

**OKTA AD - SKOPJE**

**Financial Statements**

**For the year ended 31<sup>st</sup> December 2025**

**With Report of the Auditor Thereon**

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## Annual Report of OKTA AD Skopje for the year ended 31st of December 2025

### Global Fuel Market Overview

In 2025, the global fuel market operated in an environment of geopolitical uncertainty and changing energy policies, which caused occasional swings in international prices. Although there were still risks on the supply side—mainly due to regional conflicts and changing trade routes—increased production from major exporters helped limit price increases compared to 2024. At the same time, economic conditions in large markets were uneven, with slower industrial activity reducing demand growth and helping stabilize prices in the second half of the year.

In Southeast Europe, geopolitical tensions and regulatory changes kept the market cautious. In North Macedonia, the introduction of the new energy law in mid-2025 and ongoing adjustments to fuel regulation affected pricing and competition. The local market, which had contracted slightly in 2024, began to recover in 2025 as businesses adapted to shifts in demand across retail, industrial, and export channels.

In this context, OKTA managed ongoing fluctuations in regional supply, strong competition in domestic and export markets. In wholesale OKTA remained the undisputed market leader whereas Retail Market structure remained broadly unchanged, with OKTA, Makpetrol, and Lukoil maintaining stable market shares. Regulatory pricing rules and weekly adjustments continued to shape local fuel dynamics. Overall, 2025 was a year where OKTA focused on disciplined commercial execution, careful margin management, and targeted strategic initiatives to reinforce its position in a changing domestic and regional market.

### Company's Overall Performance

EBITDA reached **652 million MKD**, exceeding the **501 million MKD** recorded last year. This performance was supported by a **lower negative inventory impact of 119 million MKD**, compared with **145 million MKD** in 2024, as well as **higher sales to State Reserves** and **increased electricity trading revenues**. On an adjusted basis, **EBITDA rose to 771 million MKD**, outperforming the **646 million MKD** achieved the previous year.

Despite the continued volatility in global energy markets throughout 2025, **OKTA remained a cornerstone of fuel supply** for North Macedonia and the wider region. The Company maintained **strict health and safety standards**, ensured **uninterrupted service** to customers, and further strengthened its commitment to the community through targeted social initiatives. At the same time, OKTA continued to **pursue strategic diversification**, advancing investments in **renewable energy projects** that broaden the Company's revenue base and support the transition toward a more sustainable energy ecosystem.

The **strong financial and operational performance** delivered this year underscores the **resilience of OKTA's business model** and confirms the effectiveness of the strategy consistently implemented in recent years. Even in a more competitive and demanding environment, OKTA retained its **leadership position**, closing 2025 with a **67% market share in North Macedonia** and **29% in Kosovo**. These results demonstrate the Company's ability to navigate uncertainty while delivering value to customers, partners, and shareholders.

### The main projects in 2025 were:

- **12MW Solar Plant** fully operational; **Balancing Group** expanded with new clients.
- Preparations launched for **6MW Battery Storage** installation.
- **Pipeline** project advanced with operational readiness testing.
- Evaluation of **strategic retail development** options
- **110kV substation** reconstruction completed.
- **Energy-saving projects** implemented across operations.
- Upgrades in **fuel storage**, improving safety and reliability.
- **Laboratory** modernization activities.
- **Cash and treasury** processes optimized.
- Upgrades to **loading/unloading facilities**.
- Improvements to **SAP Management Information System**.
- Further **cost optimization** through automation.
- **Organizational restructuring** to improve efficiency.
- Strengthened **environmental protection** measures.

OKTA's purpose is to responsibly provide high-quality products to clients in the markets where it operates, benefiting both its communities and stakeholders.

Operating with integrity, as well as ethically, safely and transparently is the Company's top priority. The Company's corporate responsibility is embedded in its operations and focuses on four key areas: Its People and Communities, Health and Safety, Environment, and Values and Governance.

OKTA is dedicated to conducting its operations diligently and responsibly, ensuring long term growth, adhering to all relevant laws and regulations, limiting its environmental footprint and supporting national development goals while contributing to the well-being of local communities.

### Our people

OKTA is committed to creating a safe and sustainable work environment, being an equal opportunity employer, promoting diversity, equity and treating all employees with respect and fairness. The Company has technical, finance, commercial, investor relations and administrative teams. Our employees have a diverse range of skillsets, backgrounds and expertise which help deliver our strategy. We have a culture conducive to working cross-functionally and encouraging constructive debates. Our ways of working enable agile and networked responses to the ever-increasing pace of change by balancing the needs for stability, speed, and flexibility. Our people are critical to maintaining a consistent safety culture – everyone to be working by our safety leadership principles – speaking up and encouraging others to speak up when something doesn't look right.

### Community and social investment

Throughout 2025, OKTA significantly strengthened its commitment to social responsibility, broadening its positive impact across the community. By deepening partnerships, expanding support programs, and proactively addressing societal needs, the Company demonstrated that responsible and sustainable business practices remain a core pillar of its long-term vision and identity.

During the year, OKTA carried out a wide range of meaningful CSR initiatives, including:

- Donation of photovoltaic power plants to:
  - Primary School “*Lazo Angelovski*”, Skopje
  - OURC “*Koco Racin*”, Bitola
  - DSURC “*Iskra*”, Štip
  - DSURC “*St. Naum Ohridski*”, Skopje
  - Training Center of the Ministry of Internal Affairs, Skopje
- Donation of photovoltaic systems and batteries to four homes in the SOS Children’s Village, Skopje.
- Financial support to the Civil Association for people with rare diseases “Wilson” for the *Give a Hand 2025* humanitarian race.
- Scholarships for postgraduate students at the technical faculties of *Ss. Cyril and Methodius University* and international institutions.
- Donation of desks and chairs to the branch school of “*Brakja Miladinovci*” in Tekija.
- Donation of 6,000 liters of heating fuel for the Youth House at SOS Children’s Village.
- Provision of food packages for vulnerable citizens through the Red Cross of the City of Skopje.
- Donation of two N1 vehicles to the General and Common Affairs Service of the Government of North Macedonia.
- Donation of fire-protection brooms to the Firefighting Union “Ilinden”.
- Donation of a thermal drone to PE “National Forests” for early wildfire detection.
- Environmental support through a tree-planting team-building activity in the Jasen – Kozjak area.
- Support for cultural and diplomatic events organized by the Greek Embassy, including the National Day reception and the Thessaloniki Choir performance.
- Sponsorship of the SCEESD student conference at the Faculty of Electrical Engineering and Information Technologies.
- Sponsorship of Milcho Manchevski’s new film “*Leaving Copacabana*”.
- Support for major cultural festivals, including *Ohrid Summer*, *Skopje Jazz Festival*, and *Offest*.
- Organization of three annual blood-donation drives on OKTA’s premises, with broad employee participation.

## **Health and Safety**

OKTA is focused on ensuring that all employees have awareness, information, and resources to be able to prioritize health and safety and implement best practices to ensure that the chances of any incidents are minimized. All forms of work at OKTA must be safe, whether the tasks are urgent, complex, or routine. Our Health and Safety policy commits us to: protecting the health and safety of our employees, providing a workplace free of discrimination where diversity is valued and ensuring that we consult and engage with our employees.

## **Environment**

OKTA places a great importance on limiting the impact its activities have on the environment. The Company complies with all of the environmental regulatory requirements in the country to ensure that all activity is undertaken safely and contributes financially for the support of the activities of the Ministry of Environment and Physical Planning aimed towards the encouragement, preservation, sustainable use, protection and improvement of the environment, as well as for the preparation, implementation and development of programs and projects for the protection and improvement of the environment.

## Values/Governance

OKTA is committed to operating responsibly and ethically across our business activities and does not tolerate bribery or corruption. The company has established the proper processes to prevent and report such activities. The Company expects its employees to adhere to high ethical standards.

## Company operations and market environment

The full Year results demonstrate that OKTA continues to adhere to a disciplined financial strategy. The Company is investing with discipline continuing to perform while transforming, remain focused on providing the fuel products the Country needs today – while at the same time – preparing for investments that aim in accelerating the energy transition.

## Key Financial Highlights in 2025

- **EBITDA reached 652 million MKD**, an increase from **501 million MKD** in the same period last year. The improvement reflects **higher domestic market volumes**, a **smaller negative inventory effect** (119 million MKD versus 145 million MKD in 2024), **stronger State Reserves sales**, and **increased electricity sales**.
- **Sales revenue amounted to 38,492 million MKD**, compared to **44,263 million MKD** last year. The decline was primarily driven by **lower international fuel prices** and **reduced export volumes**.
- **Gross profit rose to 1,324 million MKD**, surpassing **1,169 million MKD** in the previous period. This increase was supported by **higher domestic market activity**, **enhanced State Reserves sales**, and **expanded electricity trading**.
- **Profit before tax increased significantly to 667 million MKD**, up from **238 million MKD** last year. This result reflects the **return of the 50 million MKD solidarity tax** paid in 2023, as well as **cash-management optimizations**, including investments in **high-interest term deposits** and **bank fee efficiencies**.
- In line with its strategic priorities and commitment to a lower-carbon future, **OKTA invested 63 million MKD in renewable energy projects** during the year, supporting long-term value creation and environmental objectives.

## General Long-term Company Outlook

OKTA's long-term ambition is to reinforce its market leadership by consistently delivering high-quality products and services, while advancing its strategic transformation. A key priority is the full utilization of the **Thessaloniki–Skopje pipeline** and the Company's **storage infrastructure**, ensuring long-term supply security and regional competitiveness.

In parallel, OKTA is **assessing strategic opportunities within the retail market**, exploring options that could strengthen the Company's market positioning and customer engagement over the long term.

Driving the **energy transition** remains central to OKTA's strategy. The Company aims to maximize the value of its installed **12MW solar capacity** and the forthcoming **Battery Storage System**, while expanding further into the **renewables segment** through additional photovoltaic and storage investments.

OKTA will also continue implementing **targeted infrastructure upgrades** to enhance operational efficiency and secure sustainable logistics advantages. Equally important, the Company remains committed to the **attraction, development, and retention of highly skilled talent**, recognizing that its people are essential to delivering future growth and achieving strategic goals.

## OKTA's priorities for 2026:

- Ensuring **supply stability** and uninterrupted availability of high-quality fuel products.
- **Assessing strategic retail market opportunities** to strengthen long-term positioning.
- **Utilization of the Thessaloniki–Skopje pipeline as a complementary transport route** to enhance flexibility and efficiency.
- Maintaining a strong **domestic and export market presence** in a highly competitive environment.
- Strengthening cooperation with **key customers**.
- Ensuring availability and optimization of **tank capacity**.
- Continuing **infrastructure upgrades** and targeted **Health & Safety improvements**.
- Maximizing the value of the **12MW photovoltaic plant** through PPAs and power-exchange trading; completing the **6MW Battery Storage System**; and gradually introducing **fast chargers** at branded sites and public locations.
- Providing ongoing **training** and development opportunities for employees.
- Defining a strategy for streamlined collaboration with **educational institutions**.
- Becoming one of the **best workplaces** in the North Macedonian market, focused on attracting and developing top talent.
- Further **organizational structure optimization** to improve efficiency and agility.
- Strengthening **succession planning** across critical roles.
- Maintaining an impactful **CSR strategy** with emphasis on green energy initiatives.
- Advancing **new technologies and automation**, leveraging the capabilities of the Helleniq Energy Group to gain efficiency.
- Maximizing **synergies** as part of a leading regional energy group.
- Increasing **Return on Capital Employed (ROCE)** through disciplined asset and financial management.

OKTA's management constantly monitors the current volatile local, regional, and European environment and, through proactive planning, moves the company forward by seizing the various opportunities that arise with a view to the further enhancement of its business performance and improvement of its efficiency.

