

**Construction Company
GRANIT AD Skopje**

**INDEPENDENT AUDITOR'S REPORT
AND
CONSOLIDATED 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 Consolidated Financial Statements

Opinion

We have audited the consolidated 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 consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated 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 Consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 19, Note 29, Note 8 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 consolidated financial statements.
<p>In 2025, the Company generated sales revenue of MKD 2,647,285 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 777,184 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 judgements in this area relate 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 consolidated annual report on operations and the consolidated annual account prepared by management in accordance with the Law on Trade Companies, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 consolidated annual report on operations and the consolidated annual account. We have nothing to report in respect of these matters.

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit and remain solely responsible for our audit opinion.



MOORE

**GD GRANIT AD SKOPJE
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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.

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 consolidated 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.



MOORE

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 consolidated 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 consolidated annual report with the historical financial information disclosed in the consolidated annual account and the audited consolidated 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 consolidated 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 consolidated 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
CONSOLIDATED INCOME STATEMENT for the year ended at 31 December

	Note	2025 (000) MKD	2024 (000) MKD
Sales Revenues	8	2,647,285	3,546,124
Other operating income	9	434,215	201,314
Changes in inventories of finished goods and work in progress		206,610	35,121
Raw materials used	10	(706,896)	(896,092)
Employees expenses	11	(870,648)	(901,575)
Depreciation		(205,116)	(304,087)
Expenses for sub-contractors		(1,020,615)	(1,379,964)
Other operating expenses	12	(441,383)	(365,948)
OPERATING PROFIT (LOSS)		43,452	(65,107)
Financing income	13	5,958	6,546
Income (loss) from investments	13a	146,793	107,078
Share in profit of associates	24	4,561	4,288
Financing expenses	14	(2,775)	(14,107)
PROFIT BEFORE TAXATION		197,989	38,698
Income tax expense	17	(3,129)	(1,924)
NET PROFIT FOR THE PERIOD		194,860	36,774
Net profit (loss) for:			
Shareholders of the Parent Company		194,860	36,774
Minority shareholders in the subsidiaries		-	-
		194,860	36,774
Basic earnings per share (In MKD)	15	70	13

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

	<u>Note</u>	<u>2025</u> <u>(000) MKD</u>	<u>2024</u> <u>(000) MKD</u>
Net profit for the period		194,860	36,774
Other comprehensive income:			
PPE revaluation		-	-
Revaluation of investments available for sale to their fair value		(56,850)	1,603,283
Foreign exchange differences from foreign currencies translations		-	-
Total other comprehensive income		<u>(56,850)</u>	<u>1,603,283</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>138,010</u>	<u>1,640,057</u>

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

	Note	2025 (000) MKD	2024 (000) MKD
ASSETS			
Cash and cash equivalents	18	65,611	107,705
Investments at fair value through profit and loss	25	10,034	8,241
Trade receivables and contract assets	19	2,115,708	2,061,870
Receivables for advances	20	237,921	236,758
Short-term loans	21	5,505	3,864
Other short term assets and prepayments	22	17,696	24,748
Inventories	23	1,237,764	996,315
Total current assets		3,690,239	3,439,501
Investments in associates	24	37,039	32,478
Investments available for sale	25	3,160,974	3,217,824
Long-term loans	26	189,578	196,413
Intangible assets	27	35,737	28,879
Property, plant and equipment	28	2,286,871	2,301,310
Total non-current assets		5,710,199	5,776,904
TOTAL ASSETS		9,400,438	9,216,405
LIABILITIES AND EQUITY			
Trade payables, Payables for advance and contract liabilities	29	1,018,107	1,119,664
Short-term borrowings	32	500	-
Current portion of lease liabilities	30	14,757	7,228
Other short-term liabilities and accruals	31	305,973	199,046
Total current liabilities		1,339,337	1,325,938
Long-term borrowings	32	122,918	-
Lease liabilities		19,890	5,135
Total non current liabilities		142,808	5,135
Shareholders capital		932,367	932,367
Treasury shares		(148,097)	(148,097)
Share premium		51,895	51,895
Legal reserves		2,033,801	1,924,235
Revaluation and other reserves		2,748,086	2,804,853
Retained earnings		2,300,241	2,320,079
Total		7,918,293	7,885,332
Non-controlling interest		-	-
Total equity		7,918,293	7,885,332
TOTAL LIABILITIES AND EQUITY		9,400,438	9,216,405

