

M KESH MAKEDONIJA
DOOEL SKOPJE

Financial statements for the year ending on
31.12.2022 and
Independent auditor's opinion

GLOBAL GROUP CONSULTING DOO Skopje
Str. Todor Panica no. 7/1-15 Skopje
audit@globalgroup.mk
02/5126-533

M KESH MAKEDONIJA DOOEL SKOPJE

CONTENT

INDEPENDENT AUDITOR'S REPORT	2
1. STATEMENT OF COMPREHENSIVE INCOME	5
2. FINANCIAL STATEMENT	6
3. CASH FLOW STATEMENT	7
4. STATEMENT OF CHANGES IN SHARE CAPITAL	8
5. NOTES TO THE FINANCIAL STATEMENTS	9

ATTACHMENTS:

- Current status of the entity
- Final account
- Annual report on operations



M KESH MAKEDONIJA DOOEL SKOPJE

AUDIT
GLOBAL
GROUP
CONSALTING

GLOBAL GROUP CONSULTING DOO Skopje
Registered office: str. Todor Panica no. 7/1-15 Skopje,
TIN: MK4058018530158
02/5126-533, ☎ 078/332-350
audit@globalgroup.mk, www.globalgroup.mk
Account: 200003332266115 Stopanska banka AD Skopje

INDEPENDENT AUDITOR'S REPORT

TO
The owner of
M KESH MAKEDONIJA DOOEL Skopje
Str. Pajak no. 9 Skopje - Center

Financial statements report

We have audited the attached financial statements of the Financial Company M Kesh DOOEL Skopje (hereinafter: "the Company"), which include the Statement of Financial Position (balance sheet) as of 31.12.2022, the Statement of Comprehensive Income, the Cash Flow Statement as well as the Statement of changes in share capital, for the year ending on the mentioned date, as well as the review of significant accounting policies and other notes.

Management's responsibility for the financial statements

The management is responsible for the preparation and objective presentation of these financial statements in accordance with the accounting standards accepted in the Republic of North Macedonia and the internal control deemed necessary by the management for the preparation of the financial statements that do not contain any material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Law on Auditing of the Republic of North Macedonia and the International Standards on Auditing published in the Republic of North Macedonia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements do not contain any material misstatement.

An audit includes performing procedures to obtain audit evidence regarding the amounts and disclosures in the financial statements. The selected procedures depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial



statements, whether due to fraud or error. In assessing these risks, the auditor considers the internal control relevant to the preparation and objective presentation of the Company's financial statements for the purpose of designing audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

The audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis of disclaimer of opinion

As stated in Note 17 to these financial statements, as of December 31, 2022, the receivables from advance payments to suppliers amount to MKD 11,742 thousand. The result of the performed verification of receivables for given advances to suppliers, as well as the implemented other alternative audit procedures, did not allow us to gain reasonable assurance regarding the validity and accuracy of the recorded value of receivables from given advances to suppliers of the Company with status as of December 31, 2022. The activities undertaken by the Company to reconcile the situations are still in progress and therefore the auditor is not able to quantify the value of underestimated / overestimated receivables from given advances.

As stated in Note 22 to these financial statements, as of December 31, 2022, liabilities to suppliers amount to MKD 11,580 thousand. The result of the performed verification of liabilities to suppliers, as well as the implemented other alternative audit procedures, did not allow us to gain reasonable assurance regarding the validity and accuracy of the recorded value of liabilities to suppliers of the Company, with status as of December 31, 2022. The activities undertaken by the Company to reconcile the situations are still in progress and therefore the auditor is not able to quantify the value of the underestimated / overestimated liabilities to suppliers.

Disclaimer of opinion

Except for the possible effects of the matter referred to in the paragraph Basis of disclaimer of opinion, the financial statements objectively present, in all material aspects, the financial situation of the Financial Company MKESH Makedonija DOOEL Skopje, as of December 31, 2022, as well as its financial performance and its cash flows for the year ending on that date in accordance with the accounting standards applied in the Republic of North Macedonia.

Report on other legal and regulatory requirements

The management of the company is also responsible for preparing the annual report on the operations in accordance with Article 384 of the Law on Commercial Companies ("Official Gazette of RNM No. 28/2004...215/2021").

It is our responsibility to express an opinion on the consistency of the Annual Report, with the historical financial information published in the annual account and the individual financial statements of the Company with the balance of and for the year ending on December 31, 2022, in accordance with IAS 720, as well as in accordance with the requirements of article 34, paragraph 1 point e) of the Audit Law ("Official Gazette of RNM No. 158/2010...83/2018").

It is our opinion that the historical financial information presented in the Annual Report on the operations of the Company with the balance of and for the year ending on December 31, 2022, are consistent, in all material aspects, with the information published in the annual account and the individual financial statements of the Company with the balance of and for the year ending on December 31, 2022,

Skopje, 29.05.2023
Certified auditor
Simona Pavlovska
(signed)

GLOBAL GROUP KONSALTING DOO Skopje
Manager
Jani Pavlovski
(signed) (official seal)

M KESH MAKEDONIJA DOOEL SKOPJE

1. STATEMENT OF COMPREHENSIVE INCOME

For the period 01.01- 31.12.2022

	Note	In thousands of denars	
		2022	2021
Operating expenses			
Cost of raw materials	6	9,733	6,481
Services with a character of material costs	7	65,259	59,841
Other operating expenses	8	31,066	17,551
Staff costs	9	100,213	72,124
Depreciation of tangible and intangible assets	10	3,787	2,812
Value adjustment, devaluation of current assets	11	89,051	73,628
Other operating expenses	12	18,975	13,235
Total operating expenses		318,084	245,672
Financial income	13	<u>437,335</u>	<u>334,185</u>
Financial expenses	14	3,656	9,322
Profit (loss) before tax	15	115,595	79,191
Deferred tax assets		115,595	79,191
Profit tax		(23,511)	(17,520)
Net profit (loss) for the period		92,084	61,671

The notes to the financial statements are an integral part of these financial statements and should be read in conjunction therewith

Financial statements shown on pages 5 to 34 were accepted and approved by the management of the Company on: 15.03.2023

Approved by
Authorized person
Bjanka Katru
(signed)

Official seal
M KESH MAKEDONIJA DOOEL SKOPJE



M KESH MAKEDONIJA DOOEL SKOPJE

2. FINANCIAL STATEMENT

Balance on 31.12.2022

	Note	In thousands of denars	
		On December 31	
		2022	2021
ASSETS			
Non-current assets			
Intangible assets	16		11
Tangible assets	16	8,984	8,359
Total non-current assets		8,984	8,370
Current assets			
Short-term receivables	17	31,729	6,945
Short-term financial assets	18	158,814	155,904
Cash and cash equivalents	19	38,610	23,912
Total current assets		229,153	186,761
Accrued expenses and accrued income (AVR)	20	1,673	486
TOTAL ASSETS: ASSETS		239,810	195,617
SHARE CAPITAL AND RESERVES	24		
Share capital		36,993	30,844
Mandatory reserves		3,084	616
Accumulated profit		69,164	9,961
Deferred loss		(29,473)	(29,473)
Profit/Loss for the year		92,084	61,671
Total share capital and reserves		171,852	73,619
LIABILITIES			
Long-term liabilities	21	6,122	66,327
Short-term liabilities	22	58,796	52,505
Total liabilities		64,918	118,832
Deferred payment of accrued expenses and accrued income (PVR)	23	3,040	3,166
TOTAL SHARE CAPITAL, RESERVES AND LIABILITIES: LIABILITIES		239,810	195,617

The notes to the financial statements are an integral part of these financial statements and should be read in conjunction therewith

Financial statements shown on pages 5 to 34 were accepted and approved by the management of the Company on 15.03.2023.

