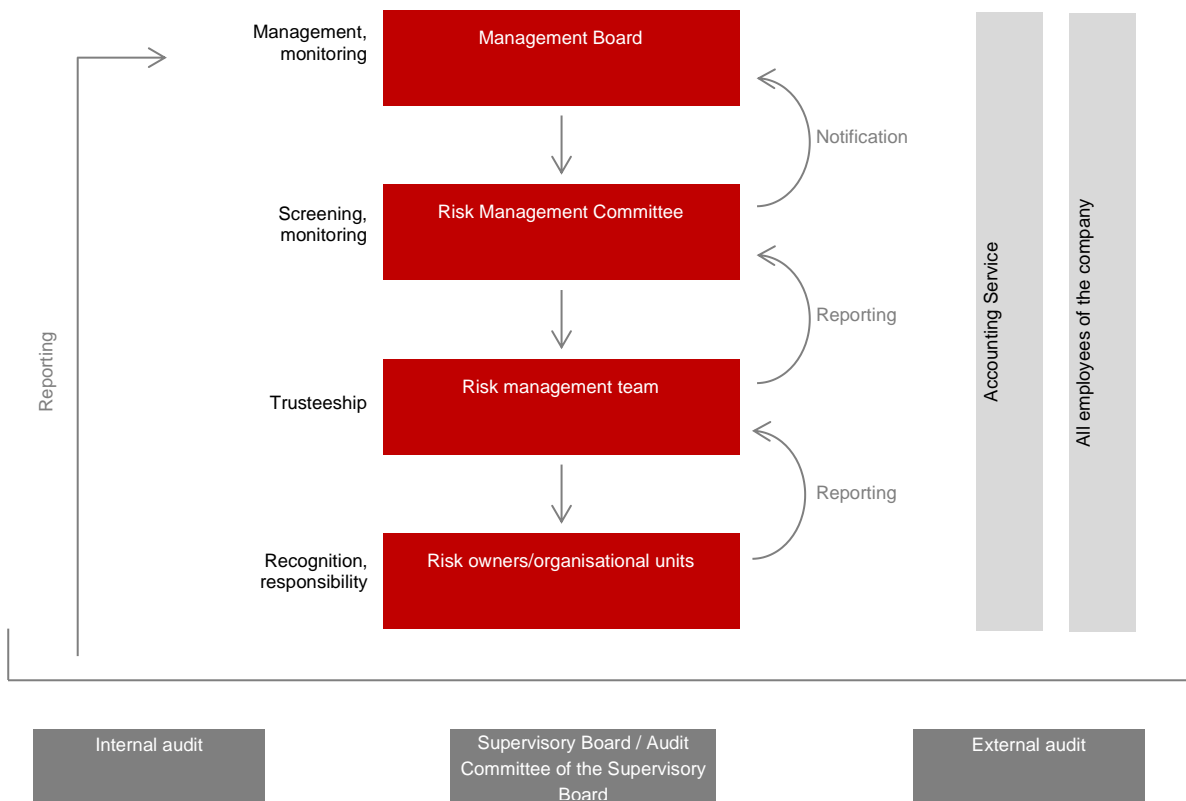
	JAN-SEP 2023	JAN-SEP 2024	ΔPY %
Sales revenues	136,109,939	153,531,924	+13
Increase or decrease in inventories levels	1,702,061	-8,070,129	-
Capitalised own products and own services	1,805,209	2,917,335	+62
Other operating revenues	337,022	576,028	+71
Cost of goods, materials and services	97,061,834	93,965,928	-3
Other business expenses	1,246,234	1,501,908	+21
<b>Value added</b>	<b>41,646,162</b>	<b>53,487,322</b>	<b>+28</b>
Average number of employees per calculated hours	715	687	-4
<b>VA (in EUR)/employee</b>	<b>58,246</b>	<b>77,856</b>	<b>+34</b>



## 4 THE COMPANY'S MOST IMPORTANT OPERATING RISKS

The risk management process is a key process and the cornerstone of the Integrated Management System (IMS). Risks are managed through regulations, performance targets or objectives, the implementation of which is tracked through minutes.

The risk management system includes risk identification, risk assessment and classification, action, monitoring and reporting. Monitoring and analysing the external and internal environment provides input to identify key risks and opportunities, which is crucial for our operational, tactical and strategic planning in line with the Sustainable Development Goals.



We also communicate to external audiences about the risks of the company's activities and how we are managing them, through interim and annual reports, i.e. on a quarterly basis. The reports are available to the public on SEOnet and on the company's website [www.cinkarna.si](http://www.cinkarna.si).

**The overview of key corporate risks** in the continuation is actualised and defined in accordance with the circumstances and expectations at the time of the compilation of this Report.

I. Sales and purchasing risks			
Risk name	General description of risk at company level	Risk management	Risk level (residual risk)
Work items	Loss of production due to failure to supply work items from monopoly suppliers	We pursue the objective of adequate protection by contract. In critical cases, we provide larger stocks. We carry out thorough market research on	Low

<b>I. Sales and purchasing risks</b>			
<b>Risk name</b>	<b>General description of risk at company level</b>	<b>Risk management</b>	<b>Risk level (residual risk)</b>
		<p>raw materials and potential substitutes and take timely action based on our findings.</p> <p>We search for, test and introduce new sources of raw materials into production. Alternative raw material sources are also evaluated in terms of catalogues of verified alternative raw materials and suppliers. We build long-term and stable partnerships in a targeted manner. We monitor and analyse the situation on international markets ourselves and with the help of market specialists. We are in regular contact also with suppliers with whom we do not cooperate, but that could be a solid alternative.</p>	
<b>Work items</b>	Loss of revenue due to unforeseen extensions of delivery times throughout the supply chain	<p>We place orders on time, make bookings with suppliers, look for alternative suppliers and alternative testing procedures.</p> <p>We ensure timely planning of requirements and procurement of raw materials, taking into account the time reserves of experience and increasing minimum stocks where necessary. We will develop a business case and a checklist for all strategic raw materials.</p>	Low

<b>II. Production risks</b>			
<b>Risk name</b>	<b>General description of risk at company level</b>	<b>Risk management</b>	<b>Risk level (residual risk)</b>
<b>Storage and production capacity</b>	Shortfall in volumes due to under-utilisation of production capacity	<p>In order to increase the production capacity of masterbatches, the Chemistry Mozirje BU is carrying out activities to increase the availability of existing lines. A feasibility study has been carried out to install an additional line.</p> <p>At the Titanium Dioxide BU, we are introducing lean production and implementing projects to eliminate technological bottlenecks.</p>	Moderate

<b>Storage and production capacity</b>	Loss of revenue due to cancellation of orders and loss of customers in the event of a major breakdown of an obsolete production line.	The risk is posed by the poor condition of the electrostatic filters used to clean the flue gases from the calcination of titanium dioxide. We carried out a temporary rehabilitation on the most critical filter and procured key spare parts for another. We have concluded a contract for a phased complete overhaul of all filters.	Low
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<b>III. Financial risks</b>			
<b>Risk name</b>	<b>General description of risk at company level</b>	<b>Risk management</b>	<b>Risk level (residual risk)</b>
<b>Credit risk (customer payments)</b>	Increase in expenses due to non-payment by customers whose receivables are not secured, representing approx. 2% of receivables.	<p>We carry out internal credit control for each individual customer, for which we have set an individual credit limit, based on payment discipline, credit rating and good business with the company. The credit risk monitoring and management process is enhanced by the insurance of receivables with an external institution, where credit limits are set, monitored and changed on a daily basis.</p> <p>In addition to regular monitoring of the credit limit for individual customers, the payment discipline of the buyer is monitored on a daily basis, as well as the publications on AJPES in connection with the publication of procedures under the Financial Operations, Insolvency Proceedings, and Compulsory Dissolution Act (ZFPPIPP).</p> <p>Also, as soon as the receivable is due, the customer is reminded of the due date by a reminder, first by telephone and then in writing. Interest on overdue amounts accrues from the due date until repayment.</p> <p>We regularly obtain up-to-date information for more accurate cash flow planning.</p>	Low
<b>Liquidity risk (customer payments)</b>	Failure to pay within agreed deadlines due to customer insolvency or indiscipline, which can cause liquidity problems.	We ensure a stable cash flow. The company's business is traditionally conservative with high levels of cash. Liquidity management includes, among other things, planning and meeting expected cash commitments on a daily, weekly, monthly and annual basis, monitoring customer solvency on an ongoing basis and collecting overdue receivables on a regular basis.	Low

<b>III. Financial risks</b>			
<b>Risk name</b>	<b>General description of risk at company level</b>	<b>Risk management</b>	<b>Risk level (residual risk)</b>
		<p>We regularly obtain up-to-date information for more accurate cash flow planning.</p> <p>The cash flow is detailed, deliberate and accurate at daily, monthly and annual levels.</p>	
<b>Currency risk</b>	Loss of revenue and higher costs due to the euro/dollar exchange rate on the purchase of materials and raw materials in US dollars (titanium-bearing raw materials, partly copper compounds)	<p>We continuously monitor the movements and forecasts regarding the dynamics of the EUR/USD currency pair. Basically, we limit the short-term risk of adverse changes in the dollar exchange rate through the standardised and consistent use of financial instruments (dollar forwards). We also regularly obtain more detailed information for advance purchases of foreign exchange.</p>	Low

<b>IV. Spatial and environmental risks</b>			
<b>Risk name</b>	<b>General description of risk at company level</b>	<b>Risk management</b>	<b>Risk level (residual risk)</b>
<b>Climate risks</b>	Negative impact on the company's business due to restrictions on water supply during dry periods	<p>The company identifies the potential lack of water to power production as both the biggest risk from drought and an opportunity to pursue sustainable business principles.</p> <p>The most appropriate, and above all sustainable, solution was to use wastewater from the Celje Central Wastewater Treatment Plant (CČN). This source is sufficient in quantity on a sustainable basis, but needs further treatment. Its use results in improvements in both the biological and hydromorphological status of the watercourse.</p> <p>Pilot experiments at the CČN Treatment Plant site have been completed and form the basis for the design of the equipment, and alternative technologies are still being tested. In cooperation with the Municipality of Celje, a procedure is underway to prepare a Municipal Detailed Spatial Plan (OPPN) for the</p>	High

