



ANNUAL REPORT 2023



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Nature teaches us ...

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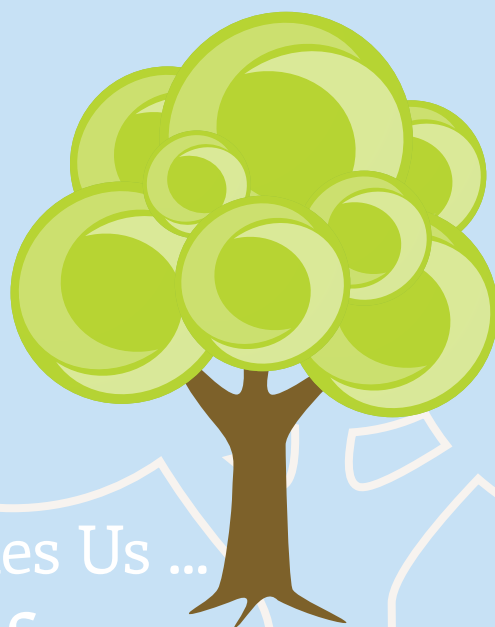
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1. Business Report



The Tree Teaches Us ...
Be proud of
your roots

1.1. Management Statement

The Management confirmed the financial statements for the year 2023 ended 31 December 2023, the used accounting policies and notes to the financial statements.

The Management is responsible for the preparation of the annual report in such a way that it represents a true and fair view of the company's assets and operating results for 2023.

The Management confirms that the appropriate Accounting Policies have been consistently employed and that the accounting appraisals have been prepared with care and due diligence. The Management also confirms that the financial balance statements, together with notes, have been prepared on the basis of the assumption that the company will continue to operate, and in accordance with applicable legislation and with Slovenian Accounting Standards.

The Management is also responsible for the appropriately managed accounting, for taking appropriate measures to protect assets, and for preventing and detecting fraud and other irregularities.

The Tax Authorities may, at any time within a period of 5 years after the end of the year for which a tax assessment was due, carry out an audit of the company's operations, which may lead to the assessment of additional tax liabilities, default interest, and penalties with regards to corporate income tax or other taxes and duties. The company's Management is not aware of any circumstances that could lead to significant liability under this heading

Ljubljana, 19/07/2024

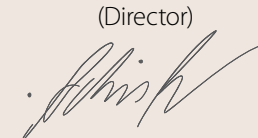
Damijan Zorko
(Managing Director)



Benjamin Bambič
(Chief Financial Officer)



Achim Christian Fetzner
(Director)



Three stylized leaves in shades of green and yellow are arranged on the left side of the page. One large leaf is at the bottom, and two smaller ones are above it, partially overlapping.

The Tree Teaches Us ...
Appreciate
natural beauty

1.2. CEO's Report

Dear colleagues and business partners,

The year 2023 is behind us. We have faced economic situations that have put us to a serious test. Unpredictable economics and socio-political developments have presented us with challenge after challenge. For us, these were the moments when our true strength and ability to survive was revealed. With confidence in the abilities of our colleagues, mutual support and willingness to change, we have turned our business trajectory in the right direction.

Our business practice is one of innovative solutions, market adaptation, and a well-thought-out approach. We have improved our sales strategy, increased our marketing activities, and found new markets. We have taken our service to the next level. We have improved operational efficiency, invested in technology that improves productivity and reduces costs.

We have been heavily involved in education and training because we know that continuous learning and upskilling are key to personal and professional development. Every new thing learned enriches the individual and the organisation. Our success is not only measured in numbers, but also in trusting partnerships. We are constantly looking for new trends and technologies to ensure that our services meet the highest standards of quality.

We are the ones committed to sustainable development and social responsibility. We are an active partner, helping to make this principle a reality for ourselves and others. This is why it is essential to invest in environmentally friendly processes, support local initiatives, and promote ethical business practices.

Through hard work, innovation and dedication, we have been able to consolidate our position in the market and realise projects.

It is important to remain proactive, flexible, and focused on long-term goals. Together, we are ready to take on any challenge and turn it into an opportunity for growth and improvement.

Damijan Zorko
Managing Director

A stylized, handwritten signature in black ink, representing Damijan Zorko.

1.3. Business highlights in 2023

	2023	2022	2021	Index 2023/2022
operating revenue	174,795,382	216,191,908	188,496,241	81
operating profit/EBIT	1,701,972	6,268,130	8,944,460	27
EBITDA ¹	6,208,138	10,396,747	13,325,455	60
total profit and loss	1,807,238	7,226,734	8,629,249	25
net profit/loss	1,678,533	6,363,722	7,334,234	26
employees on the last day of the year	385	385	356	100
revenue profitability (%) ²	1.03	3.34	4.58	31
cost-effectiveness ³	1.01	1.03	1.05	98
net profit per employee	4,360	16,529	20,602	26
total assets of the Company	90,119,586	83,984,247	91,923,406	107
capital	54,679,311	53,069,363	53,675,012	103
EBIT as a percentage of turnover (%)	1.0	2.9	4.8	34
EBITDA margin (%) ⁴	3.6	4.8	7.1	74
net debt ⁵	0.19	0.12	0.25	153
ROE ⁶	3.07	11.99	13.66	26
of capital coverage of fixed assets ⁷	1.37	1.32	1.40	104
level of ownership of the financing ⁸	0.61	0.63	0.58	96

¹ EBITDA = EBIT + write-offs

EBIT = operating revenues - operating expenses

² profitability on revenue = total operating profit/operating revenue

³ operating economy = operating income/operating expenditure

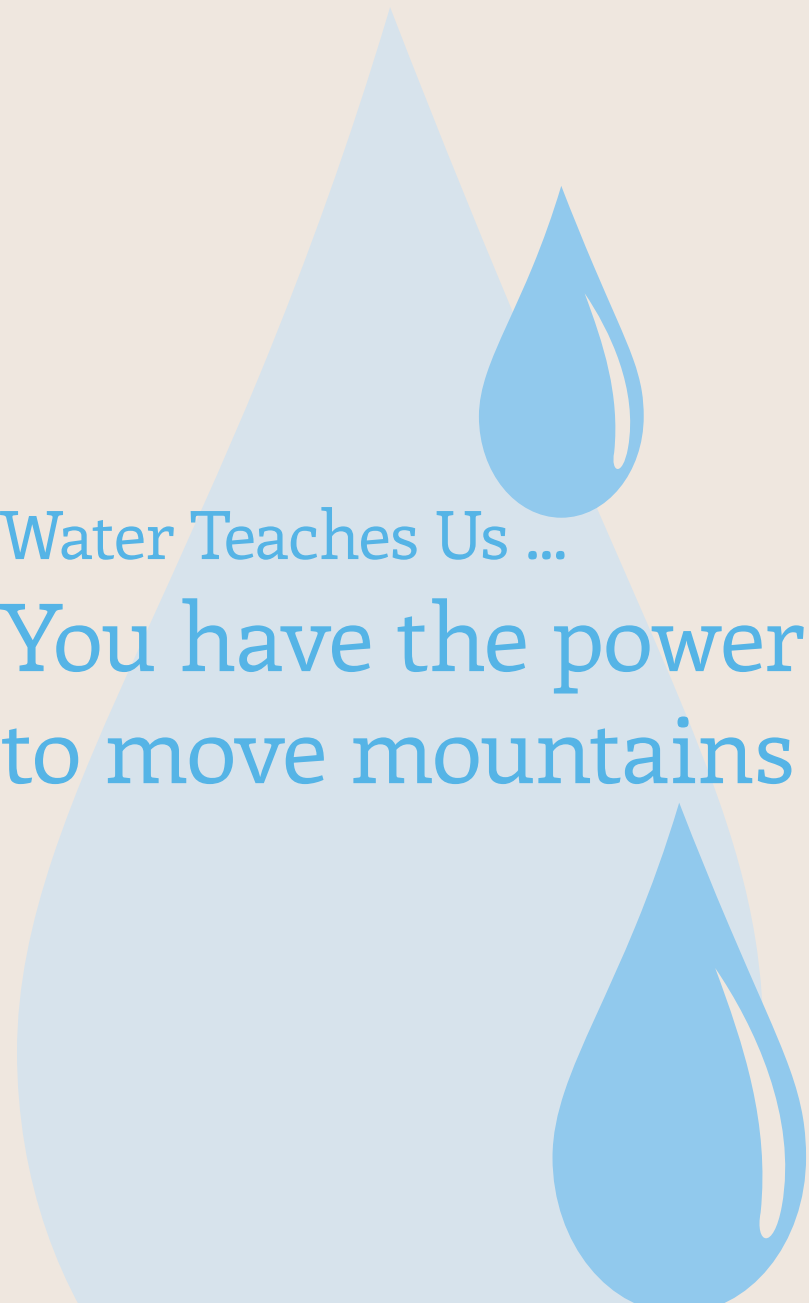
⁴ EBITDA MARGIN = EBITDA/operating income

⁵ net debt to capital = (short-term and long-term financial liabilities - cash)/capital

⁶ ROE = net profit/capital

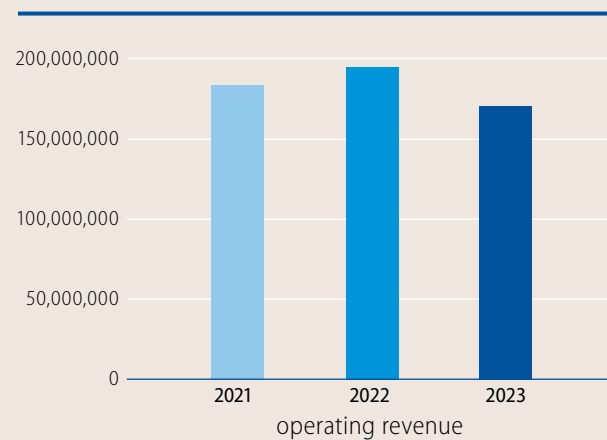
⁷ capital adequacy of fixed assets = capital/fixed assets

⁸ funding equity ratio = capital/liabilities to sources of funds

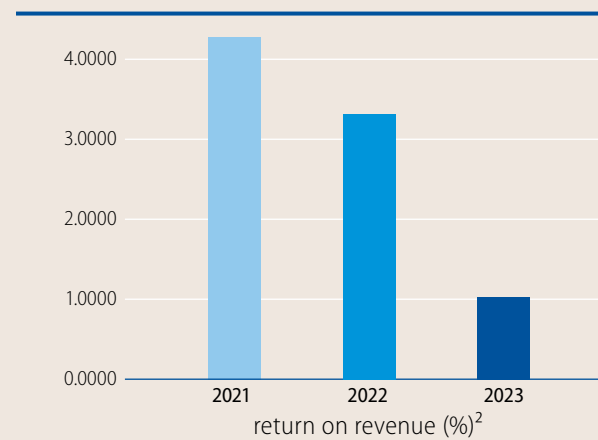


Water Teaches Us ...
You have the power
to move mountains

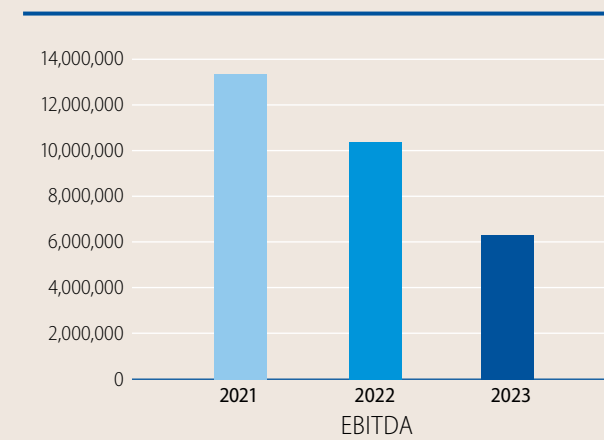
Operating revenue



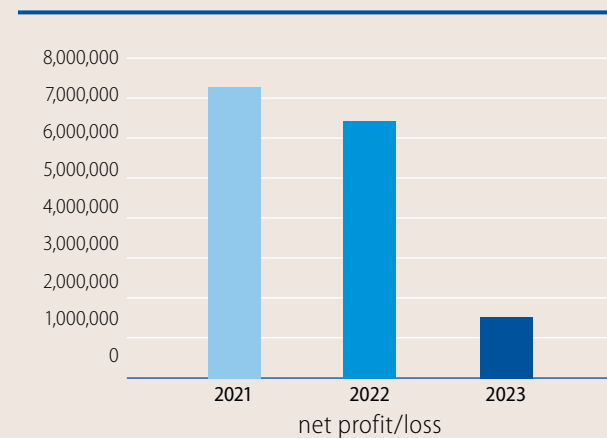
Return on revenue



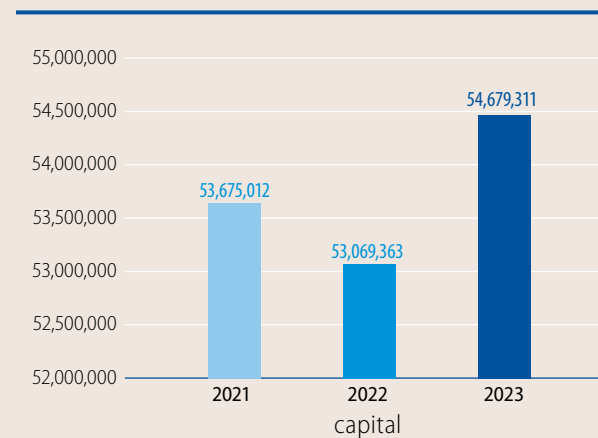
EBITDA



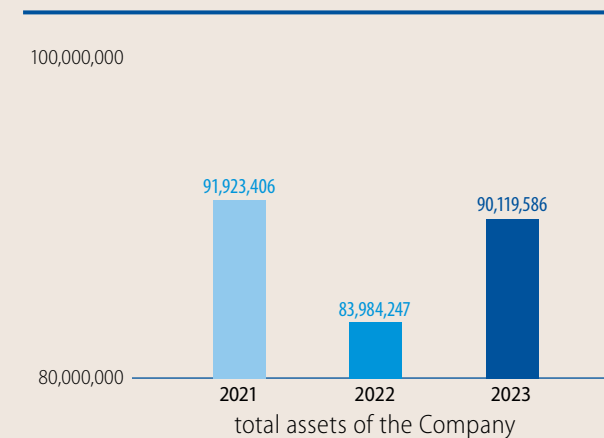
Net profit/loss



Capital



Balance sheet total



1.4. Presentation of the history of Dinos d.o.o.

Dinos was founded in 1946 under the then name Odpad and was established as a state company to collect waste for further use.

In 2013, a strategic capital tie-up took place with Scholz Holding, one of the largest waste collection and processing companies in Europe.

The new millennium ushered in a period of intensive investment in the technological modernisation of warehouses, as some warehouses did not meet environmental requirements.

The year 2016 brought radical changes in the ownership and management structure of the Scholz Group with the entry of the new owner Chiho-Tiande Group, abbreviated as CTG, which went through acquisition procedures until the end of the year.

CTG was renamed Chiho Environmental Group Ltd, CEG for short, in 2017.

In December 2018, Scholz International Holding GmbH, part of the CEG Group, took 100% ownership of Dinos.

The following is the ownership structure (beneficial owners according to ZPPDFT) in force as of 31/12/2018.

Owners	Percentage of capital share
Scholz International Holding Gmbh	100.00%

The largest beneficial owner of Chiho Environmental Group is Mr. Tu Jianhua.



The Tree Teaches Us ...
Stand tall



1.5. Statement on the management of the company

In accordance with Article 70 of the Companies ZGD1-I, Dinos declares that it complies with the applicable legislation, regulations, other legal and regulatory acts, and internal rules and instructions in the conduct of its business. The Company applies the “Code of Corporate Governance for Non-Public Companies” (hereinafter the Code), which is available on the website of the Association of Supervisors of Slovenia ([Corporate governance code for non-public companies | Slovenian Directors’ Association \(zdruzenje-ns.si\)](#)).

Dinos d.o.o. is managed by its Management for the benefit of the Company, independently and at its own risk. The Management is appointed by the owner in accordance with the Company’s articles of association. The work of the Management is carried out in accordance with the applicable legislation and the articles of association of the Company. The management of Dinos d.o.o. is represented by:

- General Manager Damijan Zorko,
- Chief Financial Officer Benjamin Bambič,
- Director Achim Christian Fetzner

The directors of Dinos d.o.o. declare that the annual report of Dinos d.o.o. for the year 2023, including the Management Statement, has been drawn up and published in accordance with the provisions of the Companies

Act ZGD-1, the applicable accounting standards, and the by-laws adopted on the basis of these standards.

Control is exercised by the sole owner of the Company together with the Company’s Management.

The sole shareholder of Dinos d.o.o. is:

- Scholz International Holding GmbH,

who holds the highest decision-making position in the Company.

The powers and duties of the owner and the Management of the Company were set out in the Company’s articles of association (hereinafter referred to as the Articles of Association), which is publicly available on the website of AJPES in the Business Register of Slovenia – Public database of all business entities established in the territory of the Republic of Slovenia ([www.ajpes.si](#)).

The internal control systems and risk management in the Company in relation to the financial reporting procedure

The Management of the Company protects the company’s assets by ensuring:

- keeping adequate accounting records on a unified accounting and management information system,
- establishing and ensuring the functioning of internal control,
- establishing and ensuring the functioning of internal accounting controls; and
- choosing and applying accounting policies.

The internal control system works to:

- ensure the accuracy, reliability, and completeness of accounting records,
- the truth and fairness of financial reporting,
- compliance with legislation and other regulation; and
- efficiency and effectiveness of operations.

The Management of the Company aims to provide a control system that is the most effective in intercepting negative events and at the same time cost- and organisationally optimal. The Company’s management is

committed to continuously reviewing the system of controls, recognising the limitations of any system of controls, to provide timely warnings, and to provide assurance that the purpose of the controls is being achieved.

The Management believes that the current system of internal controls ensures that the Company operates effectively and efficiently in accordance with legal provisions, thereby ensuring fair and transparent reporting in all material respects.

Diversity in employment

Dinos d.o.o. strives to pursue a diversity policy in employment, such as ensuring equal opportunities and equal treatment, for all employees, regardless of their personal circumstances. The company does not have a special diversity policy adopted in connection with representation in the management and supervisory bodies as well as criteria with regard to gender, age, or education.

Explanations concerning the provisions of the Code which Dinos d.o.o. does not fully comply with:

The Company follows the Governance Code as recommended at the basic level of corporate governance.

Section 2.1.1. Dinos d.o.o. does not have any objectives in its Articles of Association. The Management of the Company acts in accordance with the objective defined by the Code, i.e. maximising the value of the Company.

Section 2.4. The Articles of Association of Dinos d.o.o., which is publicly available on the website of AJPes in the Business Register of Slovenia – Public database of all business entities established in the territory of the Republic of Slovenia (www.ajpes.si).

Section 2.5.3. The members of the supervisory body are the sole shareholder.

Section 2.5.4. The statement of independence is not signed. Both the Management and the controlling function of the Company avoid any conflict of interest and act in the spirit of good stewardship.

Section 4.3.2. There is no independent expert in the supervisory body who is not related to the Company or a shareholder.

Section 5.1.1. The supervisory body meets as necessary, possibly less frequently than foreseen in the Code.

The members of the management body have a duty to the Company to act responsibly, professionally, with the care of a good businessman, diligently in the performance of their duties, and to continuously apply the knowledge necessary for the performance of their present and future work.

Ljubljana, 19/07/ 2024

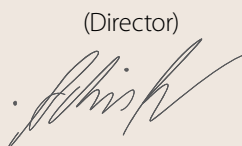
Damijan Zorko
(General Manager)



Benjamin Bambič
(Chief Financial Officer)



Achim Christian Fetzter
(Director)



1.5.1. Company management

The sole shareholder in the resolution of **25/05/2023** took note of the profit and loss for 2022 and the audited annual report for 2022, which was audited by the auditing company Ernst and Young d.o.o. as of 23/05/2023.

The resolution establishes a balance sheet profit as at 31/12/2022 of EUR 27,449,906.85, of which EUR 21,086,184.40 represents the net profit carried forward from previous years and EUR 6,363,722.45 is the net profit for the financial year 2022.

In a resolution dated **22/06/2023**, the sole shareholder gives instructions and approval for a short-term loan of EUR 2 million to a related company in the Scholz Group.

In a resolution of **11/09/2023**, the partner confirmed the note and approved the extension of the revolving credit facility with the bank for a further two years for an amount of EUR 5 million.

By the resolution of **04/01/2024**, the Company was granted approval to establish a company with the status of a limited liability company in the territory of Croatia, with a share capital of EUR 2,500. On the same date, it was granted permission to join the sales consortium for the sale of the ownership stake in Štore Steel d.o.o.

On **30/01/2024**, the Company was instructed to grant a short-term loan to a Scholz Group company in the amount of EUR 2 million.

1.6. Vision, mission, strategy and development

The vision reflects the desired future image of the organisation, its achievements, and its position in relation to influential actors, as well as the mission, which summarises the philosophy and purpose of the Company's existence in a concise form.



Vision:

"To remain a leader in waste collection and treatment, using state-of-the-art technologies and working in synergy with all those involved in the process to ensure environmental protection and sustainable development."



Mission:

"Through our ecologically-oriented and socially responsible actions, we help to preserve nature in Slovenia and the wider European region. Our mission is to collect and process waste into commercially interesting and high-quality secondary raw materials for our customers. This allows us to invest heavily in new technological processes for waste collection and processing and to invest in the knowledge of our employees, which is our main competitive advantage, creating value for our owners and making the company attractive for business connections."



Core values:

- open-mindedness,
- team spirit,
- respect,
- goal-oriented,
- efficiency, and
- commitment.



Our main objectives are:

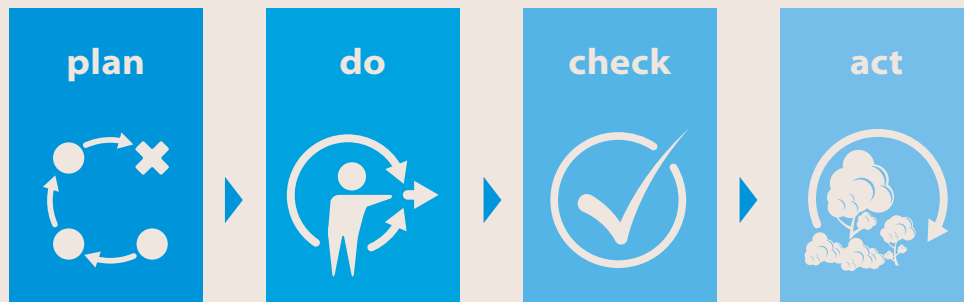
- maintain and consolidate market leadership,
- achieve stable annual growth,
- maintain the Dinos brand as trustworthy and attractive for long-term alliances,
- increase automation and flexibility of production while reducing processing costs,
- building a lean organisational structure that can react and adapt quickly to changes in the market,
- investing in the knowledge and expertise of staff at all levels,
- introduce activities and processes that avoid or reduce environmental impacts,
- remain an ecologically and environmentally conscious company and a reliable, trustworthy business partner.

1.7. Quality and environmental policy of Dinos d.o.o.

The Company's core orientation is to run its business according to good stewardship, using systemic tools such as awareness of the environmental impacts of the Company's activities, focus on domestic and foreign markets, and achieving goals with the aim of strengthening the stability of the Company on the basis of profit generation.

The primary objective of each business unit is to perform the activities of collection, treatment, brokering, transport, and marketing of waste in a quality manner, with the aim of achieving better business results than competing companies in the field of waste and related materials management and a demonstrable **reduction of environmental risks**.

The Company, through the mechanisms described in the OPr (process description), OPos (procedure descriptions), and ND (work instruction), implements and meets the requirements of the quality and environmental management system according to the principle of



The Management and employees are committed to continuously improving the quality of work and the end product by introducing new technologies for the collection, sorting, processing, and disposal of waste materials and adapting to new conditions. The Company is in a constant **search for new solutions and improvements with the aim of reducing environmental pollution, increasing recycling and recovery rates, and consequently aiming at a strong reduction of quantities to be disposed of. Our policies have a major impact on the life cycle of products, extending it and at the same time conserving natural resources.**

The targets set in the annual plans are reviewed and revised by the Company's Management at periodic meetings and, based on the findings, the targets and plans are set and adjusted to reflect the current situation.

The plans and objectives include programmes to improve the environmental management system and to put in place processes to prevent pollution and causing adverse environmental impacts.

The basis for successful work is collaboration, communication at the same levels and between the different organisational levels of the Dinos structure, as well as collaboration and communication between management and other levels of the organisation and stakeholders.

We operate in a way that satisfies the owner and the employees, and we work together with the immediate surroundings in which activity is carried out. **We raise awareness among our employees about how to carry out activities that are environmentally friendly.**

The Company's Management provides the necessary conditions for the implementation and achievement of quality and **environmental** objectives at management level through continuous education, training of employees at all organisational levels, and

verification of the quality and **environmental** management system through management reviews and audits.