Approved by
Authorized person
Bjanka Katru
(signed)

Official seal
M KESH MAKEDONIJA DOOEL SKOPJE

3. CASH FLOW STATEMENT
December 31, 2022

DESCRIPTION	2022	2021
Profit/Loss	92,084	61,671
Depreciation	3,787	2,812
Income from interest and exchange rate differences	(437,335)	(334,186)
Expenses from interest and exchange differences	3,647	9,322
Operating Result	(337,817)	(260,381)
Supplies	-	-
Receivables from unrelated customers	(3,716)	263
Receivables from related customers	-	-
Other receivables	(21,068)	(4,714)
Active temporal distinctions	(1,187)	196
Long-term receivables	-	-
Obligations to unrelated suppliers	10,514	(1,973)
Obligations to related suppliers	(17,402)	8,720
Other obligations	13,179	13,399
Long-term liabilities	-	(14,966)
Long-term reservations	-	-
Passive temporal distinctions	(126)	1,108
Total operating activities	(357,624)	(258,348)
Investments in PP&E	(4,401)	(4,590)
Long-term investments	6,150	(18,508)
Short-term investments	(2,910)	(81,527)
Paid dividends	-	-
Total investment activities	(1,161)	(104,625)
Long-term loans	(60,205)	55,834
Short-term loans	-	-
Interest charged	437,335	334,186
Interest paid	(3,647)	(9,322)
Total financial activity	373,483	380,698
Cash flow for the current year	14,698	17,725
Cash at the beginning of the year	23,912	6,187
Cash at the end of the year	38,610	23,912

The notes to the financial statements are an integral part of these financial statements and should be read in conjunction therewith

Financial statements shown on pages 5 to 34 were accepted and approved by
the management of the Company on 15.03.2023

Approved by
Authorized person
Bjanka Katru
(signed)

Official seal
M KESH MAKEDONIJA DOOEL SKOPJE

4. STATEMENT OF CHANGES IN SHARE CAPITAL

December 31, 2022

	Description	Registered Capital	Mandatory reserves	Accumulated profit	Deferred loss	Profit for the current year	TOTAL
1	Balance on 31.12.2021	30,843	617	9,961	(29,474)	61,671	73,619
2	Shares issued for money						-
3	Repurchased own shares						-
4	Sold repurchased own shares						-
5	Profit transfer			61,671		(61,671)	-
5	Transfer of accumulated profit		2,467	(2,467)			-
7	Profit for the current year					92,084	92,084
8	Loss for the current year						-
9	Recorded increase in CRM	6,150					6,150
10	Recorded decrease in CRM						-
11	Remaining increase/decrease						-
12	Dividends						-
13	Balance on 31.12.2022	36,99	3,084	69,165	(29,474)	92,084	171,853

The notes to the financial statements are an integral part of these financial statements and should be read in conjunction therewith

Financial statements shown on pages 5 to 34 were accepted and approved by the management of the Company on 15.03.2023

Approved by
Authorized person
Bjanka Katru
(signed)

Official seal
M KESH MAKEDONIJA DOEL SKOPJE



5. NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

1. General information of the Company

The Financial company M KESH MAKEDONIJA DOOEL Skopje, is registered in the Central Registry of the Republic of Macedonia with the following data:

CRN (EMBS):	6992960
Full name of the legal entity upon registration	Financial company M KESH MAKEDONIJA DOOEL Skopje
Short name:	M KESH MAKEDONIJA DOOEL Skopje
Headquarters:	Pajak no. 9 Skopje-Center, Center
Type of legal entity upon registration:	LLC
Date of establishment:	31.07.2014
Tax identification number:	4057014527067
Origin of capital:	Foreign
Primary commercial activity:	64.92 Other credit intermediation
Organizational form	05.4 DOOEL (LLC)
SHARE CAPITAL	
Cash deposit EUR	500.000
Paid part EUR	500.000
Total amount of share capital EUR	500.000

The Financial company M KESH MAKEDONIJA DOOEL Skopje is 100% owned by IZI ASSET MANAGEMENT AD, Jawaharlal Nehru, no. 28 floor 2/40-46 Sofia, Bulgaria

The manager of the company is Riste Gligorovski, 2/1 Nikola Parapunov Street, Skopje, Karposh
The Financial company M KESH MAKEDONIJA DOOEL Skopje as per December 31, 2022, has 115 employees.

The company has registered 41 subsidiaries

- M KESH, Paloma Bianka, Skopje
- M KESH, Shtip
- M KESH, Strumica
- M KESH, Kisela Voda
- M KESH Veles
- M KESH Kumanovo
- M KESH Tetovo
- M KESH Gostivar
- M KESH Kavadarci
- M KESH Kochani

- M KESH Radovish
- M KESH Bitola
- M KESH Gevgelija
- M CASH Prilep
- M KESH Leptokarija, Skopje
- M KESH Kriva Palanka
- M KESH Kichevo
- M KESH Ohrid
- M KESH Struga
- M KESH Debar
- M KESH Drachevo
- M KESH Aerodrom, Skopje
- M KESH Gjorche Petrov, Skopje
- M KESH Negotino
- M KESH Delchevo
- M KESH Chento, Skopje
- M CASH Resen
- M KESH Chair, Skopje
- M KESH Ilinden, Skopje
- M KESH Bitola 2
- M KESH Boris Krajjger 16-2 Shtip, Shtip
- M KESH Gazi Baba, Skopje
- M KESH Blagoja Toska 51, Tetovo
- M KESH Blagoj Gjorev 1-1, Veles
- M KESH Kej 13 Noemvri Skopje
- M KESH Gjorche Petrov 72-2 Skopje
- M KESH Kej 1 Maj 32, Prilep
- M KESH Leninov ploshtad, Probishtip
- M KESH Vidoe Smilevski Bato 3 Skopje
- M KESH Soborna, Skopje
- M KESH Nikola Parapunov 1-2, Gostivar

The authorized person of all subsidiaries is Riste Gligorovski, residing at st. Nikola Parapunov no. 2/1 Skopje, Karposh

M KESH Makedonija DOOEL Skopje conducts its operations through its 41 registered subsidiaries. The names of the subsidiaries are given in point 2.2 of the Notes to the individual financial statements.

M KESH MAKEDONIJA DOOEL SKOPJE

2. Significant accounting policies

The basic accounting policies applied in the preparation of these financial statements are listed below.

2.1 Basis for the preparation of financial statements

The annual account has been prepared in all material respects, in accordance with the provisions of Article 504 of the Law on Commercial Companies of the Republic of Macedonia ("Official Gazette of the Republic of Macedonia" no. 28/04 215/2021), the Law on Financial Companies, (Official Gazette of RM 158/10, 53/11, 112/14, 153/15, 23/16), and the Rulebook on Accounting ("Official Gazette of RM" 159/2009, 164/2010, 94/2004, 11/2005, 116/2005, 40/1997 and 73/1999), where the International Financial Reporting Standards (IFRS), from IFRS 1 to IFRS 8, the International Accounting Standards (IAS) from IAS1 to IAS 41, are being published. Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) from IFRS 1 to IFRS 17 and Interpretations of the Existing IFRS Interpretation Committee from IAS 1 to IAS 32. IFRS 9, IFRS 18 and IFRS 19.