<b>IV. Spatial and environmental risks</b>			
<b>Risk name</b>	<b>General description of risk at company level</b>	<b>Risk management</b>	<b>Risk level (residual risk)</b>
		<p>installation of the pipeline. At the same time, we are preparing the project documentation for the construction of the pipeline.</p> <p>For other climate risks in this class, we maintain facilities, identify and address potential hazards, and remedy deficiencies (e.g. additional cooling of rooms with electronic equipment).</p>	
<b>Security</b>	Negative impact on the company's business due to heavy precipitation (floods, landslides)	<p>We carry out activities in accordance with the preventive actions set out in the Register of Potential Hazards to the Environment and Employees (Regulations, organisational rules, compliance with storage instructions in the flood prone area of the site, ongoing cleaning of manholes and maintenance of facilities, work instructions, measurements, preventive and periodic inspections, etc.).</p> <p>When designing new buildings, we take earthquake standards and regulations into account.</p> <p>Existing facilities are inspected and maintained. The Bukovžlak high barrier is equipped with seismic monitoring.</p> <p>The company is flood-proofed with a wall to prevent water ingress in the event of a flood. We have pumping stations to pump out any excess water.</p> <p>Based on our experience during the August 2023 floods, we are preparing/implementing a series of preventive measures. We have also increased insurance.</p> <p>Lightning conductors and earthing systems are regularly inspected and maintained.</p>	Low
<b>Security</b>	Negative impact on the company's operations due to an industrial accident	The risk is managed through systematic evaluation of environmental and employee impacts, periodical assessments of fire threats and job	Low

<b>IV. Spatial and environmental risks</b>			
<b>Risk name</b>	<b>General description of risk at company level</b>	<b>Risk management</b>	<b>Risk level (residual risk)</b>
		<p>systematisation in line with risk assessment.</p> <p>In the area of environmental impact reduction, we have systematically introduced European environmental standards by implementing the principles of the Responsible Conduct Programme and harmonised our operations with the requirements of the IED and SEVESO Directives.</p> <p>We carry out internal audits of the adequacy of the implementation of the measures required by the SEVESO permit and remedy the deficiencies identified.</p> <p>In the area of fire safety, we have our own fire brigade and the company is adequately covered by fire insurance.</p> <p>In the area of accidents at work, a professional service is organised to monitor compliance with health and safety rules and measures. We provide regular education and training for employees. The Company holds liability insurance.</p> <p>We conclude written agreements with external contractors and provide them with training. We have engaged a permanent coordinator for safe and healthy work. We have introduced work instructions for the performance of maintenance interventions in terms of fire prevention, accident prevention and improvement of cleanliness in the workplace.</p>	
<b>Old burdens</b>	Removing old environmental burdens	<p>The Bukovžlak landfill of non-hazardous waste (ONOB) and the barrier bodies, with their specific materials, are old burdens. We also have an environmental reservation for them and are implementing remediation activities.</p> <p>Technical observation and monitoring is regularly carried out in the area of the</p>	Low

<b>IV. Spatial and environmental risks</b>			
<b>Risk name</b>	<b>General description of risk at company level</b>	<b>Risk management</b>	<b>Risk level (residual risk)</b>
		<p>high barriers (Bukovžlak and Za Travnikom).</p> <p>Based on the results of the observations, systematic and long-term maintenance measures are taken to ensure the stability of the barriers or, where necessary, to remedy the consequences of adverse weather conditions.</p> <p>One of these is the triggering of a landslide after heavy rainfall in August on the lower western part of the Za Travnik high barrier. The landslide is monitored by measurements. Urgent remediation work has been carried out, to be followed by full rehabilitation, for which an environmental provision has been made.</p>	
<b>Legislative compliance</b>	Negative impact on the company's business due to the inability to remove red gypsum	<p>The company fills waste red gypsum from titanium dioxide production into the Za Travnik waste disposal plant. The existing zoning plan (ZP) and the building permit allow for infilling up to a level of 300 m above sea level, which will be reached in 6-7 years.</p> <p>Due to new circumstances and lessons learnt during the infilling process, the implementation as conceived by the project is not possible in certain parts or could lead to the demolition of the planned facilities. Another negative point is the planned inadequate drainage, which would lead to the site being partially flooded again with rainwater.</p> <p>The designer, together with the expert support of the UL FGG Department of Geotechnics, prepared an amendment to the project. It provides for increased quantities of red gypsum and a different form of fill. The planned volumes have already been registered in the environmental permit and the MOPE has issued a decision that the planned modification does not require a reassessment of the environmental impact. However, an amendment to the</p>	High

<b>IV. Spatial and environmental risks</b>			
<b>Risk name</b>	<b>General description of risk at company level</b>	<b>Risk management</b>	<b>Risk level (residual risk)</b>
		<p>zoning plan and building permit is needed.</p> <p>We have submitted an initiative to amend the zoning plan to all three municipalities concerned. The conditions for the signing of the contract between the municipalities are being coordinated, followed by the submission of the petition for the amendment of the zoning plan to the MOPE.</p> <p>According to the Municipality of Šentjur's decree, Cinkarna should have ceased to fill on 27 October 2023. Due to the leaching of white gypsum and the large settlements not foreseen in the filling project, this deadline is not achievable in practice. Representatives of the Municipality of Šentjur and KS Blagovna have been informed about this since 2017, but they insisted on understanding the need to respect the date. We have obtained a legal opinion on the validity of such a decree. The latter concluded that the decree is incompatible with the legislation in force, and we therefore sent a petition to the Ministry of Natural Resources and Spatial Planning (MNVP) to monitor the legality of the Decree on amendments and supplements to the Decree on the Za Travnik Zoning Plan. The Ministry of Natural Resources and Spatial Planning referred the application to the Ministry of the Environment, Energy and Climate (MOPE), which agreed with the legal opinion and called on the Municipality of Šentjur to bring the Decree into line with the applicable legislation within 90 days. As the latter did not do so, the Government initiated the constitutional review procedure at the proposal of the MOPE.</p> <p>The company is also developing processes to reduce the amount of red gypsum and looking at other options for</p>	



**IV. Spatial and environmental risks**

<b>Risk name</b>	<b>General description of risk at company level</b>	<b>Risk management</b>	<b>Risk level (residual risk)</b>
		filling in different locations, with the aim of sustainable development and a circular economy, as well as extending the time available for disposal.	

**V. HR and organisational risks**

<b>Risk name</b>	<b>General description of risk at company level</b>	<b>Risk management</b>	<b>Risk level (residual risk)</b>
<b>Competence and availability of staff</b>	Incomplete succession policy and inadequate staff competences	<p>We have set up a recruitment system with a training programme and a mentor for each post.</p> <p>We take stock of all specific and generic skills in the company, overhaul the system for onboarding new recruits and verify existing skills for employees.</p> <p>We have developed a draft competency model.</p> <p>We are launching a large Knowledge Transfer in Production OEs project.</p> <p>We have inventoried the key positions in the company, identified possible successors and defined the time to replacement and the additional competences needed.</p> <p>For the most promising candidates, we run a leadership development programme called the Leadership Academy. We provide coaching for promising employees.</p>	Low
<b>Competence and availability of staff</b>	Staff shortages, untimely replacements and inadequate organisation of work	<p>In addition to traditional recruitment methods, we use recruitment solutions via social networks to find new employees. We have increased our cooperation with labour brokerage agencies and contracted external service providers for individual cases.</p> <p>We offer recruitment scholarships. We actively participate in career fairs. We have deepened our cooperation with high schools. We offer compulsory internships and student work for students. We offer students the opportunity to carry out their</p>	Low

<b>V. HR and organisational risks</b>			
<b>Risk name</b>	<b>General description of risk at company level</b>	<b>Risk management</b>	<b>Risk level (residual risk)</b>
		<p>bachelor's, master's and doctoral theses in the company.</p> <p>We are continuously implementing organisational change and adapting agilely to new circumstances.</p>	

<b>VI. Support process risks</b>			
<b>Risk name</b>	<b>General description of risk at company level</b>	<b>Risk management</b>	<b>Risk level (residual risk)</b>
<b>Storage and production capacity</b>	Loss of production and revenue due to non-availability of plants	A risk is identified in the area of maintenance planning, which is not properly implemented. We are introducing detailed intervention plans.	Low
<b>Digitisation</b>	Untapped opportunities in digitisation and additional costs due to failure in digital transformation or insufficient digital security	We continue to implement a number of implementation objectives that increase the level of digitisation and computerise and simplify business processes (upgrading of modules in the Power BI business analytics and in Moja Cinkarna, the document system, migration of Oracle Forms, modernisation of the maintenance information system and the Spekter production information system).	Moderate
<b>Security</b>	Production failure due to a cyberattack on the workstation and/or the server system for the management system by malware with the intent to extort or steal data.	<p>We have put in place additional systems to monitor and ensure information security. We carry out regular security checks.</p> <p>With the help of an external expert, we carried out an internal audit in this area. We put the opportunities we discover into practice.</p> <p>We regularly monitor potential new threats and raise awareness among our employees.</p>	Moderate

All financial risks (liquidity, credit, currency and interest rate risks) are assessed as low risk and are explained in more detail in the Accounting section of the report in Chapter V *Financial Instruments and Financial Risks*.

## 5 INFORMATION ON SHARES AND THE OWNERSHIP STRUCTURE

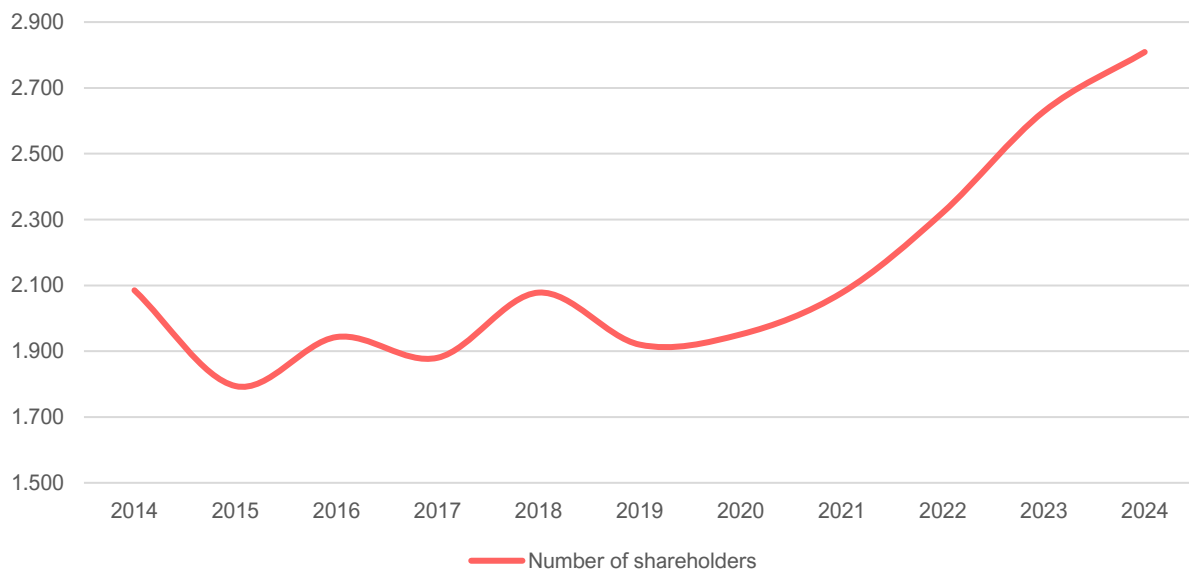
### 5.1 Ownership structure

The share capital of Cinkarna Celje, d. d., amounts to EUR 20,229,769.66 and is divided into 8,079,770 ordinary freely transferable no-par value shares. At the end the period, the Company has 296,094 treasury shares in its portfolio (or 3.66% of the total issue). The number of shareholders at the end of the relevant period is 2,809. The structure of ownership at the end of the period is shown in the table below.

