Company **Mermeren Kombinat AD Prilep**
Reporting period **01.01 - 30.09** **2026**

Income Statement

In EUR

	Position	Previous Period	Curent Period	Indexes
		01/01-30/09/25	01/01-30/09/26	curent year / previous year
1	Sales revenues	22.584.735	12.928.415	57
1a	*Revenues from domestic market*	327.690	285.887	87
1b	*Revenues from foreign markets*	22.257.045	12.642.528	57
2	Cost of goods sold	9.577.948	6.522.675	68
3	**Gross Profit**	**13.006.787**	**6.405.740**	**49**
4	Administrative Costs	882.626	883.323	100
5	Sales and Marketing Cost	1.351.448	809.929	60
6	Provisions	0	0	0
7	Other operating revenues	126.247	21.231	17
8	Impairement and Other operating Costs	25.647	76.071	297
9	**Operating profit**	**10.873.313**	**4.657.648**	**43**
10	Total Financial Revenue	252.285	103.624	41
10a	Financial revenues from investment, loans granted and interest and exchange rate gains	251.512	103.607	41
10b	Other Financial Revenue	773	17	2
10c	Income From Associated Companies	0	0	0
11	Total Financial Expenses	230.147	69.537	30
11a	Financial expenses from interests and exchange rate losses	229.196	69.520	30
11b	Other financial expenses	951	17	2
11c	Losses from Associates	0	0	0
12	**Profit from ordinary activities**	**10.895.451**	**4.691.735**	**43**
13	Net Profit from Discountinued activities	0	0	0
14	**Profit from ordinary activities before taxation**	**10.895.451**	**4.691.735**	**43**
15	Corporate tax	-1.139.040	-511.953	0
16	**Net profit**	**9.756.411**	**4.179.782**	**43**
17	Net profit minority shareholders	0	0	0
18	**Net profit Majority shareholders**	**9.756.411**	**4.179.782**	**43**
19	Total other comprehensive income	0	0	0
20	**TOTAL COMPREHENSIVE INCOME**	**9.756.411**	**4.179.782**	**43**

Analysis of the operating profit by nature of costs

	Position	Previous Period	Curent Period	Indexes
		01/01-30/09/25	01/01-30/09/26	curent year / previous year
1	Sales revenues	22.584.735	12.928.415	57
2	Other operating revenues	126.247	21.231	17
3	Changes in inventories of finished goods and work in progress	-264.842	2.522.416	0
4	Cost of trading goods sold	0	38.797	0
5	Cost of consumed materials and other supplies	3.360.508	3.647.336	109
6	Cost of materials, spare parts and other inventory sold	4.425	4.647	105
7	Services	1.456.403	930.644	64
8	Other Expenditures	1.461.623	1.002.186	69
9	Expenses for employees	3.635.892	3.577.884	98
10	Amortization And Depreciation	1.628.000	1.536.710	94
11	Impairment losses of Non-current assets	0	0	0
12	Impairment losses of current assets	22	24	109
13	Provisions	0	0	0
14	Other operating expenses	25.954	76.186	294
15	**Operating profit**	**10.873.313**	**4.657.648**	**43**

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Explanatory Notes

to the Financial Results for the period 01.01.2026 – 30.09.2026

During the third quarter of 2026, the adverse impact of geopolitical and global macroeconomic factors continued, further significantly disrupting the key export markets in which the Company operates.

1. Market Trends and Sales Revenues

- **Total Revenues:** In the period from 01.01 to 30.09.2026, the Company recorded a decrease in total sales revenues of 42.8% compared to the same period of the previous year.
- **Foreign Markets:** The dominant portion of the decline stems from international markets, where sales recorded a decrease of 43.2%. This is a direct consequence of the continued stagnation in the Chinese construction sector and reduced investment activity, which led to a substantial reduction in orders from buyers in China. The military conflict in the Gulf placed an additional burden through the surge in energy prices, resulting in further delays in funding major infrastructure and commercial development projects.
- **Domestic Market:** Sales in the domestic market demonstrated relative stability, recording a decrease of 12.8%.

2. Operational Efficiency and Capacity Alignment

- **Operational and Cost Optimization:** In response to market pressures, the Company continued its measures to optimize the operational structure and align costs with current market conditions. In this regard, the rationalization of operating expenses was maintained, primarily through the reduction of external service costs, while production activities were temporarily adjusted to prioritize the utilization of existing inventory, with workforce levels accordingly adjusted downward by approximately 10% (primarily through the expiration of temporary employment contracts).