IFRS standards (including IFRS1) were initially published in the Official Gazette in 1997 and have been updated several times since. The last update was in December 2010, with effect since January 2010.

The Company applies all relevant standards, amendments and interpretations that were issued in the Official Gazette.

The financial statements are not consolidated.

The financial statements and notes thereto are being presented in Macedonian Denar (MKD). Management has prepared these financial statements and notes on a going concern basis, taking into account current intentions, the likelihood of continuing operations and availability of financial resources.

The Company maintains its accounting records and prepares its statutory financial statements in accordance with the fiscal and legal regulations in the Republic of Macedonia.

The preparation of the Financial Statements and the notes thereto are in accordance with the generally accepted accounting standards, which require the use of certain critical accounting estimates that are based on management's best knowledge of current events and actions.



2.2 Subsidiaries

Subsidiaries are legal entities where the Company has control over financial and business policies and owns more than half of the voting rights.

M KESH Makedonija DOEL Skopje has registered 41 subsidiaries.

///

2.3 Foreign currencies

a) Functional and reporting currency

The items included in the Financial Statements and the notes thereto are measured using the currency of the basic economic environment in which the Company operates ("functional currency").

The financial statements and the accompanying notes are presented in Macedonian Denars ("MKD"), which is the functional and reporting currency.

b) Foreign currency transactions

Business transactions denominated in foreign currency are denominated in the functional currency, Macedonian Denars (MKD), with application of the official middle exchange rate on the day of the transaction. Receivables and liabilities in foreign currency are expressed in denars according to the middle exchange rate of the National Bank of the Republic of Macedonia on the last day of the accounting period and there is an analysis thereof in foreign currency. Gains and losses arising from the settlement of such transactions and from the expression of monetary assets and liabilities denominated in foreign currencies at the exchange rate at the reporting date are included in the income statement.

Non-monetary items recorded at historical cost, denominated in a foreign currency, are being translated using the exchange rate on the date of the transaction.

Non-monetary items that are recorded at fair value, denominated in a foreign currency, are being translated using the exchange rates at the date when the fair value was determined.

Foreign currency that the company operates in is mainly the Euro (EUR). The exchange rates used for the reporting on December 31, 2022 are as follows:

Currency	December 31, 2022
EUR	61.4932

2.4 Intangible and tangible assets

2.4.1 Initial and subsequent valuation

Intangible and tangible assets (software, office furniture, business inventory and computer equipment) are initially reported according to their purchase value, which consists of the invoice value of the asset and the dependent purchase costs, and are subsequently measured at the purchase value decreased by accumulated depreciation and by accumulated losses due to impairment.

2.4.2 Subsequent expenses

The expenses incurred for the replacement of part of the tangible assets are recorded separately and are capitalized only if the future economic benefits represented through inflows of the Company are probable. All other expenses are recognized as an expense in the Income Statement at the time of occurrence.

2.4.3 Intangible assets

Intangible assets are being reported at cost decreased by accumulated depreciation. Subsequent expenditures are capitalized only when future economic benefits arising from the related assets increase. All other expenses are recognized in the income statement as incurred.

2.4.4 Depreciation

Depreciation is recognized in the income statement on a proportional basis by writing off the purchase value of the assets over their expected useful life. Intangible assets are depreciated from the date they are available for use.

Below are the annual depreciation rates applied to some of the more significant items of fixed assets.

Office equipment	15%
Software	50%
Computers	50%
Transport vehicles	25%
Investments in other people's facilities	20%

2.5 Receivables from customers and other receivables

Receivables from customers, receivables from advances given to suppliers, receivables from the state based on taxes, contributions, customs, excise duties and other charges to the state and receivables from employees are initially recognized at market value and are subsequently measured at amortized cost using the effective interest method, reduced by the correction of the value of those receivables. The correction of the value of receivables from customers is applied when there is objective evidence that the Company will not be able to collect the receivables according to the agreed terms. Significant financial difficulties of the debtor, the probability of bankruptcy or financial reorganization, as well as delays in payments are taken as indicators of a reduction of the value of receivables. The value of the correction is the difference between the accounting value and the present value of the expected cash flows. The accounting value of the receivable decreases with use of an adjustment account, and the amount of the loss is recognized in the income statement. When the receivable cannot be collected, it is written off through the adjusted accounts receivable.

2.6 Monetary assets

Monetary assets include denar monetary assets on accounts with commercial banks, monetary assets in denar and foreign currency, and money in cash register.

Liquidity risk represents the risk of the Company's inability to timely pay its obligations.

It is the Company's policy to maintain an adequate amount of cash and cash equivalents in order to be able to settle its obligations in the foreseeable future. An additional amount of money is usually deposited in commercial banks.

The management process of the liquidity risk includes the projection of cash flows according to the main foreign currencies and determining the required amount of liquid assets, taking into account the data from the business plan, the collection of receivables and the outflow of monetary assets. Regular cash flow projections are prepared and supplemented by the accounting department.

	In thousands of denars	
	2022	2021
Current assets	229,153	186,761
Current liabilities	58,796	52,506
Current ratio	3,90	3,56

2.6.1 Active and passive temporal distinctions

Prepaid expenses for future periods are shown as deferred assets (ATD) in the Balance Sheet.

Deferred payment of costs is expressed as: computed - calculated costs for future periods and shown in the Balance Sheet.

2.7 Short-term liabilities

Liabilities are stated at their nominal value, which is recorded in the corresponding accounting documents.

2.8 Revenues

Revenues earned from rendering services are recognized in the Income Statement to the extent of completion of the services on the date of the Balance Sheet. The degree of completion is determined by the record of completed work.

2.9 Expenses

Expenses are recognized at the time of their occurrence and after the creation of an appropriate accounting document.

2.10 Financial income and expenses

Financial income and expenses include interest income and expenses, exchange rate differences and dividends. Interest income is recognized in the Income Statement when it is due for collection. Interest and other costs are recognized as an expense in the period they arise in. Income and expenses from exchange rate differences of foreign means of payment are recognized in the Income Statement according to the exchange rate of the National Bank of the Republic of Macedonia on the day of the transaction.

2.11 Profit

The profit is determined as the difference between total revenues and total expenses at the end of the accounting period - the business year.

The profit is distributed in accordance with the legal provisions and the Decision of the Management Body of the company.

Profit tax

Macedonian companies have to pay a profit tax of 10%. The basis for determining the profit tax is the realized profit increased by the amount of unrecognized expenses realized in the current year, and reduced by the amount of tax exemptions.

Deferred tax

The tax rate on undistributed profits is effectively reduced to zero, as a result of which tax is paid when profits are distributed only to foreign legal entities. According to IAS 12.52A and IAS 25, deferred tax assets and liabilities should be measured using the rate applied to retained earnings.

2.12 Employee benefits

The company, in the course of its daily operations, makes payments for the benefit of its employees for pension and health insurance and employment, which are calculated on the concept of gross salary, in accordance with legal regulations. The company pays these contributions to the health fund and the pension fund, according to the legal rates that were in force during the financial year, based on gross salaries. The cost of these payments is shown in the Income Statement in the same period as the corresponding salary costs.

The company does not operate with pension schemes or post-retirement benefit plans and consequently have no pension obligations.

During 2022, the average number of employees in the company is 115.