#### Structure of the ownership of shares

	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.	384,874	4.76
TR5 d.o.o	364,943	4.52
Treasury shares	296,094	3.66
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
Zagrebačka banka d.d. - fid.	69,560	0.86
NLB Skladi d.d.	65,927	0.82
Privredna banka Zagreb d.d. - fid.	54,037	0.67
Internal shareholders – FO	61,933	0.77
External shareholders – FO	1,950,318	24.14
Others	801,124	9.91

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



## 5.2 Trading in shares

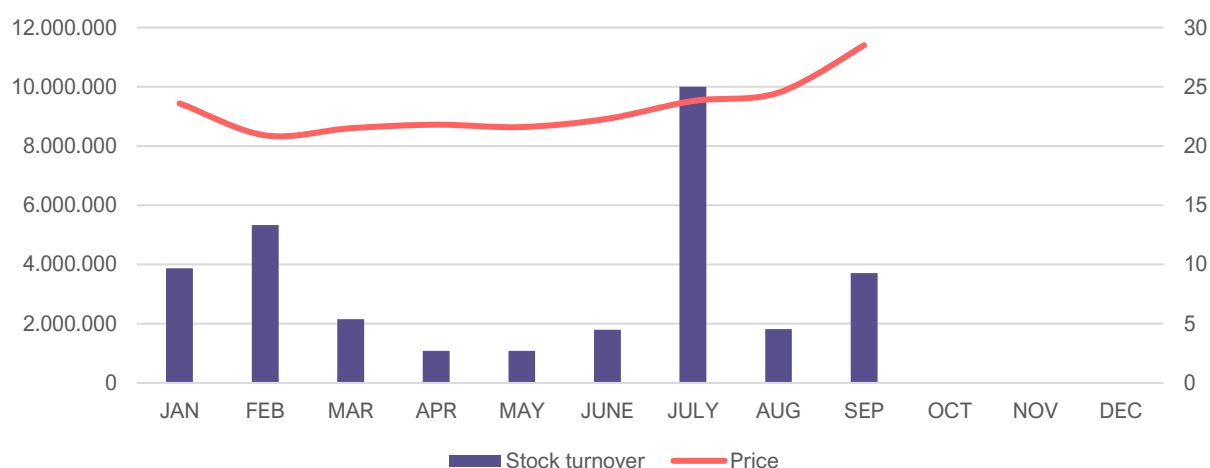
Trading in Cinkarna shares, labelled CICG, takes place on the free market of securities. The first day of trading was 6 March 1998. The average price per share on that day was EUR 33.71. In August 2022, a share split was carried out at a ratio of 1:10.

**Changes in the market value of the shares (average price on the last day of the month) and the value of turnover:**

	Average price		Turnover
	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
JUNE	24.8	22.3	1,793,351
JULY	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		
NOV	22.0		
DEC	20.5		

The value of the share of Cinkarna Celje, d.d., listed in the first quotation of the Ljubljana Stock Exchange (with the code CICG) fluctuated between €22.3/share and €28.6/share during the period under examination. From the last trading day in 2023 to the last trading day of the period under review, the value of the share is increased by 37% and, taking into account the payment of dividends, the total gross return is 57%.

### Share price movements (right axis) and stock turnover (left axis) by months



## 6 DEVELOPMENT FOUNDATIONS

### 6.1 Investments

In the first three quarters of 2024, €11.7 million was spent on investments, acquisition of fixed assets and replacement equipment, representing 63.2% of the plan realisation. This includes advances of €1.58 million paid for current investment needs.

Investments were made on a programme-by-programme basis, according to need, capacity and prospectivity, and in line with the five-year strategic plan. With the aim of increasing energy efficiency and self-sufficiency:

- we continued with the solar power plant project (1.3 MW SE built),
- Marketing's transformer station has been renovated to allow the connection of a solar power plant,
- we took measures to reduce electricity consumption (replacing lighting and energy-wasting electric motors, installing frequency converters),
- based on a positive feasibility study, we commissioned a detailed engineering study for the cogeneration of electricity from the steam generated by the burning of sulphur.

We replaced the rubber bag on the soft dam at the Hudinja river, where we pump water for technological needs.

In addition to investing in energy transformation, we continue to make significant investments in projects to remove bottlenecks, reduce negative environmental impacts and improve safe and healthy working conditions. The largest share of our investments was in titanium dioxide production, where we continued to prepare projects and permits and to implement pending and new investments:

- installation of an additional 12.10 C storage tank for the discharge of solution from the digestion columns - the project is in the final stages; technical inspection and approval for use is expected in early 2025
- the modernisation of lime and calcite storage and suspension preparation is in the final stages for calcite, for lime it will be postponed for the time being due to a lack of urgency
- a central vessel for the third vacuum cooling line is installed and in operation, reducing the possibility of downtime due to necessary repairs on the old two lines
- as part of the process of removing bottlenecks, a project is underway to install a third filter press for metatitanic acid squeezing - the press has been ordered and the PID is being finalised.

Due to new developments and extraordinary staff changes, we are not following the project to eliminate bottlenecks in pigment surface treatment (Surface Treatment 2 project).

With the aim of reducing the amount of waste disposed of from titanium dioxide production, we have initiated the process of preparing the project documentation for the installation of a 7th centrifuge for the extraction of CEGIPS, which will include the extension of the facility so that an 8th centrifuge can be installed later on.

We are restoring a key technological bridge. We have also started the systematic renewal of the structural joints of the TiO<sub>2</sub> steel hall - Final Processing area.

We are upgrading the Spekter production information system in the Titanium Dioxide BU and building a maintenance information system. To enhance information security, we are investing in a virtual environment of PCS7 servers and operating stations to enable the creation of a redundant system.

At the Chemistry Celje BU, an investment was made in automated sodium hydroxide addition and blowing of reactors for the preparation of copper oxychloride. A project is underway to install a new filter press for the filtration of dissolved copper ash.

In the Chemistry Mozirje BU, we have prepared a feasibility study for the installation of an additional masterbatch production line in three possible locations. The result shows that it is only reasonable to set it up in the existing powdered coatings plant if we decide to close or sell this programme.

In the Polymers BU, we purchased a laser for cutting sheet metal and carried out activities on the new sandblasting plant project, which will be realised in 2025.

The use of environmental provisions is subject to significant deviations from the plan. Due to the large discrepancy between the design and the bid value for the sealing curtain at ONOB, we carried out several rounds of enquiries, technical investigations and finally settled on a single contractor who met the designer's requirements and provided a guarantee for tightness. The latter has a key subcontractor from Italy, who has not yet been authorised to work abroad due to the floods and the necessary measures. For the rehabilitation of Drainage C, the design work has been delayed. We have submitted requests for implementation. On the Za Travnik high barrier, we have started the drainage ribs on the eastern flank and carried out emergency measures to rehabilitate the landslide that was triggered during heavy rainfall in August 2023.

The Ministry of the Environment, Climate and Energy was carrying out the rehabilitation of plot 115/1 of the Teharje district, through which our gypsum pipeline runs. In order to avoid subsequent restrictions on rehabilitation in the event of a leak, we had to relocate our gypsum pipeline at the same time as the rehabilitation of plot 115/1. The investment is now roughly complete. The only thing missing is the completion of the maintenance road.

The plan for the phased construction of oil interceptors on storm water drains is progressing well.

Major investments made for the purchase of replacement equipment and fixed assets include:

- refurbishment of one electrofilter for the treatment of flue gases from the calcination process
- replacement of the first of two filter presses for pigment squeezing - completion by the end of 2024
- quality control equipment (DSC, FTIR, Malvern)
- replacing some vehicles (cars, forklift trucks) with electric ones.

Every year, we also invest in measures to improve fire safety (gradual renovation of external hydrants and replacement of internal hydrants with Euro hydrants, installation of AJP systems, fire doors), as well as in sanitary and office facilities improvement.

## 6.2 Development activity

Several development tasks and tasks with the aim of introducing improvements to existing technological processes, products and services are carried out in all organisational units.

### **UF TiO<sub>2</sub>-based photocatalytic self-cleaning coating**

The Fraunhofer Institute is studying the possibility of using UF TiO<sub>2</sub> in the field of sodium-ion batteries. In the USA, Agrititan is leading the process of registering the use of our UF TiO<sub>2</sub> in plant protection products with the EPA. The process is expected to be completed in 2025.

### **Weather-resistant TiO<sub>2</sub>**

Based on the results of the testing, we have optimised the developed recipe to ensure better processability in use. Another industrial trial will be carried out in October.

### **Development and stabilisation of pigment quality**

Our objectives are aimed at improving certain parameters (opacity, shine, dispersibility, viscosity) which, when used, represent a higher-grade pigment. As part of this project, we are also looking for and testing a replacement for the organic additive TMP, which is classified with suspected reprotoxicity.

### **Waste acid recovery**

Laboratory tests are being carried out to isolate titanium dioxide by re-hydrolysis. The hydrolysate obtained is of comparable quality to regular production. Activities are underway to optimise process conditions, which will result in improved yields.

We tried to extract the iron by electro-separation at low voltages. The process is feasible, but requires an input of electricity, so it is only considered as an alternative for further development in case of failure of the iron extraction process as ferric oxalate.

In a European call for proposals, the REMHub consortium project received funding to develop a process for the extraction of vanadium and scandium.

### **Development of ferric oxalate**

Ferric oxalate is one of the possible by-products that can be obtained from the waste acid produced in the titanium dioxide production process. Testing has confirmed that the product does not have pigment properties, so we are still looking for an application for it. We are currently achieving 55% efficiency.

