

**Construction Company
GRANIT AD Skopje**

**INDEPENDENT AUDITOR'S REPORT
AND
SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDING
31 DECEMBER 2025**

Skopje, April 2026

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

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**GD GRANIT AD SKOPJE
INDEPENDENT AUDITOR'S REPORT
TO THE SUPERVISORY BOARD AND SHAREHOLDERS OF
GD GRANIT AD SKOPJE**

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of GD Granit AD Skopje (the Company), which comprise the Statement of Financial Position as at 31 December 2025, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended, in accordance with International Accounting Standards applicable in the Republic of North Macedonia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing applicable in the Republic of North Macedonia ("ISAs"). Our responsibilities under those ISAs are further described in the Auditor's Responsibilities for the Audit of the Separate Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards), issued by the International Ethics Standards Board for Accountants and applicable in the Republic of North Macedonia to audits of financial statements of public interest entities ("the Code of Ethics"). We have fulfilled our other ethical responsibilities in accordance with the Code of Ethics.

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



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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter | How our audit addressed the key audit matter |
|--|--|
| <p>Recognition of Revenue from Construction Contracts and Contract Balances Refer to Note 3.1, Note 20, Note 30 and Note 7.1</p> | <p>Our procedures included, among others:</p> <ul style="list-style-type: none"> Obtaining an understanding and evaluating the design and implementation of relevant controls related to construction contracts, cost budgeting, approval of interim and final certificates, and revenue recognition. Inspecting a sample of customer contracts and contract addenda in order to assess whether the criteria for recognising revenue over time are met and whether the transaction price has been appropriately determined. Testing the measurement of progress by comparing costs incurred with the estimated total costs of performing the contract and critically assessing the assumptions used in estimating costs to complete. Inspecting a sample of interim and final certificates, supporting technical and contractual documentation, and assessing whether the works performed relate to the period up to the reporting date. Testing cut-off transactions around the year-end to assess whether revenue and contract balances are recognised in the appropriate period. Assessing whether contract assets, retention deposits, contract liabilities and advances received are appropriately classified, measured and disclosed in the separate financial statements. |
| <p>In 2025, the Company generated sales revenue of MKD 2,544,778 thousand, of which MKD 2,331,681 thousand relates to revenue from contracts with customers for the execution of construction works in the domestic market.</p> | |
| <p>As at 31 December 2025, contract assets amount to MKD 777,185 thousand and contract liabilities amount to MKD 47,278 thousand.</p> | |
| <p>The recognition of revenue from construction contracts is complex because most revenue is recognised over time based on the measurement of progress of the contracts. Significant judgement in this area relates to the estimation of costs to complete, the accuracy and timeliness of interim and final certificates, the proper cut-off of revenue between periods and the appropriate classification of contract assets and contract liabilities.</p> | |
| <p>This area also includes retention deposits, uncertified works and advances received. Due to the significance of the amounts involved and the level of judgement required, we considered this matter to be a key audit matter.</p> | |



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Other Information

Management is responsible for the other information. The other information comprises the annual report on operations and the annual account prepared by management in accordance with the Law on Trade Companies, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, except to the extent explicitly stated in the Report on Other Legal and Regulatory Requirements.

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 with our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Additionally, based on our knowledge and understanding of the Company and its environment obtained during the audit, we are required to report if we have identified a material misstatement in the annual report on operations and the separate annual account. We have nothing to report in respect of these matters.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Accounting Standards applicable in the Republic of North Macedonia, 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 separate 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 ISAs 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 separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate 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 audit 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 separate 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 separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.



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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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MOORE STEPHENS DOO - Skopje

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Report on Other Legal and Regulatory Requirements

As stated in the Other Information paragraph, management of the Company is responsible for preparing the annual report on operations of the Company for 2025 in accordance with Article 384/240 of the Law on Trade Companies. Our responsibility is to express an opinion on the consistency of the separate annual report with the historical financial information disclosed in the annual account and the audited financial statements of the Company as at and for the year ended 31 December 2025, in accordance with International Standards on Auditing, and in accordance with the requirements of Article 34, paragraph 1, item (d) of the Law on Audit.

In our opinion, the historical financial information disclosed in the annual report on operations of the Company as at and for the year ended 31 December 2025 is consistent, in all material respects, with the information disclosed in the annual account and the audited financial statements of the Company as at and for the year ended 31 December 2025.

