Company **Mermeren Kombinat AD Prilep**
Reporting period **01.01 - 30.06** **2026**

# Income Statement

*In EUR*

| | Position | Previous Period | Curent Period | Indexes |
|---|---|---|---|---|
| | | 01/01-30/06/25 | 01/01-30/06/26 | curent year / previous year |
| 1 | Sales revenues | 12.934.940 | 8.123.025 | 63 |
| 1a | *Revenues from domestic market* | 242.347 | 155.645 | 64 |
| 1b | *Revenues from foreign markets* | 12.692.593 | 7.967.380 | 63 |
| 2 | Cost of goods sold | 6.012.559 | 3.755.575 | 62 |
| 3 | **Gross Profit** | **6.922.381** | **4.367.450** | **63** |
| 4 | Administrative Costs | 590.070 | 555.430 | 94 |
| 5 | Sales and Marketing Cost | 799.841 | 501.357 | 63 |
| 6 | Provisions | 0 | 0 | 0 |
| 7 | Other operating revenues | 110.061 | 19.292 | 18 |
| 8 | Impairement and Other operating Costs | 18.715 | 29.979 | 160 |
| 9 | **Operating profit** | **5.623.816** | **3.299.976** | **59** |
| 10 | Total Financial Revenue | 178.478 | 65.987 | 37 |
| 10a | Financial revenues from investment, loans granted and interest and exchange rate gains | 177.908 | 65.970 | 37 |
| 10b | Other Financial Revenue | 570 | 17 | 3 |
| 10c | Income From Associated Companies | 0 | 0 | 0 |
| 11 | Total Financial Expenses | 165.500 | 28.732 | 17 |
| 11a | Financial expenses from interests and exchange rate losses | 164.759 | 28.715 | 17 |
| 11b | Other financial expenses | 741 | 17 | 2 |
| 11c | Losses from Associates | 0 | 0 | 0 |
| 12 | **Profit from ordinary activities** | **5.636.794** | **3.337.231** | **59** |
| 13 | Net Profit from Discountinued activities | 0 | 0 | 0 |
| 14 | **Profit from ordinary activities before taxation** | **5.636.794** | **3.337.231** | **59** |
| 15 | Corporate tax | -593.102 | -363.354 | 0 |
| 16 | **Net profit** | **5.043.692** | **2.973.877** | **59** |
| 17 | Net profit minority shareholders | 0 | 0 | 0 |
| 18 | **Net profit Majority shareholders** | **5.043.692** | **2.973.877** | **59** |
| 19 | Total other comprehensive income | 0 | 0 | 0 |
| 20 | **TOTAL COMPREHENSIVE INCOME** | **5.043.692** | **2.973.877** | **59** |

**Analysis of the operating profit by nature of costs**

| | Position | Previous Period | Curent Period | Indexes |
|---|---|---|---|---|
| | | 01/01-30/06/25 | 01/01-30/06/26 | curent year / previous year |
| 1 | Sales revenues | 12.934.940 | 8.123.025 | 63 |
| 2 | Other operating revenues | 110.061 | 19.292 | 18 |
| 3 | Changes in inventories of finished goods and work in progress | 41.663 | 2.414.562 | 5.795 |
| 4 | Cost of trading goods sold | 0 | 26.363 | 0 |
| 5 | Cost of consumed materials and other supplies | 2.230.007 | 2.412.228 | 108 |
| 6 | Cost of materials, spare parts and other inventory sold | 0 | 4.643 | 0 |
| 7 | Services | 869.160 | 605.050 | 70 |
| 8 | Other Expenditures | 881.205 | 660.482 | 75 |
| 9 | Expenses for employees | 2.370.670 | 2.485.898 | 105 |
| 10 | Amortization And Depreciation | 1.092.763 | 1.032.121 | 94 |
| 11 | Impairment losses of Non-current assets | 0 | 0 | 0 |
| 12 | Impairment losses of current assets | 20 | 10 | 50 |
| 13 | Provisions | 0 | 0 | 0 |
| 14 | Other operating expenses | 19.023 | 30.108 | 158 |
| **15** | **Operating profit** | **5.623.816** | **3.299.976** | **59** |

Pursuant to Article 40 paragraph (4) of the Listing Rules, MERMEREN Kombinat AD Prilep ("the Company"), along with the unaudited and unconsolidated financial statements for the period 01.01. until 30.06.2026, also publishes