The Company's management ensures that the company operates on the basis of legal and industry regulations, in particular in the areas of waste management **and environmental management**, which are necessary for legal, efficient, and **environmentally** friendly operations. The Company complies with and implements the requirements of applicable legislation and adapts to international regulations necessary for it to operate in a quality and **environmentally sound** manner.

The Company's Environmental Quality Policy is made available to all employees by posting it on billboards, on the website and in the Quality Management Procedures. The Company's Management communicates the quality and environmental policy to employees so that they understand and apply it in their areas of activity.

The quality and environmental objectives support the **quality and environmental management policy** and are set out in the annual business plan.

1.7.1. Main activities of the company in relation to the quality policy

The main activity of DINOS d.o.o. is the collection and pre-treatment of waste in order to ensure the highest possible recycling rate of this waste back into usable raw materials. The Company operates with the following purpose: giving waste materials back to industry. The Company is able to do this because it has its own warehouses for waste collection spread across Slovenia, as well as four Waste treatment centres in Ljubljana, Celje, Maribor and Naklo. For all its active sites, of which there are 18, it has also obtained the relevant administrative acts, such as building and use permits, a certificate of registration in the register of collectors, and environmental permits.

With such an organisation, with the appropriate technical equipment, with technically qualified and professionally suitable staff, and with the appropriate business links with other waste management companies, Dinos d.o.o. is able to provide a global waste management service for manufacturing companies, where different types of waste are generated in different manufacturing companies.

Dinos d.o.o. has a documented, operationally implemented, and maintained quality and environmental management system in place for many years, with constant improvements at the level of sectors and processing centres. It is certified according to the ISO 9001:2015 quality management system and ISO 14001:2015 environmental management system.



The management of the quality and environmental management system, according to Dinos' organisational chart, involves the Company's Management, which organises and manages both systems, monitors them and takes action if, on the basis of analyses of process indicators, it identifies non-conformities or deviations from the set objectives. In doing so, Management takes into account the context of the organisation, identified risks and opportunities, past analyses, compliance assessments as objectives are set on the basis of SWOT analyses.

The Company's core orientation is to run its business according to good stewardship, using systemic tools such as awareness of the environmental impacts of the Company's

activities, focus on domestic and foreign markets, and achieving goals with the aim of strengthening the stability of the Company on the basis of profit generation. The primary objective of each business unit is to perform the activities of the Company in a quality manner, striving to achieve ever better business results, while keeping in mind that we must and can do so in a way that minimises risks to the environment. The Company, through the mechanisms described in the OPr (process description), OPos (procedure descriptions), and ND (work instruction), implements and meets the requirements of the quality and environmental management system according to the principle of "plan – do – check – fix".



Dinos d.o.o. ensures that it operates on the basis of statutory and sectoral regulations, with a priority on environmental protection regulations, which are necessary for a legal, successful, and environmentally-oriented business. The Company complies with and implements the requirements of applicable legislation and adapts to international regulations necessary for it to operate in a quality and environmentally sound manner.

Management

Environmental risks and fire and emergency risks are managed through ISO 14001:2015. In accordance with the applicable occupational health and safety and fire safety systems as well as legislation, we carry out assessments of environmental aspects and impacts, fire risks and workplace hazards.

We continuously educate our employees on health and safety at work, and we produce instructions, warning signs, and signs to manage the risks as far as possible.

1.8. Organisation and human resources policy

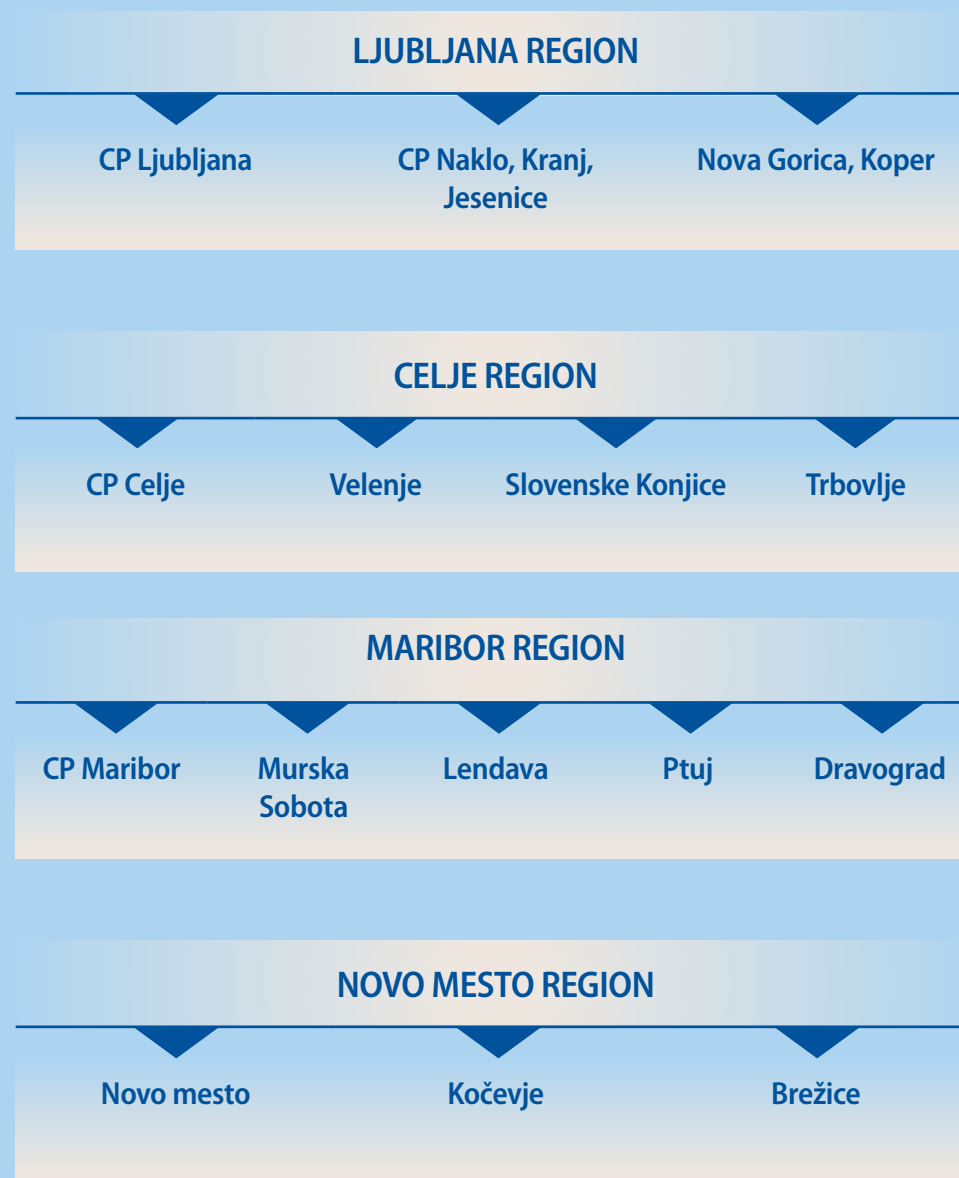
Pursuant to the provisions of the Articles of Association of the Company of 03/12/2018, the Company is managed by a three-member Board of Directors, composed as follows:

- Damijan Zorko - Managing Director
- Benjamin Bambič – Chief Financial Officer
- Fetzer Achim Christian – Director

The Company's work processes operate in seven sectors:



The company operates from 18 units across Slovenia, organised into four regions:

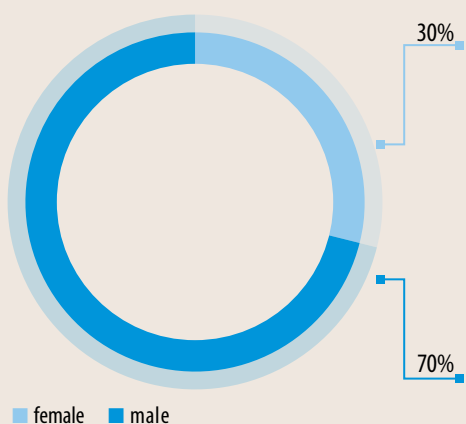


Personnel policy

At the end of 2023, the company employed 385 people, of whom 370 were permanent and 15 temporaries.

As at 31/12/2023, the company employed 116 women and 269 men.

Employee structure by gender



Agency work, and casual and temporary work for pensioners

In the face of increased staffing risks, the Company has resorted to alternative recruitment solutions, both through the use of agency workers and the occasional work of retirees.

As of 31/12/2023, the Company as a user had 1 transferred employee and 7 retired employees were included in the work process in accordance with the provisions of Articles 27a to 27g of the Labour Market Regulation Act (Official Gazette of the Republic of Slovenia, No. 80/2010, as amended and supplemented).

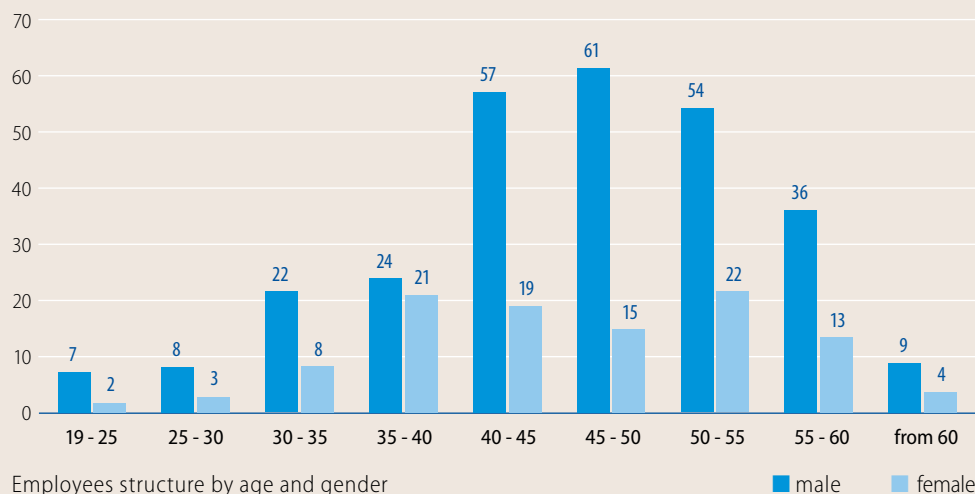
People with disabilities

The Company fully complies with the content of the legal provisions of the Vocational Rehabilitation and Employment of People with Disabilities Act (Article 62) and the provisions of the Regulation on the Establishment of a Quota for the Employment of Persons with Disabilities (Article 6; Official Gazette of the Republic of Slovenia, No. 21/2014), which stipulate the obligation to employ persons with disabilities (quota) for all employers who employ more than 20 employees.

Due to the lack of employees with disabilities, the Company had to pay EUR 62,634.75 to the state budget of the Republic of Slovenia in 2023.

As of 31/12/2023, the company employed 14 people with disabilities.

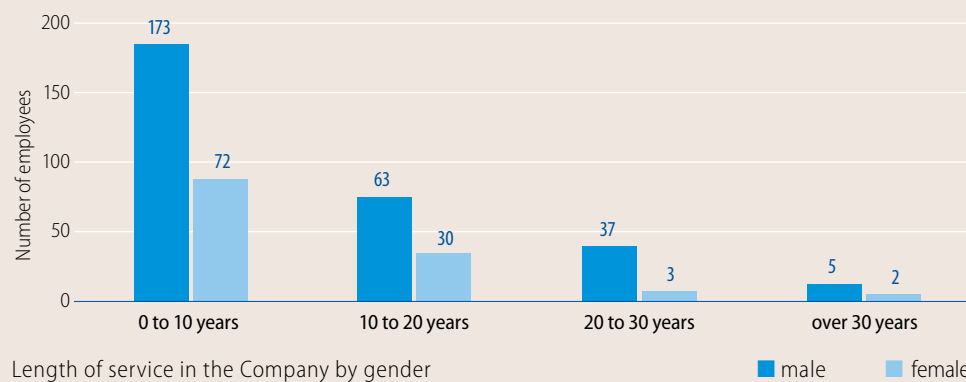
Employees Age structure:

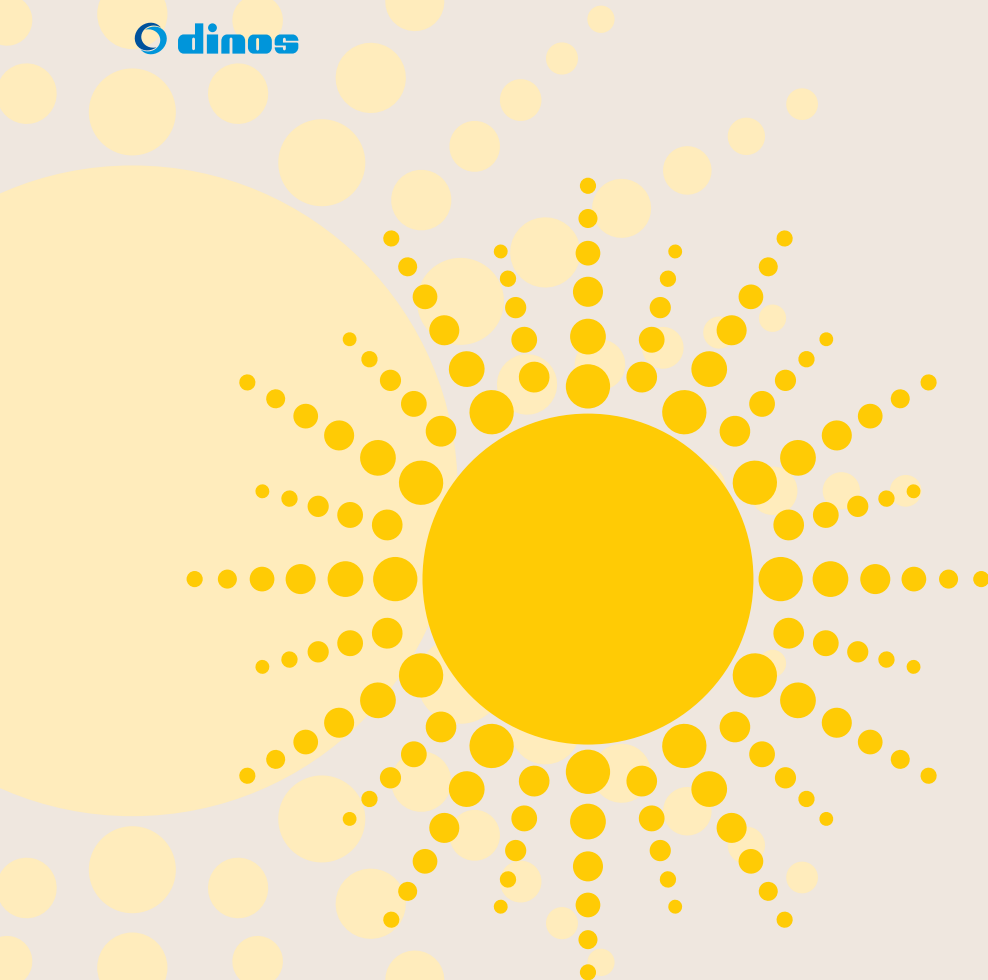


The average salary per employee in 2023 was EUR 1,869.64 gross, an increase of 0.6% compared to EUR 1,857.73 gross in 2022.

The average number of employees based on hours worked in the 2023 accounting period is 367.89 and 357.64 in 2022.

Length of service completed in Dinos d.o.o. as at 31/12/2023



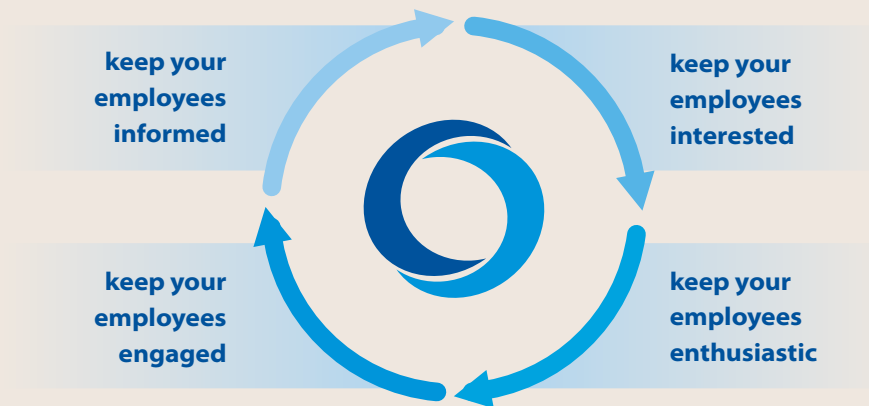


The Sun Teaches Us ...
Share happiness and joy

Responsibility towards employees

In a period of increased risk in human resource management, we are most responsible for recognising that employees are the Company's core capital, and therefore the Company's priority is to invest in human resources development.

We have upgraded the organisational climate and thus successfully followed the basic guidelines for recruitment below, because only competent and satisfied employees will strive to make all processes work better and thus ensure added value and competitiveness of the Company.



Education, training, and human resource development

We want to encourage employees to acquire new knowledge, skills and competences, all with a view to developing their new potential.

Employees attended various training courses to acquire new skills and learn about good practices. This approach has also ensured internal knowledge transfer, whereby we have passed on new knowledge to a wider circle of colleagues through internal lectures.

New employees are successfully integrated into the business processes through an onboarding programme, which introduces new employees to the Company's specific working environment in a systematic way.

Activities in the field of human resource training and development

Knowledge is the foundation for decision-making, problem-solving, and the hatchery of new ideas.

In the area of education and training, we are working towards the goal of encouraging our colleagues to take a continuous and active approach to education.

We want our employees' development to be based on career progression and personal satisfaction, and a supportive environment for management and colleagues. We tailor our training programmes to the career goals of our employees.

We recognise that on-the-job education and training is a necessity that enables us to:

- acquire new skills and knowledge, improving efficiency and productivity.
- monitor changes in technology, industry and the business environment, which require constant updating of skills to remain competitive.
- provide job security, as colleagues who receive regular training and development are more flexible and have more career progression opportunities.
- be motivated, which means more engagement and more satisfaction.
- encourage creativity and innovation, leading to new business approaches.

We identify skills needed through a competency framework for all job areas.

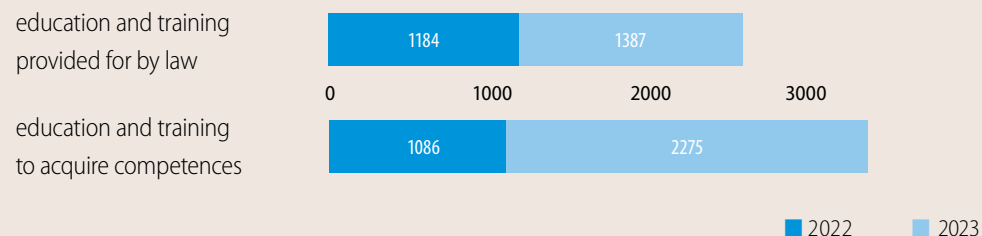
Competences are the starting point for the selection design and evaluation of training programmes and upskilling.

We provide our employees with continuous training in a wide range of professional areas, such as management, quality, the use of modern information technologies, and personal development. We promote lifelong learning for successful work, career progression, and professional and personal development. Education and training are planned and systematic.

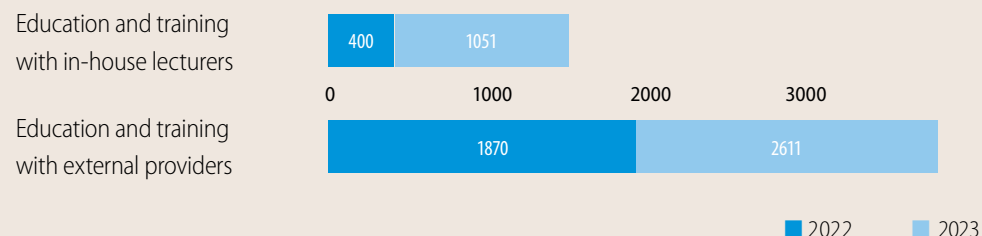
The Dinos Academy ensures the successful implementation of the Dinos strategy, and we also train internal trainers to transfer good practices. It supports employees and managers through regular training and coaching sessions, and individually in the field. We complement traditional education with online learning and assessment.

In 2023, we focussed on training in the areas of marketing, management, ecology, and human resources. 3,662 hours of education and training (2022: 2,270 hours) were delivered.

Training content in hours delivered



Training providers in hours delivered



The content of these programmes is complemented by visits to environmental conferences and the participation in international conferences and trade fairs.

Special development for young talent

We place special emphasis on working with students, who bring fresh knowledge and skills to the Company. We work well with secondary schools to provide internships, and occasionally provide student work and scholarships. This concept also fosters inter-generational cooperation – the experience of older employees and the vision of developing the younger generation allow the Company to gain added value and prevent increasing HR risks.

Employee benefits

Employees can voluntarily join the supplementary pension insurance (subject to having been employed by the Company for at least 12 months), for which the company has partnered with the insurance company Triglav.

Children of Dinos, d.o.o. employees have the priority of doing holiday work with the Company, and the Company provides parents of children who are finishing primary school with the possibility of taking an extraordinary leave of absence from work on the occasion of the school information day, with a salary allowance.

Both formal and informal staff get-togethers are an important indicator of a good organisational climate. In addition to the tradition-

al New Year's Eve party, staff members also took part in enjoyable gatherings outside working hours.

Each year, through employee nominations, we recognise colleagues who, through their behaviour, skills and way of working, embody the Company as a whole.

Trade union activity

Cooperation between the representative trade union and Management is based on an open dialogue of communication and respect for both trade union principles and the Company's business vision.

Communications

The Management ensures open communication with employees, as this is the only way to ensure a credible flow of information between all stakeholders.

We want managers to conduct annual staff interviews because we believe they are a fundamental tool for the management and employee development. Only in this way, can we strengthen the understanding between the Company's objectives, the development of individuals, and the daily work in a systematic way.

Risks for safe and healthy work

Safety is our number one priority. Safer and healthier workplaces and the well-being of employees contribute to the economic efficiency of the economy, the general well-being of society, and the sustainability of social budgets. Effectively ensuring occupational safety and health free from accidents, occupational diseases, and work-related illnesses is therefore a national and workers' interest and an obligation for employers. Our goal is a well-organised and well-established occupational safety and health system at all levels, complemented by programmes to promote physical and mental health at work. Safe and healthy work contributes significantly to the success of a company and improves work performance. Poor working conditions can lead to undesirable consequences: work-related injuries, ill health, diseases, excessive stress, etc. A safe and healthy working environment is one of the fundamental principles of Dinos d.o.o.'s operations.

The safety and health at work sector oversees the compliance of employees with the conditions for safe and healthy work, and the representative reports on findings relating to occupational safety and health and, in their work environment and on the basis of her experience, proposes the wisest approaches to remedy anomalies and deficiencies.

Employees can keep up-to-date with all the information on operations in the internal newsletter and in the safety and occupational health folder, which also contains all

the legislation, internal regulations, and instructions for safe and healthy work.

Plans for 2024.

In the area of training in occupational safety and health, our theoretical and practical knowledge in occupational safety and health will be tested in 2024. Based on the risk assessment of the jobs, we will implement and internally train employees for cutter jobs. We also have annual checks of personal protective equipment coming up this year. We will continue to work hard to source quality PPE and work equipment that employees will be happy to wear or use.

In 2024, we will also assess the risks of BONE-MUSCLE DISEASE WHEN CARRYING LOADS MANUALLY. The Regulation on ensuring the safety and health of workers when moving loads manually was published in the Official Journal of the Republic of Slovenia No. 84/2023 of 02/08/2023. This Regulation shall enter into force on the day fifteen following its publication in the Official Gazette of the Republic of Slovenia and shall begin on 1 August 2024. All employers are required to carry out a risk assessment based on the Regulation and using the manual handling risk assessment tool. With regard to the level of risk assessment identified, the Regulation clearly sets out the actions that employers must take to ensure the health and safety of workers. Where there is a high level of risk to health and safety, employers will be required to ensure the use of lifting and other aids. According to Article 6 of the Regula-

tion, an employer will be required to assess the risk of bone-muscle diseases whenever it is referred for assessment by a screening test listed in Annex 2 to the Regulation or by a screening test of a comparable method. A key innovation introduced by the Regulation is the recommended German Key Indicator Method (KIM) for assessing the risk of bone-muscle diseases when carrying loads manually.

The challenge for the future is to put it first and foremost in the minds of our employees that health is our greatest asset and the energy they have.

Health promotion at work

Workplace health promotion is the systematic targeted activities and measures that an employer implements to maintain and improve physical and mental health. Appropriate measures to promote health at work:

- improve the organisation of work and the working environment,
- encourage employees to take an active part in health protection and promotion activities,
- enable healthy lifestyle choices; and
- promote the personal development of employees.

The legal basis for occupational safety and health is the Occupational Safety and Health Act (ZVZD-1; Official Gazette of the RS, No.