### **Alternative source of process water supply**

We have completed testing on pilot ultrafiltration and reverse osmosis plants. The tests indicate an additional need for treatment of nitrates, which occasionally exceed the limit value in the RO concentrate. In parallel, we are gathering information on cleaning technology on SiC ceramic membranes. The procedure for the adoption of the spatial plan for the siting of the Tremerje - Cinkarna pipeline is ongoing.

### **Development of powdery coatings**

In the development of the Low Temperature Primer Powder Coating, a second set of prepared samples is being tested in a salt chamber.

### **Development of masterbatches**

The development of a white masterbatch for incorporation into stretch films for outdoor agricultural applications is planned as a priority with our RC 859 titanium dioxide, but is only planned on an industrial scale in Q4 due to line occupancy with other products. In the meantime, we have produced two qualities with competing titanium dioxide and one has received a positive test result from a customer.

## **6.3 Quality assurance**

We manage various aspects of our business (quality, environment, safety and health at work) with the integrated management system (IMS). The IMS structure is based on ISO 9001, which is upgraded and expanded with ISO 14001 and ISO 45001. The integrated management system has been complemented with an ISO 50001 energy management area.

Our laboratories are accredited to SIST EN ISO 17025 for wastewater monitoring.

We implement an annual internal audit plan. We audit BUs and services that have not been audited recently, carry out horizontal audits and review the completion and effectiveness of actions from previous audits.

External auditors carried out an assessment of the compliance of our integrated management system with ISO standards for 2024 at the end of May. No non-compliance was found.

We regularly monitor the number of complaints and comments of our buyers and respond to them with corrective measures. Complaints are rare.

We are continuing our activities on a project aimed at developing new grades of titanium dioxide and stabilising its quality. We are carrying out optimisations in individual production processes in a planned sequence, which should help to raise and stabilise the quality level of our pigments.

Permanent improvements dictated by standards and quality guidelines are the driving force of progress and continuous improvements in all areas of the Company's operations. In the first half of the year, 131 suggestions were received in the CC UM useful suggestion system, representing 0.18 improvements per employee.

## 6.4 Environmental management

For 2024, we have set ourselves one framework target in the area of environment and energy, within which we have set performance targets in the areas of climate, pollution, water resources, biodiversity, resource use and the circular economy.

The following activities are carried out under this indicative objective:

- we have completed pilot tests on the KČN Tremarje alternative water supply project,
- arrangement of the zoning act for the NZOOZT - discussions with KS Blagovna are ongoing,
- disposal of waste NaCl, where we are looking for suitable users both in Slovenia and in other countries; in parallel, we are looking for an alternative process - production of COH using the sulphate process, where waste NaCl is not produced,
- the planned consumption of copper-bearing powder (in the Chemistry Celje BU) was achieved,
- activities are underway to incorporate raw materials, semi-finished and finished products in MB and PL that have been flooded into new products; about 65% of these have been incorporated,
- replacement of the compensation on the TP (reactive-free operation) is underway; the material for the compensation has been ordered and a breakthrough on the TP has been made, implementation will take place in the next quarter,
- finding opportunities to consume the full amount of filter dust and consume/install process reject - we have found one consumer for the installation of waste powder coating dust, where testing has been successful, and the recovery of process reject is also increasing,
- the certification process for biodegradable colour masterbatches is analysed, the testing conditions are defined and the cost is evaluated,
- an analysis and evaluation of the feasibility of drilling boreholes for the production of process water in Mozirje and for heating in the Chemistry Mozirje BU was carried out; the soil structure was found to be unsuitable,
- in the Maintenance and Energy BU, activities are underway to replace old electric motors with energy-efficient ones (12 motors have been replaced so far, 23 of the 20 planned have been procured, and 124 MWh have been saved so far through the measures taken),
- the third phase of the upgrading of the storm water sewerage system with oil interceptors for proper treatment of storm water is underway,
- lighting renovation with more efficient LED lighting is underway; 47 luminaires have been replaced so far - expected savings of 123 MWh/year,



- an ISO 50001 compliant energy management system is in place, certification has been obtained and an energy team has been set up,
- replacement of wasteful pumps with more energy-efficient ones for the treatment of digestion gases is underway (saving 451 MWh/year),
- the TP at Marketing has been renovated and a solar power plant (MFE Marketing) has already been connected to it,
- measures are being taken to ensure the tightness of catch basins, platforms, warehouse floors, drains, transport routes,
- at the TiO<sub>2</sub> BU, the integrated water management project continues (optimisation of the thickener operation, return of overflow water from the Bukovžlak Waste Disposal Facility, identification of new water recycling options in the TiO<sub>2</sub> production process, reduction of KPK and TOC, and finding solutions to reduce emissions to the process waste water (NKV)),
- the process of obtaining the necessary documentation for the construction of a lake attenuation facility at the NZOOB with a drainage ditch and a gauging point is underway,
- we are looking for other possible uses for red gypsum (construction, mine backfilling, etc.),
- we are reviewing concepts and CAPEX estimates for the recovery of 23% sulphuric VI acid waste,
- activities continue to increase the proportion of white gypsum recovered to 2.9 t/t of calcinate (2.83 t of white gypsum per t of calcinate was achieved in the last quarter),
- tender for the construction of the C1 drainage system has been launched; the ONOB contract is being coordinated,
- the relocation of the pipelines on plot 115/1 is in its final stages,
- intervention rehabilitation of the VPN Za Travnikom landslide has been carried out; project documentation is being prepared for the full rehabilitation,
- the rehabilitation of the VPN Za Travnikom is underway (the purchase of the plots needed for the rehabilitation has been completed and the amendment of the documentation for the rehabilitation is underway), and construction work has started on the drainage rib No 1,
- at the Polymers BU, activities are underway to reduce waste and reuse PFA in moulds by 3% per year,
- KS carry out activities to reduce food waste and other organic waste,
- the Purchasing and Logistics Department carries out activities to return packaging to suppliers.

This year we have had five inspections, four in the environmental field and one in the radiation field.

One inspection was an extraordinary ex officio inspection in the field of the environment due to a complaint. The operation of the IED plant was checked, namely in the area of air emissions. The treatment plants, logs and surroundings of the titanium dioxide plant were randomly inspected. No deficiencies were found.

The other four were also carried out ex officio.

The review procedure concerning the Bukovžlak Non-hazardous Waste Disposal Site was closed without any action and without any irregularities.

The IED environmental permit compliance review procedure for the Celje site was terminated without action or irregularities following the submission of additional evidence (measurements carried out at one of the TiO<sub>2</sub> production outlets (Z8), recalculations and an updated monitoring report).

The environmental compliance review at the Mozirje site was closed without action and without any irregularities.

The inspection procedure carried out by the Radiation and Nuclear Safety Inspector did not reveal any breaches of the provisions of the law or any other regulation, and the procedure was closed without action.

This year we have had four complaints from the public. One complaint was about smoke and smell and was made by a person directly to the inspection service. This complaint led to an ex-officio visit by an inspector as described above. The other three complaints related to odours caused by the malfunctioning of a treatment plant in the process of digestion of ores in the titanium dioxide production plant.

According to legislative requirements, we have prepared and submitted all monitoring reports for 2023 within the deadline. There were no exceedances of the limit values, except for an exceedance of the specific emission quantity for the parameter H<sub>2</sub>S at the titanium dioxide production plant digestion release. Actions have been initiated - the cleaning efficiency has been verified, additional measurements have been made and the H<sub>2</sub>S emission quantification has been recalculated. On this basis, no exceedances were found. We have sent corrections to the Ministry of the Environment and Spatial Planning.

Activities are underway to coordinate the environmental permit with the Ministry of the Environment, Climate and Energy due to the changes introduced and the ex officio modification (preparation of a partial baseline report).

We have submitted several applications for the ex ante procedure for ongoing projects.

We have received a decision that the siting of the battery storage facility does not require an environmental impact assessment and environmental consent, but that we need to complete the Major Accident Risk Reduction Design.

Changes are being implemented:

- installation of a steam turbine and increase in sulphuric acid (IV) production capacity
- increasing the amount of waste cake
- and changes in water treatment.

We cooperate with the Chamber of Commerce and Industry and ZKI in the coordination of requirements in the field of environment and energy (amendments to ZVO2-A, draft ZVO-3, amendments to the IED, preparation of BREF-BAT conclusions, the Regulation on monitoring of emissions of substances into the air and the Regulation, etc.).

We have published our annual report, which for the second year includes a sustainability report in line with GRI standards. The sustainability team is active and gradually working with the help of an external consultant on the implementation of ESRS standards, as the company will be required to prepare a sustainability statement in line with these standards by 2024.

We are working on a revision of the draft ESG Strategy - Sustainable Strategy and its implementation.

We have completed all the requirements for the re-certification of the POR, which was awarded in January 2024.

We are also responding to the increasing number of questionnaires received on the implementation of the Sustainable Development Commitments.

## **6.5 Health and Safety**

There were no serious work-related accidents during the nine-month period. We dealt with 14 minor accidents (IF = 1.9), 8 more than in the same period last year. Due to the rising number of injuries, we have put in place measures to curb them:

- we stepped up the reporting and elimination of potential hazards (147 PHs identified and eliminated, 67 more than in the same period last year),

- we launched a survey of reported near-misses, of which there were 10 (the same as in the same period last year),
- we increased visits to the production sites themselves and highlighted individual irregularities,
- we also attend the TiO<sub>2</sub> BU production meetings 2 times a week, where we discuss current issues in the field of health and safety at work and fire safety,
- in maintenance work, we have started the introduction of the LOTO safety system (pilot case of the TiO<sub>2</sub> BU - digestion column).

Safety Minute activities and other forms of employee awareness-raising for safe and healthy work take place in various formats and time intervals in production work centres.

A protocol for the delivery and pumping of raw materials in tanks has been developed. The purpose of the protocol is to define the responsibilities and authorities for the supply and pumping of raw materials in tankers on the company's premises, thus preventing any incidents. By the end of the year, we will add an additional safeguard mechanism.

The Fire Brigade carried out 2 fire drills - a fire in a building at the Polymers BU (April) and a spill of a hazardous substance and a fire in an acid production plant (May). The Celje Professional Firefighting Unit took part in both exercises.

In the area of employee health, 281 preventive health checks (periodic, follow-up) were carried out.

In line with the Health Promotion Programme, 8 activities were carried out:

- a workshop on "First Aid for the Injured and Suddenly Ill",
- promoting a healthy breakfast - on the last Friday of every month,
- preventing cardiovascular disease - Risk factors - controlling fats and blood sugar,
- the "Cycle to Work" campaign,
- body composition measurements,
- vaccination against tick-borne meningoencephalitis,
- sun protection, skin moles and skin cancer - individual examination and advice
- participation in the "European Mobility Week" campaign - "Celje se pelje trajnostno v službo" (Celje drives sustainably to work).

