

**Construction Company  
GRANIT AD Skopje**

**INDEPENDENT AUDITOR'S REPORT  
AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDING  
31 DECEMBER 2023**

**Skopje, April 2024**

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

<b>CONTENTS</b>	Page
<b>Independent Auditor's Report</b>	<b>1-2</b>
<b>Consolidated Financial Statements</b>	
Consolidated Income statement	3
Consolidated Statement of comprehensive income	4
Consolidated Statement of financial position	5
Consolidated Cash flow statement	6
Consolidated Statement of changes in equity	7-8



## MOORE STEPHENS LTD

Sv. Kiril i Metodij, 1000 Skopje  
Republic of North Macedonia  
Tel.: +389 (2) 32 14 706  
E-mail: moore@moore.mk  
www.moore.mk  
www.moore-global.com

### 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 2023, 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 2023, 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 2023. 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 2023.

Skopje, 19 April 2024

**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**

---

	<b>Note</b>	<b>2023 (000) MKD</b>	<b>2022 (000) MKD</b>
Revenues from construction works	8	5,056,902	4,635,034
Other operating income	9	191,440	301,680
Changes in inventories of finished goods and work in progress		(83,455)	(298,334)
Raw materials used	10	(1,085,958)	(1,077,196)
Employees expenses	11	(924,826)	(858,289)
Depreciation		(289,609)	(282,376)
Expenses for sub-contractors		(2,325,987)	(2,001,976)
Other operating expenses	12	<u>(469,141)</u>	<u>(451,517)</u>
<b>OPERATING PROFIT (LOSS)</b>		<b>69,366</b>	<b>(32,974)</b>
Financing income	13	6,771	7,367
Income (loss) from investments	13a	58,107	70,634
Share in profit of associates	24	13,042	11,915
Financing expenses	14	<u>(18,820)</u>	<u>(10,693)</u>
<b>PROFIT BEFORE TAXATION</b>		<b>128,466</b>	<b>46,249</b>
Income tax expense	17	(1,348)	(263)
<b>NET PROFIT FOR THE PERIOD</b>		<b><u>127,118</u></b>	<b><u>45,986</u></b>
<b>Net profit (loss) for:</b>			
Shareholders of the Parent Company		127,118	45,986
Minority shareholders in the subsidiaries		-	-
		<b><u>127,118</u></b>	<b><u>45,986</u></b>
<b>Basic earnings per share (In MKD)</b>	15	<b><u>46</u></b>	<b><u>17</u></b>

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

---

	<u>Note</u>	<u>2023</u> <u>(000) MKD</u>	<u>2022</u> <u>(000) MKD</u>
<b>Net profit for the period</b>		<b>127,118</b>	<b>45,986</b>
<b>Other comprehensive income:</b>			
PPE revaluation		-	-
Revaluation of investments available for sale to their fair value		284,250	11,370
Foreign exchange differences from foreign currencies translations		9	(736)
<b>Total other comprehensive income</b>		<u><b>284,259</b></u>	<u><b>10,634</b></u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u><b>411,377</b></u>	<u><b>56,620</b></u>

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

	Note	2023 (000) MKD	2022 (000) MKD
<b>ASSETS</b>			
Cash and cash equivalents	18	46,194	45,656
Investments at fair value through profit and loss	25	102,563	66,806
Trade receivables	19	2,380,164	2,138,225
Receivables for advances	20	318,315	613,858
Short-term loans	21	6,962	6,918
Other short term assets and prepayments	22	41,699	54,489
Inventories	23	1,016,435	1,160,168
<b>Total current assets</b>		<b>3,912,332</b>	<b>4,086,120</b>
Investments in associates	24	28,190	15,149
Investments available for sale	25	1,620,140	1,330,290
Long-term loans	26	201,734	224,400
Intangible assets	27	27,551	24,564
Property, plant and equipment	28	2,391,110	2,249,027
<b>Total non-current assets</b>		<b>4,268,725</b>	<b>3,843,430</b>
<b>TOTAL ASSETS</b>		<b>8,181,057</b>	<b>7,929,550</b>
<b>LIABILITIES AND EQUITY</b>			
Trade payables	29	1,252,968	837,388
Payables for advances and deposits	30	75,386	456,509
Short-term borrowings	31	211,702	98,699
Current portion of long-term borrowings	32	54,068	106,799
Other short-term liabilities and accruals	33	191,583	259,594
<b>Total current liabilities</b>		<b>1,785,707</b>	<b>1,758,989</b>
Long-term borrowings	34	30,001	116,861
Provision for litigation claims	35c	-	-
<b>Total non current liabilities</b>		<b>30,001</b>	<b>116,861</b>
Shareholders capital		932,367	932,367
Treasury shares		(148,097)	(148,097)
Share premium		51,895	51,895
Legal reserves		1,771,709	1,638,822
Revaluation and other reserves		1,201,509	917,250
Retained earnings		2,555,966	2,661,463
<b>Total</b>		<b>6,365,349</b>	<b>6,053,700</b>
Non-controlling interest		-	-
<b>Total equity</b>		<b>6,365,349</b>	<b>6,053,700</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>8,181,057</b>	<b>7,929,550</b>