## During 2025 OKTA:

- **Total investments amounted to 241 million MKD**, allocated as follows:
  - 127 million MKD in installations and infrastructure
  - 63 million MKD in renewable energy projects
  - 8 million MKD in safety and compliance initiatives
  - 13 million MKD in laboratory enhancements
  - 9 million MKD in IT and ERP system upgrades
  - 21 million MKD in network maintenance
- The Company **entered transactions with related parties**, as detailed in **Note 29** of the Financial Statements for the year ended 31 December 2025.
- OKTA **did not enter into any interested-party transactions** during the year.
- The Company **had no long-term debt**, and therefore no policy linking long-term debt to share capital was applied.
- OKTA **updated its accounting policies** to incorporate the relevant adoption of **IFRS 16**.

- The Company has not adopted a formal dividend policy. Dividend distribution is determined annually on an ad-hoc basis by the General Assembly of Shareholders, upon proposal of the Board of Directors, and only after year-end closing and review of the Company's financial position.
- On 29 May 2025, the General Assembly approved a dividend distribution of 182,813,760 MKD, equivalent to 240.00 MKD per share.
- OKTA followed its risk-management policy as outlined in Note 3 of the Financial Statements and did not encounter any significant risk-related issues.
- Compensation paid to governance bodies included:
  - 12.9 million MKD in gross salaries to the Executive Board member
  - 2.0 million MKD in additional benefits
  - 5.2 million MKD in total remuneration to Non-Executive Board members
- The Company appointed Ernst & Young Certified Auditors Ltd. – Skopje as the authorized auditor of the Annual Accounts and Financial Statements for 2025. EY was not engaged, directly or through affiliates, to provide any other services to the Company during the year.

During the year there were 6 (six) scheduled meetings of OKTA's Board of Directors and on 5 (five) occasions the Board of Directors passed decisions via correspondence, without holding a meeting. A detailed list of the members of OKTA's Board of Directors and the attendance to the scheduled meetings that took place during the year follows below:

Supervisory Board table	Meeting Attendance
Vuk Radovic, Chairman and non-executive member of the Board of Directors	Present on 6 out of 6 scheduled meetings in 2025
Vasilios Bagiokos, Deputy Chairman and non-executive and independent member of the Board of Directors	Present on 6 out of 6 scheduled meetings in 2025
Dimitrios Paschos, executive member of the Board of Directors and Chief Executive Officer	Present on 6 out of 6 scheduled meetings in 2025
Dionysios Routsis, non-executive member of the Board of Directors	Present on 6 out of 6 scheduled meetings in 2025
Andreas Triantopoulos, non-executive member of the Board of Directors	Present on 6 out of 6 scheduled meetings in 2025
Panos Shiatis, non-executive member of the Board of Directors	Present on 5 out of 6 scheduled meetings in 2025
Theodora Petroula, non-executive and independent member of the Board of Directors	Present on 6 out of 6 scheduled meetings in 2025

Dimitrios Paschos

Chief Executive Officer



# Independent auditor's report

## To the shareholders of OKTA AD - Skopje

### Report on the Audit of the Financial Statements

#### Qualified Opinion

We have audited the accompanying financial statements of OKTA AD - Skopje (the Company), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with Accounting Standards as applicable in Republic of North Macedonia.

#### Basis for Qualified Opinion

Following the provisions of the Share Purchase and Concession Agreement dated 8 May 1999 concluded between EL.P.ET Balkanike S.A (the parent company of OKTA Crude Oil Refinery AD Skopje) and the Government of Republic of North Macedonia, the Company has recognized receivables in the period from 2000 to 2004 in amount of MKD 769.497 thousand as at 31 December 2025 (31 December 2024: MKD 769.497 thousands) relating to the period prior to acquisition. We were unable to obtain sufficient appropriate audit evidence to assess whether the Company will be able to recover these receivables. In addition, the Company has reported trade payables relating to the period prior to acquisition in amount of MKD 168.147 thousand as at 31 December 2025 (31 December 2024: MKD 188.921 thousand) with no movement since 2005 except for foreign exchange differences. We were unable to obtain sufficient appropriate audit evidence to assess whether the Company is still obliged to settle this amount. Consequently, we were unable to determine whether any adjustments to the stated amounts as at 31 December 2025 and 31 December 2024 were necessary. Our audit opinion on the financial statements for the year ended 31 December 2024 was qualified accordingly.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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) (IESBA Code) accepted in Republic of North Macedonia and published in the Official Gazette no. 273 dated 30 December 2024, as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest

entities in RN Macedonia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code as accepted in Republic of North Macedonia and published in the Official Gazette no. 273 dated 30 December 2024.

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our qualified opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matter described in the table below to be the key audit matter to be communicated in our report.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our qualified audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue from contracts with customers</b></p> <p>The Company's disclosures related to revenue recognition are presented in Notes 2.2 (b) Revenue from contracts with customers, 2.4 Significant accounting judgements, estimates and assumptions and 4.1 Revenue from contracts with customers to the financial statements.</p>	<p>In this area, our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding over the process of revenue recognition, identified and tested the design effectiveness of the related control procedures implemented by the management;</li> <li>• We assessed the appropriateness of the Company's revenue recognition accounting policies according to the</li> </ul>
<p>In the financial statements for the year ended 31 December 2025, the Company reported revenue from contracts with customers amounting to MKD 38.492.218 thousand.</p> <p>Considering its nature of operations, revenue is a key performance indicator for the Company and further presumptively susceptible to fraud. Respectively we have put significant attention to our audit procedures over revenue recognition, and specifically to the occurrence and</p>	

recognition of revenue in the proper accounting period.

Given the above considerations we have determined revenue from contracts with customers as a key audit matter.

requirements of IFRS 15 adopted by the Company as of 1 January 2025.

- We involved our internal financial accounting advisory specialists to assist us in assessing the completeness of the impact assessment of the Company from the first time adoption of IFRS 15 through obtaining understanding and performing analysis of all significant revenue arrangements of the Company against the requirements of IFRS 15;
- We tested a sample of credit notes issued to customers related to volume rebates for completeness, through comparison to primary accounting documents, such as contracts and performed recalculations;
- We performed cut-off procedures utilizing decreased thresholds
- Utilizing the complete general ledger data, we performed a correlation analysis between revenue, trade receivables and cash and investigated any significant transactions that did not meet our expectations.
- We performed tests of details over occurrence and measurement of revenue recognized during the year through tracing a sample of transactions to primary documents (including delivery notes and bank statements).
- We evaluated the adequacy of the disclosures related to revenue recognition in the financial statements of the Company.

## **Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information, which we have obtained prior the date of our auditor's report, comprises the annual report on operation, including the annual account, prepared by management in accordance with the requirements of Article 384 of the Company Trade Law, 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 we do not express any form of assurance conclusion thereon, unless and to the extent explicitly specified 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 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.

As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate audit evidence to assess whether the Company will be able to recover receivables amounting MKD 769.497 thousand and whether the Company is still obliged to settle trade payables amounting MKD 168.147 thousand. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

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

Management is responsible for the preparation and presentation of the financial statements that give a true and fair view in accordance with Accounting Standards, as adopted by 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 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.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 International Standards on Auditing 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 financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 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.

## Report on Other Legal and Regulatory Requirements

As described above in the *Information Other than the Financial Statements and Auditor's Report Thereon* section, the management of the Company is also responsible for preparing the annual operational report for the year ended as of 31 December 2025 in accordance with Article 384/240 of the Company Law. Our responsibility is to express an opinion on the consistency of the specific annual report with the historical financial information published in the annual account and the audited financial statements of the Company as of and for the year ended 31 December 2025, in accordance with international auditing standards, as well as in accordance with the requirements of Article 34, paragraph 1, point (d) of the Audit Law. Our opinion is that the historical financial information published in the annual operational report of the Company as of and for the year ended 31 December 2025, is consistent, in all material respects, with the information published in the annual account and the audited financial statements of the Company as of and for the year ended 31 December, 2025 on which we expressed a qualified opinion in the above section "Report on the Financial Statements".

As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate audit evidence to assess whether the Company will be able to recover receivables amounting MKD 769.497 thousand and whether the Company is still obliged to settle trade payables amounting MKD 168.147 thousand. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

The partner in charge of the audit resulting in this independent auditor's report is Vladimir Sokolovski.



Vladimir Sokolovski  
Director



Vladimir Sokolovski  
Certified Auditor

Ernst & Young Certified Auditors DOO, Skopje

Skopje, 2 April 2026

**OKTA AD – SKOPJE**  
**General information**

**Board of directors**

Chairman of the Board of Directors, Mr. Vuk Radovic,  
Dep. Chairman of the Board of Directors, Mr. Vasilios Bagiokos,  
Executive Member of the Board of Directors, Mr. Dimitrios Paschos,  
Member of the Board of Directors, Mr. Andreas Triantopoulos,  
Member of the Board of Directors, Dionysios Routsis,  
Member of the Board of Directors, Mr. Panos Shiatis, and  
Member of the Board of Directors, Ms. Theodora Petroula.

**Registered office**

Str. 1; No. 25, Miladinovci, Ilinden  
1000, Skopje  
Republic North Macedonia

**Register and registration number**

ID: 4074009  
Tax Number: 4030980254845

**Auditor**

Ernst & Young Certified Auditor Ltd. Skopje  
Str. Zeleznicka 41/1, 5th floor,  
1000 Skopje,  
North Macedonia

**OKTA AD – SKOPJE**  
**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

	Note	2025	2024
Revenue from contracts with customers	4.1	38,492,218	44,263,696
Cost of goods sold	4.2	(37,168,021)	(43,094,978)
<b>Gross profit</b>		<b>1,324,197</b>	<b>1,168,718</b>
Operations and logistics expenses	4.3	(398,042)	(561,363)
Administrative expenses	4.4	(235,939)	(221,943)
Sales and distribution expenses	4.5	(143,797)	(152,527)
Other operating income	4.6	56,637	13,026
Other operating expenses	4.7	(4,191)	(9,836)
<b>Operating profit</b>		<b>598,865</b>	<b>236,075</b>
Finance income	4.8	79,753	19,350
Finance costs	4.8	(11,829)	(17,496)
Finance income/(costs) – net		<b>67,924</b>	<b>1,854</b>
<b>Profit before income tax</b>		<b>666,789</b>	<b>237,929</b>
Income tax expense	5	(93,512)	(20,502)
<b>Profit for the year</b>		<b>573,277</b>	<b>217,427</b>
<b>Other comprehensive income</b>			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods</i>			
Net gain on available-for-sale investments		3,539	6,086
<b>Other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax</b>		<b>3,539</b>	<b>6,086</b>
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods</i>			
Actuarial gains/(losses) on defined benefit plans		572	(1,894)
<b>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax</b>		<b>572</b>	<b>(1,894)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>4,111</b>	<b>4,192</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>577,388</b>	<b>221,619</b>
<b>Earnings per share information:</b>			
Basic and diluted profit per share	6	0.75	0.27