## 7 FINANCIAL STATEMENTS

### 7.1 Income statement

#### Income statement for the period from 1 January to 30 September

	JAN-SEP 2024	JAN-SEP 2023
<b>Revenue from contracts with customers</b>	<b>153,531,924</b>	<b>136,109,939</b>
- revenues from contracts with customers domestic market	10,926,698	12,070,411
- revenues from contracts with customers foreign market	142,605,225	124,039,528
Change in the volume of inventories of products and work in progress	-8,070,129	1,702,061
Capitalised own products and own services	2,917,335	1,805,209
Cost of goods and materials sold	101,531	280,314
Costs of materials	81,271,595	85,046,750
Costs of services	12,592,802	11,734,770
Labour costs	25,368,677	23,372,756
a) Costs of wages and salaries	18,533,440	16,731,407
b) Social security costs	1,396,542	1,245,317
c) Pension insurance costs	1,954,733	1,754,352
č) Other labour costs	3,483,961	3,641,680
Depreciation and amortisation	9,961,307	9,755,462
Other operating revenues	576,028	337,022
Other business expenses	1,668,304	1,628,774
Impairment and write-downs of operating receivables	6,307	21
<b>Operating profit or loss</b>	<b>17,984,636</b>	<b>8,135,384</b>
Financial revenues	835,818	857,866
Financial expenses	67,249	443,309
<b>Financial result</b>	<b>768,568</b>	<b>414,557</b>
<b>Profit/loss before taxes</b>	<b>18,753,204</b>	<b>8,549,940</b>
Tax charged	4,125,705	1,350,369
Deferred tax	0	0
<b>Income tax</b>	<b>4,125,705</b>	<b>1,350,369</b>
<b>Net profit/loss of financial year</b>	<b>14,627,499</b>	<b>7,199,571</b>
Basic and diluted earnings per share	1.81	0.89

## 7.2 Statement of company's financial position

### Statement of company's financial position

	30 September 2024	31 December 2023
<b>ASSETS</b>		
<b>Non-current (long-term) assets</b>		
Intangible assets	1,569,134	1,585,108
Property, plant and equipment	111,480,613	109,855,569
Land	9,569,718	9,532,167
Buildings	38,411,251	39,609,507
Production plants and machinery	47,906,015	51,068,573
Other plants and equipment	41,050	41,792
Tangible fixed assets under construction	13,969,399	9,603,529
Advances for the acquisition of property, plant and equipment	1,583,180	0
Financial assets at fair value through other comprehensive income	1,558,531	1,558,531
Financial receivables	0	0
Operating receivables	0	0
Other long-term assets	105,470	84,444
Deferred tax assets	1439044	1,439,044
<b>Total non-current (long-term assets)</b>	<b>116,152,792</b>	<b>114,522,696</b>
<b>Current assets</b>		
Assets intended for sale	0	0
Inventories	33,942,411	53,841,480
Material	20,967,568	32,611,021
Work in progress	2,813,827	2,469,985
Products and merchandise	10,040,273	18,466,478
Advances for inventories	120,743	293,996
Assets based on contracts with customers	0	0
Financial receivables	48,091,916	38,616,117
Operating receivables	38,625,725	31,545,008
Trade receivables	36,642,877	27,437,194
Other receivables	1,982,848	4,107,814
Income tax receivable	0	5,493,528
Cash and cash equivalents	9,551,186	15,687,805
Other current assets	69,145	209,028
<b>Total current assets</b>	<b>130,280,383</b>	<b>145,392,966</b>
<b>Total assets</b>	<b>246,433,176</b>	<b>259,915,662</b>

## Statement of company's financial position (cont.)

	30 September 2024	31 December 2023
<b>EQUITY AND LIABILITIES</b>		
<b>The capital of the owners of the Company</b>		
Called-up capital	20,229,770	20,229,770
Capital reserves	44,284,976	44,284,976
Profit reserves	125,140,701	119,583,496
Legal reserves	16,931,435	16,931,435
Reserves for treasury shares	5,584,262	4,814,764
Treasury shares	-5,584,262	-4,814,764
Other revenue reserves	108,209,266	102,652,061
Fair value reserves	-1,242,486	-1,242,486
Retained profits	14,633,507	38,374,703
<b>Total equity</b>	<b>203,046,467</b>	<b>221,230,458</b>
<b>Non-current liabilities</b>		
Provisions for employee benefits	3,484,044	3,843,523
Other provisions	14,127,309	14,233,199
Long-term deferred revenues	982,640	767,414
Financial liabilities	0	0
Operating liabilities	0	0
Liabilities from contracts with customers	0	0
Deferred tax liabilities	0	0
<b>Total non-current liabilities</b>	<b>18,593,993</b>	<b>18,844,136</b>
<b>Current (short-term) liabilities</b>		
Liabilities included in disposal groups	0	0
Financial liabilities	91,972	103,692
Operating liabilities	18,678,965	18,530,350
Trade payables	15,801,012	14,656,554
Other liabilities	2,877,953	3,873,796
Income tax liabilities	3,117,915	0
Liabilities from contracts with customers	564,122	11,351
Other current liabilities	2,339,742	1,195,674
<b>Total current liabilities</b>	<b>24,792,716</b>	<b>19,841,067</b>
<b>Total liabilities</b>	<b>43,386,709</b>	<b>38,685,203</b>
<b>Total equity and liabilities</b>	<b>246,433,176</b>	<b>259,915,662</b>

## 7.3 Statement of changes in equity

### Statement of changes in equity for 2024 period

CINKARNA Metalurško - kemična industrija Celje, d. d.	Called-up capital	Capital reserves	Profit reserves				Reserves for fair value	Retained profits		Total capital
			Legal reserves	Reserves for treasury shares	Treasury shares	Other revenue reserves		Retained profit or loss or loss	Net profit or loss of 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
<b>Changes in equity - transactions with owners</b>				769,498	-769,498			32,041,992		32,041,992
Purchase of treasury shares				769,498	-769,498					0
Withdrawal of treasury shares										0
Dividend distribution								32,041,992		32,041,992
<b>Total comprehensive Income for the reporting period</b>									14,627,499	14,627,499
Entry of net profit or loss for the reporting period									14,627,499	14,627,499
Other components of the total comprehensive income for the reporting period										0
<b>B3. Changes within equity</b>						5,557,206		0	-6,326,704	-769,498
Allocation of the remaining net profit for the comparative period to other equity components										0
Allocation of part of net profit for the period to other equity components according to resolution of management and supervision bodies							6,326,704	0	-6,326,704	0
Reserves for treasury shares										0
Release of reserves for treasury shares							-769,498			-769,498
<b>Closing balance for the period</b>	<b>20,229,770</b>	<b>44,284,976</b>	<b>16,931,435</b>	<b>5,584,262</b>	<b>-5,584,262</b>	<b>108,209,266</b>	<b>-1,242,486</b>	<b>6,007</b>	<b>14,627,499</b>	<b>203,046,467</b>
<b>DISTRIBUTABLE PROFIT</b>								<b>6,007</b>	<b>14,627,499</b>	<b>14,633,507</b>

### Statement of changes in equity for 2023 period

CINKARNA Metalurško - kemična industrija Celje, d. d.	Called-up capital	Capital reserves	Profit reserves				Reserves for fair value	Retained profits		Total capital
			Legal reserves	Reserves for treasury shares	Treasury shares	Other revenue reserves		Retained profit or loss or loss	Net profit or loss of financial year	
Opening balance for the period	20,229,770	44,284,976	16,931,435	4,814,764	-4,814,764	103,358,966	-809,390	84,159	24,930,233	209,010,148
<b>Changes in equity - transactions with owners</b>										0
Purchase of treasury shares										0
Withdrawal of treasury shares										0
Dividend distribution										0
<b>Total comprehensive Income for the reporting period</b>									7,199,571	7,199,571
Entry of net profit or loss for the reporting period									7,199,571	7,199,571
Other components of the total comprehensive income for the reporting period										0
<b>B3. Changes within equity</b>								24,930,233	-24,930,233	0
Allocation of the remaining net profit for the period to other equity components										0
Allocation of part of net profit for the period to other equity components according to resolution of management and supervision bodies								24,930,233	-24,930,233	0
Reserves for treasury shares										0
Release of reserves for treasury shares										0
<b>Closing balance for the period</b>	<b>20,229,770</b>	<b>44,284,976</b>	<b>16,931,435</b>	<b>4,814,764</b>	<b>-4,814,764</b>	<b>103,358,966</b>	<b>-809,390</b>	<b>25,014,391</b>	<b>7,199,571</b>	<b>216,209,720</b>
<b>DISTRIBUTABLE PROFIT</b>								<b>25,014,391</b>	<b>7,199,571</b>	<b>32,213,963</b>

## 7.4 Cash Flow Statement for the period

### Cash flow statement for the period from 1 January to 30 September

	JAN-SEP 2024	JAN-SEP 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit/loss before taxes	18,753,204	8,549,940
Adjustments for:	10,917,578	10,535,466
Depreciation and amortisation	9,961,307	9,755,462
Profit/loss on sale of fixed assets	15,001	-6,922
Impairment/write-down (reversal of impairment) of assets	166,396	372,348
Net decrease/formation of adjustment for the value of receivables	6,307	21
Net financial revenues/expenses	768,568	414,557
<b>Cash flow from operating activities before net short-term assets (working capital) change</b>	<b>15,750,160</b>	<b>429,967</b>
Change in operating receivables	-7,080,718	-1,897,185
Change in other non-current and current assets	139,883	-344,302
Change in the volume of inventories	19,899,070	9,644,849
Change in operating liabilities	2,260,107	-2,580,128
Change in provisions balance	-373,562	-470,789
Changes in deferred revenues	215,226	38,450
Changes in other short-term liabilities	1,144,068	1,661,606
Changes in liabilities from contracts with customers	552,771	246,065
Income tax paid	-1,006,686	-5,868,600
<b>Net cash flow from operating activities</b>	<b>45,420,943</b>	<b>19,515,373</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Receipts from investing activities	850,818	175,157
Receipts from interest	829,806	168,235
Receipts from dividend interest	6,011	0
Receipts from disposal of property, plant and equipment	15,001	6,922
Disbursements for investing activities	-19,582,385	-46,656,871
Disbursements for acquisition of intangible assets	-213,379	-368,752
Disbursements for acquisition of property, plant and equipment	-9,893,207	-9,805,391
Disbursements for acquisition of financial assets	-9,475,799	-36,482,727
<b>Net cash flow from investing activities</b>	<b>-18,731,567</b>	<b>-46,481,714</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from financing	0	0
Disbursements for financing activities	-32,825,995	-47,810
Disbursements for repayment of financial liabilities	-11,720	-47,018
Disbursements for interest paid	-2,784	-793
Disbursements for purchase of treasury shares	-769,498	0
Disbursements for dividends and other profit distributions	-32,041,992	0
<b>Net cash flow from financing activities</b>	<b>-32,825,995</b>	<b>-47,810</b>
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>9,551,186</b>	<b>18,195,947</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-6,136,619</b>	<b>-27,014,151</b>
<b>Opening balance of cash and cash equivalents as at 1 Jan</b>	<b>15,687,805</b>	<b>45,210,098</b>