2.13 Subsidiaries

Subsidiaries are companies that are managed (controlled) by the Company. Control exists when the Company has the power, directly or indirectly, to manage the financial and business policies of the subsidiaries in order to obtain some benefit from these activities. The financial reports of the subsidiaries are included in the consolidated statements from the moment of initiation to the moment of finalization of the control over them.

3. Financial assets

The company classifies its financial assets in the category of loans and receivables. After initial recognition in the statement of financial position (balance sheet), the company's management determines the classification of each financial asset.



Generally, the Company recognizes its financial assets in the balance sheet on the trade date - the date on which it commits itself (assumes ultimate commitment) to purchase the relevant financial assets.

All financial assets are initially measured at their fair value plus direct transaction costs.

Financial assets are being derecognized from the Company's statement of financial position when the rights to receive monetary assets (cash flows) from these assets have expired or have been transferred, and the Company has transferred substantially all risks and benefits of ownership of the asset to another person. If the Company retains substantially all the risks and benefits associated with ownership of a particular transferred financial asset, continues to recognize the asset in its statement of financial position, but also recognizes a secured liability (loan) in relation to the compensation received

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determined payments that are not quoted in an active market. This group of financial assets includes cash in bank current accounts, granted loans and advances to customers and other receivables.

Receivables from a customer arise and are being recognized in the financial statement after the payment of the loan amount to the customer and / or the execution of certain procedures, including the presentation and verification of the necessary documents. The company grants consumer loans to natural persons with good credit history. Loans and receivables are subsequently recognized at amortized cost with the application of the effective interest rate method.

Whenever possible, the Company measures the fair value of an instrument using active market prices for such instrument. A market is considered active if quoted prices are readily and regularly available and represent real and regular execution of direct market transactions. If there is no active market for a certain financial instrument, the Company measures fair value using other valuation techniques.

The valuation approach is as follows: (a) use objective market data as much as possible and rely as little as possible on Company-specific estimates and effects; (b) include all factors that market participants would consider in setting prices and (c) measure compatibility with generally accepted methodologies and practices regarding pricing methods of financial instruments.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is recorded by comparison with other observed current market transactions with the same instrument (i.e. by non-modification or regrouping) or based on other valuation techniques, the variables of which include only publicly available data. When the transaction price provides the best evidence of fair value at initial recognition, the financial instrument is

initially measured at that transaction price and any difference between that price and the value originally derived from the valuation model is subsequently recognized through current profit or loss for the year, depending on the consolidated facts and circumstances of the transaction, but not later than the date when the valuation is fully supported by the observed data on the market or when the transaction is completed. The fair value reflects the credit risk of the instrument with adjustments for assessing the Company's credit risk.

Impairment of financial assets

At the end of each reporting period, the company's management assesses whether there is objective evidence if a financial asset or group of financial assets is being impaired. A financial asset or a group of financial assets is considered impaired and as such suffers losses, when there is objective evidence of their deterioration, as a result of one or more events that occurred after the initial recognition of the asset and that the event affects the estimated future cash flows of the financial asset or group of financial assets that can be assessed with certainty.

Accumulated impairment is shown as subtracted from the carrying amount (book value) of the respective financial asset.

The indicators used by the company to determine whether there is objective evidence of impairment losses are as follows:

violations in paying the agreed principal and interest; difficulties with the cash flow experienced by the debtor, violation of key agreements and rates (indicators), specified in the loan agreement; deterioration of the debtor's financial, market and competitive position, deterioration of the conditions and quality of collateral, initiation of liquidation and/or insolvency procedures, death and the like.

Impairment of loan receivables is recognized in the statement of financial position when there is clear and objective evidence that the Company will not be able to collect the amounts owed by the debtor(s) in accordance with formally agreed terms.

Estimates of impairment amounts are made by the company and are based on internally developed principles, rules and techniques, in accordance with the requirements of IAS 39 Financial Instruments: Recognition and Measurement.

The company's policy is to perform a monthly review and analysis of impaired loans and receivables as well as loans and receivables where indications of impairment exist. Any subsequent change in the method and terms of loan payment results with a change in the impairment allowance and any differences are recognized as an increase or decrease in the income statement.

M KESH MAKEDONJA DOOEL SKOPJE

Financial assets

Non-interest bearing	2022	2021
Cash and cash equivalents	38,610	23,912
Receivables from customers	3,716	/
Receivables from advances made	11,742	6,921
Other receivables	16,271	24
Total	70,339	30,857

Interest bearing with variable interest

Cash on accounts		
Loans and deposits made	158,814	155,904
Total	158,814	155,904

Financial liabilities

Non-interest bearing	2022	2021
Liabilities to related parties		
Other non-interest-bearing liabilities	45,653	21,961
Total	58,796	52,506

Interest bearing with variable interest

Liabilities to affiliated companies	13,143	30,545
Long-term loans	6,122	66,327
Total	6,122	66,327

4. Accounting estimates

The company makes estimates and assumptions for the future. Estimates are constantly monitored and are based on past experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The most common estimates and assumptions are shown below:

Useful life of assets

The useful life of assets is determined based on past experience with similar assets, as well as based on expected future technological developments and changes in economic or industry factors. In addition, the accounting policies for depreciation rates prescribed by the tax regulation are used as a basic guide. The appropriateness of the estimated useful lives is evaluated annually, or when there are indications of significant changes in the estimates. As a result of the low value of the depreciable assets within the total assets, any changes in such estimates cannot have a material impact on our financial position and results of operations.

Correction of receivables from uncollectible loans and other receivables

The calculation for the correction of disputed receivables is calculated on the basis of the estimated losses from the inability of the credit debtors to pay the requested amounts. For these debtors, the correction is calculated on the basis of the portfolio, taking into account the age structure of the receivables and write-offs in the past, the creditworthiness of the debtors and changes in the terms of payment. These factors are evaluated periodically and changes are made if necessary. Estimates include predictions about future activities of debtors and future collections of receivables. If the debtors' financial situation worsens, write-offs of current receivables will be higher than anticipated and may exceed the previously recognized level of loss.

5. Operating income

	<u>2022</u>	<u>2021</u>
Other income	/	/
	/	/

6. Raw material expenses

	<u>2022</u>	<u>2021</u>
Expenses for office supplies	1,067	971
Expenses for work clothes	259	236
Energy costs	5,787	2,446
Fuel costs	348	740
Heating costs	486	227
Inventory costs	1,786	1,860
	9,733	6,480

7. Services with a character of material expenses

	<u>2022</u>	<u>2021</u>
Transport services	119	101
PTT, internet and mobile and landline services	5,495	6,065
Maintenance services	1,739	922
Security services	1,140	992
Rent	15,789	11,099
Utilities	451	153
Advertising costs	34,807	36,032
Other services	5,719	4,477
	65,259	59,841

8. Other operating expenses

	<u>2022</u>	<u>2021</u>
Representation expenses	1,792	3,997
Insurance premiums	5,323	2,248
Banking services	1,572	1,248
Taxes that do not depend on the result (regressive taxes)	3,045	3,218
Costs of using rights	172	392
Other intangible costs	13,162	6,448
	31,066	17,551

9. Employee Expenses

	<u>2022</u>	<u>2021</u>
Net wage	64,966	46,287
Payroll Expenses and salary allowances	32,855	23,666
Other employee expenses	2,392	2,171
	100,213	72,124

10. Depreciation Expenses

	<u>2022</u>	<u>2021</u>
Depreciation of tangible and intangible assets	3,787	2,812
	3,787	2,812

