

**Construction Company
GRANIT AD Skopje**

**INDEPENDENT AUDITOR'S REPORT
AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDING
31 DECEMBER 2024**

Skopje, April 2025

These reports are translation from the official ones issued in Macedonian language

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS ASSEMBLY OF Construction Company GRANIT AD - Skopje

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Construction Company GRANIT AD - Skopje ("the Company"), which comprise Consolidated Statement of Financial Position as at 31 December 2024, and the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of changes in equity and Consolidated Cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting standards which are accepted in the Republic of North Macedonia and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from 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 International Standards on Auditing which are accepted and published in the Official gazette of the Republic of North Macedonia (79/2010). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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.

**INDEPENDENT AUDITOR'S REPORT (Continued)
TO THE
SHAREHOLDERS ASSEMBLY OF
Construction Company GRANIT AD - Skopje**

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Construction Company GRANIT AD - Skopje as of 31 December 2024, and of its financial performance and its cash flows for the period then ended in accordance with the accounting standards which are accepted in the Republic of North Macedonia.

Report on Other Legal or Regulatory Requirements

The management of the Company is also responsible for preparation of the annual business report according to the article 384 from the Law on trade companies. Our responsibility, according to the Audit Law, is to report whether the annual business report is consistent with the consolidated annual accounts and the consolidated financial statements for the year ended 31 December 2024. Our job regarding the annual business report is conducted according to the ISA 720 and is restricted to reporting whether the historical financial information presented in the annual business report are consistent to the annual accounts and the audited consolidated financial statements.

The annual business report is consistent, in all material aspects, with the consolidated annual account and the audited consolidated financial statements of the Construction Company GRANIT AD - Skopje as of 31 December 2024.

Skopje, 23 April 2025

Certified Auditor

Antonio Veljanov

Manager and Certified Auditor

Antonio Veljanov

Construction Company GRANIT AD - Skopje
CONSOLIDATED INCOME STATEMENT for the year ended at 31 December

	Note	2024 (000) MKD	2023 (000) MKD
Revenues from construction works	8	3,548,760	5,056,902
Other operating income	9	198,678	191,440
Changes in inventories of finished goods and work in progress		35,121	(83,455)
Raw materials used	10	(896,092)	(1,085,958)
Employees expenses	11	(901,575)	(924,826)
Depreciation		(304,087)	(289,609)
Expenses for sub-contractors		(1,379,964)	(2,325,987)
Other operating expenses	12	(365,948)	(469,141)
OPERATING PROFIT (LOSS)		(65,107)	69,366
Financing income	13	6,546	6,771
Income (loss) from investments	13a	107,078	58,107
Share in profit of associates	24	4,288	13,042
Financing expenses	14	(14,107)	(18,820)
PROFIT BEFORE TAXATION		38,698	128,466
Income tax expense	17	(1,924)	(1,348)
NET PROFIT FOR THE PERIOD		36,774	127,118
Net profit (loss) for:			
Shareholders of the Parent Company		36,774	127,118
Minority shareholders in the subsidiaries		-	-
		36,774	127,118
Basic earnings per share (In MKD)	15	13	46

Construction Company GRANIT AD - Skopje
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended at 31 December

	Note	2024 (000) MKD	2023 (000) MKD
Net profit for the period		36,774	127,118
Other comprehensive income:			
PPE revaluation		-	-
Revaluation of investments available for sale to their fair value		1,603,283	284,250
Foreign exchange differences from foreign currencies translations		-	9
Total other comprehensive income		1,603,283	284,259
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,640,057	411,377

Construction Company GRANIT AD - Skopje
CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December

	Note	2024 (000) MKD	2023 (000) MKD
ASSETS			
Cash and cash equivalents	18	107,705	46,194
Investments at fair value through profit and loss	25	8,241	102,563
Trade receivables	19	2,061,870	2,380,164
Receivables for advances	20	236,758	318,315
Short-term loans	21	3,864	6,962
Other short term assets and prepayments	22	24,748	41,699
Inventories	23	996,315	1,016,435
Total current assets		3,439,501	3,912,332
Investments in associates	24	32,478	28,190
Investments available for sale	25	3,217,824	1,620,140
Long-term loans	26	196,413	201,734
Intangible assets	27	28,879	27,551
Property, plant and equipment	28	2,301,310	2,391,110
Total non-current assets		5,776,904	4,268,725
TOTAL ASSETS		9,216,405	8,181,057
LIABILITIES AND EQUITY			
Trade payables	29	847,951	1,252,968
Payables for advances and deposits	30	271,713	75,386
Short-term borrowings	31	-	211,702
Current portion of long-term borrowings	32	7,228	54,068
Other short-term liabilities and accruals	33	199,046	191,583
Total current liabilities		1,325,938	1,785,707
Long-term borrowings	34	5,135	30,001
Provision for litigation claims		-	-
Total non current liabilities		5,135	30,001
Shareholders capital		932,367	932,367
Treasury shares		(148,097)	(148,097)
Share premium		51,895	51,895
Legal reserves		1,924,235	1,771,709
Revaluation and other reserves		2,804,853	1,201,509
Retained earnings		2,320,079	2,555,966
Total		7,885,332	6,365,349
Non-controlling interest		-	-
Total equity		7,885,332	6,365,349
TOTAL LIABILITIES AND EQUITY		9,216,405	8,181,057

Skopje, 26 March 2025

**For the Steering Committee
President**

Straso Milkovski

Construction Company GRANIT AD - Skopje
CONSOLIDATED CASH FLOW STATEMENT for the year ended at 31 December