Skopje, 29 March 2024

For the Steering Committee  
President

Straso Milkovski

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

	Note	2023 (000) MKD	2022 (000) MKD
<b>Cash flows from operating activities</b>			
<b>PROFIT (LOSS) BEFORE TAXATION</b>		<b>128,466</b>	<b>46,249</b>
<b>Adjusted for:</b>			
Depreciation of PPE	28	279,612	273,318
Amortization of intangible assets	27	9,997	9,058
Provision of receivables and write off investments in associates	12	28,924	16,141
Interest income (expenses), net	13;15	10,777	596
Dividend income	13a	(56,850)	(70,494)
Income from reconciliation of shares in investment funds	13a	(1,257)	(140)
Share in profit of associates	24	(13,042)	(11,915)
Provision for reconciliation of inventories	12	871	4,250
Income from write-off payables	9	-	-
Carrying amount of disposed fixed assets	28	499	92
Gain/loss from disposal of PPE	9;12	(51,915)	(27,756)
<b>Profit (loss) before changes in current assets</b>		<b>336,082</b>	<b>239,399</b>
Trade receivables		(270,854)	185,610
Receivables for advances		295,543	(458,258)
Other short term assets and prepayments		12,413	(37,391)
Inventories		142,862	321,346
Trade payables		415,580	(318,410)
Payables for advances		(381,123)	62,979
Other short-term liabilities and accruals		(72,152)	81,084
<b>Net cash used in operations</b>		<b>478,351</b>	<b>76,359</b>
Interest paid		(17,185)	(7,495)
Income tax paid		(649)	(3,516)
<b>Net cash flows from operating activities</b>		<b>460,517</b>	<b>65,348</b>
<b>Cash flows from investment activities</b>			
Cash inflows (outflows) from investments, net	25	(40,100)	(31,000)
Received interest	13	6,408	6,899
Received dividends	13a	56,850	70,494
Collected (given) loans	26	22,622	3,596
Acquisition of intangible assets	27	(12,984)	(13,046)
Acquisition of PPE	28	(458,708)	(201,777)
Proceeds from disposed PPE	28	88,429	33,475
<b>Net cash flows from investment activities</b>		<b>(337,483)</b>	<b>(131,359)</b>
<b>Cash flows from financing activities</b>			
Proceeds (repayment) of long-term borrowings		(139,591)	142,285
Proceeds (repayment) of short-term borrowings		113,003	38,699
Dividends paid		(95,908)	(96,063)
Rewards paid		-	(57,736)
<b>Net cash flows from financing activities</b>		<b>(122,496)</b>	<b>27,185</b>
<b>Net increase (decrease) of cash and cash equivalents</b>		<b>538</b>	<b>(38,826)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>18</b>	<b>45,656</b>	<b>84,482</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>18</b>	<b>46,194</b>	<b>45,656</b>

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							
<b>In (000) MKD</b>											
<b>a) Changes in 2022</b>											
<b>Balance as at 01.01.2022</b>	<b>3,071,377</b>	<b>932,367</b>	<b>(301,173)</b>	<b>(148,097)</b>	<b>51,895</b>	<b>1,397,745</b>	<b>62,164</b>	<b>906,552</b>	<b>2,894,117</b>	<b>-</b>	<b>6,096,743</b>
<b>Comprehensive income:</b>											
Profit for the year	-	-	-	-	-	-	-	-	45,986	-	45,986
Revaluation of investments available for sale to their fair value	-	-	-	-	-	-	-	11,370	-	-	11,370
Foreign exchange differences from foreign currencies translations	-	-	-	-	-	-	-	(736)	-	-	(736)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,634</b>	<b>45,986</b>	<b>-</b>	<b>56,620</b>
<b>Transactions with owners:</b>											
Shares issued	-	-	-	-	-	-	-	-	-	-	-
Distribution for reserves	-	-	-	-	-	178,913	-	-	(178,913)	-	-
Distribution for dividends	-	-	-	-	-	-	-	-	(99,727)	-	(99,727)
Distribution for rewards	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	64	-	-	64
<b>Balance as at 31.12.2022</b>	<b>3,071,377</b>	<b>932,367</b>	<b>(301,173)</b>	<b>(148,097)</b>	<b>51,895</b>	<b>1,576,658</b>	<b>62,164</b>	<b>917,186</b>	<b>2,661,462</b>	<b>-</b>	<b>6,053,699</b>

(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>b) Changes in 2023</b>											
<b>Balance as at 01.01.2023</b>	<b>3,071,377</b>	<b>932,367</b>	<b>(301,173)</b>	<b>(148,097)</b>	<b>51,895</b>	<b>1,576,658</b>	<b>62,164</b>	<b>917,250</b>	<b>2,661,462</b>	<b>-</b>	<b>6,053,699</b>
<b>Comprehensive income:</b>											
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
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>284,259</b>	<b>127,118</b>	<b>-</b>	<b>411,377</b>
<b>Transactions with owners:</b>											
Shares issued	-	-	-	-	-	-	-	-	-	-	-
Distribution for reserves	-	-	-	-	-	132,887	-	-	(132,887)	-	-
Distribution for dividends	-	-	-	-	-	-	-	-	(99,727)	-	(99,727)
Distribution for rewards	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31.12.2023</b>	<b>3,071,377</b>	<b>932,367</b>	<b>(301,173)</b>	<b>(148,097)</b>	<b>51,895</b>	<b>1,709,545</b>	<b>62,164</b>	<b>1,201,509</b>	<b>2,555,966</b>	<b>-</b>	<b>6,365,349</b>

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