11. Value Matching

	<u>2022</u>	<u>2021</u>
Value matching of current assets	89,051	73,627
	89,051	73,627

12. Other operating expenses

	<u>2022</u>	<u>2021</u>
Expenses based on write-off of receivables	18,975	13,235
	18,975	13,235

13. Financial income

	<u>2022</u>	<u>2021</u>
Positive exchange rate differences with unaffiliated companies	313	490
Interest income of unrelated legal entities	437,022	333,696
	437,335	334,186

14. Financial expenses

	<u>2022</u>	<u>2021</u>
Interest expenses from operations with affiliated companies	2,873	8,745
Negative exchange rate differences from operation with unaffiliated companies	359	404
Interest expenses from operations co: unaffiliated companies	414	174
Other expenses	<u>9</u>	<u>/</u>
	3,655	9,323

15. Financial result

	<u>2022</u>	<u>2021</u>
Profit before tax	115,595	79,191
Profit tax	(23,511)	(17,520)
Net profit for the period	92,084	61,671

16. Intangible and tangible assets (2022)

	<u>Purchase price</u>	<u>Accumulated deprec.</u>	<u>Depreciation</u>	<u>Present value</u>
Software	1,218	1,207	11	0
Plant and equipment	6,885	3,575	1,285	2,025
Transport vehicles	10,800	2,219	2,225	6,356
Other tangible assets	<u>1,240</u>	<u>371</u>	<u>266</u>	<u>603</u>
	20,143	7,372	3,787	8,984

Intangible and tangible assets (2021)

	<u>Purchase price</u>	<u>Accumulated deprec.</u>	<u>Depreciation</u>	<u>Present value</u>
Software	1,218	1,156	51	11
Plant and equipment	6,149	2,415	1,160	2,574
Transport vehicles	7,135	858	1,361	4,916
Other tangible assets	<u>1,240</u>	<u>1,312</u>	<u>240</u>	<u>860</u>
	15,742	4,560	2,812	8,370

17. Short-term receivables

	<u>2022</u>	<u>2021</u>
Receivables from customers	3,716	/
Receivables from advance payments to suppliers	11,742	6,921
Receivables from the state	16,257	/
Receivables from employees	14	24
	31,729	6,944

18. Short-term financial assets

	<u>2022</u>	<u>2021</u>
Receivables for granted short-term loans to natural persons	158,814	155,904
	158,814	155,904

19. Monetary assets

	<u>2022</u>	<u>2021</u>
Cash in bank accounts	34,676	21,517
Cash in cash register	3,933	2,395
	38,609	23,912

20. Accrued expenses (AVR)

	<u>2022</u>	<u>2021</u>
Accrued expenses and accrued income (AVR)	1,673	486
	1,673	486

21. Long-term liabilities

	<u>2022</u>	<u>2021</u>
Long-term liabilities from affiliated foreign companies	/	61,915
Liabilities from loans and credits	6,122	4,412
	6,122	66,327

Liabilities from loans and credits refer to the basis of financial leasing.

An overview thereof is being attached

<u>Depositor</u>	<u>Credit</u>	<u>Debit</u>	<u>Balance</u>
Porsche leasing	1,183	4,103	2,920
Sparkasse Bank	1,138	4,340	3,202
Total loans from unrelated parties	2,045	8,077	6,122

22. Short-term liabilities

	<u>2022</u>	<u>2021</u>
Liabilities to affiliated companies	13,143	30,545
Liabilities to suppliers	11,580	1,066
Liabilities for advances, deposits and sureties	15	15
Liabilities for salary taxes and contributions and salary allowances	3,223	2,372
Liabilities to employees	6,418	4,632
Current tax liabilities	24,282	13,740
Other financial liabilities	<u>136</u>	<u>136</u>
	58,796	52,506

Liabilities towards affiliated companies refer to liabilities based on interest for loans that have been repaid

Izzy Asset Management – interests	20,310	33,454	13,144
Total liabilities to related parties	20,310	33,454	13,144

23. Deferred expenses and deferred revenue (PVR)

	<u>2022</u>	<u>2021</u>
Deferred expenses and deferred revenue (PVR)	3,040	3,166
	3,040	3,166

24. Capital

	<u>2022</u>	<u>2021</u>
Share capital	36,993	30,843
Reserves	3,084	616
Transferred loss	(29,475)	(29,473)
Accumulated profit	69,164	9,961
Profit / Loss for the financial year	<u>92,084</u>	<u>61,971</u>
	171,852	73,618

25. Related parties

A related party of the company is the founder IZI ASSET MANAGEMENT AD BUGARIJA.

Related party transactions

Depositor	Credit	Debit	Balance
Izzy Asset Management – long-term loan	61,890	61,890	0
Izzy Asset Management – interest	20,310	33,454	13,144

26. Potential liabilities

Until the date of approval of the financial statements, the Company is not being involved in court proceedings due to its regular operations.

27. Continuity

When preparing the financial statements, management makes an assessment of the ability to ensure continuity. In evaluating whether the business continuity assumption is appropriate, management considers all available information about the future, at least but not limited to twelve months from the reporting date. The company has no intention or need to liquidate or materially limit the scope of its operations.

28. Subsequent events

With the decision of 07.03.2023 there is a change of the manager of the company. The previous manager, Riste Gligorovski, is being replaced by the person Bjanka Katru.

After December 31, 2022 until the day of approval of these financial statements, there are no events that would cause correction of the financial statements, nor events that are materially significant to be published in these financial statements.

//////



CRN (EMBS): 06992960

Full name: Financial company M KESH Makedonija DOOEL Skopje

Type of work: 450

Annual account type: Annual account

Document type: Annual account

Year: 2022

List of attached documents:

Explanatory notes and other attachments

Financial statements

Balance Sheet

ADP designation	Description	Net for the current year	Gross for the current year	Current year value adjustment	Previous year
1	-- ASSETS : A. NON CURRENT ASSETS (002+009+020+021+031)	8,984,071.00			8,369,993.00
2	-- I INTANGIBLE ASSETS (003+004+005+006+007+008)				10,733.00
4	Concessions, patents, licenses, trademarks and similar rights				10,733.00
9	-- II TANGIBLE ASSETS (010+013+014+015+016+017+018+019)	8,984,071.00			8,359,260.00
13	-- Plant and equipment	2,024,372.00			2,573,622.00
14	-- Transportation vehicles	6,356,419.00			4,916,594.00
19	-- Other tangible assets	603,280.00			669,044.00
36	-- B. CURRENT ASSETS (037+045+052+059)	229,152,864.00			186,761,329.00
45	-- III SHORT-TERM RECEIVABLES (046+047+048+049+050+051)	31,729,282.00			6,944,959.00
47	-- Receivables from customers	3,716,338.00			
48	-- Receivables from advance payments to suppliers	11,741,798.00			6,920,959.00
49	-- Receivables from the state on the basis of taxes; contributions, customs, excise duties and other state charges (subscriptions)	16,257,308.00			
50	-- Receivables from employees	13,836.00			24,000.00
52	-- IV SHORT-TERM FINANCIAL ASSETS (053+056+057+058)	158,813,915.00			155,904,366.00
57	-- Receivables from granted loans	158,813,915.00			155,904,366.00
59	-- V CASH AND CASH EQUIVALENTS (060+061)	38,609,667.00			23,912,004.00
60	-- Monetary assets	38,609,667.00			23,912,004.00