43/11; hereinafter: the Act). According to Article 6 and Article 32 of the Act, the employer must plan and implement health promotion at the workplace, provide the necessary resources and a way of monitoring the implementation, which means that he/she implements certain activities and measures to maintain and improve the physical and mental health of employees.

The field of occupational safety and health is defined by the principles, rules, and activities that enable an employee to carry out his or her work successfully and to the full extent of his or her potential and without harm to his or her health, from the first day of work until the end of his or her working life. The basic principles of the Occupational Safety and Health Act ZVZD-1 set out the obligations and responsibilities of employers to ensure the safety and health of employees in the workplace.

In implementing the occupational health and safety system, we aim to build on the legal requirements with additional activities aimed primarily at improving employee safety and consequently the efficiency of the work process. We stress the importance of preventive action of regular activities that allow the Company to have a comprehensive overview of occupational health and safety as well as fire protection.

Fire safety risk

Fire safety is one of the most important safety issues. Good fire safety and fire safety management can be vital and should not be left to chance, so we regulate fire safety in line with the requirements of the legislation.

The fire protection system is governed by the [Fire Protection Act](#) and other by-laws and regulations.

Every employer is obliged under the Fire Protection Act to comply with the stipulated fire protection measures to prevent fires and to save people, property, animals, cultural heritage, and the environment.

FP plans for 2024

In 2024, we need to arrange new fire safety plans for all sites.

Fire safety rules

The fire safety rules are the basic document by which the owner of buildings or the occupier of premises (except for one- and two-apartment buildings) defines the organisation of fire safety. It defines the responsibilities and duties of responsible persons, employees, and visitors, the preventive measures to be taken against fire, and the measures to be taken in the event of a fire.

The fire safety rules shall be drawn up in accordance with the Fire Code Regulation(Official Gazette of the Republic of Slovenia No. 52/2007) and shall contain the following essential elements:

- organising fire safety,
- fire safety measures,
- instructions on what to do in the event of a fire.

The fire safety rules must also contain the annexes to the fire safety rules and the records that must be kept on a regular basis (extract of the fire safety rules, instructions to individuals, fire plan (for certain buildings), evacuation plan (for certain buildings), record sheets for regular inspections and maintenance and servicing of equipment, fire protection appliances and other means of fire protection, employee fire training records, records of fires, explosions, fire-fighting interventions and damage, and other checklists depending on the building).

The fire safety rules also stipulate that every building must have a person in charge (qualified in fire safety) who is responsible for fire safety. The responsible person shall keep records and carry out an annual inspection of the building's condition with regard to fire safety.

1.9. Marketing communication with social responsibility

Dinos is aware of its economic, legal, and ethical responsibilities. In addition to the business performance of, we have a responsibility to society, and we need to demonstrate this in an appropriate way.

The main objectives of the marketing communication are to showcase Dinos' services, to reinforce the brand awareness, and to confirm that Dinos is a trusted partner.

In our communication, we wanted to show that we can empathise and understand the needs of our colleagues, partners, owner, the local community, and the environment. All of these are our primary concern and commitment.

It can communicate this responsibility in public relations to its immediate or wider environment through a variety of messages



Employees

stable employment, decent pay and a safe and pleasant working environment



Owners

company growth and profitability



Business partners

continuous orders and on-time payments



Local communities

protecting the environment and developing the local environment



Environment

caring for the environment

We are multi-faceted with all our stakeholders, reaching out to our immediate and wider environment through different messages and channels.

Personal advice on waste management, managing the documentation system related to waste management, integration into the packaging scheme. Our technical and commercial staff are always available for individual advice on the integrated management of waste materials.

Visits to kindergartens, schools, and colleges are invaluable for our company, as they allow us to show younger generations how to process waste materials into secondary raw materials and return them to production. We recognise that environmental awareness is a fundamental part of conservation education and Dinos is doing just that.

Printed leaflets are what we use to communicate directly with citizens and to present our services, such as waste material collection, confidential document destruction, and Dinos' car towing service for end-of-life vehicles.

Sponsorships that are linked to the local environment of Dinos' sites allow us to connect with local communities.

Social networks play a primarily awareness-raising and educational role, where we want to bring the issues of environmental protection to the wider population.

Internal newsletters and meetings are where we inform employees about important company policies, news, business results, plans for the year, and other up-to-date information.

In today's world, ensuring social responsibility has become an obligation, and this concept is becoming an increasingly important element of every organisation's operation and an integral part of its policies.

Every start of a new financial year means redefining the role and position of Dinos in the wider and narrower environment and setting the tools to ensure that the goal is achieved.

1.10. Environmental aspects of the Company

1.10.1. Ecology

Dinos d.o.o. operates from 18 sites in Slovenia. For all these sites, it has obtained the relevant environmental permits for waste management as well as for emissions to air and water. New needs and/or opportunities for additional waste management activities are constantly opening up, and Dinos d.o.o. is therefore responsible for obtaining additional relevant certificates and permits.

Dinos also continues to operate as the packaging waste management company Dinos d.o.o., DROE.

In 2023, Dinos d.o.o. also obtained the status of Joint Plan Operator in the field of reducing the use of certain single-use plastic products, abbreviated as SUP products – **the acronym SUP stands for Single Use Plastics**. With this step, Dinos d.o.o. has been able to offer its partners who are subject to extended producer responsibility in the field of packaging the possibility to regulate extended producer responsibility also in the field of SUP products.

We continued our active involvement in the adoption of new environmental legislation in 2023, with the main objective of protecting free economic initiative.

1.10.2. Monitoring environmental impacts

Each year, we draw up a measurement and monitoring plan for the current year, broken down as follows:

- to carry out noise measurements,
- emissions in water,
- airborne emissions,
- producing waste assessments and analyses of the waste produced.

In 2023, eight noise measurements were planned (2 in 2022; 7 in 2021) and the same number were carried out (2 in 2022; 7 in 2021).

30 wastewater monitoring events were planned (2022: 29; 2021: 29), all of which were carried out (2022: 30; 2021: 31).

For 11 sites, an assessment of the airborne particulate matter emissions has been carried out (2022 11; 2021 11).

Air emissions from small combustion plants were monitored with 6 measurements (6 in 2022; 8 in 2021).

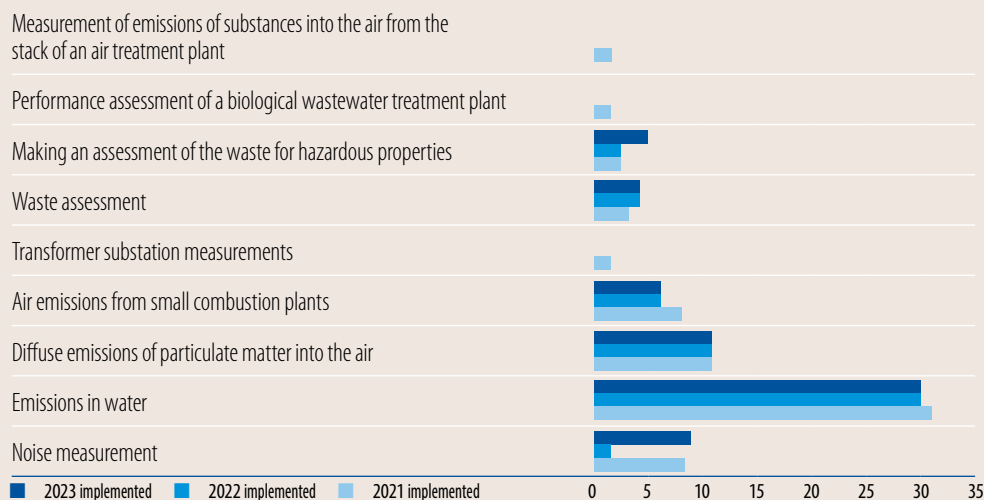
No substation measurements were carried out in 2023 and 2022 (2020: 1).

4 waste assessments were carried out (4 in 2022; 3 in 2021). In 2023, 5 hazardous waste assessments were carried out (2022: 2; 2021: 2).

No other measurements were made in 2023.

	2023		2022		2021	
	planned	implemented	planned	implemented	planned	implemented
Noise measurement	8	8	2	2	7	7
Emissions into water	30	30	29	30	29	31
Particulate air emissions (dust particles)	-	11	-	11	-	11
Air emissions from small combustion plants	-	6	-	6	-	8
Measurement of the transformer station	-	-	-	-	-	1
Waste assessment	-	4	-	4	-	3
Making an assessment of the waste for hazardous properties	-	5	-	2	-	2
Performance assessment of a biological wastewater treatment plant	-	-	-	-	-	-
Measurement of emissions of substances into the air from the stack of an air treatment plant	-	-	-	-	-	-

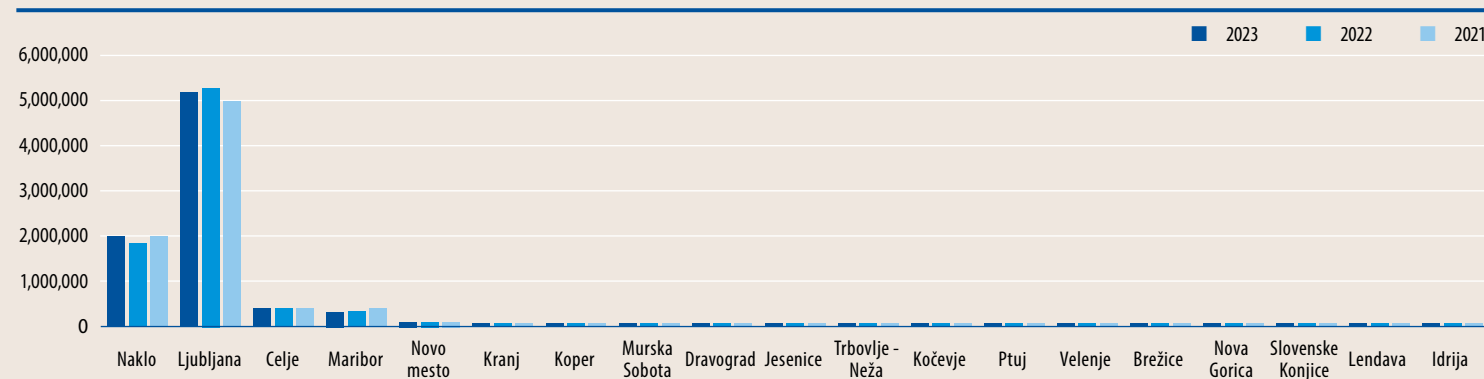
Monitoring



1.10.3. Electricity Consumption

Electricity is one of the major individual environmental costs of a business, but it varies greatly from location to location. Electricity consumption depends strongly on the type of appliances that a particular site contains. In 2023, the Ljubljana site remains the largest consumer of electricity due to the plastic granulation line, followed by Naklo, where most of the waste is processed. Electricity consumption remains constant.

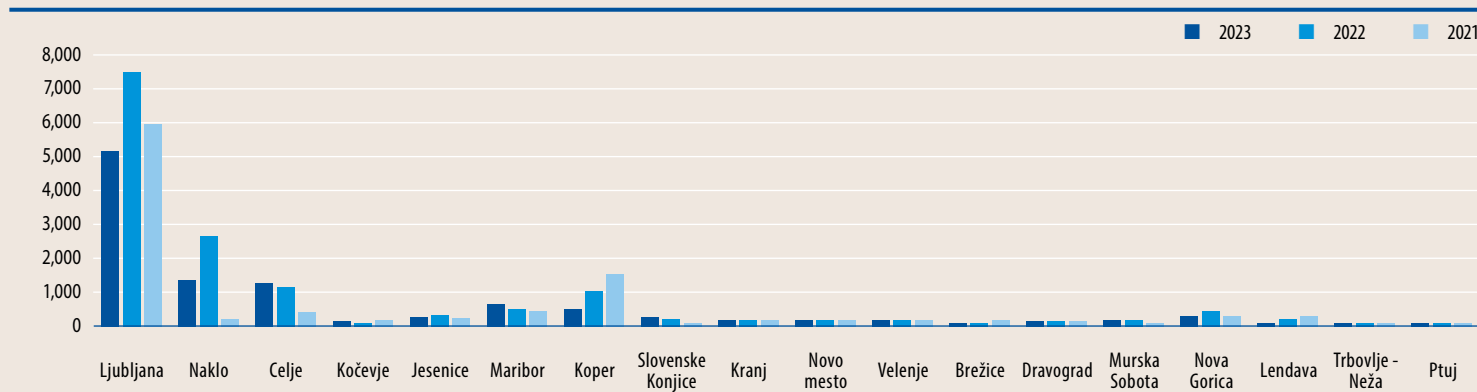
Electricity consumption (kWh)



1.10.4. Water consumption

Dinos' water consumption is linked to domestic water, vehicle washing, and warehouse cleaning. At the Ljubljana site, water is also used for washing in the granulation process, but it is circulated in a closed loop. According to the production process mentioned above, the highest water consumption in 2023 is at the Ljubljana site (for the same reason the highest consumption in 2022 is at the Ljubljana site), while it is also the largest site in the Company and has the largest number of employees.

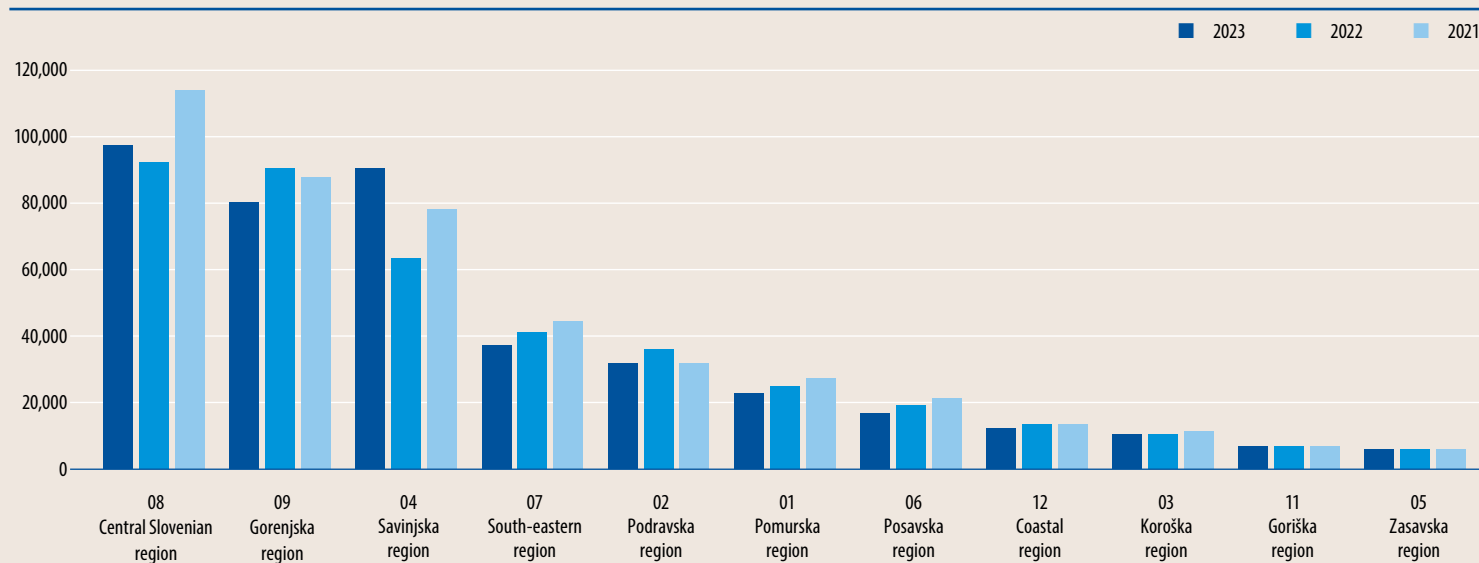
Water consumption in m³



1.10.5. Waste Acceptance and management in 2023

The amount of recovered waste by statistical regions was 1.40% higher in 2023 compared to 2022 (8.39% lower in 2022/2021). Only three regions saw an increase in take-up: Central Slovenia, Savinjska and Goriška regions, with the largest increase in the Savinjska region (29.41%). A decrease in the volumes taken up was recorded in the remaining eight regions, with the largest decreases in the Podravska and Gorenjska regions by 14.06%, and in the Pomurska region by 10.39%. By region, the amount of waste collected in 2023 compared to 2022 and 2021 was as follows:

Waste acceptance and management in 2023



1.11. Risk management at Dinos d.o.o.

Dinos d.o.o., like all business entities, faces risks and opportunities on a daily basis that can potentially have a negative or positive impact on the financial position and results of operations, business continuity, employees, and the achievement of objectives and strategies. We are aware of the exposure

to various internal and external risks which are a regular feature in business, therefore a comprehensive approach is required for an effective regular risk monitoring and management. Risk management is thus embedded in all areas of our operations.

In 2023, we identified the key risks in the Company and categorised them into three main groups of activities, namely business risk, financial risk, and information risk.

Business and operational risks

RISK	DESCRIPTION OF THE RISK	METHOD OF MANAGEMENT	EXPOSURE	
Operating risk	Purchasing risk	Volatility of raw material prices, inadequacy of inputs, unreliability of services	Multi-supplier policy, long-term cooperation, minimum inventories, price protection	Moderate
	Sales risks	Volatility of raw material prices, competition, bargaining power of the buyer	Finding new sales opportunities, expanding into global markets, protecting selling prices, hedging	Moderate
	Environmental risks	Risk of emergencies, improper handling of hazardous substances	Regular preventive performance reviews, improvements, employee training	Moderate
	Human resources	Replaceability of key employees, professional qualifications, social dialogue with employees	Systematic human resources work, staff development, regular education and training	Moderate
	Risks related to health and safety at work	Work-related injuries, unplanned long absences	Identified in the Risk Assessment and Risk Statement	Moderate
	Fire safety risk	Fire risk	A site-specific fire safety rules, as defined by the Fire Risk Assessment	Moderate
Financial risks	Solvency (liquidity) risk	A reduction in liquid assets to cover operating and financial liabilities	Control of coordinated maturity of currencies, revolving credit	Moderate
	Credit risk	Irregular inflows	Active monitoring of the movement of receivables and payables, regular monitoring of credit ratings of customers and suppliers, collateralisation of receivables, collection of receivables	Moderate
	Price and currency risk	Price volatility and EUR/USD exchange rate movements	Price hedging with derivatives	Moderate
	Interest rate risk	A sudden rise in the variable part of interest rates	Borrowing in EUR, interest rates linked to EURIBOR	Low
Information risk	Information risk	Information technology malfunctioning	Data archiving, regular upgrades and updates, regular maintenance	Moderate

1.11.1. Business risks

Purchasing risk

Definition

The industry in which the Company operates is exposed to the volatility of raw material prices, which are subject exclusively to the laws of supply and demand. The level of risk is classified as moderate.

Management

To the extent possible, an entity shall use appropriate risk mitigation instruments to reduce its exposure to volatility in commodity markets. Procurement manages risk by managing a multi-supplier policy to limit dependency on any one supplier and to build long-term stable relationships in a targeted way. The Company enters into contracts of different maturities to manage its purchasing risks.

We also try to follow a policy of minimum stockholding and rapid stock turnover. We operate globally with a constant search for alternative sources in European and former Yugoslav markets. Price volatility is managed by forward purchases as well as purchasing and selling prices at the stock exchange through the Scholz Group. Management considers that the exposure to procurement risks is moderate.

Sales risks

Definition

These are the risks associated with the likelihood of successful sales of raw materials to the target market and price volatility. They relate to the growth in the power of competitors, the bargaining power of buyers, and the overwhelming dependence on a particular market or buyer. The level of risk is classified as moderate.

Management

We have been able to establish new sales channels, which allows us to spread the risk of exposure to a particular customer or region. This gives Dinos more flexibility to target its sales to price movements in different markets. We also benefit from synergies with our strategic partner in the Scholz Group to ensure consistency of supply.

Environmental risks, Risks Relating to Health and safety at Work and Fire Safety Risks

Environmental risks

Definition

Given the fact that Dinos d.o.o. has 18 sites in 2023, we have environmental, occupational health and safety, and fire safety risks identified on a site-by-site basis. We are aware that the implementation of the Company's activities may have negative impacts on all segments of the environment, either due to the

implementation of the activities themselves or due to environmental or other disasters (fire, floods, wind emergencies, etc.). However, the very activity of the Company can also have negative impacts on human health. The level of risk is classified as moderate.

Management

Environmental risks and fire and emergency risks are managed through ISO 14001:2015. In accordance with the applicable occupational health and safety and fire safety systems as well as legislation, we carry out assessments of environmental aspects and impacts, fire risks and workplace hazards. We continuously educate our employees on health and safety at work, and we produce instructions, warning signs, and signs to manage the risks as far as possible.

Risks Relating to Health and safety at Work

We are committed to creating safe working conditions through responsible behaviour by everyone and will do everything we can to prevent workplace accidents. Over decades, we have been setting up mechanisms and carrying out activities in this area. We recognise that occupational safety and health in the workplace and work environment, in addition to its primary purpose, also ensures employee satisfaction and loyalty. That's why we are working to reduce the level of risk arising from work processes and procedures.

The working environment is constantly changing due to developments and the introduction of new working practices, and successfully keeps pace with all these changes. We are looking for affordable solutions that are healthier and safer for employees. All our sites are subject to a risk assessment and a safety statement, which is shared with all of our employees. In accordance with this document and the legal basis, inspections of the working environment, work equipment, periodic medical examinations of employees, and initial and periodic training of employees in occupational safety and health – theoretical and practical – are carried out. Staff members are identified to undertake first aid courses.

The Company is also committed to providing additional training for employees on how to use specific work devices. We incorporate the latest developments in occupational health and safety into new processes and projects, and monitor the risks of accidents and health risks. Risks are periodically assessed and kept at an acceptable level through safety measures. A priority in the development of occupational safety and health is reducing risks in exposed workplaces and integrating with other areas of safety, in particular fire protection, environmental protection, and chemical safety. In line with the legislation received, the Company has also prepared and adopted the required internal control policies.

Fire safety risk

We recognise that fire safety is an important segment of a successful and safe operation of the Company. Fire safety is managed in accordance with the relevant legislation. The area is supported by a Fire Risk Assessment, the fire safety rules, and a Fire Safety Rules Extract for each site, which are communicated to employees.

We are also bound by the Regulation on the storage of combustible solid waste, on the basis of which we have started to draw up Declarations on Construction and Technical Measures.

In accordance with these documents and legislation, periodic inspections of the fire protection situation are carried out, as well as the stipulated measurements of lightning installations, electrical installations, hydrant networks, fire detectors, security lighting, and fire extinguishers. Employees receive periodic training in fire prevention, fire drills, additional training in initial firefighting and safe evacuation, **as well as fire watches**.

1.11.2. Financial risks

We have identified four risks, namely:

- Risk of financial solvency
- Credit risk
- Foreign-exchange risk
- Interest rate risk

Solvency (liquidity) risk

Definition

Solvency – liquidity risk comprises the risks associated with a shortfall in available financial resources and, as a consequence, the inability of the Company to meet its financial and operational obligations within agreed time frames. The Management is responsible for managing solvency risk. The level of risk is classified as moderate.

Management

The risk of short-term solvency is well managed with efficient cash management, adequate available credit lines for short-term cash flow management (revolving credit facility), a high level of financial flexibility, and good quality access to financial markets.

Long-term solvency is ensured by ensuring an appropriate financial balance between equity and debt capital and a sustainable ability to generate cash flows from operations, by improving the maturity structure of financial liabilities, and by having an appropriate capital structure. The risk is assessed as moderately managed.

Credit risk

Definition

Credit risk refers to the risk of a counterparty defaulting on its contractual obligations, which is reflected in operating and financing losses. The level of risk is classified as moderate.

Management

The Company has an active credit risk management policy, which includes ongoing monitoring of outstanding receivables, limiting exposure to individual customers through a system of limits, charging interest on overdue receivables, and a debt collection policy.

We apply remote procedures to manage credit risk:

- Identification of significant claims and insurance of significant credit exposures through an insurance company,
- For the remaining clients, obtaining appropriate collateral (usually securities, mortgages, etc. for loans), and for buyers, defining limits (based on the buyer's creditworthiness and estimated annual turnover),
- Client limits are checked at least once a year,
- Checking the creditworthiness of new and existing customers (at least once a year),
- In the rating department, obtaining collateral in the form of bank guarantees or letters of credit for customer

receivables in high-risk classes, weekly monitoring of (non-)overdue receivables and expected repayments and recovery.

- The sale to the buyer is stopped when one of the following conditions is met: the limit is exceeded, the age of the outstanding receivables exceeds 90 days, the buyer's transaction account is blocked, or other external information indicates that the debtor is experiencing significant financial difficulties.

Price and currency risk

Definition

It is a risk if the Company sells and buys on a global market. The level of risk is classified as moderate.

Management

The exposure to the EUR/USD exchange rate risk arose from the expansion of the business into the global market and is also related to the increase of the group of which Dinos is a part. The Company hedges its foreign exchange risk by leasing foreign exchange through the Scholz Group. As at 31/12/2023, the Company has no foreign currency risk. It has no other assets and liabilities denominated in foreign currency. We engage in derivative transactions primarily to hedge price and currency risks and not for speculative purposes.