## 7.5 Statement of Other Comprehensive Income

### Statement of Other Comprehensive Income for the period from 1 January to 30 September

	JAN- SEP 2024	JAN- SEP 2023
Net profit or loss	14,627,499	7,199,571
Other comprehensive income in the year	0	0
Other comprehensive income in the year that will not be recognised in the income statement in the future	0	0
Other comprehensive income in the year that will be recognised in the income statement in the future	0	0
Net other comprehensive income in the year that will not be recognised in the income statement in the future	0	0
Total other comprehensive income in the year (after taxes)	0	0
<b>Total comprehensive income in the year (after taxes)</b>	<b>14,627,499</b>	<b>7,199,571</b>

## 8 NOTES TO THE FINANCIAL STATEMENTS

### 1 Reporting by Segment

#### Sales by business segment

	In €	
	JAN..SEP 2024	JAN..SEP 2023
Titanium dioxide	129,201,422	112,543,498
- of which TiO <sub>2</sub> pigment	126,462,582	110,379,220
Zinc recycling	0	4,499,823
Varnishes, coatings, masterbatches	12,482,102	13,119,605
Agricultural products	8,606,545	3,807,948
Polymers	2,461,811	1,737,337
Others	780,044	401,728
<b>TOTAL</b>	<b>153,531,924</b>	<b>136,109,939</b>

#### Sales by regional segment

	In €	
	JAN..SEP 2024	JAN..SEP 2023
Slovenia	10,926,698	12,070,411
European Union	123,580,108	102,768,662
Market of the countries of the former Yugoslavia	2,239,949	2,680,109
Third countries	12,945,514	15,228,031
Third countries - dollar market	3,839,655	3,362,725
<b>TOTAL</b>	<b>153,531,924</b>	<b>136,109,939</b>

#### Profit or loss by business segment

	Titanium dioxide		Zinc recycling		Varnishes, coatings, masterbatches		Agricultural products		Polymers		Others		Total	
	30 September 2023	30 September 2024	30 September 2023	30 September 2024	30 September 2023	30 September 2024	30 September 2023	30 September 2024	30 September 2023	30 September 2024	30 September 2023	30 September 2024	30 September 2023	30 September 2024
- Revenue from contracts with customers	112,543,498	129,201,422	4,499,823	0	13,119,605	12,482,102	3,807,948	8,606,545	1,737,337	2,461,811	401,728	780,044	136,109,939	153,531,924
Other operating revenues	308,385	146,451	40	0	911	29,446	3,298	30,494	210,472	227,700	1,619,125	3,059,272	2,142,231	3,493,363
Change in the volume of inventories	2,490,513	-7,271,744	-184,925	0	-266,045	-390,742	-328,251	-26,292	0	0	-9,231	-381,351	1,702,061	-8,070,129
Operating costs	106,604,562	105,242,436	-4,572,376	0	-12,721,710	-11,587,653	-4,089,469	-8,504,827	-1,592,857	-1,925,163	-2,237,875	-3,710,444	-131,818,849	-130,970,522
- of which depreciation	-7,226,716	-7,300,740	-48,749	0	-281,518	-371,541	-201,453	-219,063	-150,396	-158,157	-1,846,630	-1,911,806	-9,755,462	-9,961,307
<b>Operating profit or loss</b>	<b>8,737,834</b>	<b>16,833,693</b>	<b>-257,438</b>	<b>0</b>	<b>132,761</b>	<b>533,153</b>	<b>-606,474</b>	<b>105,920</b>	<b>354,952</b>	<b>764,348</b>	<b>-226,253</b>	<b>-252,479</b>	<b>8,135,383</b>	<b>17,984,636</b>
Interest income													264,710	829,712
Other financial revenues													593,156	350,681
Interest expenses													793	2,785
Other financial expenses													442,516	409,040
<b>Financial result</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>414,557</b>	<b>768,568</b>
Deferred taxes													0	0
Income tax													1,350,369	4,125,705
<b>Net profit or loss</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,199,571</b>	<b>14,627,499</b>

### 2 Revenue from contracts with customers

Revenues from contracts with customers consist of the sales values of sold products, merchandise and material, and services rendered in the accounting period. The breakdown of net sales revenues by area and regional segments is shown below.

	In €	
	JAN..SEP 2024	JAN..SEP 2023
Net revenues from contracts with customers for products and services	153,216,636	135,679,568
Net revenues from contracts with customers for goods and materials	315,288	430,371
<b>TOTAL</b>	<b>153,531,924</b>	<b>136,109,939</b>

### 3 Other operating revenues

	In €	
Revenue	JAN..SEP 2024	JAN..SEP 2023
Profit on sale and write-offs of assets	15,001	3,269
Revenue from reimbursement claims	526,685	0
Recovered written-off receivables	0	1,500
Indemnities from insurance companies	22,820	27,562
Indirect cost allowance for the cost of greenhouse gas emissions for 2023/ 2022*	0	277,257
Other income	11522	27,414
<b>TOTAL</b>	<b>576,028</b>	<b>337,002</b>

\*For 2023, the funds are received in October 2024.

### 4 Costs by natural types

	In €	
	JAN..SEP 2024	JAN..SEP 2023
Costs of materials	81,271,595	85,046,750
Costs of services	12,592,802	11,734,770
Cost of goods and materials sold	101,531	280,314
Other business expenses	1,668,304	1,628,774
<b>TOTAL</b>	<b>95,634,231</b>	<b>98,690,608</b>

### 5 Labour costs

	In €	
Labour cost	JAN..SEP 2024	JAN..SEP 2023
Salaries, wages and compensations for salaries and wages	18,533,440	16,731,407
Social security contributions	3,018,350	2,687,272
Reimbursements of expenses to employees and other employee income	3,483,961	3,641,680
Supplementary pension insurance	332,925	312,397
<b>TOTAL</b>	<b>25,368,677</b>	<b>23,372,756</b>

The Company had 717 employees as at 30 September 2024. The average number of employees was 725.

### 6 Depreciation and amortisation

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 €	
Description	JAN..SEP 2024	JAN..SEP 2023
<b>Depreciation and amortisation</b>		
- intangible assets	229,350	155,688
- easement	54,258	54,258
- buildings	2,402,659	2,507,717
- production equipment	7,273,793	7,034,571
- other equipment	1,247	3,228
<b>TOTAL</b>	<b>9,961,307</b>	<b>9,755,462</b>

### 7 Operating Expenses

#### Operating Expenses

	In €	
Expense	JAN..SEP 2024	JAN..SEP 2023
Cost of goods and materials sold	101,531	280,314
Costs of materials	81,271,595	85,046,750
Costs of services	12,592,802	11,734,770
Labour costs	25,368,677	23,372,756
Depreciation and amortisation	9,961,307	9,755,462
Other business expenses	1,668,304	1,628,774
Impairment and write-downs of operating receivables	6,307	21

TOTAL	130,970,522	131,818,847
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### Other business expenses

In €		
Other business expenses	JAN..SEP 2024	JAN..SEP 2023
Ecology fees and reimbursements	350,326	351,204
Awards to students for internship	238,245	220,235
The contribution for the use of ground land	722,270	421,590
Revaluation of inventories of materials and goods	166,396	372,348
Loss on sale of fixed assets and impairments	163,005	10,191
Other costs and expenses	28,061	253,205
<b>TOTAL</b>	<b>1,668,304</b>	<b>1,628,774</b>

### 8 Financial revenues and expenditure

In €		
Revenue	JAN..SEP 2024	JAN..SEP 2023
Positive exchange rate differences	0	150,639
Interest income	829,806	264,710
Dividend income	6,011	0
<b>Total financial revenues</b>	<b>835,818</b>	<b>415,349</b>
Negative exchange rate differences	-64,371	0
Interest expenses	-2,879	-793
<b>Total financial expenditure</b>	<b>-67,249</b>	<b>-793</b>
<b>Net financial result</b>	<b>768,568</b>	<b>414,557</b>

### 9 Income tax

The income tax charge at the effective tax rate of 22% amounts to €4.1 million.

### 10 Intangible assets

In €						
Group of intangible assets for 2024	Cost		Adjustment		Carrying amount	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Property rights	5,536,258	6,161,514	4,511,229	5,093,263	1,025,029	1,068,251
Assets being acquired	544,105	516,856	0	0	544,105	516,856
<b>TOTAL</b>	<b>6,080,363</b>	<b>6,678,369</b>	<b>4,511,229</b>	<b>5,093,263</b>	<b>1,569,134</b>	<b>1,585,108</b>

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 €						
Group of property, plant and equipment for 2024	Cost		Adjustment		Carrying amount	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Land	10,895,071	10,803,263	1,325,353	1,271,096	9,569,718	9,532,167
Buildings	130,579,956	130,042,752	92,168,706	90,433,245	38,411,251	39,609,507
Equipment	240,934,717	239,932,766	192,987,651	188,822,401	47,947,066	51,110,365
Assets being acquired	13,969,399	9,603,529	0	0	13,969,399	9,603,529
Advances	1,583,180	0	0	0	1,583,180	0
<b>TOTAL</b>	<b>397,962,323</b>	<b>390,382,311</b>	<b>286,481,710</b>	<b>280,526,742</b>	<b>111,480,613</b>	<b>109,855,569</b>

The Company verified their values and found that their current value does not exceed their recoverable amount. The Company holds no assets under a finance lease. According to the state of affairs as at 30 September 2024, the Company also had no assets pledged as collateral.

### 12 Financial assets

In €						
Group of non-current financial investment for 2024	Cost		Adjustment		Fair value	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023

## CINKARNA CELJE, d. d.

Other investments	2,077,692	2,077,692	519,161	519,161	1,558,531	1,558,531
<b>TOTAL</b>	<b>2,077,692</b>	<b>2,077,692</b>	<b>519,161</b>	<b>519,161</b>	<b>1,558,531</b>	<b>1,558,531</b>

Investments in the shares of Elektro Celje and Elektro Maribor are valued according to the fair value model as their share in the total shares of the mentioned companies is less than 1%.