Skopje, 15 April 2026

Certified Auditor

Antonio Veljanov

Manager and Certified Auditor

Antonio Veljanov

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

| | Note | 2025 (000) MKD | 2024 (000) MKD |
|---|-------------|---------------------------------|---------------------------------|
| Sales Revenues | 8 | 2,544,778 | 3,446,963 |
| Other operating income | 9 | 460,208 | 282,928 |
| Changes in inventories of finished goods and work in progress | | 206,610 | 35,121 |
| Raw materials used | 10 | (704,774) | (905,874) |
| Employees expenses | 11 | (797,369) | (834,356) |
| Depreciation | | (204,579) | (303,675) |
| Expenses for subcontractors | | (991,427) | (1,361,122) |
| Other operating expenses | 12 | <u>(456,277)</u> | <u>(349,262)</u> |
| OPERATING PROFIT (LOSS) | | 57,170 | 10,723 |
| Financing income | 13 | 5,762 | 6,217 |
| Income (loss) from investments | 14 | 146,793 | 107,078 |
| Financing expenses | 15 | <u>(2,861)</u> | <u>(14,452)</u> |
| PROFIT BEFORE TAXATION | | 206,864 | 109,566 |
| Income tax expense | 18 | (1,791) | - |
| NET PROFIT FOR THE PERIOD | | <u>205,073</u> | <u>109,566</u> |
| Basic earnings per share (In MKD) | 16 | <u>74</u> | <u>40</u> |

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

| | Note | 2025 (000) MKD | 2024 (000) MKD |
|---|-------------|---------------------------------|---------------------------------|
| Net profit for the year | | 205,073 | 109,566 |
| Other comprehensive income: | | | |
| Revaluation of PPE | | - | - |
| Fair value movement of available-for-sale investments | | (56,850) | 1,603,283 |
| Currency translation differences | | - | - |
| Total other comprehensive income | | (56,850) | 1,603,283 |
| TOTAL COMPREHENSIVE INCOME | | 148,223 | 1,712,849 |

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

| | Note | 2025 (000) MKD | 2024 (000) MKD |
|---|------|-------------------|-------------------|
| ASSETS | | | |
| Cash and cash equivalents | 19 | 21,301 | 57,521 |
| Investments for trading at fair value | 26 | 10,034 | 8,241 |
| Trade receivables and contract assets | 20 | 2,117,394 | 2,069,798 |
| Receivables for advances | 21 | 286,385 | 276,903 |
| Short-term loans | 22 | 5,505 | 3,864 |
| Other short term assets and prepayments | 23 | 27,851 | 83,226 |
| Inventories | 24 | 1,230,577 | 989,161 |
| Total current assets | | 3,699,047 | 3,488,714 |
| Investments in subsidiaries and associates | 25 | 8,415 | 8,415 |
| Investments available for sale | 26 | 3,160,974 | 3,217,824 |
| Long-term loans | 27 | 189,578 | 196,413 |
| Intangible assets | 28 | 35,737 | 28,879 |
| Property, plant and equipment | 29 | 2,284,189 | 2,298,132 |
| Total non-current assets | | 5,678,893 | 5,749,663 |
| TOTAL ASSETS | | 9,377,940 | 9,238,377 |
| LIABILITIES AND EQUITY | | | |
| Trade payables, Payables for advance and contract liabilities | 30 | 1,159,097 | 1,314,545 |
| Short-term borrowings | 34 | 500 | - |
| Current portion of lease liabilities | 31 | 14,757 | 7,228 |
| Other short-term liabilities and accruals | 32 | 299,704 | 193,350 |
| Total current liabilities | | 1,474,058 | 1,515,123 |
| Long-term borrowings | 33 | 122,918 | - |
| Lease liabilities | | 19,890 | 5,135 |
| Total non current liabilities | | 142,808 | 5,135 |
| Total liabilities | | 1,616,866 | 1,520,258 |
| Shareholders capital | | 932,367 | 932,367 |
| Treasury shares | | (148,097) | (148,097) |
| Share premium | | 51,895 | 51,895 |
| Legal reserves | | 2,032,450 | 1,922,884 |
| Revaluation reserves | | 2,746,796 | 2,803,646 |
| Retained earnings | | 2,145,663 | 2,155,424 |
| Total equity | | 7,761,074 | 7,718,119 |
| TOTAL LIABILITIES AND EQUITY | | 9,377,940 | 9,238,377 |

Skopje, 15 April 2026

**For the Steering Committee
President**

Straso Milkovski

Notes comprise an integral part of the Financial Statements
Auditors report is on pages 1 - 6