Interest rate risk

Definition

The process of deleveraging from banks continues, but the Company remains exposed to the risk of rising money market interest rates. The Company's exposure to interest rate risk is attributable to the variable portion of interest rates. The risk level is considered low.

Management

All borrowings are denominated in the local currency EUR and bear interest linked to EU-RIBOR. Interest rates remain low and are not expected to rise rapidly in the short term. The outstanding balance of borrowings is being reduced in line with repayment plans. Fixed interest rates as a risk-hedging instrument for the protection against interest rate rises are currently much higher than expected. We use appropriate derivative financial instruments to manage major investments and the resulting long-term borrowing.

1.11.3. Information risk

Definition

Risks to the smooth operation of IT hardware and software are associated with their smooth operation. The requirement is that they ensure uninterrupted operations. The current risks related to information technology are the risks of hacking into the secure information system through various accesses. The level of risk is classified as moderate.

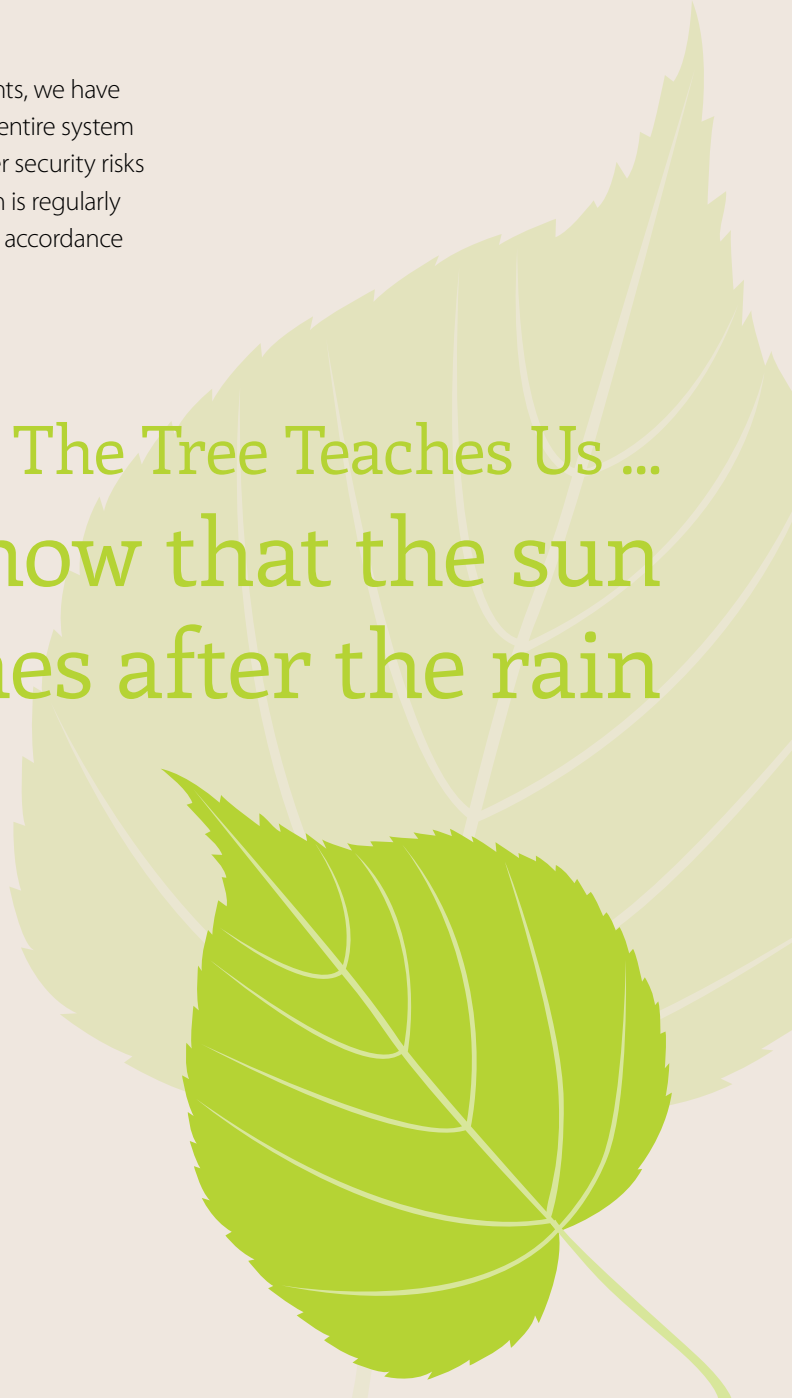
Management

The IT architecture is regularly maintained and upgraded, both centrally and at other sites.

Operation has been stable, with no random outages or unplanned interruptions. The key activities implemented can be summarised as follows:

- Increasing the security of uninterruptible power supply
- Increasing the communication capacity at key locations
- Upgrading the ERP system due to changes in legislation in the field of packaging
- We have upgraded our weighing system to manage logistics processes
- For production logistics, we have partially digitised data capture at processing sites
- We set up a document management system and successfully integrated it with the ERP system

- Through regular adjustments, we have successfully protected the entire system against intrusions and other security risks
- The data protection system is regularly monitored and operates in accordance with current standards



The Tree Teaches Us ...
Know that the sun
shines after the rain

1.12. Business analysis

1.12.1. Operational performance in 2023

	31/12/2023	in EUR 31/12/2022	2023/2022 index
Total net sales revenue	173,042,187	215,795,334	80
Total other operating revenues	174,795,382	216,191,908	81
Total costs of goods, materials and services	-155,294,858	-193,120,580	80
Total labour costs	-12,431,200	-11,886,663	105
Write-offs	-4,506,165	-4,128,617	109
a) thereof depreciation/amortisation	-4,494,751	-4,114,589	109
Other operating expenses	-861,186	-787,919	109
Total costs	-173,093,410	-209,923,778	82
Operating profit/EBIT	1,701,972	6,268,130	27
Total financial revenue from loans	225,041	180,105	125
Total financial revenue	441,152	1,776,904	25
Total financial expenses for financial liabilities	-446,086	-206,434	216
Total financial expenses	-456,306	-984,633	46
Profit from regular operations	1,686,818	7,060,402	24
Total profit	1,807,238	7,226,734	25
Income tax	-148,890	-858,434	17
Other taxes	20,185	-4,578	-441
Net profit/loss for the accounting period	1,678,533	6,363,722	26

Dinos d.o.o. is expected to generate **sales revenues** of EUR 173 million in 2023, which is 80% of 2022. Operating income was impacted by the fall in world stock market prices and, to a lesser extent, by lower sales volumes.

Prices have had a consequent impact on the overall structure of the operating result, as on the other hand inflationary pressures and increases in energy prices have led to higher service and processing costs. All this was reflected in an EBIT of EUR 1.7 million, 73% lower than in 2022.

Among the financial items of the operating performance, the largest part of the financial expenses is represented by interest expenses of EUR 446 thousand, followed by realised derivative expenses of EUR 61 thousand and adjusted by unrealised ones from the end of 2022 of EUR 53 thousand, their total impact on the 2023 result is EUR 8 thousand. They

are used as an economic hedge of price movements on the global market and are linked to the financial income generated by the use of derivatives, amounting to EUR 148 thousand in 2023. There was no unrealised financial expense on derivatives at the end of 2023. The negative exchange differences were EUR 2 thousand.

During the year under review, the income received for accrued interest on loans granted to the Group increased, amounting to EUR 225 thousand. Financial income also includes interest on overdue customer payments of EUR 66 thousand. The realised foreign exchange gains of EUR 38 thousand are adjusted by the unrealised ones at the end of 2022 of EUR 36 thousand for a total of EUR 2 thousand. There were no unrealised exchange differences at the end of 2023, nor any financial income from dividends received.

Operating cost

Operating cost	2023	2022	index 2023/2022
Purchase value of sold goods and materials	131,199,849	167,172,012	78
Costs of materials	6,892,672	5,530,868	125
Cost of services	17,202,337	20,417,699	84
Labour costs	12,431,200	11,886,663	105
Write-offs	4,506,165	4,128,617	109
Other operating expenses	861,186	787,919	109
Total costs	173,093,410	209,923,778	82

Operating costs in 2023 were EUR 173 million, 18% lower than in 2022. The biggest impact on the cost level was the cost of goods sold, which was 22% lower than in 2022 due to lower inventory purchase prices. Conversely, the cost of materials (energy and materials needed in the production process) increased by 25% compared to 2022 and amounted to EUR 6.9 million in 2023.

Cost of services is 16% lower compared to 2022, due to lower volumes of materials for further processing, which have a negative resale value.

Labour costs in 2023 were EUR 12.4 million, an increase of EUR 0.544 million compared to 2022, an increase of 5%. The increase in the annual wage cost is due to salary increases in the lowest salary grades and the adjustment of other salary grades to maintain pay ratios.

Other operating expenses of EUR 0.861 million are compared to EUR 0.787 million in 2022 higher by 9%. In the structure of other operating costs, the largest part of EUR 0.476 million is the cost of further management of waste generated after treatment, which we have taken over from the companies where we operate a global waste management service and which, on the other hand, is also reflected in the revenue from the service of taking over waste for further processing.

The main reason for the increase is the higher landfill costs for production waste from the larger companies for which we provide global service.

Financing expenses

Financing expenses	2023	2022	index 2023/2022
1. Interest expenses	-431,303	-193,638	223
2. Financial expenses – exchange rate differences	-2,414	-174,969	1
3. Expenses on other financial instruments in the Group	-7,806	-603,229	1
4. Other financial expenses	-14,784	-12,797	116
Total financial expenses	-456,306	-984,633	46

The financial expenses in 2023 of EUR 0.456 million are 54% lower than in 2022, when they amounted to EUR 0.985 million.

The main reasons for the decrease in financial expenses are lower exchange rate differences, down 99%, and lower expenses on financial instruments, down 99%, both compared to 2022.

Interest expenses of EUR 0.431m are up 123% compared to 2022, due to higher borrowing and higher interest rates.

Other financial expenses increased by 16% compared to 2022.

There were no impairments of investments in 2023.

1.12.2. Balance of Assets and Liabilities as at 31/12/2023

	31/12/2023	in EUR 31/12/2022	2023/2022 Index
ASSETS			
A. Non-current assets	45,502,413	42,907,890	106
I. Intangible assets and long-term deferred costs	155,907	157,857	99
II. Tangible fixed assets (Property, plant and equipment)	39,667,272	40,090,984	99
II. Long-term financial investments	5,521,572	2,521,572	219
IV. Deferred tax assets	157,663	137,478	115
B. Current assets	44,547,646	41,051,969	109
II. Inventories	11,779,548	10,892,880	108
III. Short-term financial investments	0	3,035,507	0
IV. Short-term trade receivables	31,444,562	25,831,160	122
V. Cash	1,323,536	1,292,422	102
C. Short-term deferred costs and accrued revenues	69,526	24,388	285
Total assets	90,119,586	83,984,247	
	31/12/2023	31/12/2022	
EQUITY AND LAIBILITIES			
A. Equity	54,679,311	53,069,363	103
I. Called-up capital	2,279,668	2,279,668	100
II. Capital reserves	9,740,278	9,740,278	100
III. Revenue reserves	13,530,308	13,530,308	100
IV. Reserves from valuation at fair value	-9,252	69,202	-13
V. Net profit or loss brought forward	27,459,775	21,086,184	130
VI. Net profit or loss for the year	1,678,533	6,363,722	26
B. Provisions and long-term accrued costs and deferred revenues	916,858	781,733	117
C. Non-current liabilities	4,658,639	5,435,745	86
I. Non-current financial liabilities	4,658,639	5,435,745	86
Č. Current liabilities	27,778,465	21,886,792	127
I. Current financial liabilities	6,841,904	2,306,188	297
II. Current operating liabilities	20,936,561	19,580,604	107
D. Short-term accrued costs and deferred revenues	2,086,313	2,810,613	74
Total equity and liabilities	90,119,586	83,984,247	

Non-Current Assets

The most important part of long-term assets is property, plant, and equipment of EUR 39.7 million, made up of buildings of EUR 14.1 million, land of EUR 8.2 million, and equipment of EUR 17.1 million. The impact on the change in the value of property, plant, and equipment in 2023 is the capitalisation of new assets and depreciation. Other major items among long-term assets are a loan granted in 2023 of EUR 3m and financial investments of EUR 2.5m.

Current Assets

Short-term assets represent 49% of total assets. The largest part of short-term assets is trade receivables from customers, the volume of which depends on borrowings from suppliers and banking institutions. At the end of 2023, short-term assets were EUR 44.5 million, and at the end of 2022, EUR 41.1 million or a 9% the increase due to higher valued inventories and trade receivables, both of which are attributable to price levels, increased year-end cash balances, and lower short-term financial investments.

Liabilities

At the last day of the period under review, working capital¹ of Dinos d.o.o. amounted to EUR 21.6 million, an increase of 38% compared to the end of 2022, when it stood at 15.6 million.

Net indebtedness at the end of 2023 was EUR 10.2 million, up from EUR 6.4 million in 2022 and increased by 58%.

Equity

The capital of Dinos d.o.o. on the last day of 2023 was EUR 54.7 million, at the end of 2022 it was EUR 53.1 million. The 3% capital increase in 2023 is affected by the result of

the 2023 operations and the result of the 2023 actuarial restatement of the provisions made for future jubilee and retirement benefit payments.

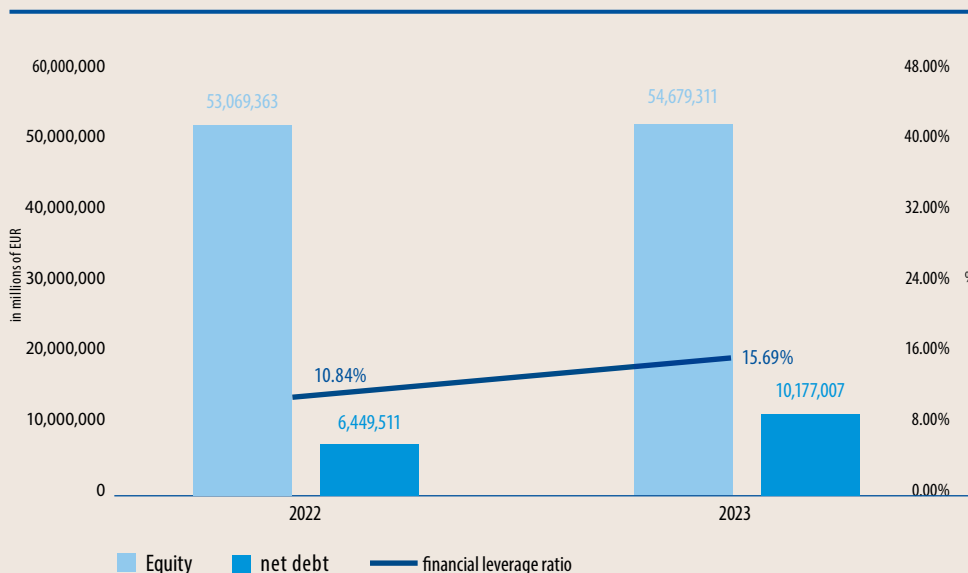
	2023	2022	index 2023/2022
Equity	54,679,311	53,069,363	103
Net debt	10,177,007	6,449,511	158
Financial leverage ratio	15.69%	10.84%	145
Working capital	21,594,299	15,649,632	138

¹ Net current assets (working capital) = (operating receivables + inventories + cash + long-term deferred costs and accrued revenues - current operating liabilities - Long-term accrued costs and deferred revenues)

² Net debt = (non-current and current financial liabilities - cash)

³ Financial leverage ratio = net debt / (equity + net debt)

Equity, net debt, financial leverage ratio



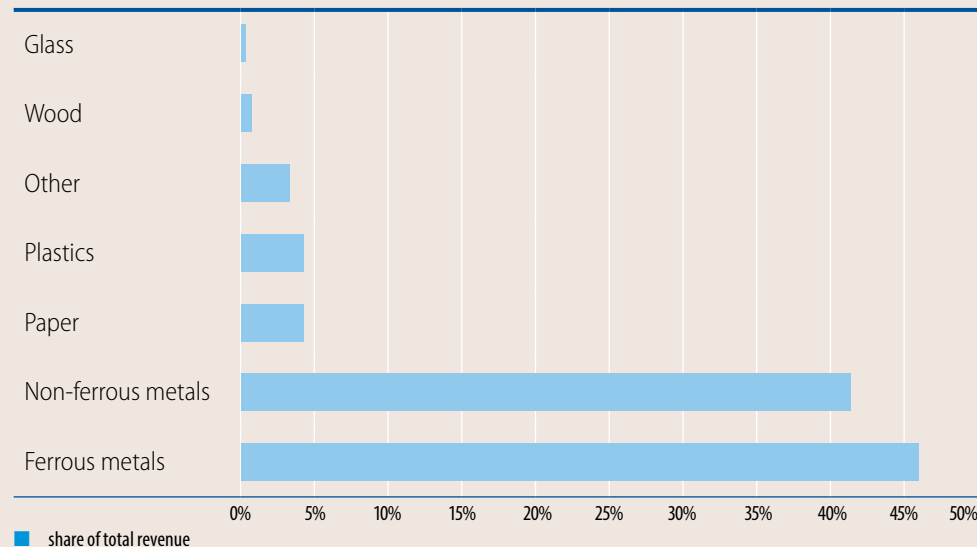
1.12.3. Sales analysis by programme

Overview of revenue achieved by programme per plan and previous year:

SALES PROGRAMME	Value (in EUR)				
	2023	PLAN	IND. 23/pl	2022	Ind. 23/22
Ferrous metals	79,739,900	111,664,681	71	98,251,831	81
Non-ferrous metals	71,636,394	97,071,472	74	88,707,646	81
Paper	7,270,449	14,443,220	50	14,009,021	52
Plastics	7,410,551	6,960,000	106	7,988,854	93
Glass	469,682	0	/	326,871	144
Wood	1,530,531	0	/	1,163,685	132
Other	4,984,679	434,738	1,147	5,347,426	93
Total	173,042,187	230,574,111	75	215,795,334	80

The cumulative figures for 2023 sales compared to 2022 and the sales plan show that the revenue achieved is 25% lower than planned and 20% lower than in 2022.

Sales programme as a percentage of total revenue



Overview of procurement realised, planned, and previous year:

Procurement Programme				Value (in EUR)	
	2023	Plan	IND. 23/pl	2022	Ind. 23/22
Ferrous metals	67,289,927	90,036,939	75	98,251,831	68
Non-ferrous metals	61,363,940	88,925,479	69	88,707,646	69
Paper	2,459,169	9,191,140	27	14,009,021	18
Plastics	1,122,181	2,436,000	46	7,988,854	14
Glass	25,343	0	/	326,871	8
Wood	40,596	0	/	1,163,685	3
Other	17,820	1,636,778	1	5,347,426	0
Total	132,318,975	192,226,336	69	215,795,334	61

Procurement prices are 31% lower compared to plan and 39% lower compared to 2022, the main impact on the indicator is the lower level of procurement prices.

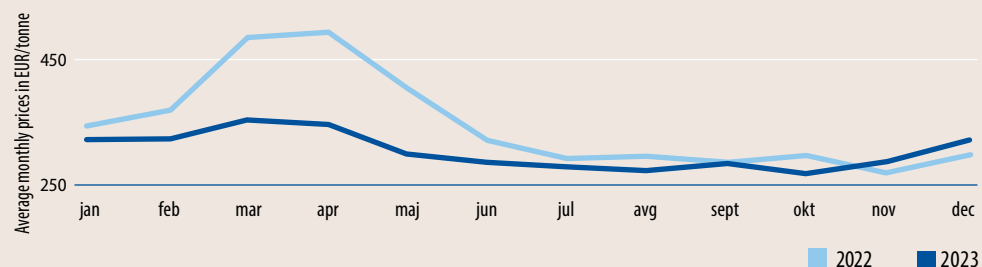
1.12.3.1. Ferrous metallurgy Programme

In the first quarter of 2023, the exchange price level reached its highest point of the year at EUR 357/tonne. Demand for scrap metals has been weak, reflecting low economic activity in the EU, high inflation, and rising interest rates.

The rest of the year saw a slight and constant price decline, reflecting the limited activity and sales of final products of our customers. Towards the end of the year, there was a slight strengthening due to the increased activity of the Turkish market, which was indirectly reflected in Central European prices.

The forecast for 2024 is in anticipation of the same price trend as in 2023. There is a decrease in the amount of waste raw materials on the market due to the reduced volume of activity in the economy. The expected/projected/forecasted decrease in interest rate will bring about a possible increase in economic activity and thus a rise in the price of waste raw materials.

Changes in iron prices 2022 - 2023



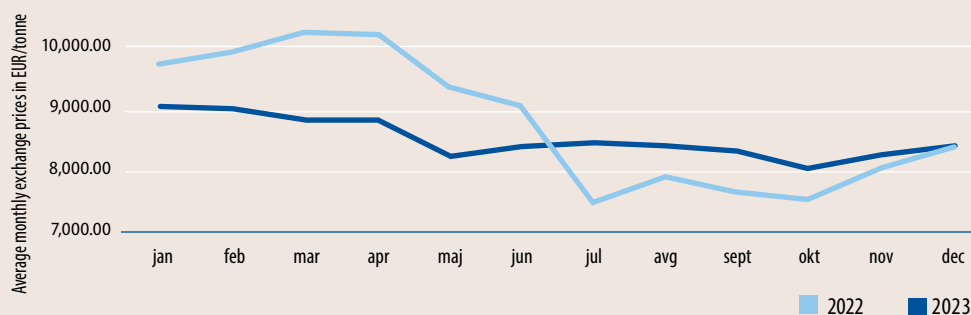
1.12.3.2. Non-ferrous metals programme

In 2023, we saw relatively weak demand from foundries for all types of non-ferrous metals. The only exception was secondary aluminium, which had strong demand almost throughout 2023.

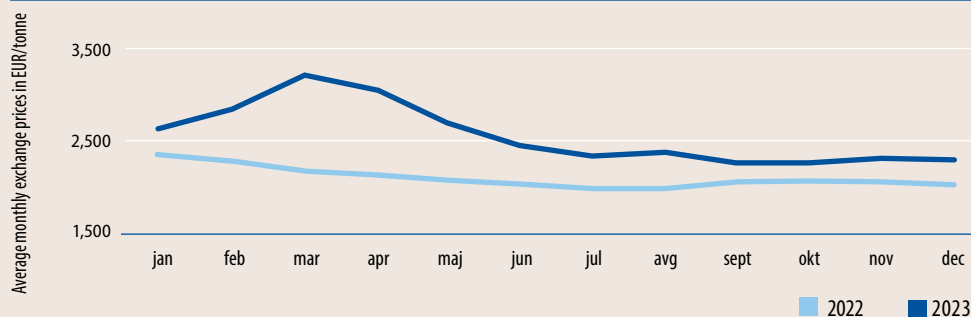
Price volatility on the London non-ferrous metals exchange was extremely high, with a negative trend for most metals. This is certainly true for the two main metals we trade most, aluminium and copper. Despite the difficult market conditions, we have managed to set new records in the non-ferrous metals sector, both in sales and in the price difference achieved.

Energy and capital prices remain high, and only a slow recovery in non-ferrous metals activity is expected in 2024.

Changes in Cu exchange prices 2022 - 2023



Changes in Al exchange prices 2022 - 2023



1.12.3.3. Paper programme

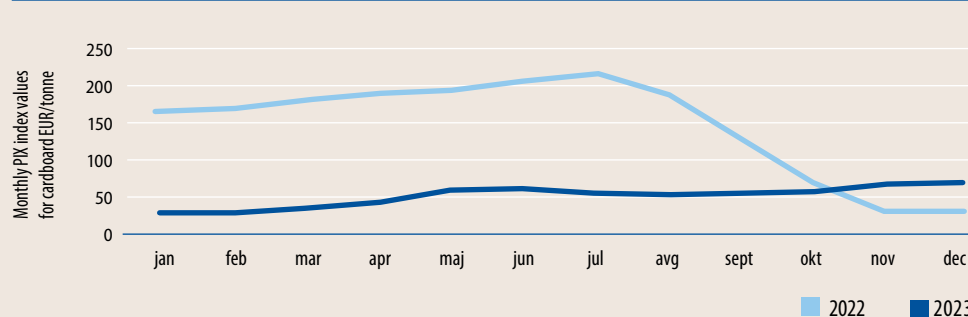
The weak economic situation in the region and beyond, low consumption, high energy prices, and costly production in the paper industry mark 2023 as a year of lower economic activity and an extremely difficult year for the wastepaper market. Paper mills were further confronted with high stocks and reduced orders. As a result, their wastepaper needs were also lower.

After 2022, when the PIX value for waste paperboard reached a record high of EUR 222 in July, PIX values in 2023 have fallen to the pre-crown price level of 2018–2019. The year 2023 started with a PIX value of EUR 70, which is 35% lower than the average PIX value since 2006. Then, with minor mid-year adjustments, the PIX rose slightly over the year, ending the year at below EUR 102, 5% below the average value of the index from 2006 to the end of 2023.