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

### 13 Other long-term assets

Group of other long-term assets for 2024	Cost		Adjustment		Carrying amount	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Emission allowances	105,470	84,444	0	0	105,470	84,444
<b>TOTAL</b>	<b>105,470</b>	<b>84,444</b>	<b>0</b>	<b>0</b>	<b>105,470</b>	<b>84,444</b>

The company received 40,397 emission allowances free of charge in 2024 under the decision. It also submitted 19,371 emission allowances in April 2024 for CO2 emissions in 2023.

### 14 Deferred tax receivables and liabilities

	30 September 2024	31 December 2023	Liabilities 2024	Liabilities 2023
Situation beginning of the period	1,420,921	1,420,921	194,446	194,446
Increase during the year	369,724	369,724	0	0
Reduction during the year	217,803	217,803	60,649	60,649
Situation end of the period	1,572,842	1,572,842	133,797	133,797
Offsetting	-133,797	-133,797	-133,797	-133,797
Situation end of the period	<b>1,439,044</b>	<b>1,439,044</b>	<b>0</b>	<b>0</b>

### 15 Short-term financial receivables

Group of short-term financial receivables for 2024	Value of investments		Adjustment of investments		Net investments	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Short-term financial receivables-treasury bills	48,091,916	38,616,117	0	0	48,091,916	38,616,117
<b>TOTAL</b>	<b>48,091,916</b>	<b>38,616,117</b>	<b>0</b>	<b>0</b>	<b>48,091,916</b>	<b>38,616,117</b>

### 16 Inventories

Group of inventories	30 September 2024	31 December 2023	Realisable value
Material	20,967,568	32,611,021	20,967,568
Work in progress	2,813,827	2,469,985	2,813,827
Products	10,00,839	18,434,810	16,862,136
Merchandise	19,434	31,669	19,434
Advances given	120,743	293,996	120,743
<b>TOTAL</b>	<b>33,942,411</b>	<b>53,841,480</b>	<b>40,783,707</b>

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 30 September 2024 exceeds their carrying amount.

### 17 Operating receivables

#### Short-term trade receivables

Group of receivables for 2024	Value of receivables		Adjustment		Net receivables	
	30 September 2024	31 December 2023	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Buyers in the country	3,686,714	2,841,398	273,233	266,985	3,413,481	2,574,413
Foreign buyers	33,245,063	25,012,549	394,858	394,858	32,850,205	24,617,691
Exporting agents	376,511	242,410	0	0	376,511	242,410
Foreign account receivables	2,681	2,681	0	0	2,681	2,681

<b>TOTAL</b>	<b>37,310,968</b>	<b>28,099,037</b>	<b>668,091</b>	<b>661,844</b>	<b>36,642,877</b>	<b>27,437,194</b>
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Trade receivables from customers are secured with an external institution from 1 June 2021.

Movement of impairments of short-term trade receivables

Year 2024	Status 31 December 2023	Formed value adjustment in 2024	Paid written-off receivables	Status 30 September 2024
Buyers in the country	266,985	6,248	0	273,233
Foreign buyers	394,858	0	0	394,858
<b>TOTAL</b>	<b>661,844</b>	<b>6,248</b>	<b>0</b>	<b>668,091</b>

Group of Trade Receivables by Maturity

Group of trade receivables by maturity	Gross value 30.09.2024	Correction 30.09.2024	Gross value 31.12.2023	Correction 31.12.2023
Non past due	30,651,828	16,944	24,024,487	16,944
Past due up to 15 days	4,593,922	2,050	2,913,989	2,050
Past due from 16 up to 60 days	1,210,602	1,180	432,721	1,180
Past due from 61 up to 180 days	186,704	30,202	109,582	23,954
Past due over 180 days	667,910	617,716	618,259	617,716
<b>TOTAL</b>	<b>37,310,968</b>	<b>668,091</b>	<b>28,099,037</b>	<b>661,844</b>

Current Receivables due from Others

Group of receivables	30 September 2024	31 December 2023
Receivables for VAT	1,971,671	2,210,850
Receivables due from sovereign institutions	1,405	77,506
Receivables for aid under the ZPGOPEK*	0	1,521,872
Receivables due from employees	7,771	6,771
Other receivables	2,001	290,815
<b>TOTAL</b>	<b>1,982,848</b>	<b>4,107,814</b>

\*The company is a beneficiary of the ZPGOPEK in 2023. On the basis of the application submitted, the company had a claim on the State, which was paid in full on 30 August 2024.

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

**18 Cash and cash equivalents**

Group of assets	30 September 2024	31 December 2023
Cash in hand	30	30
Bank balances	2,218,153	5,687,775
Short-term deposits	6,052,339	10,000,000
Foreign currency bank balances	1,280,663	0
<b>TOTAL</b>	<b>9,551,186</b>	<b>15,687,805</b>

Cash is deposited with domestic banks and remunerated at a fixed annual interest rate.

**19 Other current assets**

Under short-term other liabilities, the Company recognises short-term deferred costs or expenses and value added tax on advances received.

Description	30 September 2024	31 December 2023
Costs paid in advance	69,145	142,307
VAT on advances received	0	1,681
Other	0	65,040
<b>TOTAL</b>	<b>69,145</b>	<b>209,028</b>

## 20 Equity of the owners of the Company

Equity items	30 September 2024	31 December 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	5,584,262	4,814,764
Treasury shares	-5,584,262	-4,814,764
Other revenue reserves	108,209,266	102,652,061
Fair value reserves	-1,242,486	-1,242,486
Retained profits	14,633,507	38,374,703
<b>TOTAL EQUITY</b>	<b>203,046,467</b>	<b>221,230,458</b>

The Company's share capital comprises 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 at the balance sheet date of 30 September 2024, share capital stands at EUR 20,229,770.

The Company holds 296,094 treasury shares (3.7% of total shares) as at 30 September 2024. On the basis of the resolution of the 28th Ordinary General Meeting of Shareholders of Cinkarna Celje, d.d., of 19 June 2024, the Company acquired 31,444 treasury shares worth €0.8 million in 2024.

On the basis of the resolution of the Extraordinary General Meeting of Shareholders of Cinkarna Celje, d.d., of 13 February 2024, the Company paid dividends in the amount of €3.2 per share or €25 million from retained earnings generated before 2023 in the month of February, on 23 April 2024. On the basis of the resolution of the 28th Ordinary General Meeting of Shareholders of Cinkarna Celje, d.d., of 19 June 2024, the Company paid dividends in the amount of €0.9 per share or €7 million from retained earnings generated before 2023, on 28 June 2024. At the same time, on the basis of the aforementioned General Meeting decision, it transferred €6.3 million of retained earnings to other reserves, which remain permanently in other reserves.

## 21 Non-current liabilities

Group of non-current liabilities	30 September 2024	31 December 2023
Provisions for jubilee benefits and severance pays	3,484,044	3,843,523
Provisions for the environment	14,127,309	14,233,199
Government grants received — emission allowances	105,470	65,120
Deferred revenues	877,170	702,294
<b>TOTAL</b>	<b>18,593,993</b>	<b>18,844,136</b>

### Post-employment employee benefits

Post-employment employee benefits	30 September 2024	31 December 2023
Provisions for severance payments	2,812,429	3,101,653
Provisions for jubilee benefits	671,615	741,870
<b>TOTAL</b>	<b>3,484,044</b>	<b>3,843,523</b>

Post-employment employee benefits 2024	31 December 2023	Formation	Dedicated use	30 September 2024
Provisions for severance payments	3,101,653	0	289,224	2,812,429
Provisions for jubilee benefits	741,870	0	70,255	671,614
<b>TOTAL</b>	<b>3,843,523</b>	<b>0</b>	<b>359,479</b>	<b>3,484,044</b>

### Provisions

Provisions for the environment	Status of 31 December 2023	Yearly dedicated use plan 2024	Consumption 2024	Status of 30 September 2024
Provisions for the Za Travnik landfill	1,637,234	1,400,000	92,935	1,544,298
Provisions for the Bukovžlak landfill (ONOB)	8,537,531	2,000,000	6,317	8,531,214
Provision for the Bukovžlak high barrier	1,814,771	75,000	6,638	1,808,133
Provision for Ecology - Ecology investment in the field of TiO <sub>2</sub> production	2,243,663	430,000	0	2,243,663
<b>TOTAL</b>	<b>14,233,199</b>	<b>3,905,000</b>	<b>105,890</b>	<b>14,127,309</b>

The use of environmental provisions in 2024 is represented by the costs of the contractors for the work carried out in the amount of €105,890.



### Deferred revenues

	In €	
Deferred revenues	30 September 2024	31 December 2023
Exempt contributions for employment of disabled persons	10,763	780
Non-current deferred revenue for equipment	1,345	1,345
Funds received from the EU Fund	105,499	105,499
Emission allowances	105,470	65,120
Photovoltaic subsidies	759,563	594,670
<b>TOTAL</b>	<b>982,640</b>	<b>767,414</b>

### 22 Current financial liabilities

	In €	
Group of liabilities	30 September 2024	31 December 2023
Current financial liabilities – assignments, cessions	22,939	100,651
Current liabilities from derivatives – futures and forwards	69,033	3,041
<b>TOTAL</b>	<b>91,972</b>	<b>103,692</b>

### 23 Current operating liabilities

	In €	
Group of liabilities	30 September 2024	31 December 2023
Current trade payables to domestic suppliers	12,157,904	12,215,153
Current trade payables to foreign suppliers	3,470,973	2,435,198
Current liabilities for goods and services not invoiced	172,134	6,203
Current operating liabilities from advances	304,466	407,334
Current liabilities to employees	1,425,086	2,059,725
Current liabilities for the contributions of the payer	796,906	1,005,215
Current liabilities to government and other institutions	342,281	389,631
Other current liabilities	9,214	11,891
<b>TOTAL</b>	<b>18,678,965</b>	<b>18,530,350</b>

### 24 Liabilities for corporate income tax

As at 30 September 2024, the Company has an income tax liability of €3.1 million.