**Explanation**

to the results for the period from January 1 to June 30, 2026

a) Changes in the accounting policies and methods of valuation of the items in the financial statements compared to the last annual audited financial statements have not occurred.

b) For the period from January 1 to June 30, 2026, the Company achieved sales revenues in the amount of €8,123,025 which represents a decrease of 37% compared to the same period last year.

| Sales revenues | 2026 | | 2025 | | change |
|---|---|---|---|---|---|
| - foreign markets | 7,967,380 | 98.08% | 12,692,593 | 98.13% | -37.23% |
| - domestic market | 155,645 | 1.92% | 242,347 | 1.87% | -35.78% |
| | **8,123,025** | **100.00%** | **12,934,940** | **100.00%** | **-37.20%** |

| Sales revenues | 2026 | | 2025 | | |
|---|---|---|---|---|---|
| - quarry | 8,107,460 | 99.81% | 12,481,893 | 96.50% | -35.05% |
| - factory | 4,012 | 0.05% | 443,041 | 3.43% | -99.09% |
| - photovoltaics | 11,553 | 0.14% | 10,006 | 0.08% | 15.46% |
| | **8,123,025** | **100.00%** | **12,934,940** | **100.00%** | **-37.20%** |

The decline in sales volume is a direct consequence of unfavorable geopolitical and global macroeconomic developments that significantly disrupted the key markets in which the Company operates. The majority of the reduction in revenues from foreign markets stems from significantly reduced orders from buyers in China, due to the stagnation in China’s construction sector and reduced investment activity. The military conflict in the Gulf placed an additional burden on the Chinese economy through the spike in energy prices, which led to delays in funding major infrastructure and commercial development projects.

The decline in sales revenues from factory products is directly linked to the lack of major, active construction projects in the region and international markets. Under conditions of reduced demand for finished slabs and cut-to-size project materials, the factory recorded minimal sales during this period.

As a result of the reduced sales figures, the realized operating profit for the period is in the amount of €3,299,976 which compared to the realized operating profit for the same period in 2025 in the amount of €5,623,816 represents a decrease of 41%.

EBITDA for the period from January 1 to June 30, 2026 is €4,332,097 and compared to the realized amount of €6,716,579 in the same period of last year, it shows a decrease of 36%.

The final result after taxation is positive and amounts to €2,973,877 and represents a decrease of 41% compared to the realized profit for the same period of last year (June 30, 2025: €5,043,692).

c) Operating expenses for the period are lower by 3% compared to those incurred in the same period last year.

From the operating expenses, the largest part belongs to the expenses for employees, which in the period show an increase of 5% compared to the same period last year. An increase of 8% was recorded in the costs of energy and consumed materials and other supplies, which are the second largest expense for the Company.

A decrease in the costs for external services by 30% was recorded.

d) In accordance with the Decision of the Meeting of Shareholders number 02-2380/5 of May 28, 2026, part of the profit from the year 2025 in the amount of €7,498,973 is distributed for the payment of dividends. The gross dividend per ordinary share was set at €1.60.

In the period ending June 30, 2026, the Company paid dividends to its minority shareholders in a total net amount of €721,474 and €80,094 in tax on dividends paid.

e) There are no significant investments or sales of tangible assets (real estate, plants and equipment) or significant write-offs (greater than 30% of the value of the assets compared to the last annual audited financial statements).

f) The total debts of the Company as of June 30, 2026 amount to €18,183 and in the period from January to June 2026 they show a decrease of 25% compared to the last annual audited financial statements, as a result of regular repayment of financial leasing obligations.

g) In alignment with stock exchange listing requirements, Mermeren Kombinat AD Prilep is not mandated to disclose a formal financial plan. Accordingly, the company does not provide commentary regarding the fulfilment of such projections.

The Management of the Company is actively working on maintaining stability and readiness for the upcoming period through the following steps:

- Closely monitoring the developments and shifts in the Chinese market as our key strategic focus, in order to swiftly adjust business operations and delivery dynamics in line with its recovery.
- Continuing to optimize and reduce operating expenses (such as the already achieved 30% reduction in external service costs).
- Maintaining a low debt level and high liquidity, which ensures the Company's stability and resilience amidst global challenges.

Prilep, 31.07.2026