Notes are integral part of these financial statements

**OKTA AD – SKOPJE**  
**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

<b>ASSETS</b>	<b>Note</b>	<b>2025</b>	<b>2024</b>
<b>Non-current assets</b>			
Intangible assets	7	34,285	29,995
Property, plant and equipment	8	1,474,602	1,332,071
Right-of-use assets	15	22,204	-
Available-for-sale financial assets	9	22,977	19,438
Other long-term receivables	4.6;11	24,859	-
Deferred tax assets	5	16,022	24,067
<b>Total non-current assets</b>		<b>1,594,949</b>	<b>1,405,571</b>
<b>Current assets</b>			
Inventories	10	629,855	917,632
Trade receivables	11	146,024	215,591
Other receivables	11	853,722	850,443
Income tax receivables		-	14,700
Cash and cash equivalents	12	3,659,664	3,076,782
<b>Total current assets</b>		<b>5,289,265</b>	<b>5,075,148</b>
<b>TOTAL ASSETS</b>		<b>6,884,214</b>	<b>6,480,719</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	13	2,472,820	2,472,820
Treasure shares	13	(502,796)	(502,796)
Statutory reserves	13	494,718	494,718
Revaluation and other reserves	13	853,711	632,173
Retained earnings	13	1,646,822	1,473,786
<b>Total equity</b>		<b>4,965,275</b>	<b>4,570,701</b>
<b>Non-current liabilities</b>			
Provision for employee benefit obligations	14	13,074	13,789
Lease liabilities	15	10,197	-
Qualified Domestic Top-up Tax liabilities	5	24,210	-
<b>Total non-current liabilities</b>		<b>47,481</b>	<b>13,789</b>
<b>Current liabilities</b>			
Trade payables	16	766,589	938,761
Lease liabilities	15	11,243	-
Income tax liabilities	5	41,042	-
Other current liabilities including provisions	16	1,052,584	957,468
<b>Total current liabilities</b>		<b>1,871,458</b>	<b>1,896,229</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>6,884,214</b>	<b>6,480,719</b>

Notes are integral part of these financial statements

**OKTA AD – SKOPJE**  
**STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

The financial statements of OKTA AD – Skopje were authorised for issue by the Management on 19<sup>th</sup> February 2026 and will be subject of approval by the Board of Directors on 24<sup>th</sup> February 2026. These financial statements are subject to approval from Company's Shareholders Assembly as well. Signed on behalf of the Management of OKTA AD - Skopje:



\_\_\_\_\_  
Dimitrios Paschos  
Chief Executive Officer

\_\_\_\_\_  
Bozhidar Pavlov  
Finance Director

**OKTA AD – SKOPJE**

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

	Share capital	Treasury Shares	Statutory reserves	Revaluation and other reserves	Retained Earnings	Total
<b>As at 1<sup>st</sup> January 2024</b>	<b>2,472,820</b>	-	<b>494,718</b>	<b>967,291</b>	<b>917,049</b>	<b>4,851,878</b>
Net profit for 2024	-	-	-	-	217,427	217,427
Valuation of AFS	-	-	-	6,086	-	6,086
Comprehensive loss	-	-	-	(1,894)	-	(1,894)
<b>Total comprehensive income</b>	<b>2,472,820</b>	-	<b>494,718</b>	<b>971,483</b>	<b>1,134,476</b>	<b>5,073,497</b>
Purchased treasury shares	-	(502,796)	-	-	-	(502,796)
Reinvested profit	-	-	-	(339,310)	339,310	-
<b>As at 31<sup>st</sup> December 2024</b>	<b>2,472,820</b>	<b>(502,796)</b>	<b>494,718</b>	<b>632,173</b>	<b>1,473,786</b>	<b>4,570,701</b>
<b>As at 1 January 2025</b>	<b>2,472,820</b>	<b>(502,796)</b>	<b>494,718</b>	<b>632,173</b>	<b>1,473,786</b>	<b>4,570,701</b>
Net profit for 2025	-	-	-	-	573,277	573,277
Valuation of AFS	-	-	-	3,539	-	3,539
Comprehensive gain	-	-	-	572	-	572
<b>Total comprehensive income</b>	<b>2,472,820</b>	<b>(502,796)</b>	<b>494,718</b>	<b>636,284</b>	<b>2,047,063</b>	<b>5,148,089</b>
Dividend declared	-	-	-	-	(182,814)	(182,814)
Reinvested profit	-	-	-	217,427	(217,427)	-
<b>As at 31<sup>st</sup> December 2025</b>	<b>2,472,820</b>	<b>(502,796)</b>	<b>494,718</b>	<b>853,711</b>	<b>1,646,822</b>	<b>4,965,275</b>

Notes are integral part of these financial statements

**OKTA AD – SKOPJE****STATEMENT OF CASH FLOWS**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

	<b>2025</b>	<b>2024</b>
<b>OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>666,789</b>	<b>237,929</b>
<i>Adjustments for:</i>		
Depreciation and amortization	94,273	252,268
Depreciation of right of use assets	11,489	-
Impairment charges and provisions	-	669
Impairment of inventories	14,532	12,320
Interest income	(61,494)	(19,350)
Interest expense and bank charges	11,829	14,656
<b>Cash generated from operations before changes in working capital</b>	<b>737,418</b>	<b>498,492</b>
<b>Cash flow from operating activities</b>		
Decrease /(Increase) in inventories	273,245	(133,479)
Decrease in receivables	56,129	386,161
(Decrease)/ in payables and other liabilities	(45,447)	(98,238)
<b>Cash generated from operations</b>	<b>1,021,345</b>	<b>652,936</b>
Interest and bank charges paid	(11,829)	(14,656)
Income taxes paid	(28,066)	(21,795)
<b>Net cash generated from operating activities</b>	<b>981,450</b>	<b>616,485</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(264,979)	(257,125)
Received dividends	87	766
Interest received	61,494	19,350
<b>Net cash used in investing activities</b>	<b>(203,398)</b>	<b>(237,009)</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid	(182,153)	(257,125)
Purchase of treasury shares	-	766
Payment of principal and interest on lease liabilities	(13,017)	19,350
<b>Net cash used in financing activities</b>	<b>(195,170)</b>	<b>(237,009)</b>
<b>Net increases/(decrease) in cash and cash equivalents</b>	<b>582,882</b>	<b>(123,320)</b>
Cash and cash equivalents at 1 <sup>st</sup> January	3,076,782	3,200,102
<b>Cash and cash equivalents at 31<sup>st</sup> December (Note 12)</b>	<b>3,659,664</b>	<b>3,076,782</b>

Notes are integral part of these financial statements

Translation in English of the official financial statements issued in Macedonian

**OKTA AD – SKOPJE**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

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**1. General information**

OKTA AD - Skopje (hereinafter “the Company”) is a joint stock company established on 26 March 1980. The Company is owned 85.59% by EL.P.ET Balkaniki S.A., a company controlled by HelleniQ Energy S.A. The parent company is incorporated in Greece.

The Company’s main activities are trade and import of oil derivatives. Major oil derivatives are Gasoline, Diesels, Fuel oil, LPG and Kerosene-Jet Oil. OKTA has a leading position in the supply and trading of oil derivatives. The company uses the installation infrastructure in Skopje for import, storage and sale of oil derivatives.

Starting from July 2013 OKTA has been listed on Macedonian Stock Exchange.

As of 31<sup>st</sup> December 2025, the Company had 241 employees (2024: 260 employees).

The address of the Company is as follows:

Street 1 no.25  
Miladinovci Ilinden  
1000 Skopje  
North Macedonia

The financial statements of OKTA AD – Skopje were authorised for issue by the Management on 19<sup>th</sup> February 2026 and were approved by the Board of Directors on 24<sup>th</sup> February 2026. These financial statements are subject to approval by Company’s Shareholders Assembly as well.

**2. Accounting policies**

**2.1. Basis of preparation**

The financial statements have been prepared on a historical cost basis, except for available-for-sale investments, which are measured at fair value.

The financial statements are presented in Macedonian denar and all figures are rounded to the nearest thousand Macedonian denar (MKD thousand), unless otherwise stated.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Statement of compliance**

These financial statements are prepared, in accordance with the Rulebook for Accounting published in Official Gazette No.75/2024 (Rulebook), whereby the International Financial Reporting Standards (IFRS volume 2023) were published (further “accounting standards applicable in RN Macedonia”).

**OKTA AD – SKOPJE**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

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**2. Accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Statement of compliance (continued)**

This Rulebook of Accounting comprises International Financial Reporting Standards (IFRS) - IFRS 1 to IFRS 17, International Accounting Standards (IAS) - IAS 1 to IAS 41, International Financial Reporting Interpretations Committee (IFRIC) - IFRIC 1 to IFRIC 23 and Standing Interpretations Committee (SIC) Interpretations comprising SIC 7 to SIC 32. The above stated standards, amendments and interpretations (IFRSs, IFRICs and SICs) are effective, in the Republic of North Macedonia, starting from 1 January 2025 except for IFRS 17 which is effective starting from 1 January 2028. With the amendment to the Rulebook published in the Official Gazette No.274/2024, IFRS 9 became effective (in the Republic of North Macedonia) starting from 1 January 2028 and as per the guidance provided by Council for Advancement and Oversight over the accounting profession of the Republic of North Macedonia, IAS 39 and IFRS 4 as published in Official Gazette No. 159/2009 remain effective accounting standards for financial instruments and insurance contracts until that date.

The Company applied all relevant standards, amendments and interpretations which were published in the Official Gazette No.75/2024 and No.274/2024. As IFRS 9 and IFRS 17 are not effective for periods beginning on or after 1 January 2025, the Company's financial statements are prepared in accordance with accounting standards applicable in the Republic of North Macedonia as published in the Rulebook and explained above. Consequently, IFRS 1 is not applicable, and the Company applied the specific transitional provisions for all effective accounting standards, as explained in the text further.

In addition, these financial statements are prepared based on obligation requirements with the Company Law (published in Official Gazette No. 28/2004, 84/2005, 25/2007, 87/2008, 42/2010, 48/2010, 24/2011, 166/2012, 70/2013, 119/2013, 120/2013, 187/2013, 38/2014, 41/2014, 138/2014, 88/2015, 192/2015, 6/2016, 30/2016, 61/2016, 88/2017, 192/2017, 64/2018, 120/2018, 290/2020, 215/2021, 99/2022, 272/2024 and 191/2025).

More information for the nature and effects of the changes resulting from the adoption of the new Rulebook on Accounting is disclosed in Note 2.3

**Going concern**

The global oil market in past years was significantly influenced by geopolitical tensions, including the ongoing conflict in Eastern Europe following Russia's invasion of Ukraine and the crisis in the Middle East. These events contributed to rising inflation, supply chain disruptions, and increased volatility in energy prices. In response, central banks worldwide implemented monetary measures, including interest rate adjustments and liquidity interventions, to curb inflation and support economic stability. While these factors shaped the broader market environment, the company's operations remained largely unaffected, demonstrating resilience amid economic and geopolitical uncertainties.

These financial statements have been prepared on a going concern basis which presumes the realization of assets and liabilities in the normal course of business.

Management of the Company has made overall assessment of impact of current macroeconomic environment and events on preparation and presentation of these financial statements, and

**OKTA AD – SKOPJE**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

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**2. Accounting policies (continued)**

**2.1 Basis of preparation (continued)**

**Going concern (continued)**

has prepared business plan for the upcoming five years from the date of these financial statements taking into consideration the estimation of the continued business impacts of economic, market and geopolitical (Ukraine-Russia and Middle East war) disruption.

The management has concluded that there are no material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and thus it is appropriate to prepare the financial statements on a going concern basis.

**Consistency**

The presentation and classification of items in the financial statements is retained from one period to the next unless it is apparent that due to the change in the nature of the entity's operations or a review of its financial statements shows that another presentation or classification would be more appropriate.

The main changes in the comparatives relate to reclassifications of revenues from sales of electricity and related cost of traded electricity which are resulting from increased entity's electricity operations. The changes in the presentation are not influencing significantly the content of the financial statements. The changes are explained and described under Note 2.6 Comparative Information.

**2.2 Summary of accounting policies**

**a) Foreign currency translation**

**Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') which is Macedonian denars (MKD).

**Transactions and balances**

Foreign currency transactions are translated into Macedonian denars using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end are recognised in the Statement of comprehensive income. Monetary assets and liabilities denominated in foreign currencies are translated according to the middle exchange rates from the National Bank of the Republic of North Macedonia valid at the date of the financial statements.