### 25 Liabilities based on contracts with customers

	In €	
Liabilities based on contracts with customers	30 September 2024	31 December 2023
Liabilities based on contracts with customers	564,122	11,351
<b>TOTAL</b>	<b>564,122</b>	<b>11,351</b>

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 €	
Description	30 September 2024	31 December 2023
Accrued unused right to annual leave	914,887	914,887
Accrued costs	1,424,416	260,042
VAT from advances granted	439	16,627
Other	0	4,118
<b>TOTAL</b>	<b>2,339,742</b>	<b>1,195,674</b>

### 27 Contingent Assets and Liabilities

	In €	
Description	30 September 2024	31 December 2023
Guarantees granted	2,202,184	2,202,183
Futures and forwards	7,233,723	1,867,592
VISA and Mastercard	60,000	40,000
Material in the process of completion or processing	59,726	59,726
<b>TOTAL</b>	<b>9,555,632</b>	<b>4,169,501</b>

**28 Fair value**

In €

	30 September 2024		31 December 2023	
	Book value	Fair value	Book value	Fair value
Financial assets at fair value through other comprehensive income	1,558,531	1,558,531	1,558,531	1,558,531
Short-term financial liabilities	48,091,916	48,091,916	38,616,117	38,616,117
Trade receivables	36,642,877	36,642,877	27,437,194	27,437,194
Cash and cash equivalents	9,551,186	9,551,186	15,687,805	15,687,805
Financial liabilities	-91,972	-91,972	-103,692	-103,692
Trade payables	-15,801,012	-15,801,012	-14,656,554	-14,656,554
Liabilities from contracts with customers	-564,122	-564,122	-11,351	-11,351
<b>Total</b>	<b>79,387,405</b>	<b>79,387,405</b>	<b>68,528,050</b>	<b>68,528,050</b>

According to the fair value calculation, financial investments are classified into three groups:

- Asset group I - assets at market price,
- Asset group II - assets not classified in Group I., their value is determined directly or on the basis of comparable market data,
- Asset group III - assets for which market data cannot be obtained.

Fair value of assets	30 September 2024				31 December 2023			
	group 1	group 2	group 3	Total	group 1	group 2	group 3	Total
Financial assets at fair value through other comprehensive income	0	1,558,531	0	1,558,531	0	1,558,531	0	1,558,531
<b>Total assets measured at fair value</b>	<b>0</b>	<b>1,558,531</b>	<b>0</b>	<b>1,558,531</b>	<b>0</b>	<b>1,558,531</b>	<b>0</b>	<b>1,558,531</b>
<b>Assets for which fair value is disclosed</b>								
Short-term financial liabilities	0	0	48,091,916	48,091,916	0	0	38,616,117	38,616,117
Trade receivables	0	0	36,642,877	36,642,877	0	0	27,437,194	27,437,194
Cash and cash equivalents	0	0	9,551,186	9,551,186	0	0	15,687,805	15,687,805
<b>Total assets for which fair value is disclosed</b>	<b>0</b>	<b>0</b>	<b>94,285,979</b>	<b>94,285,979</b>	<b>0</b>	<b>0</b>	<b>81,741,116</b>	<b>81,741,116</b>
<b>Total</b>	<b>0</b>	<b>1,558,531</b>	<b>94,285,979</b>	<b>95,844,511</b>	<b>0</b>	<b>1,558,531</b>	<b>81,741,116</b>	<b>83,299,647</b>

In €

Fair value of liabilities	30 September 2024				31 December 2023			
	group 1	group 2	group 3	Total	group 1	group 2	group 3	Total
Financial liabilities	0	0	91,972	91,972	0	0	103,692	103,692
Trade payables	0	0	15,801,012	15,801,012	0	0	14,656,554	14,656,554
Liabilities from contracts with customers	0	0	564,122	564,122	0	0	11,351	11,351
<b>Total liabilities for which fair value is disclosed</b>	<b>0</b>	<b>0</b>	<b>16,457,106</b>	<b>16,457,106</b>	<b>0</b>	<b>0</b>	<b>14,771,597</b>	<b>14,771,597</b>

### 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 30 September 2024 and 31 December 2023. It is compiled according to the indirect method using data from the statement of financial position as at 30 September 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 period.

### 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 decision of the General Meeting on the allocation of distributable profit for the previous year for dividend distribution to the owners that were or will be paid out and the buyback of treasury shares. Pursuant to point 14 of Article 64 of the Companies Act (ZGD-1), the determination of distributable profit is appended to the statement of changes in equity.

### V FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

#### Financial risks

##### 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 has stable cash flows. The Company's operations are traditionally conservative with high cash flow. Liquidity management includes, among other things, the planning of expected monetary liabilities and their coverage, ongoing monitoring of customers' solvency and regular collection of overdue receivables. The rating is AAA and the company is rated platinum.

##### Interest rate risk

Interest rate risk is the possibility of losses due to unfavourable changes in interest rates on the market. The Company has no long-term financial liabilities and has no related measures put in place. Should this fact change, appropriate measures would be put in place in order to manage this risk.

Due to its favourable financial situation, the Company enters into deposit agreements with banks at positive interest rates in order to increase its financial income. On the balance sheet date 30/9/2024, deposits with a maturity of up to one year amount to EUR 6.1 million. In order to use its cash efficiently, the Company also invests its surplus cash in short-term maturing treasury bills, which amount to €48.1 million as at the last day of September 2024.

##### Credit risk

The main risk for the Company is the risk that buyers 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 materially, which is demonstrated by the receivables maturity data as well as the fact that we have no high additional revaluation adjustments of receivables due to the doubts as to their payment or the default on the disclosed trade receivables.

For many years, Cinkarna Celje, d.d., has been conducting internal credit control for individual buyers, to whom they determined the individual credit limit, according to payment discipline, credit rating and good business with the company. The process of monitoring and managing credit risk increased further in mid-2021 with the onset of collateral claims with an external institution where credit limits are set, monitored and changed on a daily basis.

In addition to regular monitoring of the credit limit for individual customers, the payment discipline of the buyer is monitored on a daily basis, as well as the publications on AJPES in connection with the publication of procedures under the Financial Operations, Insolvency Proceedings, and Compulsory Dissolution Act (ZFPPIPP). Also, from the moment a claim is due, the buyer is reminded of the due date of the claim by means of a reminder, first by phone,

then by letter, and default interest is charged from the due date until payment. The process of regular monitoring and control of the payment of claims against customers is a constant of the company, which results in a small share of the write-down or impairment of claims in relation to the share in the sale.

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

	Notes	30 September 2024	31 December 2023
Financial assets at fair value through other comprehensive income	12	1,558,531	1,558,531
Financial receivables	15	48,091,916	38,616,117
Trade receivables	17	36,642,877	27,437,194
Cash and cash equivalents	18	9,551,186	15,687,805
<b>TOTAL</b>		<b>95,844,511</b>	<b>83,299,647</b>

The Company has a sound structure of trade receivables, which can be seen in Note 17: Operating receivables in the table: Trade Receivables by Maturity and in the table: Movement of impairments of short-term trade receivables.

### Currency risk

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

We are continuously monitoring changes and forecasts in relation to the dynamics of the EUR/USD currency pair. Basically, we mitigate the short-term risk of unfavourable USD exchange rates by consistently using financial instruments in a standardised manner (USD futures and forwards).

### Exposure to foreign exchange rate risk

	30 September 2024		31 December 2023	
	EUR*	USD	EUR*	USD
Financial assets at fair value through other comprehensive income	1,558,531	0	1,558,531	0
Short-term financial liabilities	48,091,916	0	38,616,117	0
Trade receivables	35,825,096	908,540	26,386,651	1,160,850
Advances given	1,705,923	0	301,333	0
Cash and cash equivalents	9,551,186	0	15,687,805	0
Current financial liabilities	-91,972	0	-103,692	0
Current operating liabilities	-15,768,550	-36,759	-14,647,822	-9,649
<b>Exposure to the statement of financial position (net)</b>	<b>80,872,129</b>	<b>871,781</b>	<b>67,798,922</b>	<b>1,151,201</b>

\* EUR is a functional currency and does not represent an exposure to foreign exchange rate risk. In addition to the functional currency EUR, the company also uses the currency USD (US dollar), which was used in the calculation of balance sheet items as at 31 December and is equal to the European Central Bank's reference rate of 1 national currency for €1 on 30.9.2024 at 1.1196 and on 31.12.2023 at 1.1050.

### Sensitivity analysis

A change in the value of the USD currency by 1% compared to the EUR as at 30/09/2024 or 31/12/2023 would change the profit or loss before tax for the values listed in the table below. The analysis, which is done in the same way for both years, assumes that all variables, especially interest rates, remain unchanged. In calculating the impact of the US dollar exchange rate change, the balance of claims and liabilities denominated in dollars is taken into account.

	30 September 2024		31 December 2023	
Change in the USD currency	1%	-1%	1%	-1%
<b>Impact on the profit/loss before taxes</b>	<b>7,709</b>	<b>-7,709</b>	<b>12,721</b>	<b>-12,721</b>

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 profit before taxes for the values indicated above.

**Capital management**

The primary objective of capital management of Cinkarna Celje, d.d., is to provide a high credit rating and appropriate financing indicators, thereby ensuring the proper development of its business and creating the maximum value for its shareholders.

Cinkarna Celje, d.d., wishes to keep pace with changes in the economic environment by managing and adjusting its capital structure. It pays dividends once a year, in accordance with the dividend policy adopted and the resolutions of the General Meeting. Cinkarna Celje, d.d., has no specific goals regarding employee ownership and no share options programme. There were no changes in the way capital was managed in 2024. Cinkarna Celje, d.d., uses a leverage indicator for capital control, which shows the share of net indebtedness in capital and total net indebtedness. Net indebtedness includes financial and business liabilities less cash and its equivalents.

	30 September 2024	31 December 2023
Financial liabilities	91,972	103,692
Business and other current liabilities	24,700,744	19,737,375
Cash and cash equivalents	-9,551,186	-15,687,805
<b>Net debt</b>	<b>15,241,530</b>	<b>4,153,262</b>
Equity	203,046,467	221,230,458
<b>Capital and net debt</b>	<b>218,287,997</b>	<b>225,383,721</b>
<b>Leverage indicator</b>	<b>7%</b>	<b>2%</b>

In €

The Company also monitors net financial indebtedness. As the company has virtually no bank or other financial debt, the leverage ratio is negative.

	30 September 2024	31 December 2023
Financial liabilities	91,972	103,692
Cash and cash equivalents	-9,551,186	-15,687,805
<b>Net financial debt</b>	<b>-9,459,213</b>	<b>-15,584,113</b>
Equity	203,046,467	221,230,458
<b>Capital and net financial debt</b>	<b>193,587,254</b>	<b>205,646,346</b>
<b>Leverage indicator</b>	<b>-5%</b>	<b>-8%</b>

## **9 IMPORTANT BUSINESS EVENTS OCCURRING AFTER THE END OF THE FINANCIAL PERIOD**

There have been no significant events subsequent to the balance sheet date that would have an impact on the financial statements reported at 30 September 2024.