	Note	2024 (000) MKD	2023 (000) MKD
Cash flows from operating activities			
PROFIT (LOSS) BEFORE TAXATION		38,698	128,466
Adjusted for:			
Depreciation of PPE	28	293,321	279,612
Amortization of intangible assets	27	10,766	9,997
Provision of receivables and write off investments in associates	12	497	28,924
Interest income (expenses), net	13;15	6,381	10,777
Dividend income	13a	(103,467)	(56,850)
Income from reconciliation of shares in investment funds	13a	(3,611)	(1,257)
Share in profit of associates	24	(4,288)	(13,042)
Provision for reconciliation of inventories	12	3,070	871
Income from write-off payables	9	(21,322)	-
Carrying amount of disposed fixed assets	28	51	499
Gain/loss from disposal of PPE	9;12	(26,877)	(51,915)
Profit (loss) before changes in current assets		193,219	336,082
Trade receivables		317,797	(270,854)
Receivables for advances		81,557	295,543
Other short term assets and prepayments		18,472	12,413
Inventories		17,050	142,862
Trade payables		(383,695)	415,580
Payables for advances		196,327	(381,123)
Other short-term liabilities and accruals		8,526	(72,152)
Net cash used in operations		449,253	478,351
Interest paid		(12,581)	(17,185)
Income tax paid		(6,818)	(649)
Net cash flows from operating activities		429,854	460,517
Cash flows from investment activities			
Cash inflows (outflows) from investments, net	25	97,932	(40,100)
Received interest	13	6,200	6,408
Received dividends	13a	103,467	56,850
Collected (given) loans	26	8,419	22,622
Acquisition of intangible assets	27	(12,094)	(12,984)
Acquisition of PPE	28	(217,492)	(458,708)
Proceeds from disposed PPE	28	40,797	88,429
Net cash flows from investment activities		27,229	(337,483)
Cash flows from financing activities			
Proceeds (repayment) of long-term borrowings		(71,706)	(139,591)
Proceeds (repayment) of short-term borrowings		(211,702)	113,003
Dividends paid		(112,164)	(95,908)
Rewards paid		-	-
Net cash flows from financing activities		(395,572)	(122,496)
Net increase (decrease) of cash and cash equivalents		61,511	538
Cash and cash equivalents at the beginning of the year	18	46,194	45,656
Cash and cash equivalents at the end of the year	18	107,705	46,194

Notes comprise an integral part of the Consolidated Financial Statements

Auditors report is on pages 1 and 2

Construction Company GRANIT AD - Skopje

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended at 31 December

	Ordinary shares		Treasury shares		Share premium	Reserves (legal and from reinvested income)	Reserves for treasury shares	Revaluation and other reserves	Retained earnings	Non-controlling interest	Total equity
	Number of shares	Amount	Number of shares	Amount							
In (000) MKD											
a) Changes in 2023											
Balance as at 01.01.2023	3,071,377	932,367	(301,173)	(148,097)	51,895	1,576,658	62,164	917,250	2,661,462	-	6,053,699
Comprehensive income:											
Profit for the year	-	-	-	-	-	-	-	-	127,118	-	127,118
Revaluation of investments available for sale to their fair value	-	-	-	-	-	-	-	284,250	-	-	284,250
Foreign exchange differences from foreign currencies translations	-	-	-	-	-	-	-	9	-	-	9
Total comprehensive income	-	-	-	-	-	-	-	284,259	127,118	-	411,377
Transactions with owners:											
Shares issued	-	-	-	-	-	-	-	-	-	-	-
Distribution for reserves	-	-	-	-	-	132,887	-	-	(132,887)	-	-
Distribution for dividends	-	-	-	-	-	-	-	-	(99,727)	-	(99,727)
Distribution for rewards	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31.12.2023	3,071,377	932,367	(301,173)	(148,097)	51,895	1,709,545	62,164	1,201,509	2,555,966	-	6,365,349

(Continued)

Notes comprise an integral part of the Consolidated Financial Statements
Auditors report is on pages 1 and 2

Construction Company GRANIT AD - Skopje

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended at 31 December (Continued)

	Ordinary shares		Treasury shares		Share premium	Reserves (legal and from reinvested income)	Reserves for treasury shares	Revaluation and other reserves	Retained earnings	Retained earnings	Total equity
	Number of shares	Amount	Number of shares	Amount							
In (000) MKD											
b) Changes in 2024											
Balance as at 01.01.2024	3,071,377	932,367	(301,173)	(148,097)	51,895	1,709,545	62,164	1,201,509	2,555,966	-	6,365,349
Comprehensive income:											
Profit for the year	-	-	-	-	-	-	-	-	36,774	-	36,774
Revaluation of investments available for sale to their fair value	-	-	-	-	-	-	-	1,603,283	-	-	1,603,283
Foreign exchange differences from foreign currencies translations	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	1,603,283	36,774	-	1,640,057
Transactions with owners:											
Shares issued	-	-	-	-	-	-	-	-	-	-	-
Distribution for reserves	-	-	-	-	-	152,526	-	-	(152,526)	-	-
Distribution for dividends	-	-	-	-	-	-	-	-	(116,349)	-	(116,349)
Distribution for rewards	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	61	(3,786)	-	(3,725)
Balance as at 31.12.2024	3,071,377	932,367	(301,173)	(148,097)	51,895	1,862,071	62,164	2,804,853	2,320,079	-	7,885,332

Notes comprise an integral part of the Consolidated Financial Statements
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