Skopje, 15 April 2026

For the Steering Committee
President

Straso Milkovski

Construction Company GRANIT AD - Skopje

CONSOLIDATED 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 TAXATION		197,989	38,698
Adjusted for:			
Depreciation of PPE	28	197,759	293,321
Amortization of intangible assets	27	7,357	10,766
Provision of receivables and write off investments in associates	12	426	497
Interest income (expenses), net	13;15	(3,504)	6,381
Dividend income	13a	(142,125)	(103,467)
Income from reconciliation of shares in investment funds	13a	(4,668)	(3,611)
Share in profit of associates	24	(4,561)	(4,288)
Provision for reconciliation of inventories	12	32,223	3,070
Income from write-off payables	9	(1,115)	(21,322)
PPE Adjustments		5,006	-
Carrying amount of disposed fixed assets	28	66	51
Gain/loss from disposal of PPE	9;12	(166,034)	(26,877)
Profit (loss) before changes in current assets		118,819	193,219
Trade receivables		(54,264)	317,797
Receivables for advances		(1,163)	81,557
Other short term assets and prepayments		5,993	18,472
Inventories		(273,672)	17,050
Trade payables		108,034	(383,695)
Payables for advances		-	196,327
Other short-term liabilities and accruals		104,612	8,526
Net cash used in operations		8,359	449,253
Interest paid		(2,327)	(12,581)
Income tax paid		(2,413)	(6,818)
Net cash flows from operating activities		3,619	429,854
Cash flows from investment activities			
Cash inflows (outflows) from investments, net	25	2,875	97,932
Received interest	13	5,831	6,200
Received dividends	13a	142,125	103,467
Collected (given) loans	26	5,194	8,419
Acquisition of intangible assets	27	(14,215)	(12,094)
Acquisition of PPE	28	(216,372)	(217,492)
Proceeds from disposed PPE	28	20,442	40,797
Net cash flows from investment activities		(54,120)	27,229
Cash flows from financing activities			
Proceeds (repayment) of long-term borrowings		122,918	(71,706)
Paid lease liabilities		(12,620)	-
Proceeds (repayment) of short-term borrowings		500	(211,702)
Dividends paid		(102,391)	(112,164)
Rewards paid		-	-
Net cash flows from financing activities		8,407	(395,572)
Net increase (decrease) of cash and cash equivalents		(42,094)	61,511
Cash and cash equivalents at the beginning of the year	18	107,705	46,194
Cash and cash equivalents at the end of the year	18	65,611	107,705

Notes comprise an integral part of the Consolidated Financial Statements

Auditors report is on pages 1 - 6

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 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	2,804,792	2,323,865	-	7,885,332

(Continued)

Notes comprise an integral part of the Consolidated Financial Statements

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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 2025											
Balance as at 01.01.2025	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
Comprehensive income:											
Profit for the year	-	-	-	-	-	-	-	-	194,860	-	194,860
Revaluation of investments available for sale to their fair value	-	-	-	-	-	-	-	(56,850)	-	-	(56,850)
Foreign exchange differences from foreign currencies translations	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	(56,850)	194,860	-	138,010
Transactions with owners:											
Shares issued	-	-	-	-	-	-	-	-	-	-	-
Distribution for reserves	-	-	-	-	-	109,566	-	-	(109,566)	-	-
Distribution for dividends	-	-	-	-	-	-	-	-	(105,268)	-	(105,268)
Distribution for rewards	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	83	136	-	219
Balance as at 31.12.2025	3,071,377	932,367	(301,173)	(148,097)	51,895	1,971,637	62,164	2,748,086	2,300,241	-	7,918,293

Notes comprise an integral part of the Consolidated Financial Statements

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