Foreign exchange gains and losses are presented in the Statement of comprehensive income within "finance income/ costs (net)".

The foreign currency deals of the Company are predominantly based in EURO (EUR) and in United States Dollars (USD). The exchange rates used for translation at 31<sup>st</sup> December 2025 and 31<sup>st</sup> December 2024 were as follows:

Exchange rate:	31 <sup>st</sup> December 2025	31 <sup>st</sup> December 2024
	MKD	MKD
EUR	61.49	61.49
USD	52.31	58.88
GBP	70.59	74.13

## **2. Accounting policies (continued)**

### **2.2 Summary of accounting policies (continued)**

#### **b) Revenue from contract with customers**

The Company's operating activity is related to the provision of trade and import of oil derivatives and sales of electricity. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Disclosures about the significant accounting estimates, estimates and assumptions related to revenue from contracts with customers are provided in Note 2.4.

#### **Sale of goods (oil derivatives)**

Revenue from the sale of goods - oil derivatives is recognized at a point in time when control of the asset is transferred to the customer, which is usually upon delivery of the goods. The normal credit period is from 0 to 30 days from delivery.

The Company assesses whether there are other promises in the contract that constitute separate performance obligations to which a portion of the transaction price should be allocated (for example, warranties, customer loyalty points). When determining the transaction price for the sale of goods, the Company assesses the effects of variable consideration, the existence of significant financing components and consideration due to the customer (if any).

#### **(i) Variable consideration**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Company provides retrospective volume rebates to customers once the quantity of goods purchased during the period exceeds the threshold specified in the contract. The volume rebates give rise to variable consideration.

- **Volume rebates**

The Company provides retrospective volume rebates to certain customers after the quantity of products purchased during the period exceeds the contractually specified threshold. The rebates are offset against amounts owed by the customer.

To estimate the consideration for expected future rebates, the Company applies the expected value method for contracts with more than one volume threshold. The method selected that provides the best estimate of the amount of variable consideration is determined primarily by the number of volume thresholds contained in the contract. The Company then applies the requirements to constrain the estimates of variable consideration and recognizes a reimbursement liability for the expected future rebates.

**2. Accounting policies (continued)**

**2.2 Summary of accounting policies (continued)**

**b) Revenue from contracts with customers (continued)**

**Sale of electricity**

Revenue from sale of electricity is recognized over time as the customer simultaneously receives and consumes the benefits. Company has assessed that it has a right to consideration from the customer in an amount that corresponds directly with the value to the customer of the Company's performance completed to date and thus, the Company recognises revenue in the amount to which it has a right to invoice.

**Contract balances**

***Contract assets***

The contract asset is the right to receive consideration in exchange for the goods or services that have been transferred to the customer.

If, by transferring the goods or services to the customer, the Company fulfills its obligation before the customer pays the relevant consideration or before the payment becomes due, a contract asset is recognized for the consideration earned, which is conditional.

***Trade receivables***

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Please refer to the accounting policies for financial assets set out in section e) Financial instruments – initial recognition and subsequent measurement.

***Contract liabilities***

The contract liability is the obligation to transfer goods or services to the customer for which the Company has received consideration (or consideration is due) from the customer. If the customer pays the consideration before the Company transfers the goods or services to the customer, a contract liability is recognized when the payment is made or when the payment becomes due (whichever occurs earlier). Contract liabilities with customers are recognized as revenue when the Company fulfills its obligations under the contract.

**2. Accounting policies (continued)**

**2.2 Summary of accounting policies (continued)**

**b) Revenue from contracts with customers (continued)**

**Accounting policy for revenue recognition before January 1, 2025**

Revenue comprises the fair value of the consideration received or receivable for the sale of products, retail goods and services net of value-added tax, excise, rebates and discounts. Sales of products and retail goods are recognised when the Company has delivered it to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery does not occur until the products or retail goods have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Company has objective evidence that all criteria for acceptance have been satisfied.

*Interest income*

Interest income is recognized using the effective interest rate method, which is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument or, where appropriate, a shorter period, to the carrying amount of the financial asset. Interest income is included in finance income in the statement of comprehensive income.

*Dividend income*

Dividend income is recognized when the right to receive it is established.

**c) Taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

*Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate

**OKTA AD – SKOPJE**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

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**2. Accounting policies (continued)**

**2.2 Summary of accounting policies (continued)**

**c) Taxes (continued)**

*Deferred income tax*

Deferred taxes are recognized using the balance sheet method for all temporary differences at the reporting date that arise between the tax bases of assets and liabilities and their carrying values.

Deferred tax liabilities are recognized for all taxable temporary differences:

- except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit or loss at the time of the transaction; and
- for taxable temporary differences related to investments in subsidiaries, associates and interests in joint ventures, except to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, unused tax credits carried forward and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax credits carried forward and unused tax losses can be utilized:

- unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit or loss at the time of the transaction; and
- for deductible temporary differences related to investments in subsidiaries, associates and interests in joint ventures, a deferred tax asset is recognized only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

The Company reviews the carrying value of deferred tax assets at each reporting date and reduces it to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered. Unrecognized deferred tax assets are reviewed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period in which the asset is realised or the liability is settled, based on tax rates (and tax laws) that have become effective or substantively becoming effective by the reporting date.

Deferred taxes related to items recognized outside profit or loss are recognized outside profit or loss. Deferred taxes are recognized, depending on the related transaction, either in other comprehensive income or directly in equity.

The Company offsets deferred tax assets and liabilities only when it has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

**OKTA AD – SKOPJE**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

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**2. Accounting policies (continued)**

**2.2 Summary of accounting policies (continued)**

**c) Taxes (continued)**

*Value Added Tax (VAT)*

Revenues, expenses and assets are recognized net of VAT, except in cases where:

- VAT incurred from the purchase of assets or services is not refundable by the tax authorities, in which case the VAT is recognised as part of the acquisition cost of the asset or as part of the relevant expense item, as appropriate; and
- receivables and payables that are reported with VAT included.

The net amount of VAT refundable by or payable to the tax authorities is included in the value of receivables or payables in the separate statement of financial position.

*Global Minimum Corporate Income Tax*

The Law on Global Minimum Corporate Income Tax has been published in the Official Gazette of Republic North Macedonia No. 3 as of 3 January 2025. The new law aims to ensure a minimum effective taxation of 15% for large multinational and domestic groups, resembling the rules laid down by the OECD and implemented through a Directive in the European Union. The global minimum top-up tax applies from 1 January 2024. This law will impact the tax structure of the Company and ensure compliance with global standards.

**d) Employees Benefits**

**Pension and other short-term liabilities to employees**

The Company, in the normal course of business, makes payments on behalf of its employees for pensions, health care, employment and personnel tax which are calculated on the basis of gross salaries and wages according to the legislation. The Company makes these contributions to the Governmental health and retirement funds as well as to private retirement funds. The cost of these payments is charged to the income statement in the same period as the related salary cost.

The Company does not operate any other pension scheme or post-retirement benefits plan and consequently, has no obligation in respect of pensions.

**Termination benefits**

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

**2. Accounting policies (continued)**

**2.2 Summary of accounting policies (continued)**

**d) Employees Benefits (continued)**

**Retirement benefits and jubilee awards**

Pursuant to the Labour law prevailing in the Republic of North Macedonia, the Company is obliged to pay retirement benefits in an amount equal to two average monthly salaries, at their retirement date, for which appropriate liability is recognized in the balance sheet measured at the present value of two average monthly salaries with adjustments incorporated in the actuarial calculation. According to the Collective agreement, the Company is obliged to pay jubilee anniversary awards that correspond to the total number of years of service of the employee. These employee benefit obligations are calculated annually by independent actuaries using the projected unit credit method. The actuarial valuation involves making assumption about discount rates, expected rates of return on assets, future salary increased, mortality increases and future pension increased. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. In addition, the Company is not obligated to provide further benefits to current and former employees.

Interest expense is calculated by applying the discount rate to the defined benefit liability. Changes in the latter are recognised in profit or loss for the period and are presented as follows:

- Service cost, including current service cost, past service cost, and gains and losses resulting from terminations or non-routine settlements under the plan, are included in the item “Personnel costs”;
- Interest cost is presented as “Finance costs”.

**e) Financial instruments - initial recognition and subsequent measurement**

• **Financial assets**

**Initial recognition**

Financial assets within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available for sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets upon initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and cash equivalents, trade and other receivables and available-for-sale financial assets.

## **2. Accounting policies (continued)**

### **2.2 Summary of accounting policies (continued)**

#### **e) Financial instruments - initial recognition and subsequent measurement (continued)**

- **Financial assets (continued)**

##### **Subsequent measurement**

The subsequent measurement of the financial assets depends on their classification as follows:

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognised as other expenses in the statement of comprehensive income.

##### *Available-for-sale investments*

Available-for-sale investments include listed securities that are not classified as held for sale or as financial assets at fair value through profit or loss. Available-for-sale financial assets are initially recognised at fair value plus transaction costs. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

After initial recognition, available-for-sale investments are measured at fair value, with unrealized gains or losses on them being recognized in other comprehensive income in retained earnings until the investment is derecognized or impaired, when the cumulative gain or loss is recognized in profit or loss for the period.

Available-for-sale financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Dividends on available-for-sale financial assets are recognised in the Statement of comprehensive income as part of other income when the Company's right to receive payments is established.

## **2. Accounting policies (continued)**

### **2.2 Summary of accounting policies (continued)**

#### **e) Financial instruments - initial recognition and subsequent measurement (continued)**

- **Financial assets (continued)**

##### **Derecognition**

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset but has retained control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

##### **Impairment of financial assets**

The Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

##### *Financial assets carried at amortized cost*

For financial assets carried at amortized cost the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets which are individually impaired are not included in the collective assessment for impairment.

**2. Accounting policies (continued)**

**2.2 Summary of accounting policies (continued)**

**e) Financial instruments - initial recognition and subsequent measurement (continued)**

- **Financial assets (continued)**

**Impairment of financial assets (continued)**

*Financial assets carried at amortized cost (continued)*

If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced by the amount of the impairment and the loss is recognised in the statement of comprehensive income. The interest income is recorded as part of finance income in the statement of comprehensive income. Loans and receivables together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the statement of comprehensive income.

*Available-for-sale investments*

For available-for-sale investments, the Company assesses at each reporting date whether there is objective evidence that the investment or group of investments is impaired.

For equity investments classified as available for sale, objective evidence includes a significant or prolonged decline in the fair value of the investment below its cost. "Significant decline" should be assessed against the initial acquisition cost of the investment, and "prolonged" against the period in which the fair value is below the initial acquisition cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less the impairment loss of that investment previously recognized in profit or loss – is deducted from other comprehensive income and recognized in profit or loss for the period. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value are recognized directly in other comprehensive income.

## **2. Accounting policies (continued)**

### **2.2 Summary of accounting policies (continued)**

#### **e) Financial instruments - initial recognition and subsequent measurement (continued)**

- **Financial liabilities**

##### **Initial recognition and measurement**

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and lease liabilities.

##### **Subsequent measurement**

The measurement of financial liabilities depends on their classification as follows:

###### *Loans and borrowings*

After initial recognition, loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses relating to loans and borrowings are recognised in the statement of comprehensive income for the period when the liabilities are derecognised as well as through the amortization process.

Amortized cost is calculated by taking into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the statement of comprehensive income.

##### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Gains arising from derecognition of financial liabilities are recognised in the statement of comprehensive income, in other operating income.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

#### **f) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and the Company has an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

## **2. Accounting policies (continued)**

### **2.2 Summary of accounting policies (continued)**

#### **g) Fair value measurement**

The fair values of financial instruments measured at amortized cost are disclosed in Note 21.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant who would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period and determines whether it is necessary to make transfers from one level to another.

The Company's management determines the policies and procedures that apply to both regular fair value measurements and non-regular fair value measurements.

For the purposes of fair value disclosure, the Company defines different classes of assets and liabilities depending on their nature, characteristics and risk and the relevant level of the fair value hierarchy described above.

**OKTA AD – SKOPJE**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

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**2. Accounting policies (continued)**

**2.2 Summary of accounting policies (continued)**

**h) Share capital**

Ordinary shares are classified as equity.

The share capital represents the par value of the shares issued and paid. The difference between the par value and the price paid for the shares is accounted for as share premium. Incremental costs directly attributable to the issue of shares are recognised as a deduction from equity, net of any tax effects.

Treasury shares are an entity's own equity instruments that are acquired and held by the entity, a subsidiary, or other members of the consolidated group. The consideration paid or received for treasury shares is recognised directly in equity.

**i) Cash dividend and non-cash distribution to equity holders of the parent**

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the profit or loss.

**j) Property, plant and equipment**

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Such cost includes the cost of replacing part of the property and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Up to 2003 they were revalued at the year-end by applying official revaluation coefficients based on the general manufactured goods price index. Such coefficients were applied to historical cost or later valuation and to accumulated depreciation. The effect of the revaluation of property, plant and equipment was credited to the revaluation reserve. Additions are recorded at cost. Cost includes the invoiced value and the expenditure that is directly attributable to the acquisition of the items.

Depreciation of property, plant and equipment is charged using rates not lower than those prescribed by the law and is designed to allocate the cost or valuation of property, plant and equipment on a straight-line basis over their estimated useful lives.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

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**2. Accounting policies (continued)**

**2.2 Summary of accounting policies (continued)**

**j) Property, plant and equipment (continued)**

The depreciation of property, plant and equipment shall start after expiration of the month of the start-up in the year in which the utilization of the property, plant and equipment has started. The following represents the range of the estimated useful lives applied to items of property, plant and equipment:

	2025	2024
Buildings	20 - 40 years	20 - 40 years
Computers	4 - 5 years	4 - 5 years
Equipment	Up to 20 years	Up to 20 years
Other equipment and vehicles	8 years	8 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

**k) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

***Company as a lessee***

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

***Right-of-use assets***

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term, as follows:

- Motor vehicles and other equipment 4 - 5 years

Right-of-use assets are subject to impairment on their own, or together with the cash generating unit to which they belong. The accounting policy for impairment is disclosed in section (o) Impairment of non-financial assets.

## **2. Accounting policies (continued)**

### **2.2 Summary of accounting policies (continued)**

#### **k) Leases (continued)**

##### *Lease liabilities*

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The result of this re-measurement is disclosed in a line of the right-of-use assets note as modifications.

##### *Short-term leases and leases of low-value assets*

The Company applies the short-term lease recognition exemption to its short-term leases of vehicles (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also does not apply the lease of low-value assets recognition exemption. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

#### ***Accounting policy for leases before January 1, 2025 - Company as a lessee***

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

## **2. Accounting policies (continued)**

### **2.2 Summary of accounting policies (continued)**

#### **l) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### **m) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Acquisition costs include acquisition price (including import duties and non-recoverable taxes, after deducting trade discounts and rebates) and all directly attributable costs which are incurred to prepare the asset for its intended use. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful life of intangible assets is determined to be finite, as follows:

Software and other rights      5 years

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category that is consistent with the function of the intangible assets. Any gain or loss arising upon derecognition of intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income.

#### **n) Inventories**

Inventories are stated at lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred, bringing the inventories to their present location and condition. Cost of crude oil and cost of other raw materials, spare parts and tools and consumable stores, finished and trading goods is determined on a weighted average cost basis.

The cost of purchase of inventories comprises the purchase price, import duties, other non-recoverable taxes and other costs, which can be directly attributed to the procurement of the inventories (e.g. transportation costs). Trade discounts, rebates and other similar items are deducted in determining the purchase cost of inventories.

The costs of conversion of inventories comprise those costs that are directly related to the units of production, such as direct labour and a systematic allocation of fixed and variable production overheads. The allocation of fixed production overheads to the cost of conversion is based on the normal capacity of the production facilities. Any unallocated fixed production overheads are recognised as an expense in the period in which they are incurred. Variable production overheads are allocated to each unit of production on the basis of the actual use of the production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

## **2. Accounting policies (continued)**

### **2.2 Summary of accounting policies (continued)**

#### **o) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on the most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the statement of comprehensive income in expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income.

#### **p) Cash and cash equivalents**

Cash and cash equivalents comprise bank balances in local and foreign currency, cash in hand and deposits held at calls with banks.

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of twelve months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits held at calls with banks, as defined above.

## **2. Accounting policies (continued)**

### **2.2 Summary of accounting policies (continued)**

#### **q) Provisions and contingent liabilities**

##### *General*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

No provision is recognized for contingent liabilities. A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

## **2. Accounting policies (continued)**

### **2.2 Summary of accounting policies (continued)**

#### **t) Earnings per share**

Basic earnings per share is calculated by dividing profit attributable to the equity holders of the Company for the period by the weighted average number of common stocks outstanding.

#### **u) Operating segments**

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the Management and for which discrete financial information is available. The Management is the person or group of persons who allocates resources and assesses the performance for the entity.

The functions of the Management are performed by Board of the Directors of the Company. The internal reporting within the Company presented to the Management is on a Company level and as one operating segment. The decisions brought by the Management are based on received reports presented as one operating segment.

### **2.3 Changes in accounting policies and disclosures**

#### **New and amended standards and interpretations**

The international financial reporting standards (IFRS standards, including IFRS 1) were initially published in the Official Gazette in 1997, and since then several updates have followed. The latest update was on 3<sup>rd</sup> April 2024 when Ministry of Finance adopted a new Rulebook for Accounting. The Rulebook on Accounting was published in the Official Gazette of RNM" no. 75/2024 as subsequently amended (Official Gazette of RNM" no. 274/2024) ("the Rulebook") which includes the updated versions of IFRSs, IFRICs and SICs, as well as introduces new IFRSs and IFRICs, that were not included in the Rulebook on Accounting currently effective. The new Rulebook takes effect on 1 January 2025, except for IFRS 9 *Financial Instruments* and IFRS 17 *Insurance Contracts* that will be effective from 1 January 2028.

## 2. Accounting policies (continued)

### 2.3 Changes in accounting policies and disclosures (continued)

#### New and amended standards and interpretations (continued)

- **IFRS 9** *Financial Instruments: Classification and Measurement*
- **IFRS 10** *Consolidated Financial Statements*
- **IFRS 11** *Joint Arrangements*
- **IFRS 12** *Disclosure of Interests in Other Entities*
- **IFRS 13** *Fair Value Measurement*
- **IFRS 14** *Regulatory Deferral Accounts*
- **IFRS 15** *Revenue from Contracts with Customers*
- **IFRS 16** *Leases*
- **IFRS 17** *Insurance Contracts*
- **IFRS 1** *First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter (Amendments)*
  - **IFRS 2** *Share-based Payment (Amendments): Classification and Measurement of Share based Payment Transactions*
  - **IFRS 3** *Business combinations (Amendments): Definition of a business*
  - **IFRS 4** *Insurance Contracts (Amendments): Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*
  - **Amendments to IAS 1** *Presentation of Financial Statements*
    - *and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of ‘material’*
    - *and IFRS Practice Statement 2: Disclosure of Accounting policies*
  - **Amendments to IAS 8** *Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates*
  - **Amendments to IAS 12** *Income Taxes*
    - *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
    - *Recognition of Deferred Tax Assets for Unrealised Losses*
  - **Amendments to IAS 16** *Property, Plant & Equipment and IAS 38 Intangible assets: Clarification of Acceptable Methods of Depreciation and Amortization*
    - *Proceeds before Intended Use*
  - **IAS 19** *Employee Benefits (Amendments): Plan Amendment, Curtailment or Settlement*
  - **IAS 28** *Investments in associates (Amendments): Long-term Interests in Associates and Joint Ventures*
  - **Amendments to IAS 37:** *Onerous Contracts – Costs of Fulfilling a Contract*
  - **IAS 40** *Investment Property (Amendments): Transfers of Investment Property*
  - **IFRIC 14** *Prepayments of a Minimum Funding Requirement (Amendment)*
  - **IFRIC 19** *Extinguishing Financial Liabilities with Equity Instruments*
  - **IFRIC 20** *Stripping Costs in the Production Phase of a Surface Mine*
  - **IFRIC 21** *Levies*
  - **IFRIC 22** *Foreign Currency Transactions and Advance Consideration*
  - **IFRIC 23** *Uncertainty over Income Tax Treatments*
  - *The Conceptual Framework for Financial Reporting (Revised)*

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**2. Accounting policies (continued)**

**2.3 Changes in accounting policies and disclosures (continued)**

**New and amended standards and interpretations (continued)**

The Company has most significant impact on the financial statements from the application of IFRS 16 *Leases*. The nature and effect of the changes resulting from the adoption of these new accounting standards are described below.

The application of the other IFRS accounting standards, amendments and clarifications has no material impact on the financial statements of the Company. The Company has not adopted standards, clarifications or amendments that have been published but have not yet entered into force.

The accounting principles and calculations used in the preparation of the financial statements are consistent with those applied in the preparation of the financial statements for the year ended 31 December 2024 and have been consistently applied in all periods presented in this report, except for the following IFRSs, which have been adopted by the Company as of 1 January 2025.

The Company applied for the first time IFRS 16 (Leases) and disclosed below, as required by IFRSs, the nature and effect of these changes.

**IFRS 16 *Leases***

IFRS 16 replaces IAS 17 *Leases*, IFRIC 4 *Determining Whether an Arrangement Contains a Lease*, SIC-15 *Operating Leases—Incentives*, SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

IFRS 16 sets out the principles for recognition, measurement, presentation and disclosures of leases and requires lessees to account all lease contracts based on uniform balance method, that is similar to the accounting treatment of finance lease in accordance with IAS 17.

The Company adopted IFRS 16 as a change in accounting policy using the transitional provisions of the standard, the modified retrospective method of adoption with the date of initial application of 1 January 2025. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 January 2025. Instead, the Company applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. Furthermore, the Company elected to use the recognition exemptions proposed by the standard for lease contracts that, at the commencement date have a lease term of 12 months or less and do not contain a purchase option ('short-term leases') and lease contracts for which the underlying asset is of low value ('low-value assets'). Finally, the Company decided to apply a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with similar remaining lease term for similar class of underlying assets in a similar economic environment).

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**2. Accounting policies (continued)**

**2.3 Changes in accounting policies and disclosures (continued)**

**New and amended standards and interpretations (continued)**

**IFRS 16 Leases (continued)**

The effect of adoption of IFRS 16 as at 1 January 2025 (increase/(decrease)) is as follows:

	Note	1 January 2025
<b>Assets</b>		
Right of use assets	15	32,652
<b>Liabilities</b>		
Lease liabilities	15	32,652
<b>Net effect on the equity</b>		
Retained earnings		<u>                    </u> <u>                    </u> -

The Company has lease contracts for motor vehicles. Before the adoption of IFRS 16, the Company classified each of its leases (as lessee) at the inception date as an operating lease. The leased vehicles were not capitalized and the lease payments were recognized as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognized under Trade and other receivables and Trade and other payables, respectively.

***Leases previously classified as finance leases***

The Company did not have any finance leases in 2024 and as at 1 January 2025.