Due to high production costs, particularly the high price of electricity, which started to rise sharply already in the summer of 2022, and which only intensified in 2023, paper mills adjusted their paperboard purchase pricing policy in 2023 and, in addition to the already low PIX index, reduced the purchase prices by EUR 15 to 20/t compared to 2022.

Low economic activity has also been reflected in lower volumes of wastepaper in our business. Those were 10% lower than the average of the last five years. The Confederation of European Paper Industries reported a 12.8% decrease in paper production. The low purchase prices for wastepaper have also resulted in a lower interest from citizens in collecting wastepaper, which is why the volumes of wastepaper purchased from this source have been the lowest in the last five years.

Monthly PIX values for cardboard, for 2022 and 2023



1.12.3.4. Plastics programme

The market for waste plastics declined sharply in the past year, 2023, after 2022, when we saw record price growth. Due to market saturation, demand has fluctuated widely.

During the summer months, we experienced an almost complete halt in sales, which was accompanied by a steady decline in prices until the end of the year.

As with waste plastics, prices for regenerates have fallen. This was due to a cooling of economic activity linked to high processing costs and relatively low prices for virgin raw materials.

Recycling of plastic waste has moved to Asian countries, where it maintains lower processing costs to compete with European processors.

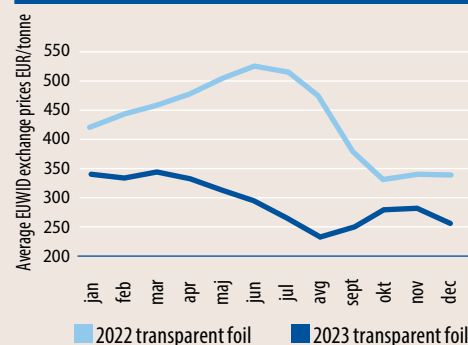
In the second half of 2023, the logistics costs of shipping to third countries decreased. This has contributed to increased exports of waste foil to these countries, which in turn has meant high competition, higher purchase prices and, at the same time, a shortage of waste LDPE film.

Production capacity in the processing of waste LDPE plastic from which we extract granulate was fully utilised despite the challenges through 2023.

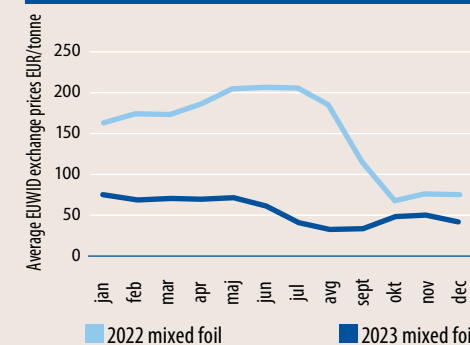
The fact that the price level of waste plastics and granulates has stabilised at a relatively low level has made it difficult to achieve satisfactory results.

Environmental legislation in the European Union encourages the use of recycled inputs in the production of plastic products, which gives us hope for a renewed growth in demand and price levels for regenerates.

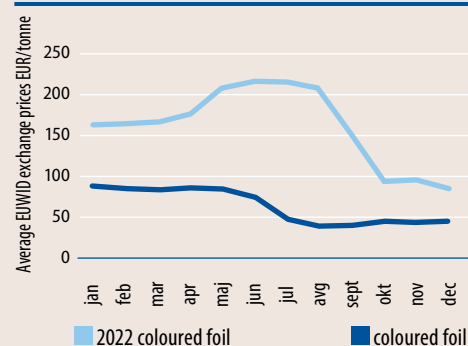
Changes in transparent foil prices 2022 - 2023



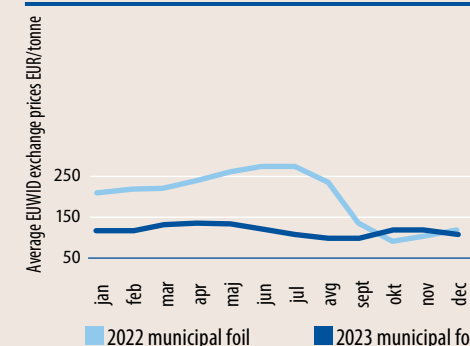
Changes in mixed foil prices 2022 - 2023



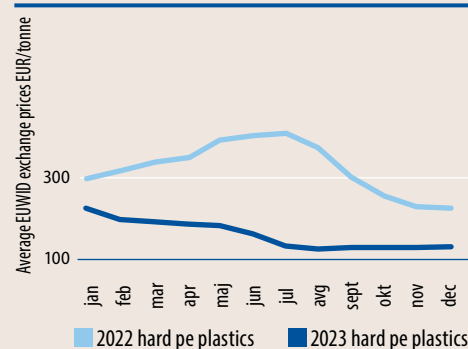
Changes in coloured foil prices 2022 - 2023



Changes in municipal foil prices 2022 - 2023



Changes in rigid PE plastics prices 2022 - 2023



1.13. Significant Events that Occurred After the End of the 2023 Financial year

We are operating according to plan. Prices on the steel scrap market have shown a renewed upward trend. After price volatility in 2023, the trend stabilised in Q2 2024, with copper reaching record highs, driven by expected spending on electrification and the green transition, along with stock market speculation. Prices in other programmes remain stable and have not changed significantly since the end of last year.

We have extended and increased a revolving credit facility.

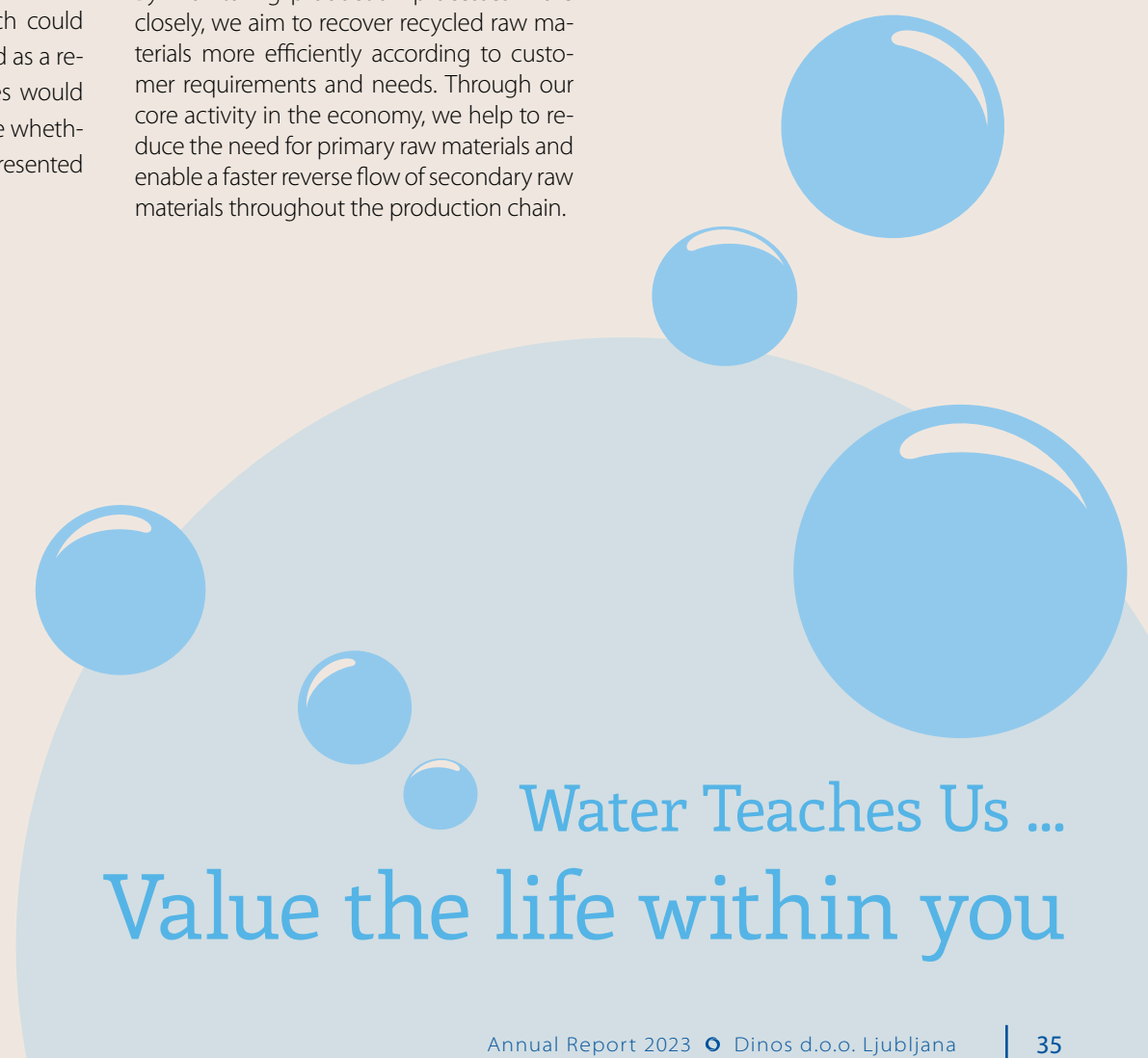
The economy is following the macroeconomic picture, with inflation moderating, facing staff shortages and pressure for higher wages.

We believe that no events have occurred after the balance sheet date which could impact the financial statements and as a result of which additional procedures would have to be performed to determine whether those events were accurately presented in these financial statements.

1.14. Plans for year 2024

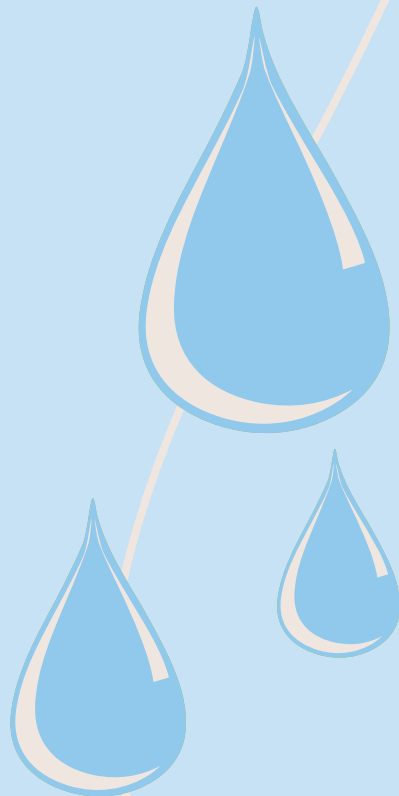
In the future, we want to continue to follow the Company's stated objectives and optimise our emissions by investing in equipment upgrades, thereby reducing our carbon footprint and introducing cleaner technology.

By monitoring production processes more closely, we aim to recover recycled raw materials more efficiently according to customer requirements and needs. Through our core activity in the economy, we help to reduce the need for primary raw materials and enable a faster reverse flow of secondary raw materials throughout the production chain.

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Water Teaches Us ...
Value the life within you

2. Financial Report



Water Teaches Us ...
Don't fear the depths

2. Financial Report

Dinos d.o.o. is a registered legal entity in Slovenia. The address of the registered office is Šlandrova ulica 6, 1000 Ljubljana. The financial statements of the Company are drawn up for the year ended 31 December 2023.

The values are shown in EUR.

Dinos d.o.o. is one of the companies in the Scholz Group, which is controlled by Chiho Environmental Group Ltd, a global group based in Hong Kong, abbreviated as CEG.

The financial statements of Dinos d.o.o. are included in the group financial statements of the Scholz Group, which are available at the registered office of Scholz Recycling GmbH and on the following website

<https://www.unternehmensregister.de/ureg/?submitaction=language&language=en>.

The Group financial statements for the Scholz Group and the CEG Group are presented in accordance with International Financial Reporting Standards.

Dinos d.o.o. does not prepare Group financial statements for 2023 for its subordinated companies because their influence is small.

2.1. Income Statement for Financial Year Ended on 31 December 2023

	Explanatory note	2023	in EUR 2022
1. Net sales revenue	2.6.4.	173,042,187	215,795,334
2. Capitalised own products and own services		10,043	7,200
3. Other operating income with revaluation operating income	2.6.5.	1,743,151	389,375
4. Costs of goods, materials, and services	2.6.6.	-155,294,858	-193,120,580
a) Costs of goods and materials sold		-138,092,521	-167,172,012
b) Costs of services		-17,202,337	-20,417,699
5. Labour costs	2.6.7.	-12,431,200	-11,886,663
a) Wages and salaries		-8,741,559	-8,566,279
b) Social security costs (separately shown costs of retirement insurance)		-1,449,593	-1,429,614
Retirement insurance costs		-773,628	-758,116
c) Other employee costs		-2,240,048	-1,890,771
6. Depreciation and write-offs	2.6.8.	-4,506,165	-4,128,617
a) Depreciation		-4,494,751	-4,114,589
b) Non-current assets write-offs		-8	-6,006
c) Current assets write-offs		-11,406	-8,022
7. Other operating expenses	2.6.9.	-861,186	-787,919
8. Financial revenue from financial investments	2.6.11.	0	685,328
a) Financial revenue from investments in others		0	685,328

	Explanatory note	2023	in EUR 2022
9. Financial revenue from given loans	2.6.11.	225,041	180,105
a) Interest for given loans to subsidiaries		225,041	180,105
10. Financial revenue from receivables	2.6.11.	216,111	911,471
a) Financial revenue for receivables from subsidiaries		112,951	619,744
b) Financial revenue for receivables from others		103,160	291,727
11. Financial expenses from financial liabilities	2.6.12.	-446,086	-206,434
a) Interests for loans from bank		-260,357	-122,381
b) Financial expenses from other financial liabilities		-185,729	-84,053
12. Financial expenses from operating liabilities	2.6.12.	-10,220	-778,198
a) Financial expenses from operation liabilities from subsidiaries		-7,806	-603,229
b) Financial expenses from other business liabilities		-2,414	-174,969
13. Other revenues		180,311	249,053
14. Other expenses		-59,890	-82,721
15. Income tax expenses	2.6.13.	-148,890	858,434
16. Deferred income tax		20,185	-4,578
17. Net profit/loss for the year		1,678,533	6,363,722

The accounting policies and notes are an integral part of the financial statements and should be read in conjunction with them.

2.2. Statement of Other Comprehensive Income for Financial Year Ended on 31 December 2023

	Note	2023	in EUR 2022
19. Net profit or loss for the period		1,678,533	6,363,722
20. Adjustment of surplus from revaluation of intangible assets and tangible fixed assets		0	0
21. Variations of surplus from the revaluation of financial assets, held for sale		0	0
22. Profit and loss arising from the translation of financial statements of companies abroad (effects of exchange rate changes)		0	0
23. Other elements of comprehensive income		-78,454	27,360
24. Total comprehensive income for the period		1,600,079	6,391,083

The accounting policies and notes are an integral part of the financial statements and should be read in conjunction with them.

2.3. Balance sheet as at 31/12/2023

	Note	31/12/2023	in EUR 31.12.2022
ASSETS		90,119,586	83,984,247
A. Non-current assets		45,502,413	42,907,890
I. Intangible assets and long-term deferred costs	2.6.15.	155,907	157,857
1. Intangible assets		77,447	74,544
2. Long-term deferred costs and accrued revenues		78,459	83,312
II. Property, plant and equipment	2.6.16.	39,667,272	40,090,984
1. Land and buildings		22,316,359	22,375,880
a) Land		8,243,681	8,243,681
b) Buildings		14,072,678	14,132,200
2. Production facilities and machinery		16,040,282	16,248,061
3. Other machinery and equipment		230,421	327,391
4. Property, plant and equipment under construction and in production		837,471	1,016,223
5. Advances for the acquisition of tangible fixed assets		242,740	123,428
III. Long-term financial investments	2.6.18.	5,521,572	2,521,572
1. Long-term financial investment, other than loans		2,521,572	2,521,572
a) Investments in subsidiaries		15,000	15,000
b) Other long-term investments		2,506,572	2,506,572
2. Long-term loans		3,000,000	0
a) Long-term loans to subsidiaries		3,000,000	0
IV. Deferred tax assets	2.6.14.	157,663	137,478
B. Current assets		44,547,646	41,051,969
I. Assets available for sale		0	0
II. Inventories	2.6.20.	11,779,548	10,892,880
1. Material		11,606,495	10,499,191
2. Products and merchandise		17,685	98,203
3. Advances for inventories		155,368	295,486

	Note	31/12/2023	in EUR 31.12.2022
III. Short-term financial investments	2.6.19.	0	3,035,507
1. Short-term financial investments excluding loans		0	35,507
a) Other short-term investments		0	35,507
2. Short-term loans	2.6.19.	0	3,000,000
a) Short-term loans to subsidiaries		0	3,000,000
IV. Short-term trade receivables	2.6.21.	31,444,562	25,831,160
1. Short-term operating receivables from subsidiaries		142,204	1,527
2. Short-term operating receivables towards customers		28,136,648	23,067,920
3. Short-term trade receivables from the state		2,953,981	2,647,103
4. Short-term operating receivables from others		211,729	114,611
V. Cash	2.6.22.	1,323,536	1,292,422
C. Short-term deferred costs and accrued revenues	2.6.23.	69,526	24,388
	Note	31/12/2023	in EUR 31/12/2022
EQUITY AND LIABILITIES		90,119,586	83,984,247
A. Equity	2.6.23.	54,679,311	53,069,363
I. Issued capital		2,279,668	2,279,668
II. Capital reserves		9,740,278	9,740,278
III. Profit reserves		13,530,308	13,530,308
1. Legal reserves		966,100	966,100
2. Other profit reserves		12,564,208	12,564,208
IV. Reserves resulting from valuation at fair value		-9,252	69,202
V. Net operating result from previous years		27,459,775	21,086,184
VI. Net operating result of the year		1,678,533	6,363,722
B. Provisions and long-term accrued costs and deferred revenue	2.6.24.	916,858	781,733
I. Provisions for retirement benefits and similar obligations		916,858	781,733

	Note	31/12/2023	in EUR 31.12.2022
C. Non-current liabilities	2.6.25.	4,658,639	5,435,745
I. Long-term financial liabilities		4,658,639	5,435,745
1. Long-term financial liabilities to banks		2,566,667	3,966,667
2. Other long-term financial liabilities		2,091,973	1,469,078
D. Current liabilities		27,778,465	21,886,792
I. Short-term financial liabilities	2.6.25.	6,841,904	2,306,188
1. Short-term financial liabilities to banks		5,900,000	1,400,000
2. Other short-term financial liabilities		941,904	906,188
II. Short-term trade liabilities	2.6.26.	20,936,561	19,580,604
1. Short-term operating liabilities to group companies		22,261	17,322
2. Short-term operating liabilities to suppliers		19,875,512	18,604,581
3. Short-term trade payables on advances		10,390	12,500
4. Short-term liabilities to the state		386,255	351,564
5. Other short-term operating liabilities		642,143	594,637
E. Short-term accruals and deferred income	2.6.27.	2,086,313	2,810,613

The accounting policies and notes are an integral part of the financial statements and should be read in conjunction with them.

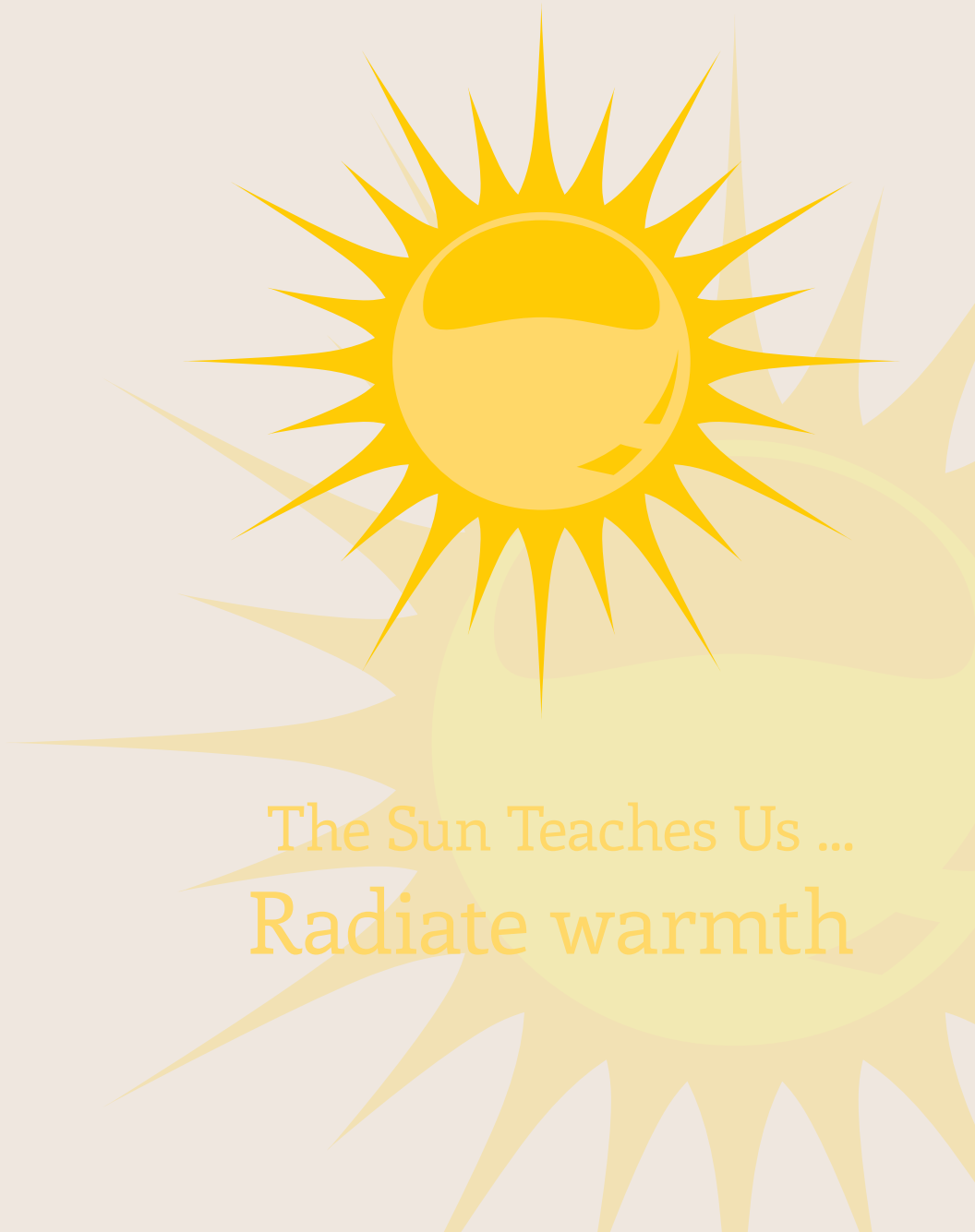
2.4. Cash Flow Statement for Financial Year Ended on 31 December 2023

	2023	in EUR 2022
A. Cash flow from operating activities		
a) Net profit or loss		
Profit or loss before tax	1,807,238	7,226,734
Corporate income tax and any other taxes not included in operating expenses	-128,705	-853,856
b) Adjustments for		
Amortisation/Depreciation	4,494,751	4,114,589
Operating revenue from revaluation	-595,857	-94,509
Operating expenses from revaluation	11,414	14,028
Financial income excluding financial income from operating receivables	-225,041	-906,633
Financial expenses excluding financial expenses from operating liabilities	446,086	778,231
Total cash flows derived from the profit and loss account items	5,809,887	10,278,583
c) Changes in net current assets – operating balance sheet items		
Opening less closing operating receivables	-5,613,402	8,385,063
Opening less closing deferred costs and accrued revenues	-45,139	-7,921
Opening less closing deferred tax assets	-20,185	4,578
Opening less closing assets (disposal groups) held for sale	0	0
Opening less closing inventories	-98,908	2,210,107
Closing less opening operating liabilities	1,355,957	-1,769,733
Closing less opening accrued costs and deferred revenue, and provisions	-589,176	567,266
Closing less opening deferred tax liabilities		
Total other operating assets and liabilities	-5,010,853	9,389,358
d) Net cash flow from (used in) operating activities	799,034	19,667,942

	2023	in EUR 2022
B. Cash flow from investing activities		
a) Cash receipts from investing activities		
Cash receipts from interest and profit participations (investment activities)	225,041	1,443,872
Cash receipts from disposal of intangible assets	0	0
Cash receipts from disposal of property, plant, and equipment	542,711	130,085
Cash receipts from disposal of investment property	0	0
Cash receipts from disposal of non-current financial assets	0	0
Cash receipts from disposal of current financial assets	2,000,000	37,122
Total cash receipts from investing activities	2,767,752	1,611,079
b) Disbursements from investing activities		
Cash disbursements for the acquisition of intangible assets	-20,725	-10,204
Cash disbursements for the acquisition of property, plant, and equipment	-4,023,190	-7,360,670
Cash disbursements for the acquisition of investment property	0	0
Cash disbursements for the acquisition of non-current financial asset	0	0
Cash disbursements for the acquisition of current financial asset	-2,000,000	0
Total cash disbursements from investing activities	-6,043,915	-7,370,874
c) Net cash from (used in) investing activities	-3,276,163	-5,759,795

	2023	in EUR 2022
C. Cash flow from financing activities		
a) Cash receipts from financing activities		
Cash receipts from paid-up capital and interest	0	0
Cash receipts from the increase in long-term financial liabilities	4,500,000	1,445,333
Cash receipts from increase in financial liabilities	0	0
Income from acquisitions of companies	0	0
Total cash receipts from financing activities	4,500,000	1,445,333
b) Disbursements from financing activities		
Cash disbursements from paid interest pertaining to financing	-591,757	-273,255
Cash repayments of equity	0	0
Cash disbursements from long-term financial liabilities	-1,400,000	-2,603,357
Cash disbursements from short-term financial liabilities	0	-5,100,000
Cash disbursements for the distribution of dividends and other profit participations	0	-7,000,000
Total cash disbursements from financing activities	-1,991,757	-14,976,612
c) Net cash from (used in) financing activities	2,508,243	-13,531,279
D. Cash and cash equivalents at end of period		
a) Net cash for the period	31,114	376,868
b) Opening balance of cash	1,292,422	915,555
c) Total closing balance of cash	1,323,536	1,292,422

The accounting policies and notes are an integral part of the financial statements and should be read in conjunction with them.