62	-- VI PREPAID EXPENSES AND ACCRUED INCOME (AVR)	1,673,345.00		485,958.00
63	-- TOTAL ASSETS: ASSETS (001+035+036+044+062)	239,810,280.00		195,617,280.00
65	-- LIABILITIES: A. PRINCIPAL AND RESERVES (066+067-068-069+070+071+075-076+077- 078)	171,852,280.00		73,618,609.00
66	- I. SHARE CAPITAL	36,992,870.00		30,843,370.00
71	- VI. RESERVES (072+073+074)	3,084,337.00		616,537.00
72	- Mandatory reserves	3,084,337.00		616,537.00
75	-- VII ACCUMULATED PROFIT	69,164,485.00		9,961,379.00
76	-- VIII REFERRED LOSS (-)	29,473,563.00		29,473,663.00
77	-- IX. PROFIT FOR THE BUSINESS YEAR	92,084,171.00		61,670,906.00
81	- B. LIABILITIES (082+085+095)	64,917,963.00		118,832,244.00
85	-- II. LONG-TERM LIABILITIES (from 086 to 093)	6,121,541.00		66,326,693.00
89	- Liabilities from loans and credits to affiliated companies			61,914,735.00
90	- Liabilities from loans and credits	6,121,541.00		4,411,958.00
95	-- IV. SHORT-TERM LIABILITIES (from 096 to 108)	58,796,422.00		52,505,551.00
96	-- Liabilities to related companies	13,142,611.00		30,544,880.00
97	-- Liabilities to suppliers	11,580,448.00		1,066,403.00
98	- Liabilities from advances, deposits and sureties	14,800.00		14,800.00
99	-- Liabilities from salary taxes and contributions and salary allowances	3,222,815.00		2,371,602.00
100	-- Liabilities to employees	6,417,783.00		4,632,145.00
101	- Current tax liabilities	24,281,797.00		13,739,563.00
107	- Other financial liabilities	136,168.00		136,168.00
109	-- V. DEFERRED EXPENSES AND DEFERRED INCOME (PVR)	3,040,037.00		3,166,427.00
111	-- TOTAL LIABILITIES, PRINCIPAL, RESERVES AND LIABILITIES (065+081+094+109+110)	239,810,280.00		195,617,280.00

Income Statement

ADP designation	Description	Net for the current year	Gross for the current year	Current year value adjustment	Previous year
207	-- II OPERATING EXPENSES (208+209+210+211+212+213+218+219+220+221+222)	318,083,902.00			245,671,989.00
208	-- Cost of raw materials and other materials	9,732,793.00			6,480,405.00
211	-- Services with a character of material expenses	65,259,148.00			59,841,394.00
212	-- Other operating expenses	31,066,117.00			17,551,016.00
213	-- Expenses for employees (214+215+216+217)	100,213,082.00			72,124,123.00
214	-- Salaries and salary allowances (net)	64,566,139.00			46,286,668.00
215	-- Expenses for payroll taxes and salary allowances	5,683,943.00			4,061,495.00
216	-- Contributions from the compulsory social insurance	27,171,415.00			19,605,089.00
217	-- Other expenses for employees	2,391,595.00			2,170,671.00
218	-- Depreciation of tangible and intangible assets	3,786,794.00			2,812,312.00
220	-- Value adjustment (depreciation) of current assets	69,051,084.00			73,627,417.00
222	-- Other operating expenses	18,974,874.00			13,235,322.00
223	-- III FINANCIAL INCOME (224+229+230+231+232+233)	437,334,814.00			334,185,552.00
230	-- Income based on interest from operations with unaffiliated companies	437,022,057.00			333,696,033.00
231	-- Income based on exchange rate differences from operations with unaffiliated companies	312,757.00			489,519.00
234	-- IV FINANCIAL EXPENSES (235+239+240+241+242+243)	3,655,384.00			9,322,701.00
235	-- Financial expenses from relations with affiliated companies (236+237+238)	2,872,973.00			8,744,492.00
236	-- Expenses based on interest from operations with affiliated companies	2,872,973.00			8,744,492.00
239	-- Expenses based on interest from operations with unaffiliated companies	414,368.00			174,246.00
240	-- Expenses based on exchange rate differences from operations with unaffiliated companies	359,297.00			403,963.00
243	-- Other financial expenses	8,746.00			
246	-- Profit from regular operations (201+223+244)- (204-206+207+234+245)	115,595,528.00			79,190,862.00
250	-- Profit before tax (246+248) or (246- 249)	115,595,528.00			79,190,862.00
252	-- Profit tax	23,511,357.00			17,519,956.00
255	-- NET PROFIT FOR THE BUSINESS YEAR (250-252+253-254)	92,084,171.00			61,670,906.00
257	-- Average number of employees based on hours of work in the accounting period (in absolute amount)	115.00			115.00
258	-- Number of months of operation (in absolute amount)	12.00			12.00
269	-- Profit for the year	92,084,171.00			61,670,906.00
288	-- Total comprehensive profit for the year (269+286) or (286-270)	92,084,171.00			61,670,906.00
290	-- Comprehensive profit belonging to the non-controlling interest	92,084,171.00			61,670,906.00

State records

ADP designation	Description	Net for the current year	Gross for the current year	Current year value adjustment	Previous year
602	-- Salary and salary allowances of employees who work directly on the development of an internal project				69,953,452.00
605	-- Present value of licensed software (< or = ADP 004 from BS)				10,733.00
615	-- Current value of computer equipment (< or = ADP 013 from BS)				2,573,622.00
630	-- Receivables based on the sale of goods and services and advances and other receivables from all legal entities in the country and abroad (< or = ADP 006+ADP 017+ADP 030+ADP 034+ADP 035+ADP 046+ADP 047+ADP 049+ADP 050+ADP 051+ADP 057+ADP 062 FROM BS)				6,944,959.00
639	-- Liabilities based on trade credits, advances and other liabilities to all legal entities in the country and abroad (total) (< or =ADP 092+ADP 093+ADP 094+ADP 096+ADP 097+ADP 098+ADP 099+ADP 100+ADP 101+ADP 107+ADP 108+ADP 109 FROM BS)				52,369,383.00
676	-- Consumed electricity (< or = ADP 208 from IS)				2,446,360.00
677	-- Spent energy fuels (< or = ADP 208 from IS)				740,000.00
682	-- PTT services in the country (< or = ADP 211 from IS)				6,055,372.00
695	-- Annual leave recourse (< or = ADP 217 from IS)				1,296,638.00
698	-- Diaries for business trips, overnight stays and travel expenses (< or = ADP 217 from IS)				159,204.00

Income structure according to activities

ADP designation	Description	Net for the current year	Gross for the current year	Current year value adjustment	Previous year
2477	- 64.92 - Other credit intermediation	437,334,814.00			

Signed by:
SLAVCHO GEORGIEVSKI

CN= KIBSTrust Issuing Qsig CA G 2,
OID.2.5.4.97=NTRMK-5529581, OU= KIBSTrust
Services, O=KIBS AD Skopje, C=MK
KIBSTrust Issuing Qsig CA G 2



**ANNUAL REPORT ON THE
OPERATIONS FOR THE YEAR OF 2022
OF THE COMPANY
M KESH MAKEDONIJA DOOEL SKOPJE**

Skopje, 2023

1. General information of the Company

Financial company M KESH MAKEDONIJA DOOEL Skopje, is registered in the Central Registry of the Republic of Macedonia with the following data:

CRN (EMBS):	6992960
Full name of the legal entity upon registration	Financial company M KESH MAKEDONIJA DOOEL Skopje
Short name:	M KESH MAKEDONIJA DOOEL Skopje
Headquarters:	Pajak no. 9 Skopje-Center, Center
Type of legal entity upon registration:	LLC
Date of establishment:	31.07.2014
Tax identification number:	4057014527067
Origin of capital:	Foreign
Primary commercial activity:	64.92 Other credit intermediation
Organizational form	05.4-DOOEL (LLC)

SHARE CAPITAL	
Cash deposit EUR	500,000
Paid part EUR	500,000
Total amount of share capital EUR	500,000

The Financial company M KESH MAKEDONIJA DOOEL Skopje is 100% owned by IZI ASSET MANAGEMENT AD, Jawaharlal Nehru, no. 28-floor 2/40-46 Sofia, Bulgaria

The manager of the company is Riste Gligorovski, 2/1 Nikola Parapunov Street, Skopje, Karposh



ANNUAL REPORT 2022

The Financial company M KESH MAKEDONIJA DOOEL Skopje as per December 31, 2022, has **115** employees.