***Leases previously accounted for as operating leases***

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

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**2. Accounting policies (continued)**

**2.3 Changes in accounting policies and disclosures (continued)**

**New and amended standards and interpretations (continued)**

**IFRS 16 Leases (continued)**

For the year ended 31 December 2025 the effect of the application of IFRS 16 in the statement of comprehensive income, is:

	<b>Note</b>	<b>For the year ended 31 December 2025</b>
Depreciation expenses for right of use assets	4.3, 4.4, 4.5	11,489
Interest expense on lease liabilities	4.8	<u>764</u>
<b>Total cost of leases in scope of IFRS 16</b>		<b>12,253</b>

The lease liabilities as at 1 January 2025 can be reconciled to the operating lease commitments as of 31 December 2024, as follows:

Operating lease commitments as at 31 December 2024	<u>MKD'000</u> <b>36,583</b>
Weighted average incremental borrowing rate as at 1 January 2025	<u>2.74%</u>
Discounted operating lease commitments as at 1 January 2025	<b>35,582</b>
Less:	
Commitments relating to short-term leases	<u>2,930</u>
Lease liabilities as at 1 January 2025	<u><u>32,652</u></u>

## 2. Accounting policies (continued)

### 2.4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the value of reported assets and liabilities, and the disclosure of contingent liabilities at the reporting date, as well as the reported income and expenses for the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### ***Determining the lease term of contracts with renewal and termination options – Company as lessee***

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has the option, under some of its leases to lease the assets for additional terms. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (as a change in business strategy).

#### ***Revenue from contracts with customers***

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- **Determining method to estimate variable consideration and assessing the constraint**

Contracts for the sale of goods include volume rebates that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with volume rebates, as the contracts with customers have more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

The Company updates its assessment of volume rebates quarterly. Estimates of volume rebates are sensitive to changes in circumstances and the Company's past experience regarding rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

## **2. Accounting policies (continued)**

### **2.4. Significant accounting judgements, estimates and assumptions (continued)**

#### **Estimates and assumptions**

##### ***Retirement benefit obligation***

Retirement benefit obligation is determined using actuarial valuation. This assessment requires making assumptions about the discount rate, future salary increases, staff turnover and mortality. Due to the long-term nature of the income of retirement, these assumptions are subject to significant uncertainty. As of 31 December 2025 the Company's retirement benefit obligation is equal to MKD 13,074 thousand (2024: MKD 13.789 thousand). Additional information regarding the retirement benefit obligation is provided in Note 14.

##### ***Useful lives of property, plant and equipment, and intangible assets***

The determination of the useful lives of assets is based on historical experience with similar assets as well as any anticipated technological development and changes in broad economic or industry factors. The appropriateness of the estimated useful lives is reviewed annually or whenever there is an indication of significant changes in the underlying assumptions.

Further, due to the significant weight of depreciable assets in Company's total assets, the impact of any changes in these assumptions could be material to Company's financial position and results of operations. If depreciation cost is decreased/increased by 10%, this would result in change of annual depreciation expense of approximately MKD 9,427 thousand (2024: MKD 25,263 thousand).

The used depreciation rates are the best estimate of the useful life of the assets of the Company. Information on the useful lives of property, plant and equipment and intangible assets is presented in Note 2.2.

##### ***Potential impairment of property, plant and equipment and intangibles***

The Company (with support from the ultimate parent company) is assessing the impairment of identifiable property, plant, equipment and intangibles whenever there is a reason to believe that the carrying value may materially exceed the recoverable amount and where impairment in value is anticipated. The recoverable amounts are determined by value in use calculations, which use a broad range of estimates and factors affecting those.

Among others, the Company typically considers future revenues and expenses, macroeconomic indicators, technological obsolescence, discontinuance of operations and other changes in circumstances that may indicate impairment. If impairment is identified using the value in use calculations, the Company also determines the fair value less cost to sell (if determinable), to calculate the exact amount of impairment to be charged (if any). As this exercise is highly judgmental, the amount of potential impairment may be significantly different from that of the result of these calculations. No indicators for impairment are identified in the current year and respectively no impairment test has been performed.

## 2. Accounting policies (continued)

### 2.4. Significant accounting judgements, estimates and assumptions (continued)

#### Estimates and assumptions (continued)

##### ***Impairment of trade and other receivables***

The Company calculates impairment for doubtful accounts based on estimated losses resulting from the inability of its customers to make required payments. For customers in bankruptcy and liquidation, impairment is calculated on an individual basis, while for other customers it is estimated on a portfolio basis, for which the Company bases its estimate on the aging of its account receivables balance and its historical write-off experience, customer credit-worthiness and changes in its customers payment terms. These factors are reviewed periodically, and changes are made to the calculations when necessary. The estimates involve assumptions about future customer behaviour and the resulting future cash collections. If the financial condition of its customers were to deteriorate, actual write-offs of currently existing receivables may be higher than expected and may exceed the level of the impairment losses recognized so far.

##### ***Provisions***

Provisions in general are highly judgmental, especially in the cases of legal disputes. The Company assesses the probability of an adverse event as a result of a past event to happen and if the probability is evaluated to be more than fifty percent, the Company fully provides for the amount of the liability. Due to the high level of uncertainty, in some cases the evaluation may not prove to be in line with the eventual outcome of the case.

##### ***Solidarity tax***

On September 25, 2023, the Solidarity Tax Law came into force and is applicable only for 2023. The basis for calculation were results from past years. In compliance with the provisions of the law, an additional tax was determined. The tax rate is 30%. Solidarity tax was one-off public charge for 2023, however it is not calculated and paid on the actual result for 2023, but on the notional amount related to the result – tax basis for the year ended as of 31 December 2022 and after some adjustments. Management considers that tax on solidarity does not meet the definition of requirements of IAS 12 income tax and is presented as other operating expenses in Profit and loss in the annual account and financial statements for the year ended as of 31 December 2023. Constitutional Court of Republic of North Macedonia, on 5 February 2025, passed a Decision according to which the Law on Solidarity Tax is annulled. For the refund of the paid tax, Ministry of Finance proposed solution to the Company, amount to be returned in two instalments starting from March 2026 and due to this Company recognized the amount as Other income during 2025.

##### ***Global Minimal Income tax – Pillar II***

North Macedonia has adopted a new law on a 15% minimum global tax.

The new law aims to ensure a minimum effective taxation of 15% for large multinational and domestic groups resembling the rules laid down by the OECD and implemented through a Directive in the European Union (see Note 5 for further details).

## **2.5. Standards issued but not yet effective and not early adopted**

### **2.5.1 Standards adopted in the new Rulebook on Accounting but not yet effective**

#### ***IFRS 9 Financial Instruments: Classification and Measurement***

The standard is effective for annual periods beginning on or after 1 January 2028. The Standard replaces IAS 39 Financial Instruments: *Recognition and Measurement*. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. Except for hedge accounting, retrospective application of the standard is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Company plans to adopt the new standard on the required effective date and will not restate comparative information.

Company has started an impact assessment of all three aspects of IFRS 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Company in 2028 when the Company will adopt IFRS 9.

The Company expects no significant impact on its statement of financial position and equity as a result of the initial application of IFRS 9.

#### ***IFRS 17: Insurance Contracts***

The standard is effective for annual periods beginning on or after 1 January 2028 with earlier application permitted if both IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments have also been applied. It is not applicable for the Company.

### **2.5.2 Standards not adopted in the new Rulebook on Accounting and not yet effective**

IASB has issued following IFRS accounting standards and amendments to IFRS accounting standards, which are not yet adopted in the new Rulebook on Accounting:

#### ***IAS 12 Income taxes: International Tax Reform - Pillar Two Model Rules (Amendments)***

The amendments are effective immediately upon issuance, but certain disclosure requirements are effective later. The Organisation for Economic Co-operation and Development's (OECD) published the Pillar Two model rules in December 2021 to ensure that large multinational companies would be subject to a minimum 15% tax rate. On 23 May 2023, the IASB issued International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12. The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and disclosure requirements for affected entities on the potential exposure to Pillar Two income taxes. The Amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023, but are not required for any interim period ending on or before 31 December 2023. Company will analyze and assess the impact of the amendment on its financial position or performance.

**2. Accounting policies (continued)**

**2.5. Standards issued but not yet effective and not early adopted (continued)**

**2.5.2 Standards not adopted in the new Rulebook on Accounting and not yet effective**

**IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and are applied retrospectively. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management intent does not affect current or non-current classification, that options by the counterparty that could result in settlement by the transfer of the entity's own equity instruments do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied within twelve months after the reporting period. Company will analyze and assess the impact of the amendment on its financial position or performance.

**IFRS 16 Leases: Lease Liability in a Sale and Leaseback (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Company will analyze and assess the impact of the amendment on its financial position or performance.

**IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures - Supplier Finance Arrangements (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Company will analyze and assess the impact of the amendment on its financial position or performance.

**IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchange ability (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted. Company will analyze and assess the impact of the amendment on its financial position or performance.

**IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2026. Company will analyze and assess the impact of the amendment on its financial position or performance.

**IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted. Company will analyze and assess the impact of the amendment on its financial position or performance.

**2. Accounting policies (continued)**

**2.5. Standards issued but not yet effective and not early adopted (continued)**

**2.5.2 Standards not adopted in the new Rulebook on Accounting and not yet effective (continued)**

**IFRS 18 Presentation and Disclosure in Financial Statements**

IFRS 18 introduces new requirements on presentation within the statement of profit or loss. It requires an entity to classify all income and expenses within its statement of profit or loss into one of the five categories: operating; investing; financing; income taxes; and discontinued operations. These categories are complemented by the requirements to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards. IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, with earlier application permitted. Retrospective application is required in both annual and interim financial statements. In the following reporting periods, Management will analyse the requirements of this newly issued standard and assess its impact.

**IFRS 19 Subsidiaries without Public Accountability: Disclosures**

IFRS 19 permits subsidiaries without public accountability to use reduced disclosure requirements if their parent company (either ultimate or intermediate) prepares publicly available consolidated financial statements in compliance with IFRS accounting standards. IFRS 19 is effective for reporting periods beginning on or after January 1, 2027, with early application permitted. It is not applicable for the Company.

**Annual Improvements to IFRS Accounting Standards – Volume 11**

The IASB's annual improvements process deals with non-urgent, but necessary, clarifications and amendments to IFRS. In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards — Volume 11. An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. The Annual Improvements to IFRS Accounting Standards - Volume 11, includes amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. These amendments aim to clarify wording, correct minor unintended consequences, oversights, or conflicts between requirements in the standards. In the following reporting periods, Management will analyse the requirements of this newly issued standard and assess its impact.

**Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. They are not applicable for the Company.

**2. Accounting policies (continued)****2.6 Comparative Information**

In order to provide more relevant information to the readers of the Financial Statements, during 2025 the Company made a change in presentation and classification of operating expenses under the Statement of Comprehensive Income. For maintaining the consistency with the current year presentation, certain items have been adjusted for comparative purposes. The changes in the presentation are not influencing significantly the content of the financial statements. The changes of the adjustments are presented as follows:

	<b>2024 after change</b>	<b>Description of change</b>	<b>2024 before change</b>
Sales	44,263,696	Reclassification from Other operating income	44,247,443
Cost of goods sold	(43,094,978)	Reclassification from Other operating expense	(43,089,739)
<b>Gross profit</b>	<b>1,168,718</b>		<b>1,157,704</b>
Operations and logistics expenses	(561,363)		(561,363)
Administrative expenses	(221,943)		(221,943)
Sales and distribution expenses	(152,527)		(152,527)
Other operating income	13,026	Reclassification to Sales	29,279
Other operating expenses	(9,836)	Reclassification to Cost of goods sold	(15,075)
<b>Operating profit</b>	<b>236,075</b>		<b>236,075</b>

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**3. Financial risk management**

**3.1. Financial risk factors**

The Company does not apply hedge accounting for its financial instruments, all gains and losses are recognized in the Statement of comprehensive income. The Company is exposed in particular to risks from movements in exchange rates and market prices that affect its assets and liabilities. Financial risk management aims to limit these market risks through ongoing operational and finance activities.