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Radiate warmth

2.5. Statement of Changes in Equity for Financial Year Ended on 31 December 2023

	Called-up capital		Profit reserves			Net operating profit or loss brought forward	Net operating profit/loss for the year	EUR Total
	Share capital	Capital surplus	Legal reserves	Other revenue reserves	Reserves from valuation at fair value			
A.1. Opening balance as at 31 December 2022	2,279,668	9,740,278	966,100	12,564,208	69,202	21,086,184	6,363,722	53,069,363
A.2. Opening balance – 1 January 2023	2,279,668	9,740,278	966,100	12,564,208	69,202	21,086,184	6,363,722	53,069,363
B.1. Changes in equity – transactions with owners								
a) Dividend distribution							0	0
Total changes in equity	0	0	0	0	0	0	0	0
B.2. Total comprehensive income for the reporting period								
a) Entry of net profit/loss for the reporting period							0	1,678,533
b) Other items of total comprehensive income in the reporting period						-78,454	9,868	-68,586
Total comprehensive income	0	0	0	0	-78,454	9,868	1,678,533	1,609,947
B.3. Changes within equity								
a) Allocation of remaining net profit of the comparative reporting period to other equity components							6,363,722	-6,363,722
Total changes in equity	0	0	0	0	0	6,363,722	-6,363,722	0
C. Closing balance – 31 December 2023	2,279,668	9,740,278	966,100	12,564,208	-9,252	27,459,775	1,678,533	54,679,311
D. Distributable profit for 2023	0	0	0	0	0	27,459,775	1,678,533	29,138,309

	Called-up capital		Profit reserves			Net operating profit or loss brought forward	Net operating profit/loss for the year	EUR
	Share capital	Capital surplus	Legal reserves	Other revenue reserves	Reserves from valuation at fair value			Total
A.1. Opening balance as at 31 December 2021	2,279,668	9,740,278	966,100	12,564,208	41,842	20,748,682	7,334,234	53,675,012
A.2. Opening balance – 1 January 2022	2,279,668	9,740,278	966,100	12,564,208	41,842	20,748,682	7,334,234	53,675,012
B.1. Changes in equity – transactions with owners								
a) Dividend distribution						-7,000,000		-7,000,000
Total changes in equity	0	0	0	0	0	-7,000,000	0	-7,000,000
B.2. Total comprehensive income for the reporting period								
a) Entry of net profit/loss for the reporting period							6,363,722	6,363,722
b) Other items of total comprehensive income in the reporting period					27,360	3,268		30,628
Total comprehensive income	0	0	0	0	27,360	3,268	6,363,722	6,394,351
B.3. Changes within equity								
a) Allocation of remaining net profit of the comparative reporting period to other equity components						7,334,234	-7,334,234	0
Total changes in equity	0	0	0	0	0	7,334,234	-7,334,234	0
C. Closing balance – 31 December 2022	2,279,668	9,740,278	966,100	12,564,208	69,202	21,086,184	6,363,722	53,069,363
D. Distributable profit for 2022	0	0	0	0	0	21,086,184	6,363,722	27,449,907

The accounting policies and notes are an integral part of the financial statements and should be read in conjunction with them.

2.6. Notes to Financial Statements

2.6.1. Company profile

Company name

Dinos, družba za pripravo sekundarnih surovin d.o.o.

Registered office and company address

Šlandrova ulica 6, 1231 Ljubljana – Črnuče

Activity code

38.320 – Recycling of scrap metal and residual materials

Company registration number

5003318000

Tax number

SI44905793

Legal status of the company

Private limited company Ltd.

Financial year

2023

Status of the entity

Entered; entry: 061/10072600

Date of entry in the companies register

03 January 1990

Ownership share

100%

Share capital

EUR 2,279,668

Company's management

CEO **Zorko Damijan**

CFO **Bambič Benjamin**

COO **Fetzer Achim Christian**



dinos

The consolidated financial statements for the companies in the Group are available from the head office of Scholz Recycling GmbH at the following e-mail address:

<https://www.unternehmensregister.de/ureg/?submitaction=language&language=en> .

For the wider Group, the consolidated financial statements are published on the Chiho Environmental Group Limited website:

<http://chihogroup.com/Home/Relationship/investorFinance>

2.6.2. Basis for the preparation of the financial statements

The financial statements have been compiled in accordance with the Slovene accounting standards and the Companies Act (ZGD-1). The following two fundamental accounting assumptions have been considered in the preparation of these financial statements: the indefinite nature of operations and the occurrence of a business event. The qualitative accounting characteristics of the financial statements are understandability, relevance, reliability and comparability.

Pursuant to the ZGD-1, the company is classified as a large company.

These accounts have been approved by the company's board of directors 19/07/2024.

Use of assessments and judgements

The preparation of the financial statements is also based on certain estimates and assumptions made by the Management that affect both the unamortised cost of assets and liabilities and the reported income and expenses of the period. The Management's assessment includes, inter alia, the determination of the useful lives and residual values of property, plant and equipment and intangible assets, adjustments to the value of inventories and receivables, deferred taxes, assumptions relevant to the actuarial calculation of defined employee benefits, assumptions included in the calculation of any provision for litigation. Although the Management carefully considers all factors that could

affect these assumptions when making them, it is possible that the actual consequences of events could differ from those estimated. Therefore, accounting estimates require the use of judgement and take into account possible changes in the business environment, new developments, additional information, and experience.

Conversion of foreign currencies

The conversion of assets and liabilities in foreign currencies in the functional currency is performed according to the exchange rate at the date of an individual business transaction. The foreign exchange gains and losses incurred from such operations and the revaluation of cash and liabilities, denominated in foreign currency as at the balance sheet day to the functional currency, are recognised in the income statement.

Monetary items in foreign currencies are converted at the reference exchange rate of the European Central Bank or foreign exchange list of the Bank of Slovenia (currencies for which the European Central Bank does not publish reference rates) on the last day of the year. Non-monetary items measured at the purchase value in a foreign currency, are converted at the exchange rate applicable on the day of the transaction, while non-monetary items measured at fair value in a foreign currency are converted at the exchange rate applicable on the day the fair value was determined.

2.6.3. Summary of significant accounting policies

Intangible assets and long-term deferred costs

The items of intangibles comprise long-term deferred development costs, investments in industrial property, and other intellectual property rights. Long-term prepayments and accrued income are long-term deferred costs.

Intangibles are recognised if it is likely that economic benefits associated with the assets will flow to the entity. On initial recognition, they are measured at cost.

The items of intangible assets with finite useful lives are depreciated over their useful lives. The amortisation is accounted for using the straight-line amortisation method. The amortisation rates of intangible assets are as follows and are the same as the previous year:

Licences and patents	5% - 10%
Concessions, trademarks and licences	5% - 10%

Subsequent expenditure related to intangible assets adds to its purchase value, provided they increase the future benefits compared to the previously assessed benefits.

The items of intangibles are derecognised upon disposal. In the books of accounts, the items of property, plant and equipment are disclosed separately at their cost and accumulated impairment loss. In the balance sheet, only the book value.

Property, plant and equipment

Tangible fixed assets are represented by land, buildings, manufacturing equipment and other equipment.

The items of property, plant and equipment are recognised if it is probable that economic benefits associated with the assets will flow to the Company and if

the cost can be measured reliably. On initial recognition, they are measured at cost. The subsequent costs associated with tangible fixed assets increase their purchase values, if they increase their future benefits compared to those originally assessed. Repairs or maintenance of tangible fixed assets are intended for the renovation or maintenance of future economic benefits expected on the basis of an originally assessed rate of the performance of the assets. When they occur, they are recognised as costs or operating expenses.

The items of property, plant and equipment are depreciated individually over their useful life. The following depreciation rates are used, which are the same as in the previous year:

Buildings	1,5% - 10%
Computer equipment	20% - 50%
Transport equipment	10% - 33,30%
Production equipment	10% - 33,30%

Property, plant and equipment are derecognised on disposal when their use is no longer expected to generate future economic benefits. In the books of accounts, the items of property, plant and equipment are disclosed separately at their cost and accumulated impairment loss. In the balance sheet, only the book value.

The right to use assets

The Company recognises an item of property, plant and equipment as the right-of-use asset at the inception of the lease (i.e., the date when the leased asset is available for use).

Right-of use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The purchase value of the right to use the asset comprises the amount of the initial measurement of the lease liability, the initial direct costs and the lease payments made on or before the commencement date, less any lease incentives received.

The right to use the assets is depreciated on a straight-line basis over the term of the lease or the estimated useful life of the assets over the period shorter than described below:

Land and buildings	Up to 10 years
Motor vehicles and other equipment	4 to 5 years
Production equipment and machinery	3 to 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the Company exercises a purchase option, the depreciation is calculated based on the estimated useful life of the asset.

Right-of-use assets are revalued to account for any impairment.

Lease liability

At the date of commencement of the lease, the Company recognises the lease liabilities measured at the present value of all lease payments to be made over the lease term.

The leases include fixed leases less any lease incentive receivables, acceptable rents that depend on an index or rate, and amounts expected to be paid by the lessee under residual value guarantees. The lease payments also include the exercise price of a purchase option if it is reasonably certain that the Company will exercise that option and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses its incremental borrowing rate as the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such

lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in other long-term and short-term financial liabilities.

Short-term and low-value leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less and do not include an option to purchase). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be of low-value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Financial investments

Financial investments are investments in the equity of other entities or in financial liabilities of other entities, of the government, of a region or municipality, or of other issuers (investments in loans).

Investments are classified as: financial assets at fair value through profit or loss, held-to-maturity investments, investments in loans, and available-for-sale financial assets. The classification is based on the purpose of their acquisition.

On acquisition, all the financial assets with exception of the financial assets classified at fair value through profit or loss, are recognised at cost which includes the acquisition costs directly associated with the transaction. Financial assets classified at fair value through profit or loss are recognized at fair value where the direct costs of acquisition are not included in their purchase value.

Other long-term investments are not revalued for the purpose of strengthening.

Long-term investments are revalued for impairment if the investment is losing value and its estimated amortised cost is less than the carrying amount. The difference identified represents the revaluation financial expense relating to the long-term investment.

Financial assets at fair value through profit or loss

Financial assets classified as financial assets at fair value through profit or loss are measured at fair value. Profits and losses of investments classified as financial assets at fair value through profit or loss are recognised directly in the income statement.

For financial investments intended for active trading on organized financial markets, the fair value is set at the amount of quoted prices of the stock exchange listing on the balance sheet date at the end of trading. The fair value of investments whose market price is not reported on financial markets is deter-

mined with reference to other instruments that are substantially the same or the fair value is determined as a net current value of future cash flows which may be expected from a certain financial investment.

Procurement and the sale of financial investments classified in the group of financial assets at fair value in the income statement are recognized on the day of the trade, i.e., the day the Company undertook to purchase or sell the asset.

Held-to-maturity financial investments

Financial investments with fixed or determinable payments and a fixed maturity which are not derivative instruments are recognized as held-to-maturity financial investments in the case of a positive intention and the ability to retain the investment until maturity. Investments that the Company holds for an indefinite period of time, are not classified in this Group.

Investments recognised as financial investments in property held to maturity are valued at the amortised costs using the effective interest method. The amortized cost is computed through the allocation of the premium or discount upon acquisition throughout the holding period until maturity. Gains and losses on investments designated at amortized cost are recognized in the profit or loss (disposal, impairment or effects of amortized discounts/premiums).

Investments classified as held-to-maturity investments are recognised on the settlement date.

Investments in loans

Investments in loans are financial assets with fixed or determinable payments that are not quoted on the organized stock markets. They include loans acquired by the Company as well as loans derived from the Company. Loans are measured at the amortised costs using the effective interest method. Investments in loans are recognised on the settlement date.

Available-for-sale financial assets

Procurement and sale of financial investments classified in the group of available-for-sale financial assets are recognized on the day of the trade, i.e., the day the company undertook to purchase or sell the asset.

Financial assets available for sale are classified in the following categories upon recognition:

- held for trading purposes
- held not for trading purposes

Investments held for trading purposes are measured at fair value through profit or loss and for investments not held for trading purposes, the Company has elected to measure them at fair value through equity (other comprehensive income) in accordance with SAS 3.

A change in the fair value of available-for-sale investments that are not held for trading is recognised directly in capital as an increase or decrease in the reserve arising from fair value measurement; if the fair value of an available-for-sale financial asset is less than its recognised amount, a negative reserve arising from fair value measurement is recognised.

On derecognition of available-for-sale investments that are not held for trading purposes, the difference between the carrying amount and the sum of the consideration received and the cumulative gain or loss recognised directly in equity is recognised in profit or loss. The carrying amounts of securities are relieved on sale or other disposal at the average prices of securities.

Investments classified as available-for-sale for which there is no published price in an active market and whose fair value cannot be reliably measured are measured at cost.

The investments shown in the balance sheet under Other stocks and shares represent available-for-sale investments that the Company does not hold for trading.

Financial assets at fair value through profit and loss.

The change in fair value of investments classified as Financial assets at fair value through profit or loss and investments held for trading is recognised directly in profit or loss.

On derecognition of these investments, the difference between the carrying amount and the sum of the consideration received, and the cumulative gain or loss is recognised in profit or loss.

Financial investments in group companies, associate companies and joint ventures

Investments in Group companies, associates, and joint ventures are initially valued at cost. Any impairment loss is recognised in profit or loss.

Impairment of financial investments

The revaluation of financial investments due to impairment is performed by the Company as soon as justified reasons arise, and at the latest at the end of the accounting period. The basis for impairment is objective evidence due to events after initial recognition, such as data on operations, data on the audited carrying amount of the investment. Objective reasons for performing an impairment test of a financial investment are considered to exist when the fair value of the financial asset at the balance sheet date is 20% lower than the purchase cost of the financial asset. An impairment test of an in-

vestment is performed individually for each investment or group of investments.

A loss resulting from a permanent impairment of a financial asset and not merely a short-term decline in fair value is recognised as a financial expense. The amount of the impairment loss is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows.

A change in fair value of financial assets available for sale is recognised directly in equity as a revaluation surplus.

Inventories

The value of inventories is represented by inventories of materials, products, and merchandise and advances made against inventories.

They are valued at cost and are depreciated during the year using the moving average method.

The value of inventories is not fully recoverable if the inventories are damaged, fully or partially obsolete, or if their resale value falls below the level of inventory prices. The value of inventories is also not recoverable if the estimated costs of completion or the estimated costs associated with the sale are increased. If the carrying amount of inventories exceeds their net realisable value, it must

be written down to its net realisable value. The value of inventories must be reduced separately for each item or group of similar items of inventories.

A decrease in the value of inventories is charged to operating expenses.

Operating receivables

Operating receivables are initially recognised at amounts recorded in the relevant documents under the assumption that they will be collected. Subsequent increases or decreases in receivables increase or decrease operating or financial revenues or expenses. Subsequent increases or decreases mainly mean changes in the value of receivables due to subsequent discounts, refunds of goods sold, recognised claims or later errors determined.

Receivables are measured at their amortised cost after their initial recognition. The amortised cost of the receivable is the amount by which the receivable is measured at initial recognition, decreased by repayments and by the amounts of impairment due to uncollectibility. Operating receivables due in the next twelve months are shown in the balance sheet among short-term operating receivables and over twelve months among long-term operating receivables.

To account for receivable impairment, the difference between the carrying and real-

isable amount of an individual receivable is recognised as an allowance and included in the revaluation expenses.

The Company provides for a correction of receivable value based on an individual assessment of the recoverability of each receivable.

Cash and cash equivalents

Cash includes cash in hand, deposit money on bank accounts and cash equivalents.

Cash equivalents represent short-term bank deposits with a maturity of up to three months.

Short-term deferred costs and accrued revenue

Deferred costs and accrued revenue comprise short-term deferred costs and short-term accrued revenue. They are recognised at the amounts recorded in the relevant documents evidencing their incurrence and existence.

Capital

Total equity consists of called-up capital, capital surplus, revenue reserves, retained earnings or accumulated loss, revaluation surplus and undistributed net profit or the unsettled loss of the financial year. Acquired treasury shares and own business shares are deducted from the equity. Any gains or losses arising on acquisition, disposal, issue or withdrawal of shares and interests are debited or credited to equity.

The revaluation surplus relates to increases in the carrying amount of property, plant and equipment assets, intangible assets, long-term investments and short-term investments by revaluation model and is accounted for separately according to the origination as well as to unrealised actuarial losses/gains on provisions for employee termination benefits.

Provisions and long-term accrued costs and deferred revenues

Provisions are formed for present liabilities arising from obligating past events that are expected to be settled in a period that is not specified with certainty and whose size can be reliably estimated. The amounts recognised as provisions are the best estimate of the expenditure required to settle liabilities at the balance sheet date.

Long-term accrued costs and deferred revenue represent deferred revenue expected to cover the estimated costs or expenses in a period of more than one year, as well as the accrued costs and expenses which will cover future costs or expenses.

Provisions and long-term accrued costs and deferred revenue are reduced by the amounts of costs or expenses for the settlement of which they were originally recognised.

Pursuant to the Slovene legislation, employees are entitled to jubilee awards and termination benefits on retirement. When an employee fulfils the requirements set for retirement, he/she is entitled to termination benefits paid in a lump sum. Furthermore, employees are also entitled to jubilee awards for each full ten years of service with the same employer.

Financial liabilities

Financial liabilities comprise the amounts borrowed on the basis of loan contracts and debt securities issued. Deposits and liabilities to lessors arising from a finance lease can also be regarded as loans received.

Financial liabilities are divided into long-term liabilities if they are to be settled or repaid over a period longer than one year, and short-term.

Financial liabilities are initially recognised at amounts arising from the relevant documents which evidence the receipt of cash or a settlement of another liability. After initial recognition, they are measured at amortised costs using the effective interest method.

Operating liabilities

Operating liabilities are supplier credits for goods or services purchased, payables to employees for their work performed, liabilities to providers of funds arising from accrued interest and similar items, payables to the state arising from taxes, including the value added tax payable, and liabilities associated with the distribution of profit or loss. A specific class of operating liabilities are liabilities to customers arising from advances and collaterals received.

Operating liabilities are classified as long-term liabilities if their settlement is expected within a period of more than one year. Short-term liabilities comprise liabilities that have matured (but have not yet been settled) and those liabilities that mature within a period of one year.

On initial recognition, operating liabilities are measured at amounts arising from the relevant documents which evidence the receipt of a product or service, the work performed or costs accrued, or a share in profit or loss.

Short-term accrued costs and deferred revenue

Accrued costs and deferred revenue comprise short-term accrued costs or expenses and short-term deferred revenue. They are recognised at the amounts recorded in the relevant documents evidencing their incurrance and existence.

Among the short-term accrued costs, the Company discloses accrued, unpaid leave, which is **calculated based** on the unused days of leave and the average gross salary of the employee, and the unpaid excess hours on the last day during the period in question.

Revenue

Revenue is the increase in economic benefits during the accounting period in the form of increases in assets (for example, cash or receivables due to the sale of goods or services) or decreases in debts (for example, due to the failure to settle them). They affect the size of capital through profit or loss.

Revenues are classified into operating revenues, financial revenues and other revenues. Operating revenue and financial revenue are taken (or treated) as ordinary income.

Operating income is income from sales and other operating income related to business impact.

Sales revenue is revenue arising from contracts with customers for the sale of goods or services. Sales revenue is recognised on transfer (delivery) of contractually agreed goods or services to customers in the amount of consideration the Company expects to be entitled in exchange for those goods or services. Revenue is classified into the revenue from the sale of capitalised products and services and revenue earned from the sale of merchandise and materials. Amounts collected for the benefit of third parties, such as value-added tax and other duties levied on sales, are not included in the sales revenue. The same applies to the amounts collected for the benefit of a representative (sales revenue is only the part of the consideration due to the agent for the representation services provided).

The goods or services are transferred when the customer acquires (or is in the process of acquiring) control over those goods and services. The customer acquires control of goods item or service when they acquire the right to decide on its use and the right to virtually all of its residual benefits. Such control includes the ability to prevent others from directing the use of goods or services, and obtaining the benefits from them. Benefits from goods or services comprise potential cash flows (receipts or cost savings) that can be obtained in all manner of ways either directly or indirectly.

The organisation transfers control of the goods or services and thereby fulfils the

legal obligation, either at a specific time or gradually.

At the contract inception, an entity identifies all performance obligations contained in the contract. A stand-alone (separate) performance obligation is any obligation for the transfer of goods or services to a customer that:

- a) is identifiable as a separate performance obligation for the transfer of goods or services in accordance with criteria set in the SAS; and
- b) the customer is able to use the contractually agreed goods or services independently or together with other available or easily accessible resources (assets). The fact that an entity sells goods or services separately on a regular basis would, for example, indicate that the customer is able to use the goods or services independently or together with other readily available resources.

Revenue from the sales is recognised at an amount reflecting the transaction price allocated to the independent performance obligation. Transaction price is the amount of consideration an entity expects to be entitled to in exchange for the transfer of goods or services to a customer, exclusive of the amounts collected on behalf of third parties.

The management's review of the impact of the change in the accounting standards on revenue recognition concluded that the

change in the standards did not require any adjustments to the financial statements.

Rental income is recognised on a straight-line basis over the term of each lease agreement.

Other operating income includes revaluation gains arising from disposals of property, plant and equipment, intangible fixed assets and investment property as the excess of their sale value over their carrying amount, and revaluation gains relating to impaired receivables when they are paid and the write-off of trade debts. Other operating income also includes income from the reversal of provisions.

Financial income is generated in respect of financial investments and receivables. They are recognised irrespective of the revenues, unless there is reasonable doubt as to their size, maturity, and payability. They consist of accrued interest and shares in the profits of others, as well as revaluation financial income. They are broken down into financial revenue that is not dependent on the profit or loss of others (for example, interest received) and financial revenue that is dependent on the profit or loss of others (for example, dividends received).

Interest is charged in proportion to the period elapsed and according to the outstanding principal and applicable interest rate.

Financial income from profit-sharing is rec-

ognised when the right to receive payment is established.

Other revenue is unusual items and other income and is disclosed in the amounts actually incurred.

Costs of materials and services

The costs of materials and services are the quantities of services and direct materials consumed and of the portion of materials and services associated with production overheads, purchasing and selling overheads, and administrative overheads. They are classified according to primary types.

The costs of materials and services not held in inventories prior to their use are stated at actual amounts on the purchase of such materials and services. Material costs go directly to costs.

Labour costs and reimbursements to employees

Employee benefits and reimbursements are all forms of consideration given by an entity in exchange for services rendered by employees. These costs are recognised by an entity as its labour costs or as shares in expanded profit before stating its profit in the profit or loss. Earnings may also be as-

sociated with taxes which increase labour costs or the shares of employees in the extended profit.

On the balance sheet date, the Company accrues costs of vacation not utilised. Expected costs of accrued paid absences are measured as an additional amount which the Company expects to pay as a result of unutilised entitlement accrued as at the balance sheet date.

Employee benefits are accounted for in accordance with provisions of the Labour Act, collective agreement, general rules of the Company and employment contract.

Income tax

Tax assets or liabilities in respect of current taxes for present and past periods are measured at the amount the Company is expecting to pay to the tax authority or at the amount of tax credits. Current tax assets or receivables are measured based on the tax rates (and tax rules) in force at the balance sheet date. Income tax is charged at 19% of the tax base.