The company has registered 41 subsidiaries

- M KESH, Paloma Bianka, Skopje
- M KESH, Shtip
- M KESH, Strumica
- M KESH, Kisela Voda
- M KESH Veles
- M KESH Kumanovo
- M KESH Tetovo
- M KESH Gostivar
- M KESH Kavadarci
- M KESH Kochani
- M KESH Radovish
- M KESH Bitola
- M KESH Gevgelija
- M CASH Prilep
- M KESH Leptokarija, Skopje
- M KESH Kriva Palanka
- M KESH Kichevo
- M KESH Ohrid
- M KESH Struga
- M KESH Debar
- M KESH Drachevo
- M KESH Aerodrom, Skopje
- M KESH Gjorche Petrov, Skopje
- M KESH Negotino
- M KESH Delchevo
- M KESH Chento, Skopje
- M CASH Resen
- M KESH Chair, Skopje
- M KESH Ilinden, Skopje
- M KESH Bitola 2
- M KESH Boris Kraiger 16-2 Shtip, Shtip
- M KESH Gazi Baba, Skopje
- M KESH Blagoja Toska 51, Tetovo
- M KESH Blagoj Gjorev 1-1, Veles
- M KESH Kej 13 Noemvri Skopje
- M KESH Gjorche Petrov 72-2 Skopje
- M KESH Kej 1 Maj 32, Prilep

ANNUAL REPORT 2022

- M KESH Leninov ploshtad, Probishtip
- M KESH Vidoe Smilevski Bato 3 Skopje
- M KESH Soborna, Skopje
- M KESH Nikola Parapunov 1-2, Gostivar

The authorized person of all subsidiaries is Riste Gligorovski, residing at st. Nikola Parapunov no. 2/1 Skopje, Karposh

M KESH Makedonija DOOEL Skopje conducts its operations through its 41 registered subsidiaries.

The names of the subsidiaries are given in point 2.2 of the Notes to the individual financial statements.



ANNUAL REPORT 2022

1. STATEMENT OF COMPREHENSIVE INCOME

For the period 01.01- 31.12.2022

	Note	In thousands of denars	
		2022	2021
Operating expenses			
Cost of raw materials	6	9,733	6,481
Services with a character of material costs	7	65,259	59,841
Other operating expenses	8	31,066	17,551
Staff costs	9	100,213	72,124
Depreciation of tangible and intangible assets	10	3,787	2,812
Value adjustment, devaluation of current assets	11	89,051	73,628
Other operating expenses	12	18,975	13,235
Total operating expenses		318,084	245,672
Financial income	13	<u>437,335</u>	334,185
Financial expenses	14	3,656	9,322
Profit (loss) before tax	15	115,595	79,191
Deferred tax assets		115,595	79,191
Profit tax		(23,511)	(17,520)
Net profit (loss) for the period		92,084	61,671

Approved by
Authorized person
Bjanka Katru
(signed)

Official seal

M KESH MAKEDONIJA DOOEL SKOPIE



ANNUAL REPORT 2022

2. FINANCIAL STATEMENT

Balance on 31.12.2022

	Note	In thousands of denars	
		On December 31	
		2022	2021
ASSETS			
Non-current assets			
Intangible assets	16		11
Tangible assets	16	8,984	8,359
Total non-current assets		8,984	8,370
Current assets			
Short-term receivables	17	31,729	6,945
Short-term financial assets	18	158,814	155,904
Cash and cash equivalents	19	38,610	23,912
Total current assets		229,153	186,761
Accrued expenses and accrued income (AVR)	20	1,673	486
TOTAL ASSETS: ASSETS		239,810	195,617
SHARE CAPITAL AND RESERVES			
	24		
Share capital		36,993	30,844
Mandatory reserves		3,084	616
Accumulated profit		69,164	9,961
Deferred loss		(29,473)	(29,473)
Profit/Loss for the year		92,084	61,671
Total share capital and reserves		171,852	73,619
LIABILITIES			
Long-term liabilities	21	6,122	66,327
Short-term liabilities	22	58,796	52,505
Total liabilities		64,918	118,832
Deferred payment of accrued expenses and accrued income (PVR)	23	3,040	3,166
TOTAL SHARE CAPITAL, RESERVES AND LIABILITIES: LIABILITIES		239,810	195,617

Approved by
Authorized person
Bjanka Katru
(signed)

Official seal
M KESH MAKEDONIJA DOOEL SKOPJE

12.12.2022
Bjanka Katru
Official seal

ANNUAL REPORT 2022

3. CASH FLOW STATEMENT

December 31, 2022

DESCRIPTION	2022	2021
Profit/Loss	92,084	61,671
Depreciation	3,787	2,812
Income from interest and exchange rate differences	(437,335)	(334,186)
Expenses from interest and exchange differences	3,647	9,322
Operating Result	(337,817)	(260,381)
Supplies	-	-
Receivables from unrelated customers	(3,716)	263
Receivables from related customers	-	-
Other receivables	(21,068)	(4,714)
Active temporal distinctions	(1,187)	196
Long-term receivables	-	-
Obligations to unrelated suppliers	10,514	(1,973)
Obligations to related suppliers	(17,402)	8,720
Other obligations	13,179	13,399
Long-term liabilities	-	(14,966)
Long-term reservations	-	-
Passive temporal distinctions	(126)	1,108
Total operating activities	(357,624)	(258,348)
Investments in PP&E	(4,401)	(4,590)
Long-term investments	6,150	(18,508)
Short-term investments	(2,910)	(81,527)
Paid dividends	-	-
Total investment activities	(1,161)	(104,625)
Long-term loans	(60,205)	55,834
Short-term loans	-	-
Interest charged	437,335	334,186
Interest paid	(3,647)	(9,322)
Total financial activity	373,483	380,698
Cash flow for the current year	14,698	17,725
Cash at the beginning of the year	23,912	6,187
Cash at the end of the year	38,610	23,912

Approved by
 Authorized person
 Bjanka Katru
 (signed)