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

| | Note | 2025 (000) MKD | 2024 (000) MKD |
|---|-------------|---------------------------------|---------------------------------|
| Cash flows from operating activities | | | |
| PROFIT (LOSS) BEFORE TAXES | | 206,864 | 109,566 |
| Adjusted for: | | | |
| Depreciation | 29 | 197,222 | 292,909 |
| Amortization of intangible assets | 28 | 7,357 | 10,766 |
| Provision on bad receivables and investments in associates | 12 | 275 | - |
| Provision for inventory reconciliation | | 32,223 | 3,070 |
| Income from reconciliation of shares in investment funds | | (4,668) | (3,611) |
| Interest income (expenses), net | 13;15 | (3,419) | 6,508 |
| Dividend income | | (157,971) | (172,605) |
| PPE Adjustments | | 5,006 | 3 |
| Carrying amount of disposed fixed assets | | 66 | 51 |
| Capital (Gain)/loss from disposal of PPE | 9 | (166,034) | (26,877) |
| Profit (loss) before changes in current assets | | 116,921 | 219,780 |
| Trade receivables | | (47,871) | 322,614 |
| Receivables for advances | | (9,482) | 84,800 |
| Other short term assets and prepayments | | 2,010 | (1,256) |
| Inventories | | (273,639) | 17,325 |
| Trade payables | | 111,448 | (417,792) |
| Payables for advances | | - | 196,246 |
| Other short -term liabilities and accruals | | 103,477 | 6,816 |
| Net cash used in operations | | 2,864 | 428,533 |
| Interest paid | | (2,315) | (12,577) |
| Income tax paid | | - | - |
| Net cash flows from operating activities | | 549 | 415,956 |
| Cash flows from investing activities | | | |
| (Acquisition) / disposal of shares in investments founds | | 2,875 | 97,933 |
| Acquired/disposed investments | | - | (308) |
| Received dividends | | 151,125 | 107,815 |
| Received / (paid) interest and loans | | 10,928 | 14,488 |
| Acquisition of intangible assets | 28 | (13,747) | (12,094) |
| Acquisition of PPE | 29 | (215,880) | (217,252) |
| Proceeds from disposed PPE | 29 | 19,523 | 40,794 |
| Net cash flows from investment activities | | (45,176) | 31,376 |
| Cash flows from financing activities | | | |
| Proceeds (repayment) of long-term borrowings | 33 | 122,918 | (71,706) |
| Paid lease liabilities | | (12,620) | - |
| Proceeds (repayment) of short-term borrowings | | 500 | (211,702) |
| Dividends paid | | (102,391) | (112,164) |
| Net cash flows from financing activities | | 8,407 | (395,572) |
| Net increase (decrease) of cash and cash equivalents | | (36,220) | 51,760 |
| Cash and cash equivalents at the beginning of the year | 19 | 57,521 | 5,761 |
| Cash and cash equivalents at the end of the year | 19 | 21,301 | 57,521 |

Notes comprise an integral part of the Financial Statements

Auditors report is on pages 1 - 6

Construction Company GRANIT AD - Skopje
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 reserve | Retained earnings | Total equity |
|---|------------------|----------------|------------------|------------------|---------------|---|------------------------------|---------------------|-------------------|------------------|
| | Number of shares | Amount | Number of shares | Amount | | | | | | |
| In (000) MKD | | | | | | | | | | |
| a) Changes in 2024 | | | | | | | | | | |
| Balance as at 01.01.2024 | 3,071,377 | 932,367 | (301,173) | (148,097) | 51,895 | 1,708,194 | 62,164 | 1,200,363 | 2,314,733 | 6,121,619 |
| Comprehensive income: | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | - | 109,566 | 109,566 |
| Fair value movement of available-for-sale investments | - | - | - | - | - | - | - | 1,603,283 | - | 1,603,283 |
| Other comprehensive income | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | 1,603,283 | 109,566 | 1,712,849 |
| Transactions with owners: | | | | | | | | | | |
| Share issue | - | - | - | - | - | - | - | - | - | - |
| Acquired treasury shares | - | - | - | - | - | - | - | - | - | - |
| Distribution for reserves | - | - | - | - | - | 152,526 | - | - | (152,526) | - |
| Dividends | - | - | - | - | - | - | - | - | (116,349) | (116,349) |
| Rewards to management | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - |
| Balance as at 31.12.2024 | 3,071,377 | 932,367 | (301,173) | (148,097) | 51,895 | 1,860,720 | 62,164 | 2,803,646 | 2,155,424 | 7,718,119 |

Notes comprise an integral part of the Financial Statements
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Construction Company GRANIT AD - Skopje
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 reserve | Retained earnings | Total equity |
|---|------------------|----------------|------------------|------------------|---------------|---|------------------------------|---------------------|-------------------|------------------|
| | Number of shares | Amount | Number of shares | Amount | | | | | | |
| In (000) MKD | | | | | | | | | | |
| b) Changes in 2025 | | | | | | | | | | |
| Balance as at 01.01.2025 | 3,071,377 | 932,367 | (301,173) | (148,097) | 51,895 | 1,860,720 | 62,164 | 2,803,646 | 2,155,424 | 7,718,119 |
| Comprehensive income: | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | - | 205,073 | 205,073 |
| Fair value movement of available-for-sale investments | - | - | - | - | - | - | - | (56,850) | - | (56,850) |
| Other comprehensive income | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | (56,850) | 205,073 | 148,223 |
| Transactions with owners: | | | | | | | | | | |
| Share issue | - | - | - | - | - | - | - | - | - | - |
| Acquired treasury shares | - | - | - | - | - | - | - | - | - | - |
| Distribution for reserves | - | - | - | - | - | 109,566 | - | - | (109,566) | - |
| Dividends | - | - | - | - | - | - | - | - | (105,268) | (105,268) |
| Rewards to management | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - |
| Balance as at 31.12.2025 | <u>3,071,377</u> | <u>932,367</u> | <u>(301,173)</u> | <u>(148,097)</u> | <u>51,895</u> | <u>1,970,286</u> | <u>62,164</u> | <u>2,746,796</u> | <u>2,145,663</u> | <u>7,761,074</u> |

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