Deferred tax

Deferred tax assets and liabilities are accounted for using the balance sheet liability method. Only deferred assets and liabilities arising from temporary differences are recognised. A deferred tax asset is also recognised on account of unused tax losses and unused tax credits carried forward to the next period, if it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

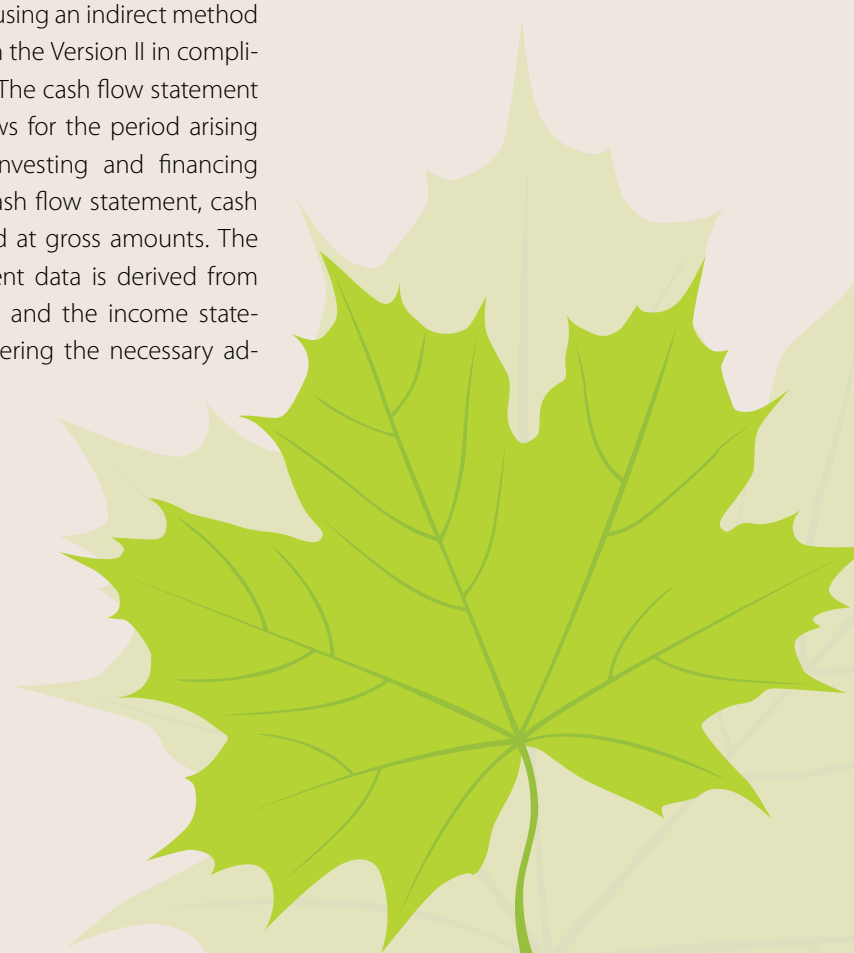
On the balance sheet date, deferred tax assets are revised and impaired on account of those tax assets for which it is no longer probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are recognised using the tax rate applicable when the asset is expected to be realised or liabilities settled. Tax rates (and tax legislation) enacted at the balance sheet date are used.

Deferred tax assets and liabilities arising from transactions recognised directly in equity should be recognised in equity.

Cash flow statement

The cash flow statement is a fundamental financial statement showing a true and fair view of changes in cash during the financial period under review. The cash flow statement is drawn up using an indirect method in accordance with the Version II in compliance with SRS 22. The cash flow statement discloses cash flows for the period arising from operating, investing and financing activities. In the cash flow statement, cash flows are disclosed at gross amounts. The cash flow statement data is derived from the balance sheet and the income statement data, considering the necessary adjustments.



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2.6.4. Net sales revenue

2.6.4. Net sales revenue	2023	in EUR 2022
1. Revenue from the sale of products	157,535,927	200,113,665
2. Revenue from the sale of services	11,154,360	10,761,038
3. Revenue from the sale of merchandise	3,733,273	4,382,771
4. Rental revenue	618,627	537,859
Total net sales revenue	173,042,187	215,795,334
Net sales revenue	2023	2022
a) Revenue from sales to local companies within the group	0	0
b) Revenue from sales to foreign companies within the group	1,899,792	1,599,218
c) Revenue from sales in the local market	71,895,683	83,843,584
č) Revenue from sales in foreign markets	99,246,712	130,352,532
Total net sales revenue	173,042,187	215,795,334

Operating income for the reporting period decreased compared to 2022 due to lower sales prices and lower sales volumes.

2.6.5. Other operating revenue including revaluation operating revenue and other revenues

2.6.5. Other operating revenue including revaluation operating revenue	2023	in EUR 2022
1. Revenue from recoveries of written-off receivables	221	217
2. Operating revenue from revaluation	595,857	94,509
3. Other operating revenue	1,147,074	294,648
Total other operating revenue	1,743,151	389,375
Other revenues	2023	2022
1. Revenue from grants, compensation	180,298	249,053
Total other revenue	180,298	249,053
Capitalised own products and services	2023	2022
1. Capitalised own products and services	10,043	7,200
Total capitalised own products and services	10,043	7,200

In the reporting year, the income from recoveries of written-off receivables amounts to EUR 221 (2022: EUR 217).

There is no revenue from the write-off of provisions arising from actuarial calculations in 2023 and 2022.

Revaluation gains resulted from the sale of fixed assets of EUR 31,000 and at the write-off of prior years' liabilities of EUR 564,857 totalling EUR 595,857 (2022 EUR 94,509).

During the reporting period, other operating revenue totalling EUR 1,147,074 (2022 EUR 294,648) includes revenue from excise duty refunds amounting to EUR 167,262 (2022 EUR 93,397) and revenue for subsidies received to assist the economy in the face of high ener-

gy prices due to the increase in energy prices EUR 979,812 (2022 EUR 180,000). There was no other revenue received as unconditional subsidies due to the exemption from the payment of accrued payroll contributions as a consequence of the State measures to assist the economy in the wake of the declaration of a coronavirus pandemic (SARS-CoV-2) (2022 EUR 21,251, all payroll contributions are accrued and shown as payroll costs, and the part of these contributions that was exempted is shown as revenue).

Other income received from compensation and other income amounts to EUR 180,298 in 2023 (2022: EUR 249,053).

Capitalised own products and services amount to EUR 10,043 in 2023 (2022: EUR 7,200).

2.6.6. Costs of goods, materials, and services

2.6.6. Costs of goods, materials, and services		in EUR
	2023	2022
1. Cost of goods sold	-131,199,849	-167,172,012
2. Costs of materials		
a) Energy costs	-5,035,960	-3,682,493
b) Cost of auxiliary materials	-548,706	-739,431
c) Costs of fixed asset spare parts	-1,064,203	-858,926
č) Write-off of small inventory	-68,752	-104,162
d) Other material costs	-175,050	-145,856
Total material costs	-6,892,672	-5,530,868
3. Cost of services		
a) Cost of means of transport	-6,789,175	-7,675,149
b) Cost of services related to the maintenance of fixed assets	-1,278,955	-1,207,653
c) Rent	-83,618	-96,662
č) Reimbursements of work-related costs to employees	-160,673	-145,603
d) Bank charges and insurance premiums	-718,905	-729,876
e) Costs of intellectual and personal services	-556,106	-636,387
f) Costs of trade fairs, advertising and entertainment	-182,641	-236,492
g) Service charges for casual labour	-88,105	-109,494
h) Cost of other services	-7,344,160	-9,580,383
Total costs of services	-17,202,337	-20,417,699
Total costs of goods, materials and services	-155,294,858	-193,120,580
Of which:		
1. Audit fees for the audit of the annual report	17,326	15,708

The Company is committed to auditing. The amount of the audit of the Company's annual report and the audit of the parent company's reporting package in 2023 amounted to EUR 16,190 and other assurance engagements – review of the report on relations with affiliated companies in accordance with Article 546 of the Companies Act ZGD-1 – amounted to EUR 1,136.

2.6.7. Labour costs

2.6.7. Stroški dela		in EUR
	2023	2022
1. Salary costs	-8,741,559	-8,566,279
2. Costs of social insurance	-675,965	-671,498
3. Retirement insurance costs	-773,628	-758,116
5. Other costs of labour	-2,240,048	-1,890,771
Total labour costs	-12,431,200	-11,886,663
Of which:		
1. Management Board members income	349,984	785,725
2. Receipts of employees on individual contracts	0	0

In 2023, we had hired workers as well as employees.

As of 31/12/2023, the Company as a user has 1 transferred worker (2022: 3 hired workers). The labour cost of hired employees in 2023 was EUR 88,459 (2022: EUR 153,303).

All remuneration of the Company's senior management is fixed and approved by the Company's owner. The Management does not receive insurance premiums, commissions, or other additional payments.

Number of employees by length of service in the Company	2023	2022
from 0 to 10 years	245	235
10 to 20 years	93	109
20 to 30 years	40	32
over 30 years	7	9
Total number of employees on the last day of the year	385	385
Average number of employees based on working hours in the accounting period	367.89	357.64

The number of employees on the last day of the year is 385, the same as at the end of the previous year. The average number of employees based on hours worked in the 2023 accounting period is 367.89 and 357.64 in 2022.

2.6.8. Write-offs

2.6.8. Write-offs		in EUR
	2023	2022
1. Depreciation of long-term intangibles	-17,372	-22,682
2. Depreciation of buildings	-983,376	-987,203
3. Depreciation of equipment, replacement parts and small tools	-3,420,944	-3,013,451
4. Depreciation of the right to use assets	-73,060	-91,252
5. Revaluated operating expenses associated with fixed assets	-8	-6,006
6. Impairment of inventories and receivables	-11,406	-8,022
Total write-offs	-4,506,165	-4,128,617

The increase in depreciation charged on property, plant and equipment is due to the activation of the new equipment in 2023.

2.6.9. Other operating expenses

2.6.9. Other operating expenses		in EUR
	2023	2022
1. Purpose of building land	-267,571	-250,268
2. Miscellaneous other costs	-476,287	-456,185
3. Other	-117,328	-81,466
Total other operating expenses	-861,186	-787,919

Among other operating expenses, the second largest cost is for the levy on the purpose of building land, which is EUR 267,571 in 2023 (EUR 250,268 in 2022). The cost of compensation for the destruction of hazardous and non-hazardous waste collected from customers, which we record among the miscellaneous other costs and which is EUR 476,287 in 2023 (EUR 454,067 in 2022), is the largest among the costs highlighted in this note. Other major costs that we classify as other operating expenses are the cost of royalties, membership fees, and miscellaneous contributions to associations amounting to 90,610 for the year 2023 (year 2022 EUR 60,359).

2.6.10. Costs by functional groups

2.6.10. Costs by functional groups		in EUR
	2023	2022
1. Cost of goods sold	-1,014,909	-1,046,769
2. Selling expenses	-171,295,037	-206,706,858
3. General and administrative expenses	-1,798,373	-2,170,151
Total costs by functional groups	-174,108,318	-209,923,778

2.6.11. Financial revenues

2.6.11. Financial revenues		in EUR
	2023	2022
1. Revenue from dividends and share of profits received	0	685,328
2. Interest income on loans granted within the Group	225,041	180,105
2. Income from other financial instruments in the Group	112,951	619,744
3. Interest revenue	66,353	291,707
4. Other financial revenues	36,807	20
Total financial revenue	441,152	1,776,904

Financial interest income in the Group is due to loans granted to the Group of EUR 225,041 (2022 EUR 180,105). Other major financial income in 2023 is generated from derivatives business of EUR 112,951 (2022: EUR 619,744), which are used to hedge against price fluctuations on the world market, and financial income from accrued delays in customer payments of EUR 66,353 (2022: EUR 84,928). Other financial income is also from exchange rate differences in foreign operations in foreign currency amounting to EUR 36,807 (2022: EUR 242,286). No dividend income received in 2023 (2022: EUR 685,328).

2.6.12. Financial expenses

2.6.12. Financial expenses		in EUR
	2023	2022
1. Financial expenses from loans received from banks	-260,357	-122,381
2. Financial expenses for leases taken out	-131,391	-44,624
3. Financial expenses for the interest on the right to use assets	-5,390	-7,325
4. Financial expenses – interest on late payments to suppliers	-34,164	-18,636
5. Financial expenses – exchange rate differences	-2,414	-174,969
6. Expenses on other financial instruments in the Group	-7,806	-603,229
7. Other financial expenses	-14,784	-13,468
Total financial expenses	-456,306	-984,633

Based on judgement and available information, the Management has assessed the fair values of the financial investments in 2023 and decided not to impair the investments (2022 EUR 0). For further details, see in note 2.6.18 Financial investments.

The financial expenses from loans received from banks in 2023 amounts to EUR 260,357 (2022 EUR 122,380).

Interest on leases in 2023 amounts to EUR 131,391 (2022: EUR 44,624). Interest on the rights to use borrowed funds in 2023 EUR 5,390 (2022 EUR 7,325).

Interest expense on late payments to suppliers EUR 34,164 (2022 EUR 18,636).

Expenses from exchange rate differences arising from foreign currency transactions in EUR 2,414 (2022 EUR 174,5969).

In 2023, financial expenses include derivatives of EUR 60,744 (2022 EUR 603,229), which are used to hedge price fluctuations in the global market. We have accrued EUR 52,938 of such financial expenses in 2022 and will reverse them when they are realised in 2023. We use derivative transactions only to hedge price and currency risks and not for speculative purposes.

2.6.13. Income tax

2.6.13. Income tax		in EUR
	2023	2022
1. Profit or loss before tax	1,807,238	7,226,734
2. Revenue adjusted to the tax recognised level	257,628	-685,545
3. Expenses adjusted to the tax recognised level	102,865	118,884
4. Tax allowances utilised	-1,334,291	-2,173,488
5. Tax losses utilised		
5. Other	-49,810	31,488
Total tax base	783,631	4,518,073
Calculated income tax (19%)	148,890	858,434
Effective tax rate	8%	12%

2.6.14. Deferred tax

2.6.14. Deferred tax		in EUR			
	Balance Sheet		Profit and loss statement		
	2023	2022	2023	2022	
Deferred tax assets					
1. Value adjustments on financial investments	79,586	68,733	10,853		0
2. Provisions	78,077	68,744	9,332		-4,578
Total deferred tax assets	157,663	137,478	20,185		-4,578
Deferred tax liabilities					
1. Revaluation of fixed assets	0	0	0		0
2. Revaluation of financial investments	0	0	0		0
Total deferred tax liabilities	0	0	0		0
Movement of deferred tax recognised in equity					
			2023	2022	
1. Opening balance			137,478	142,055	
2. Changes in deferred tax assets recognized in equity			20,185	-4,578	
3. Changes in deferred tax liabilities recognized in equity			0	0	
Total deferred tax recognized in equity			157,663	137,478	

Deferred taxes have been provided on significant items.

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We miss you
when you're not here

2.6.15. Intangible assets and long-term deferred costs

2.6.15. Intangible assets and long-term deferred costs						in EUR
2023	Long-term property rights	Long-term deferred development costs	Other intangible long-term assets	Long-term deferred costs and accrued revenues	Acquisitions in progress	Total
Purchase value						
1. Opening balance	650,971	0	65,484	97,063		813,518
2. Acquisitions	20,725		0	0		20,725
Closing balance	671,696	0	65,484	97,063	0	834,243
Value adjustment						
1. Opening balance	579,422	0	62,489	13,751		655,662
2. Amortisation and depreciation	17,577	0	245	4,853		22,675
Closing balance	596,999	0	62,733	18,604	0	678,336
Non-depreciable amount						
1. Opening balance	71,549	0	2,995	83,312	0	157,857
2. Closing balance	74,697	0	2,751	78,459	0	155,907
						in EUR
2022	Long-term property rights	Long-term deferred development costs	Other intangible long-term assets	Long-term deferred costs and accrued revenues	Acquisitions in progress	Total
Purchase value						
1. Opening balance	643,567	0	62,684	97,063		803,314
2. Acquisitions	7,404		2,800	0		10,204
4. Disposals		0	0		0	0
Closing balance	650,970	0.00	65,484	97,063	0	813,518
Value adjustment						
1. Opening balance	556,557	0	62,222	8,897		627,677
2. Amortisation and depreciation	22,865	0	267	4,853		27,985
3. Disposals	0	0	0		0	0
Closing balance	579,422	0	62,489	13,751	0	655,662
Non-depreciable amount						
1. Opening balance	87,010	0	462	88,166	0	175,638
2. Closing balance	71,549	0	2,995	83,312	0	157,856

Intangible assets do not have limited ownership rights or are not pledged as collateral for liabilities. No intangible assets are acquired with government support. All intangible assets are paid for and there is no contractual commitment for them.

2.6.16. Property, plant and equipment

2023	Owned buildings	Leased land with the right to use asset	Total buildings
Purchase value	34,342,413	549,395	34,891,808
Value adjustment	20,451,593	367,537	20,819,129
Current value	13,890,820	181,858	14,072,678

2022	Owned buildings	Leased land with the right to use asset	Total buildings
Purchase value	33,375,963	518,930	33,894,893
Value adjustment	19,468,217	294,477	19,762,694
Current value	13,907,747	224,453	14,132,200

2.6.16. Property, plant and equipment excluding right to use fixed assets

2023	Land	Buildings	Production equipment	Other equipment	Fixed assets under construction	Advances for fixed assets	Total
Purchase value							
1. Opening balance	8,243,681	33,375,963	54,701,798	2,084,972	1,016,223	123,428	99,546,065
2. Acquisitions	0	966,450	3,587,817	38,542	755,318	892,413	6,240,539
3. Transfer to use					-934,070		-934,070
4. Disposals	0	0	-1,948,586	-9,459		-773,102	-2,731,147
5. Other							0
Closing balance	8,243,681	34,342,413	56,341,029	2,114,055	837,471	242,740	102,121,387
Value adjustment							
1. Opening balance		19,468,217	38,453,737	1,757,581			59,679,535
2. Amortisation and depreciation		983,376	3,285,592	135,339			4,404,307
3. Disposals		0	-1,438,583	-9,286			-1,447,868
Closing balance	0	20,451,593	40,300,747	1,883,634	0	0	62,635,974
Non-depreciable amount							
1. Opening balance	8,243,681	13,907,747	16,248,061	327,391	1,016,223	123,428	39,866,531
2. Closing balance	8,243,681	13,890,820	16,040,282	230,421	837,471	242,740	39,485,414

2.6.16. Property, plant and equipment excluding right to use fixed assets

2022	Land	Buildings	Production equipment	Other equipment	Fixed assets under construction	Advances for fixed assets	Total
Purchase value							
1. Opening balance	8,243,681	33,324,522	50,914,097	2,189,163	118,831	119,948	94,910,241
2. Acquisitions	0	51,441	4,964,346	122,353	897,392	2,112,902	8,148,435
3. Transfer to use					0		0
4. Disposals	0	0	-1,176,646	-226,544		-2,109,422	-3,512,611
5. Other							0
Closing balance	8,243,681	33,375,963	54,701,798	2,084,972	1,016,223	123,428	99,546,065
Value adjustment							
1. Opening balance		18,481,013	36,728,777	1,850,170			57,059,960
2. Amortisation and depreciation		987,203	2,885,371	130,080			4,002,655
3. Disposals		0	-1,160,411	-222,669			-1,383,080
Closing balance	0	19,468,217	38,453,737	1,757,581	0	0	59,679,535
Non-depreciable amount							
1. Opening balance	8,243,681	14,843,509	14,185,320	338,993	118,831	119,948	37,850,281
2. Closing balance	8,243,681	13,907,747	16,248,061	327,391	1,016,223	123,428	39,866,531

Dinos d.o.o. has secured a long-term loan with pledged real estate.

No tangible assets are acquired with government support. All tangible assets are paid for and there is no contractual commitment for them.

No impairment was made at 31/12/2023, nor did we impair tangible and intangible fixed assets in 2023.

The Company has fixed assets insured by an insurance company.

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Drink plenty of water

2.6.17. Right to use leased assets

For the purposes of its own operations, the company owns various immovable property and equipment. The duration of the lease of immovable property is usually 10 years, for equipment, it is 4 to 5 years. The payment of the lessee's liabilities for the lease of assets is insured by the ownership of the lessor over these assets. In addition,

the Company's right to transfer and sublet leased assets is generally limited. In connection with a number of lease agreements, the Company has the option to extend or terminate the lease and the right to pay a variable portion of the lease.

The Company has entered into lease agreements for the rental of certain production equipment with lease terms of one year or less and also leases low-value equipment. To recognise liabilities from short-term leases and leases of low-value assets, the company uses an exception provided by the standard.

2.6.17. Right to use leased assets	Right to use of land	in EUR
2023		Total
Purchase value		
Opening balance on 1 January 2023	518,930	518,930
1. Increases – new leases or changed conditions	30,465	30,465
2. Decreases – interrupted leases or changed conditions		0
3. Disposals		0
4. Other		0
Closing balance	549,395	549,395
Value adjustment		
1. Starting date 1 January 2023	294,477	294,477
2. Amortisation and depreciation	73,060	73,060
3. Disposals		0
Closing balance	367,537	367,537
Non-depreciable amount		
1. Opening balance on 1 January 2023	224,453	224,453
2. Closing balance on 31 December 2023	181,858	181,858

2.6.17. Right to use leased assets	Right to use of land	Right to use equipment	in EUR
2022			Skupaj
Opening balance on 1 January 2022	518,930	355,498	874,428
1. Increases – new leases or changed conditions	0	119,659	119,659
2. Decreases – interrupted leases or changed conditions		-475,158	-475,158
3. Disposals		0	0
4. Other			0
Closing balance	518,930	0	518,930
Value adjustment			
1. Starting date 1 January 2022	223,183	355,463	578,646
2. Amortisation and depreciation	71,294	19,959	91,252
3. Disposals		-375,421	-375,421
Closing balance	294,477	0	294,477
Non-depreciable amount	224,453	0	224,453
1. Opening balance on 1 January 2022	295,747	35	295,782
2. Closing balance on 31 December 2022	224,453	0	224,453

Financial liabilities – LIABILITIES OF RIGHTS TO USE ASSETS		after maturity			in EUR
	2024	2025	2026-2028	2029	
2023	Up to 1 year	between 1 to 2 years	between 2 to 5 years	over 5 years	Total
Right to use land assets	16,705	1,327	4,174	0	22,207
The right to use assets and land – extended 2021	56,734	58,087	49,463	0	164,285
Right to use equipment	0	0	0	0	0
Total financial liabilities	73,439	59,415	53,637	0	186,491

Financial liabilities – LIABILITIES OF RIGHTS TO USE ASSETS		po zapadlosti			v EUR
	2023	2024	2025-2027	2028	
2022	Up to 1 year	between 1 to 2 years	between 2 to 5 years	over 5 years	Skupaj
Right to use land assets	1,267	2,688	4,078	1,425	9,458
The right to use assets and land – extended 2021	55,412	56,734	107,551	0.00	219,697
Right to use equipment	0	0	0	0	0
Total financial liabilities	56,679	59,422	111,629	1,425	229,154

Liabilities arising from the lease of rights to use assets		in EUR
As at	31/12/2023	31/12/2022
Long-term liabilities		
Liabilities arising from the lease of rights to use assets	113,052	172,476
Short-term liabilities		
Liabilities arising from the lease of rights to use assets	73,439	56,679
Total liabilities	186,491	229,154

Amounts recognised in profit or loss, associated with leases:		in EUR
	2023	2022
Depreciation of the rights of use	-73,060	-91,252
Interest costs on lease liabilities	-5,390	-7,325
costs related to short-term and low-value leases	-83,618	-96,662
Operating profit or loss	-162,067	-195,239

2.6.18. Financial investments

2.6.18. Financial investments	31/12/2023	31/12/2023	in EUR
Stocks and shares in group members	Value of the investment	Equity of the company	Net profit/loss
Long-term investments			
1. INVESTMENT IN DINEKO	7,500	4,439	-255
1. INVESTMENT IN EKODIN	7,500	4,964	3,868
Total long-term investments	15,000	9,403	3,612
Available-for-sale financial investments		31/12/2023	31/12/2022
Long-term investments			
1. Shares and interests for sale		2,506,572	2,506,572
Total long-term investments		2,506,572	2,506,572
Short-term investments			
1. Shares and interests for sale			
2. Bonds for sale			
3. Receivables and other financial assets held for sale			
Total short-term investments		0	0
Total available-for-sale investments		2,506,572	2,506,572
Movement in long-term investments in other companies	At cost	At fair value through other comprehensive income	Total
Opening balance on 1 January	2,506,572		2,506,572
Increases – purchases			
Reductions – sales (deletion from ownership)			
Impairment			
Reversal of impairment			
Revaluation to fair value			
Total long-term investments in other financial investment corporations 31/12/2023	2,506,572		2,506,572
Opening balance on 1 January	2,506,572		2,506,572
Increases – purchases			0
Reductions – sales			0
Impairment			0
Reversal of impairment			0
Revaluation to fair value			0
Total long-term investments in other financial investment corporations 31/12/2022	2,506,572		2,506,572

In accordance with the accounting policies adopted, as recorded in section Financial investments, under number 2.6.3., the investments shown in the report are classified as “available-for-sale financial investments and not held for trading by the Company”, valued at cost, as the fair value of these investments cannot be reliably estimated or the published market price is not derived from an active market. Based on the publicly available information collected, the Company's Management performed an impairment test on the investment, taking into account the impairment criterion set out in the following terms: “Due to the impairment, long-term investments are revalued if the investment is losing value and its estimated amortised cost is less than the carrying amount. The difference identified represents the revaluation financial expense relating to the long-term investment.”