Official seal
 M KESH MAKEDONIJA DOOEL SKOPJE



ANNUAL REPORT 2022

4. STATEMENT OF CHANGES IN SHARE CAPITAL

December 31, 2022

	Description	Registered Capital	Mandatory reserves	Accumulated profit	Deferred loss	Profit for the current year	TOTAL
1	Balance on 31.12.2021	30,843	617	9,961	(29,474)	61,671	73,619
2	Shares issued for money						
3	Repurchased own shares						
4	Sold repurchased own shares						
5	Profit transfer			61,671		(61,671)	
5	Transfer of accumulated profit		2,467	(2,467)			
7	Profit for the current year					92,084	92,084
8	Loss for the current year						
9	Recorded increase in CRM	6,150					6,150
10	Recorded decrease in CRM						
11	Remaining increase/decrease						
12	Dividends						
13	Balance on 31.12.2022	36,99	3,084	69,165	(29,474)	92,084	171,853

Approved by
 Authorized person
 Bjanka Katru
 (signed)

Official seal
 M KESH MAKEDONIJA DOOEL SKOPIE

ANNUAL REPORT 2022

5. Operating income

	<u>2022</u>	<u>2021</u>
Other income	/	/
	/	/

6. Raw material expenses

	<u>2022</u>	<u>2021</u>
Expenses for office supplies	1,067	971
Expenses for work clothes	259	236
Energy costs	5,787	2,446
Fuel costs	348	740
Heating costs	486	227
Inventory costs	<u>1,786</u>	<u>1,860</u>
	9,733	6,480

7. Services with a character of material expenses

	<u>2022</u>	<u>2021</u>
Transport services	119	101
PTT, internet and mobile and landline services	5,495	6,065
Maintenance services	1,739	922
Security services	1,140	992
Rent	15,789	11,099
Utilities	451	153
Advertising costs	34,807	36,032
Other services	<u>5,719</u>	<u>4,477</u>
	65,259	59,841

8. Other operating expenses

	<u>2022</u>	<u>2021</u>
Representation expenses	7,792	3,997
Insurance premiums	5,323	2,248
Banking services	1,572	1,248
Taxes that do not depend on the result (regressive taxes)	3,045	3,218
Costs of using rights	172	392
Other intangible costs	<u>13,162</u>	<u>6,448</u>
	31,066	17,551



ANNUAL REPORT 2022

9. Employee Expenses

	<u>2022</u>	<u>2021</u>
Net wage	64,966	46,287
Payroll Expenses and salary allowances	32,855	23,666
Other employee expenses	<u>2,392</u>	<u>2,171</u>
	100,213	72,124

10. Depreciation Expenses

	<u>2022</u>	<u>2021</u>
Depreciation of tangible and intangible assets	3,787	2,812
	3,787	2,812

11. Value Matching

	<u>2022</u>	<u>2021</u>
Value matching of current assets	89,051	73,627
	89,051	73,627

12. Other operating expenses

	<u>2022</u>	<u>2021</u>
Expenses based on write-off of receivables	18,975	13,235
	18,975	13,235

13. Financial income

	<u>2022</u>	<u>2021</u>
Positive exchange rate differences with unaffiliated companies	313	490
Interest income of unrelated legal entities	<u>437,022</u>	<u>333,696</u>
	437,335	334,186

14. Financial expenses

	<u>2022</u>	<u>2021</u>
Interest expenses from operations with affiliated companies	2,873	8,745
Negative exchange rate differences from operation with unaffiliated companies	359	404
Interest expenses from operations co unaffiliated companies	414	174
Other expenses	<u>9</u>	<u>/</u>
	3.655	9,323

ANNUAL REPORT 2022

15. Financial result

	<u>2022</u>	<u>2021</u>
Profit before tax	115,595	79,191
Profit tax	(23,511)	(17,520)
Net profit for the period	92,084	61,671

16. Intangible and tangible assets (2022)

	<u>Purchase price</u>	<u>Accumulated deprec.</u>	<u>Depreciation</u>	<u>Present value</u>
Software	1,218	1,207	11	0
Plant and equipment	6,885	3,575	1,285	2,025
Transport vehicles	10,800	2,219	2,225	6,356
Other tangible assets	1,240	371	266	603
	20,143	7,372	3,787	8,984

Intangible and tangible assets (2021)

	<u>Purchase price</u>	<u>Accumulated deprec.</u>	<u>Depreciation</u>	<u>Present value</u>
Software	1,218	1,156	51	11
Plant and equipment	6,149	2,415	1,160	2,574
Transport vehicles	7,135	858	1,361	4,916
Other tangible assets	1,240	1,312	240	860
	15,742	4,560	2,812	8,370

17. Short-term receivables

	<u>2022</u>	<u>2021</u>
Receivables from customers	3,716	/
Receivables from advance payments to suppliers	11,742	6,921
Receivables from the state	16,257	/
Receivables from employees	14	24
	31,729	6,944

18. Short-term financial assets

	<u>2022</u>	<u>2021</u>
Receivables for granted short-term loans to natural persons	158,814	155,904
	158,814	155,904



ANNUAL REPORT 2022

19. Monetary assets

	<u>2022</u>	<u>2021</u>
Cash in bank accounts	34,676	21,517
Cash in cash register	3,933	2,395
	38,609	23,912

20. Accrued expenses (AVR)

	<u>2022</u>	<u>2021</u>
Accrued expenses and accrued income (AVR)	1,673	486
	1,673	486

21. Long-term liabilities

	<u>2022</u>	<u>2021</u>
Long term liabilities from affiliated foreign companies	/	61,915
Liabilities from loans and credits	6,122	4,412
	6,122	66,327

Liabilities from loans and credits refer to the basis of financial leasing.
An overview thereof is being attached

<u>Depositor</u>	<u>Credit</u>	<u>Debit</u>	<u>Balance</u>
Porsche leasing	1,183	4,103	2,920
Sparkasse Bank	1,138	4,340	3,202
Total loans from unrelated parties	2,045	8,077	6,122

22. Short-term liabilities

	<u>2022</u>	<u>2021</u>
Liabilities to affiliated companies	13,143	30,545
Liabilities to suppliers	11,580	1,066
Liabilities for advances, deposits and sureties	15	15
Liabilities for salary taxes and contributions and salary allowances	3,223	2,372
Liabilities to employees	6,418	4,632
Current tax liabilities	24,282	13,740
Other financial liabilities	136	136
	58,796	52,506

ANNUAL REPORT 2022

Liabilities towards affiliated companies refer to liabilities based on interest for loans that have been repaid

Izzy Asset Management – interests	20,310	33,454	13,144
Total liabilities to related parties	20,310	33,454	13,144

23. Deferred expenses and deferred revenue (PVR)

	<u>2022</u>	<u>2021</u>
Deferred expenses and deferred revenue (PVR)	3,040	3,166
	3,040	3,166

24. Capital

	<u>2022</u>	<u>2021</u>
Share capital	36,993	30,843
Reserves	3,084	616
Transferred loss	(29,475)	(29,473)
Accumulated profit	69,164	9,961
Profit / Loss for the financial year	<u>92,084</u>	<u>61,971</u>
	171,852	73,618

25. Related parties

A related party of the company is the founder IZI ASSET MANAGEMENT AD BUGARIJA.

Related party transactions:

Depositor	Credit	Debit	Balance
Izzy Asset Management – long-term loan	61,890	61,890	0
Izzy Asset Management – interest	20,310	33,454	13,144

Гврдам дека преводот на документот од македонски јазик е верен на оригиналот	I hereby certify that the translation corresponds to the original
Потпис и печат	Signature and seal
Скопје, Р. Северна Македонија / Skopje, R. of North Macedonia Александар Поповски / Aleksandar Popovski	
Овластен судски преведувач од македонски на англиски јазик и обратно Certified translator of the Court from Macedonian to English and vice-versa	



AG