**Market risk**

Market risk is defined as the 'risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices' and includes interest rate risk, currency risk and other price risk. The majority of the revenues of the Company are generated in MKD and the remaining part mainly in EUR and small amount of USD.

Expenses of the Company that arise are mainly connected to EUR, partially in USD and the remaining part in MKD. As a result, the Company objective is to minimize the level of its financial risk in MKD terms. For the presentation of market risks according to IFRS 7, sensitivity analyses that show the effects of hypothetical changes of relevant risk variables on profit or loss and shareholders' equity are required. The periodic effects are determined by relating the hypothetical changes in the risk variables to the balance of financial instruments at the balance sheet date. The balance at the balance sheet date is representative for the year as a whole.

The on-going global commodities in the constantly changing market resulted in, among other things, volatility of crude oil prices. The full extent of the impact of these market developments is proving to be impossible to anticipate or completely guarded against.

Management believes that is taking all the necessary measures to support the sustainability and growth of the Company's business in the current circumstances. Nevertheless, future market fluctuations cannot be predicted with accuracy.

**Foreign exchange risk**

The Company's functional currency is the MKD. The foreign exchange risk exposure of the Company is related to holding foreign currency cash balances and operating activities through revenues from and payments to international companies as well as capital expenditure contracted with vendors in foreign currency.

The Company manages the foreign exchange risk exposure by striving to lower the number of contracts in USD and to introduce contracts in EUR. The Company has small cash reserves in foreign currency and limited transactions in USD. The Company uses cash deposits in MKD or cash deposits in MKD converted to EUR per official exchange rate.

**3. Financial risk management (continued)****3.1. Financial risk factors (continued)****Foreign exchange risk (continued)**

The purchase of oil products from related parties are denominated in EUR, except for one product which is denominated in USD but all products are connected to the price movement on the global market in USD. Therefore, there is associated inherent business risk with such transactions.

The Company's exposure to foreign currency risk was as follows:

<b>2025</b>	<b>MKD</b>	<b>EUR</b>	<b>USD</b>
<b>Assets</b>			
Cash and cash equivalents	3,585,428	32,153	42,083
Trade receivables and other current financial assets	899,618	82,537	17,591
<b>Total assets</b>	<b>4,485,046</b>	<b>114,690</b>	<b>59,674</b>
<b>Liabilities</b>			
Trade payables	382,333	211,363	172,893
Other current liabilities	1,063,827	-	-
<b>Total liabilities</b>	<b>1,446,160</b>	<b>211,363</b>	<b>172,893</b>
<b>Net balance sheet exposure</b>	<b>3,038,886</b>	<b>(96,673)</b>	<b>(113,219)</b>
<b>2024</b>			
<b>Assets</b>			
Cash and cash equivalents	2,945,984	98,831	31,967
Trade receivables and other current financial assets	902,049	79,388	99,297
<b>Total assets</b>	<b>3,848,033</b>	<b>178,219</b>	<b>131,264</b>
<b>Liabilities</b>			
Trade payables	449,631	273,174	215,956
Other current liabilities	957,468	-	-
<b>Total liabilities</b>	<b>1,407,099</b>	<b>273,174</b>	<b>215,956</b>
<b>Net balance sheet exposure</b>	<b>2,440,934</b>	<b>(94,955)</b>	<b>(84,692)</b>

The Company realized more purchases in USD than sales. At 31<sup>st</sup> December 2025 if USD had been 1% (2024: 1%) weaker or stronger against MKD, profit would have been MKD 1,132 thousand (2024: MKD 847 thousand) after tax in net balance higher or lower respectively.

The Company realized more purchases in EUR than sales. At 31<sup>st</sup> December 2025, if EUR had been 1% (2024: 1%) weaker or stronger against MKD, profit would have been MKD 967 thousand (2024: MKD 950 thousand) after tax in net balance higher or lower respectively.

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**3. Financial risk management (continued)**

**3.1. Financial risk factors (continued)**

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Change in the interest rates and interest margins may influence financing costs and returns on financial investments.

Changes in market interest rates affect the interest income on deposits with banks. As of 31<sup>st</sup> December 2025, the Company has short time deposits in amount of MKD 2,832,938 thousand (2024: MKD 1,850,741 thousand) with fixed interest rate and the Company is not exposed to significant interest rate risk.

If interest rate had been 1% (2024: 1%) changed, higher or lower against contracted rates, profit would have been MKD 28.329 thousand (2024: MKD 18.507 thousand) after tax in net balance higher or lower, respectively.

**Price risk**

The Company's has commodity price exposures of oil products price levels. It affects the value of inventory and sales margins which in turn affects the future cash flows of the business. In the case of price risk the level of exposure is determined by the amount of priced inventory carried at each Balance Sheet date. The Company policy is to report its inventory at the lower of historic cost and net realisable value and the results are affected by the reduction in the carrying value of the inventory.

The extent of the exposure relates directly to the level of stocks and rate of price decrease. Sales margin exposure relates to the absolute level of margin generated by the operation of the company mainly driven by the regulated prices for domestic market by the Government Authorities and the Platt's prices for foreign markets. Company is managing the price risk over optimization of import of goods in order to provide appropriate level of stocks in order to control the sales margin.

**Credit risk**

Credit risk is defined as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk from its operating activities and certain financing activities. The process of managing the credit risk from operating activities includes preventive measures such as creditability checking and prevention barring, corrective measures during legal relationship, for example, reminding and disconnection activities, collaboration with collection agencies and collection after legal relationship as litigation process, court proceedings, involvement of the executive unit and factoring.

The overdue payments are followed through a debt escalation procedure based on customer type, credit class and amount of debt. The credit risk is controlled through credibility checking – which determines that the customer is not indebted and is credit-worthy, also through preventive barring – which determines the credit limit based on the customer's previous revenues.

The Company's procedures ensure on a permanent basis that sales are made to customers with an appropriate credit history and do not exceed the acceptable credit exposure.

**3. Financial risk management (continued)****3.1. Financial risk factors (continued)****Credit risk (continued)**

The Company has collaterals from customers in bank guarantees, mortgages and promissory notes in order to ensure their collectability. The Company does not guarantee obligations of other parties. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. Consequently, the Company considers that its maximum exposure is reflected by the amount of debtors net of provisions for impairment recognized and the amount of cash deposits in banks at the Balance Sheet date. Management is focused on dealing with most reputable banks in foreign and domestic ownership.

The following table represents Company's exposure to credit risk as at 31<sup>st</sup> December 2025 and 31<sup>st</sup> December 2024:

	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	3,659,664	3,076,777
Trade receivables	146,024	215,591
Other receivables	853,722	850,443
	<b>4,659,410</b>	<b>4,142,811</b>

Cash and cash equivalents in the table above excludes cash on hand since no credit risk exists for this category.

The receivables are summarized as follows:

	<b>31<sup>st</sup> December 2025</b>		<b>31<sup>st</sup> December 2024</b>	
	Trade receivables - domestic	Trade receivables - foreign	Trade receivables - domestic	Trade receivables – foreign
Neither past due nor impaired	38,639	100,129	34,761	180,278
Past due but not impaired	7,256	-	552	-
Impaired	46,621	18,073	46,620	20,284
<b>Gross</b>	<b>92,516</b>	<b>118,202</b>	<b>81,933</b>	<b>200,562</b>
Less: allowance for impairment	(46,621)	(18,073)	(46,620)	(20,284)
<b>Net</b>	<b>45,895</b>	<b>100,129</b>	<b>35,313</b>	<b>180,278</b>

Trade receivables of MKD 7,256 thousand (2024: MKD 552 thousand) were past due but not impaired. Main part of these receivables is matured up to 30 days, with no recent history of default and is secured with collaterals. Further details are presented in Note 11.

**3. Financial risk management (continued)****3.1. Financial risk factors (continued)****Liquidity risk**

Liquidity risk is defined as the risk that the Company could not be able to settle or meet its obligations on time. The Company's policy is to maintain sufficient cash and cash equivalents to meet its commitments in the foreseeable future. Any excess cash is deposited in commercial banks.

The Company's liquidity management process includes projecting cash flows by major currencies and considering the level of necessary liquid assets, considering business plan, historical collection and outflow data. Regular cash projections are prepared and updated by the Treasury Department.

The table below analyses Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date up to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 3 month	Between 3 months and 1 year	Over 1 year
<b>At 31<sup>st</sup> December 2025</b>			
Trade payables*	601,359	-	-
Other current liabilities	1,052,584	-	-
Lease liability	3,240	8,003	-
	<b>1,657,183</b>	<b>8,003</b>	-
<b>At 31<sup>st</sup> December 2024</b>			
Trade payables*	752,750	-	-
Other current liabilities	957,468	-	-
	<b>1,710,218</b>	-	-

Maturity analysis applies to financial instruments only and therefore Income tax liabilities are not included.

\*Excluded domestic and foreign trade payables prior to acquisition.

**Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The management assessed the going concern principle and based on the current liquidity position of the Company and the relevant forecasts there is no going concern uncertainty.

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**4. Revenue and expenses**

**4.1 Revenue from contracts with customers**

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	<b>2025</b>	<b>2024</b>
Sales of oil derivatives on domestic market	27,709,808	30,492,198
Sales of oil derivatives on foreign market	10,697,057	13,755,245
Sales of electricity	85,353	16,253
	<b>38,492,218</b>	<b>44,263,696</b>

**Contract balances**

	31 December 2025
	<i>MKD'000</i>
Trade receivables (Note 11)	121,651
Trade receivables from related parties (Note 19)	24,373
Contract liabilities (Note 16)	755,698

Trade receivables are non-interest bearing and are generally on terms of 0 to 30 days.

Contract liabilities include short-term advances received from customers to deliver oil derivatives, which are disclosed in Note 16.

**4.2 Cost of goods sold**

	<b>2025</b>	<b>2024</b>
Cost of traded goods	37,066,507	43,038,613
Cost of traded electricity	39,442	5,239
Impairment of inventories	14,532	12,320
Inventory difference expenses (Manipulation and shrinkage expenses)	47,540	38,806
	<b>37,168,021</b>	<b>43,094,978</b>

**4. Revenue and expenses (continued)****4.3. Operations and logistics expenses**

	<b>2025</b>	<b>2024</b>
Depreciation and amortization	68,062	221,973
Gross salaries and wages	177,416	184,713
Electricity	14,857	19,044
Other fixed cost	18,802	12,525
Insurance expenses	32,813	33,920
Maintenance expenses	25,405	25,718
Personnel related expenses	22,118	22,865
Own consumption of fuels	2,416	2,683
Miscellaneous expenses	30,025	33,009
Redundancy expenses	388	4,186
Telecommunication expenses	414	374
Office supplies expenses	300	353
Depreciation of right of use assets	5,026	-
	<b>398,042</b>	<b>561,363</b>

Other fixed costs include expenses for utility services, transportation and consumption of own products.