As at 31/12/2023, the Company's Management performed an internal impairment assessment of the value of the investments at cost based on the financial data obtained from the companies in which we hold investments and other available information.

The investment in Unior d.d. did not get impaired in 2023. The investment is valued at cost as trading on the stock exchange is low, the market is inactive and does not reflect the true value of the investment. The stock market movement in the value of shares in

2023 did not exceed 20% compared to the last impairment in 2023. The value of the share on the last day of trading in 2023 is 17% higher than the book value (booked EUR 8.60/share, last trading price in 2023 EUR 10.10/share).

As at 31/12/2023, the Management was not able to reliably estimate the fair value of the investment in Štore Steel d.o.o. as the price of the capital interest is not quoted on a stock exchange and the calculation of the fair value of the minority interest cannot be reliably estimated in the absence of reliable information. The investment is valued at cost and is assessed annually for indicators of impairment, which are not identified by the Management as at 31/12/2023.

Financial investments are classified as available-for-sale. We have joined the sales consortium for the financial investment in Štore Steel.

The Company's investments in Group companies are not impaired in 2023.

2.6.19. Financial investments and loans given

2.6.19. Financial investments and loans given		in EUR
Short-term financial investments	31/12/2023	31/12/2022
Short-term financial investments		
1. Short-term financial investments excluding loans		
a) Stocks and shares in the companies within the Group		
b) Shares and stakes in associates		
c) Other shares and stakes		
č) Other short-term investments	0	35,507
Total short-term investments, excluding loans	0	35,507

Loans granted to Group companies	Interest rate	Maturity	31/12/2023	31/12/2022
Long-term loans				
1. CTG loan – 3,000,000.00	6.000%	30/06/2025	3,090,740	0
Total long-term loans			3,090,740	0

Issued short-term loans				
1. SRG loan – 2,000,000.00	6.000%	26/06/2024	42,411	0
2. CTG loan – 3,000,000.00	6.000%	30/06/2025	0	3,045,370
Total short-term loans			42,411	3,045,370
Total loans given to Group companies			3,133,151	3,045,370

At the end of 2023, there are no open positions for forward contracts – derivatives at fair value through profit or loss (2022 EUR 35 thousand) among short-term investments.

A short-term loan of EUR 3 million was granted to CTG Group company in 2022 and extended in 2023 until maturity on 30/06/2025, and is therefore monitored in

2023 as a long-term loan. As at 31/12/2023, the accrued interest balance is EUR 90 thousand (2022: EUR 45 thousand).

The second short-term loan to the affiliated company SCHOLZ RECYCLING GmbH, granted in 2023, has been fully repaid and the accrued interest of EUR 42 thousand as at 31/12/2023 has been settled in 2024.

2.6.20. Inventories

2.6.20. Inventories		in EUR
Inventories	31/12/2023	31/12/2022
1. Material	11,606,495	10,499,191
2. Unfinished products		
2. Products and merchandise	17,685	98,203
3. Advances for inventories	155,368	295,486
Total inventories	11,779,548	10,892,880
		in EUR
Change in inventories:	2023	2022
– inventory surpluses	1,043,316	984,745
– inventory deficits	255,556	207,312

The value of inventories is represented by inventories of materials, products, and merchandise and advances made against inventories.

The carrying amount of inventories at 31/12/2023 is not greater than their net realisable value, the inventory turnover ratio is 11.8 in 2023 (14 in 2022).

All Dinos d.o.o. sites have been subject to regular inventories in 2023 and monthly check weighings are carried out during the year. Inventory differences are due to weath-

er impacts and the work process. In 2023, the inventory identified an inventory surplus of EUR 1,043,316 (2022: EUR 984,745) and an inventory deficit of EUR 255,556 (2022: EUR 207,312).

The Company does not write down inventories due to changes in quality and value. The value of inventories is not pledged by the Company as security for liabilities.

The Company has inventories insured with a property insurance company.

2.6.21. Operating receivables

2.6.21. Operating receivables		in EUR
Operating receivables	31/12/2023	31/12/2022
Long-term operating receivables		
1. Long-term operating receivables to others	0.00	0.00
Total long-term operating receivables	0.00	0.00
Short-term trade receivables		
1. Short-term operating receivables due from companies within the group	142,204	1,527
2. Short-term operating receivables from associates	0	0
3. Short-term operating receivables towards customers	28,085,104	23,060,550
4. Interest receivable	211,729	114,606
5. Dividends and profit shares	0	0
6. Receivables from government and other institutions	2,953,981	2,647,103
7. Other advances and collateral	51,544	7,370
8. Other short-term receivables	0	5
Total short-term trade receivables	31,444,562	25,831,160
Total operating receivables	31,444,562	25,831,160

Trade receivables by maturity	31/12/2023	31/12/2022
– not due yet	76.49%	78.28%
– overdue up to 30 days	20.46%	18.74%
– overdue up to 60 days	0.98%	1.94%
– overdue up to 90 days	0.37%	0.55%
– overdue up to 120 days	0.11%	0.15%
– overdue over 120 days	1.59%	0.34%
Total	100.00%	100.00%

Accounts receivable collateralisation	31/12/2023	31/12/2022
1. Secured trade receivables	76.62%	75.12%
2. Unsecured trade receivables	23.38%	24.88%
Total	100.00%	100.00%

2.6.22. Cash and cash equivalents

2023	Opening balance	Formation	Reversal	Closing balance
Changes of value adjustments for receivables	01/01/2023			31/12/2023
1. Value adjustment of receivables	-232,070	152,209	9,860	-89,721
Total value adjustments to receivables	-232,070	152,209	9,860	-89,721

2022	Opening balance	Formation	Reversal	Closing balance
Changes of value adjustments for receivables	01/01/2022			31/12/2022
1. Value adjustment of receivables	-240,052	10,078	2,096	-232,070
Total value adjustments to receivables	-240,052	10,078	2,096	-232,070

Receivables insured with a credit insurance company are insured up to 90%.

The final balance of the value adjustment for receivables at 31/12/2023 is EUR 89,721.23 (year 2022 EUR 232,070.24).

2.6.22. Cash and cash equivalents		in EUR
Cash and cash equivalents	31/12/2023	31/12/2022
1. Cash – cash in hand	70,983	75,773
2. Cash on transaction accounts	1,252,553	1,216,649
Total cash	1,323,536	1,292,422

For current solvency purposes, loans with an automatic borrowing facility – revolving – are taken out with two Slovenian banks for EUR 3,000,000 (2022: EUR 2 million) and for EUR 5,000,000 (2022: EUR 4 million). As at 31/12/2023, the revolving credit facility was drawn down by EUR 4,500,000 (no drawdown as at 31/12/2022).

2.6.23. Short-term deferred costs and accrued revenue

2.6.23. Short-term deferred costs and accrued revenue		in EUR
	31/12/2023	31/12/2022
Short-term deferred costs and accrued revenue	69,526	59,895
Total short-term active accruals	69,526	59,895

The major items of short-term deferred costs and accrued revenues at 31/12/2023 are accrued royalties, membership fees, insurances, and other accrued and prepaid liabilities amounting to EUR 14,339.31 (in 2022 EUR 16,818.26), heating energy costs of EUR 1,150.43 (2022 EUR 874.72), deferred spare parts costs of EUR 13,478.40 (2022 EUR 7,121.67), and accrued customer debit notes of EUR 37,687.04 (2022 EUR 0.00).

2.6.24. Equity

2.6.24. Equity				in EUR
Capital	31/12/2022	Increase	Decrease	31/12/2023
1. Share capital	2,279,668	0	0	2,279,668
2. Capital reserves	9,740,278	0	0	9,740,278
3. Profit reserves	13,530,308	0	0	13,530,308
4. Revaluation surplus	69,202	-68,586	9,868	-9,252
5. Net profit or loss brought forward	21,086,184	6,373,591	0	27,459,775
6. Net profit/loss for the fiscal year	6,363,722	1,678,533	6,363,722	1,678,533
Total capital	53,069,363	7,983,538	6,373,591	54,679,311

		in EUR
Distributable profit	31/12/2023	31/12/2022
1. Net profit or loss for the financial year	1,678,533	6,363,722
2. Net profit or loss brought forward	27,459,775	21,086,184
3. Reduction of profit reserves	0	0
4. Increase of capital reserves (legal, statutory) after the decision of the company management	0	0
5. Increase of other reserves from profit by the decision of the company management	0	0
Total balance sheet profit	29,138,309	27,449,907

	in EUR
Capital reserves	31/12/2023
1. Share premium account	9,740,278
Total capital reserves	9,740,278

Ownership capital structure:

Owner	Ownership share
Scholz International Holding GmbH	100.00%
TOTAL	100.00%

Scholz International Holding GmbH is the sole shareholder with 100% of the capital in Dinos d.o.o.

The capital consists of 100% of the shares of one shareholder.

Other reserves are taken from the balance-sheet profit and are created by a resolution of the shareholder.

The main change in capital in 2023 relates to the net profit for the year of EUR 1,678,533 (2022 EUR 6,363,722). The net profit for the year at 31/12/2023 remains unallocated.

2.6.25. Provisions and long-term accrued costs and deferred revenues

2.6.25. Provisions and long-term accrued costs and deferred revenues	in EUR	
	31/12/2023	31/12/2022
Provisions for pensions and similar liabilities		
1. Termination benefits on retirement	670,378	566,493
2. Jubilee awards	246,480	215,240
Total provisions for pensions and similar liabilities	916,858	781,733
Long-term accruals and deferred income	0	0
Total provisions and long-term accrued costs and deferred revenue	916,858	781,733

An actuarial recalculation of the provision for jubilee awards and retirement benefits in accordance with IAS 19 has been carried out by a certified actuary on the status of employees as at 31/12/2023.

	in EUR				
	Opening balance	Absorption	Formation	Reversal	Closing balance
Movement in provisions	01/01/2023				31/12/2023
1. Termination benefits on retirement	566,493	87,676	164,185	-27,375	670,378
2. Jubilee awards	215,240	16,395	47,635	0	246,480
Total provisions for pensions and similar liabilities	781,733	104,072	211,821	-27,375	916,858

	in EUR				
	Opening balance	Absorption	Formation	Reversal	Closing balance
Movement in provisions	01/01/2022				31/12/2022
1. Termination benefits on retirement	573,952	35,388	27,929	0	566,493
2. Jubilee awards	197,857	12,798	30,181	0	215,240
Total provisions for pensions and similar liabilities	771,809	48,186	58,110	0	781,733

Assumptions used in the calculation:

- The average salary growth of the Company is estimated at 3.50% for 2023 and 3.50% for 2022, according to the actuary's estimate of long-term salary growth.
- The calculation of the liability for severance payments is linked to the pensionable service of the individual employee and, in addition, to the service duration completed with the Company at the time of retirement.
- The discount rate is estimated at 3.20% for 2023 and 4.10% for 2022, in accordance with the provisions of SAS 10.
- The mortality table for the population of Slovenia in 2007 is taken into account.
- The number of employees covered by the accounts at the balance sheet cut-off date is 381.
- Total years of service and years of service of an individual with the same employer at the balance sheet date,
- Amount of jubilee awards and termination benefits in accordance with the relevant collective agreement,
- Staff turnover.

2.6.26. Financial liabilities

2.6.26. Financial liabilities	po zapadlosti			in EUR
	2024	2025-2027	2028	
2023	between 1 to 2 years	between 2 to 5 years	over 5 years	Total
Loans received (short-term and long-term part)				
Bank loans	1,400,000	2,566,667	0	3,966,667
Bank revolving loans	4,500,000	0	0	4,500,000
Liabilities from financial leases				
Financial lease liabilities	833,968	1,850,387	128,534	2,812,889
Other financial liabilities				
Derivative financial instruments at fair value through profit or loss	0	0	0	0
Total financial liabilities	6,733,968	4,417,053	128,534	11,279,555

2022	2023	2024-2026	2027	
	between 1 to 2 years	between 2 to 5 years	over 5 years	Total
Loans received (short-term and long-term part)				
Bank loans	1,400,000	3,966,667	0	5,366,667
Bank revolving loans	5,100,000			5,100,000
Liabilities from financial leases				
Financial lease liabilities	762,075	1,177,478	120,518	2,060,071
Other financial liabilities				
Derivative financial instruments at fair value through profit or loss	52,938	0	0	0
Total financial liabilities	7,315,013	5,144,145	120,518	12,526,738

Long-term loans received at 31/12/2023 are obtained from banks in Slovenia.

The long-term loan is secured by real estate. The annual interest rate on the long-term loan we are financing is 1.30%, plus three-month EURIBOR deposit interest rate.

The average annual interest rate on revolving loans is 1.15%, for one of the banks the interest rate is nominal and for the other it is increased by the one-month EURIBOR deposit interest rate. They are secured by bills of exchange and real estate.

Finance leases are secured by bills of exchange and bear an average annual interest rate of 1.85% plus three- or six-month EURIBOR deposit interest rate.

Other financial commitments in 2022 include commitments at the last day of the year. For derivatives at fair value through profit or loss used to hedge the cost of materials, there were no open transactions at the end of 2023 and therefore no liabilities are reported.

Water Teaches Us ...
Find a way
around obstacles

2.6.27. Operating liabilities

2.6.27.	EUR	
Operating liabilities	31/12/2023	31/12/2022
Short-term trade liabilities		
1. Short-term operating liabilities to group companies	22,261	17,322
2. Short-term operating liabilities to associates	0	0
3. Short-term operating liabilities to suppliers	19,875,512	18,604,581
4. Interests	25,983	15,266
5. Payables to the state and state institutions	386,255	351,564
6. Liabilities to employees	601,883	568,015
7. Short-term trade payables on advances	10,390	12,500
8. Other short-term liabilities	14,277	11,356
Total short-term trade liabilities	20,936,561	19,580,604
Total operating liabilities	20,936,561	19,580,604
Supplier payables by maturity	31/12/2023	31/12/2022
– not due yet	79.04%	86.70%
– overdue up to 30 days	20.68%	13.22%
– overdue up to 60 days	0.16%	0.02%
– overdue up to 90 days	0.00%	0.00%
– overdue up to 120 days	0.01%	0.01%
– overdue over 120 days	0.11%	0.05%
Total	100.00%	100.00%

The most important item among trade payables is the payable to suppliers, which increased by 7% in compared to 2022. The biggest factor behind the increase in payables to suppliers is the 8% increase in end-of-year inventories compared to the end of the previous year.

2.6.28. Short-term accrued costs and deferred revenues

2.6.28. Short-term accrued costs and deferred revenue		in EUR
	31/12/2023	31/12/2022
1. Untaken leave	276,170	270,415
2. Short-term accrued costs and deferred revenue	1,810,142	2,593,136
Total short-term accrued costs and deferred revenue	2,086,313	2,863,551

2023	Opening balance	Formation	Reversal	Closing balance
Changes in accrued revenue and deferred costs	01/01/2023			31/12/2023
1. Pre-calculated costs	-1,020,633	-2,657,168	3,320,052	-357,748
2. Accrued labour costs	-897,258	-29,393	0	-926,651
3. Accrued unused annual leave from the previous year	-270,415	-254,638	248,883	-276,170
4. Deferred income for liabilities related to contracts with customers	-622,307	-3,029,757	3,126,321	-525,743
5. IFI lease for price hedging not yet expired	-52,938	0	52,938	0
Total value adjustments to receivables	-2,863,551	-5,970,955	6,748,193	-2,086,313

2022	Opening balance	Formation	Reversal	Closing balance
Changes in accrued revenue and deferred costs	01/01/2022			31/12/2022
1. Pre-calculated costs	-549,533	-4,331,963	3,860,863	-1,020,633
2. Accrued labour costs	-824,682	-709,220	636,644	-897,258
3. Accrued unused annual leave from the previous year	-180,964	-420,796	331,344	-270,415
4. Deferred income for liabilities related to contracts with customers	-698,094	-3,111,574	3,187,360	-622,307
5. IFI lease for price hedging not yet expired	0	-52,938	0	-52,938
Total value adjustments to receivables	-2,253,272	-8,626,491	8,016,212	-2,863,551

The most significant short-term accrued costs and deferred revenue at 31/12/2023 are accrued expenses of EUR 357,748 (2022 EUR 1,020,633), accrued labour costs of EUR 926,651 (2022 EUR 897,258), accrued unused annual leave of the previous year of EUR 276,170 (2022 EUR 270,415), and deferred

income for liabilities related to contracts with customers of EUR 525,743 (2022 EUR 622,307). The liability accrued in 2022 for the unexpired year-end transactions for the lease of financial instruments for price hedging of EUR 52,938 was reversed in 2023.

2.6.29. Transactions with related companies

2.6.29. Transactions with related companies		in EUR
Sales and procurement	2023	2022
Sales to Group companies:		
1. CHIHO-TIANDE (HK) Ltd	180,000	180,000
2. SCHOLZ RECYCLING GmbH	888,289	648,783
3. SCHROTT UND METALLHANDEL M. KATTSCH	964,887	267,223
4. SCHROTT-WALTNER Ges.m.b.H.	165,965	315,301
5. SRW METALFLOAT GmbH	74,151	946,456
6. EKODIN D.O.O.	0	105
Total sales to Group companies	2,273,291	2,357,868
Purchases from Group companies		
1. FRITZ KUTTIN GmbH	0	125,388
2. SCHOLZ MANAGEMENT SERVICE GmbH	60,000	60,000
3. SCHROTT UND METALLHANDEL M. KATTSCH	0	238,647
4. SCHOLZ RECYCLING GmbH	95,090	581,231
5. SCHROTT-WALTNER Ges.m.b.H.	103,798	327,013
6. SRW METALFLOAT GmbH	54,791	321,408
7. SCHOLZ RECYCLING KFT.	190,194	0
8. KOVOŠROT GROUP CZ s.r.o.	0	8,212
9. REMATHOLDING Co. S.r.L.	0	17,408
10. SCHOLZ ROHSTOFFHANDEL GmbH	85,711	0
Total purchases from Group companies	589,584	1,679,308

Receivables and payables	2023	in EUR 2022
Trade receivables due from Group companies		
1. CHIHO-TIANDE (HK) Ltd	90,740	45,370
2. SCHOLZ RECYCLING GmbH	184,615	1,526
Total receivables due from Group companies	275,355	46,896
Liabilities to group companies		
1. SCHOLZ RECYCLING GmbH	0.00	17,322
1. SCHOLZ RECYCLING KFT.	22,261	0
Total liabilities to Group companies	22,261	17,322

Loans and receivables		in EUR
Loans from Group companies	2023	2022
1. CHIHO-TIANDE (HK) Ltd	3,000,000	3,000,000
2. SCHOLZ RECYCLING GmbH	0	0
Total loans to group companies	3,000,000	3,000,000

The company received appropriate refunds for all transactions which have been conducted with companies in the group, and was not deprived on the basis of these transactions. The Company has not been directed by its parent companies to enter into any legal transactions for which it has been prejudiced and has not been compensated for any such prejudice.

2.6.30. Off-balance-sheet liabilities

2.6.30. Off-balance-sheet liabilities	2023	in EUR 2022
Liens on real estate	7,466,667	11,366,667
Guarantees granted	6,921,425	4,103,136
Building rights	1,003	1,003
Total	14,389,095	15,470,806

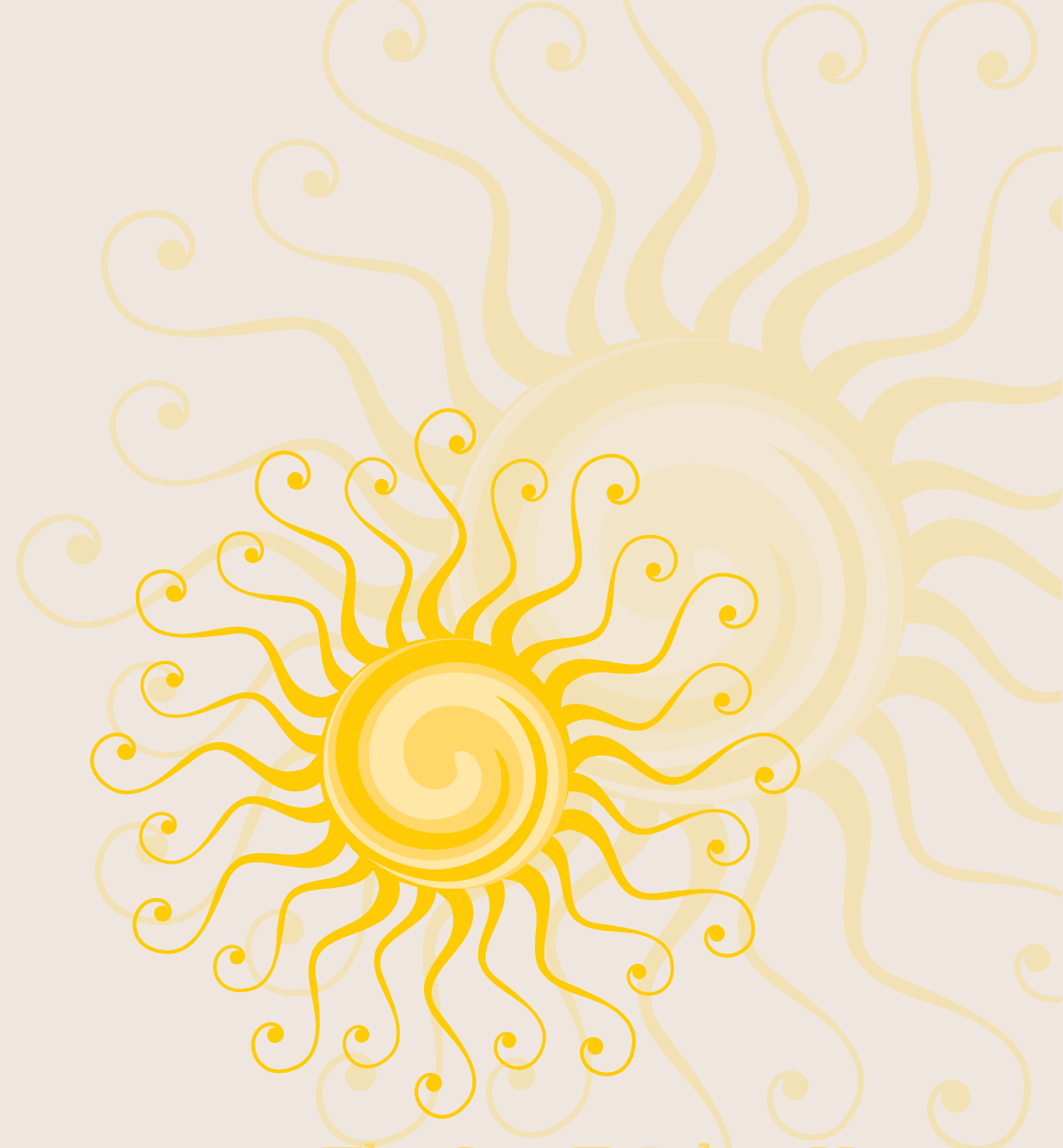
2.6.31. Events after the balance sheet date

We are operating according to plan. Prices on the steel scrap market have shown a renewed upward trend. After price volatility in 2023, the trend stabilised in Q2 2024, with copper reaching record highs, driven by expected spending on electrification and the green transition, along with stock market speculation. Prices in other programmes remain stable and have not changed significantly since the end of last year.

We have extended and increased a revolving credit facility.

The economy is following the macro economic picture, with inflation moderating, facing staff shortages and pressure for higher wages.

We believe that no events have occurred after the balance sheet date which could impact the financial statements and as a result of which additional procedures would have to be performed to determine whether those events were accurately presented in these financial statements.



The Sun Teaches Us ...
Spread light

3. Independent Auditor's Report



Nature Teaches Us ...

Recycling one ton of paper saves 17 mature trees.

Dispose of plastic properly, and nature will thank you.

Recycling one aluminum can saves enough energy to watch TV for several hours.



Building a better
working world

This is a translation of the original report in Slovene language

INDEPENDENT AUDITOR'S REPORT

To the Owners of DINOS d.o.o.

Opinion

We have audited the financial statements of DINOS d.o.o. (the Company), which comprise the balance sheet as at 31 December 2023, the income statement, the statement of other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the DINOS d.o.o. as at 31 December 2023 and its financial performance and its cash flows for the year then ended in accordance with Slovenian Accounting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those rules are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Slovenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Other information

Other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. Management is responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

Responsibilities of management for the financial statements

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

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



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Auditor's responsibilities for the audit of the financial statements


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

As part of an audit in accordance with audit rules, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

Ljubljana, 19.7.2024


Simon Podvinski
Partner, certified auditor
Ernst & Young d.o.o.
Dunajska 111, Ljubljana


Spela Stopar Kobilč
Certified Auditor

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