**4.4 Administrative expenses**

	<b>2025</b>	<b>2024</b>
Gross salaries and wages	81,378	79,991
Miscellaneous expenses	61,551	67,359
Depreciation and amortization	15,408	17,029
Other fixed cost	31,051	26,533
Public relation and advertising expenses	19,334	7,280
Rental expenses	3,641	7,574
Personnel related expenses	6,948	6,821
Insurance expenses	7,857	3,821
Maintenance expenses	657	1,569
Business travel	1,488	1,050
Redundancy expenses	412	1,636
Telecommunication expenses	1,224	1,010
Office supplies expenses	183	270
Depreciation of right-of-use assets	4,807	-
	<b>235,939</b>	<b>221,943</b>

The miscellaneous expenses include membership fees, management fees, third-party fees and services and expenses for audit in amount of 4,533 MKD thousands (2024: 3,954 thousand of MKD). Other fixed costs include expenses for utility services and consumption of own products.

The current year's balance of rental expenses includes only short term rentals, due to the application of IFRS 16, as from 1 January 2025.

**OKTA AD – SKOPJE****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

**4. Revenue and expenses (continued)****4.5 Sales and distribution expenses**

	<b>2025</b>	<b>2024</b>
Gross salaries and wages	39,994	41,135
Miscellaneous expenses	34,577	27,987
Depreciation and amortization	10,803	13,266
Maintenance expenses	1,804	862
Other variable expenses	4,696	6,892
Personnel related expenses	3,929	3,970
Transportation expenses	3,272	10,583
Other fixed cost	17,967	27,651
Rental expenses	1,157	2,222
Public relation and advertising expenses	17,518	14,382
Redundancy expenses	807	510
Dues and subscriptions	8	8
Insurance expenses	5,113	2,502
Office supplies expenses	290	353
Telecommunication expenses	206	204
Depreciation on right of use assets	1,656	-
	<b>143,797</b>	<b>152,527</b>

The miscellaneous expenses are mainly related to cost for quality control for exports.

The current year's balance of rental expenses includes only short-term rentals, due to the application of IFRS 16, as from 1 January 2025.

**4.6 Other operating income**

	<b>2025</b>	<b>2024</b>
Income from sales of waste	5,839	11,652
Reversal of solidarity tax	49,718	-
Collected written off receivables	211	608
Dividend income	869	766
	<b>56,637</b>	<b>13,026</b>

On September 25, 2023, the Solidarity Tax Law came into force. In compliance with the mandates of the law, an additional tax of 49,718 MKD was determined for 2023. During 2023, the Company recognized the tax as a one-time expense. Constitutional Court of Republic of North Macedonia, on 5 February 2025, passed a Decision according to which the Law on Solidarity Tax is annulled. For the refund of the paid tax, Ministry of Finance proposed solution to the Company, amount to be returned in two instalments—namely, the first payment in March 2026 (note 11) and the second payment in March 2027.

**OKTA AD – SKOPJE**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

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**4. Revenue and expenses (continued)**

**4.7 Other operating expenses**

	<b>2025</b>	<b>2024</b>
Provision for legal cases	1,205	7,489
Impairment of spare parts and consumables	236	668
Impairment of bad and doubtful debts	-	669
Waste treatment expenses	2,750	1,010
	<b>4,191</b>	<b>9,836</b>

**4.8 Finance income and costs**

	<b>2025</b>	<b>2024</b>
Foreign exchange gain, net	18,259	-
Interest income	61,494	19,350
<b>Finance income</b>	<b>79,753</b>	<b>19,350</b>
Foreign exchange loss, net	-	(2,840)
Interest expenses	(131)	(47)
Interest on lease liabilities	(764)	-
Bank charges	(10,934)	(14,609)
<b>Finance costs</b>	<b>(11,829)</b>	<b>(17,496)</b>
<b>Net finance income / (costs)</b>	<b>67,924</b>	<b>1,854</b>

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**5. Income tax expense**

Recognized in the statement of comprehensive income:

	<b>2025</b>	<b>2024</b>
Profit before tax/(Loss)	666,789	237,929
Tax charge at 10%	66,789	23,793
Adjustments:		
Non-tax deductible according to local regulations	7,134	8,103
Dividends received	(87)	(77)
Reinvested profit	(4,534)	(19,168)
<b>Current year tax charge</b>	<b>69,302</b>	<b>12,651</b>
<b>Effective income tax rate before Qualified Domestic Top-up Tax</b>	<b>10.39%</b>	<b>5.32%</b>
Qualified Domestic Top-up Tax	24,210	7,851
<b>Effective income tax rate after Qualified Domestic Top-up Tax</b>	<b>14.02%</b>	<b>8.62%</b>

	<b>2025</b>	<b>2024</b>
<i>Current tax expense</i>		
Current year tax charge	(61,257)	(21,795)
<i>Deferred tax expense</i>		
Increase/ (decrease) in deferred tax assets	(8,045)	9,144
Qualified Domestic Top-up Tax	(24,210)	(7,851)
<b>Total income tax in the statement of comprehensive income</b>	<b>(93,512)</b>	<b>(20,502)</b>

As of 1 August 2014 new profit tax law came into force being applicable from 1 January 2014 for the net income for 2014. According to the provisions of this new law (and the amendments from 2015 till 2025) the tax base is the profit generated during the fiscal year increased for non-deductible expenses and reduced for deductible revenue (i.e. dividends already taxed at the payer), with profit tax rate of 10%.

The tax authorities may at any time inspect the books and records within 5 to 10 years subsequent to the reported tax year and may impose additional tax assessments and penalties. The Company's management is not aware of any circumstances which may give rise to a potential material liability in this respect.

**Global Minimum Tax**

North Macedonia has adopted a new law on a 15% minimum global tax.

On December 27, 2024, the Ministry of Finance proposed the new Law on Minimum Global Corporate Income Tax, which was adopted on the same date by the Parliament and became effective on the date of its publication in the Official State Gazette of North Macedonia on 3<sup>rd</sup> January 2025. The new law aims to ensure a minimum effective taxation of 15% for large multinational and domestic groups resembling the rules laid down by the OECD and implemented through a Directive in the European Union.

**OKTA AD – SKOPJE**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

**5. Income tax expense (continued)**

***Global Minimum Tax (continued)***

The law applies to constituent entities of multinational groups or large domestic groups with annual consolidated revenues of EUR 750 million or more in at least two of the four fiscal years preceding the fiscal year tested.

Specifically, the new law enacts a Qualified Domestic Top-up Tax (“QDMTT”) which impacts the company as member of multinational groups operating on the territory of N. Macedonia and currently incurring effective corporate tax of 10% or lower. These entities should be a subject to additional taxation up to an effective tax rate of 15%. The QDMTT provisions reflect a number of complicated rules for determining the applicable tax base adjustments and covered tax expenses similar to those stipulated in the internationally accepted rules of the OECD.

The national top-up tax applies from 1<sup>st</sup> January 2024, except for entities excluded based on the rule for the initial phase of activity, for which the top-up tax will apply from January 1, 2025. The first reporting obligation will be 18 months for the transitional period following the end of the respective tax period. Subsequent reporting obligations will follow the standard 15-month period after the end of the respective tax period.

In addition to this, the new law contains provisions for adoption of a Rulebook by the end of 2025.

The new tax rules allow the Macedonian government to collect the minimum tax up to 15%, which should have been otherwise collected in the tax budget of the ultimate parent’s state. Nevertheless, the rules may need to be further customized for application in N. Macedonia to reduce uncertainty in respect of the application of exemptions and forms of tax relief that currently reduce the effective tax rate of eligible Macedonian taxpayers. Further clarification is necessary on the application of the transitional safe harbour rules in N. Macedonia that generally provide simplification and exemption to certain categories of constituent entities in the first few years of adoption.

The Company as part of large multinational group assesses the impact of the new tax regime and proceeds with the necessary computational analysis of its 2025 and 2024 tax expense and amount presented in Income tax expense for 2025 and 2024.

**Deferred income tax assets**

Recognized deferred income tax assets are due to different depreciation rates. The Company has not recognized any deferred tax liability.

Movement in temporary differences during the year

	Balance 1 January 2025	Utilized Deferred income tax asset	Recognized in income	Balance 31 December 2025
In thousands of denars				
Depreciation of assets	24,067	8,045	-	16,022
	<b>24,067</b>	<b>8,045</b>	-	<b>16,022</b>

The temporary differences relate to difference in Depreciation rates used by the Company and Official Rates published by the Public Revenue Office.

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**NOTES TO THE FINANCIAL STATEMENTS**

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**6. Earnings per share**

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

	<b>2025</b>	<b>2024</b>
Profit for the year	573,277	217,427
<b>Profit to ordinary equity holders</b>	<b>573,277</b>	<b>217,427</b>
Weighted average number of ordinary shares in issue:	761,724	808,094
Earning per share	0.75	0.27

Weighted average shares of the Company during 2025 was 761,724 (2024: 808,094). During 2024 OKTA has purchased own shares (see Note 13 Shares).

**7. Intangible Assets**

	<b>Software and other rights</b>	
	<b>2025</b>	<b>2024</b>
<b>Cost</b>		
Balance as at 1 January	130,776	122,280
Additions	12,838	8,496
Software under construction	702	-
<b>Balance as at 31 December</b>	<b>144,316</b>	<b>130,776</b>
<b>Accumulated Amortisation</b>		
Balance as at 1 January	100,781	92,772
Amortisation	9,250	8,009
<b>Balance as at 31 December</b>	<b>110,031</b>	<b>100,781</b>
<b>Net book value as at 31 December</b>	<b>34,285</b>	<b>29,995</b>

*Impairment of intangible assets*

The Company has performed an impairment review of its intangible assets as of 31 December 2025. No indicators have been identified that the carrying amount of the assets exceeds their recoverable amount and, as a result, no impairment loss has been recognized in the financial statements.

**OKTA AD – SKOPJE**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

**8. Property Plant and Equipment**

	Land	Buildings	Machinery and equipment	Construc- tion in progress	Total
<b>At 1 January 2025</b>					
Cost	247,319	3,326,496	6,741,693	305,024	10,620,532
Accumulated depreciation	-	(3,079,969)	(6,208,492)	-	(9,288,461)
<b>Net book amount</b>	<b>247,319</b>	<b>246,527</b>	<b>533,201</b>	<b>305,024</b>	<b>1,332,071</b>
<b>Year ended 31 December 2025</b>					
Opening net book amount	<b>247,319</b>	<b>246,527</b>	<b>533,201</b>	<b>305,024</b>	<b>1,332,071</b>
Additions	-	-	-	227,554	227,554
Disposals	-	(12,875)	(38,292)	-	(51,167)
Transfer from construction in progress	-	10,547	198,820	(209,367)	-
Disposals depreciation	-	12,875	38,292	-	51,167
Depreciation charge	-	(17,880)	(67,143)	-	(85,023)
<b>Closing net book amount</b>	<b>247,319</b>	<b>239,194</b>	<b>664,878</b>	<b>323,211</b>	<b>1,474,602</b>
<b>At 31 December 2025</b>					
Cost	247,319	3,324,168	6,902,220	323,211	10,796,918
Accumulated depreciation	-	(3,084,974)	(6,237,342)	-	(9,322,316)
<b>Net book amount</b>	<b>247,319</b>	<b>239,194</b>	<b>664,878</b>	<b>323,211</b>	<b>1,474,602</b>
<b>Year ended 31 December 2024</b>					
Opening net book amount	247,319	233,747	507,201	348,788	1,337,055
Additions	-	-	-	239,273	239,273
Transfer from construction in progress	-	32,930	250,107	(283,038)	-
Depreciation charge	-	(20,150)	(224,107)	-	(244,257)
<b>Closing net book amount</b>	<b>247,319</b>	<b>246,527</b>	<b>533,201</b>	<b>305,024</b>	<b>1,332,071</b>
<b>At 31 December 2024</b>					
Cost	247,319	3,326,496	6,741,693	305,024	10,620,532
Accumulated depreciation	-	(3,079,969)	(6,208,492)	-	(9,288,461)
<b>Net book amount</b>	<b>247,319</b>	<b>246,527</b>	<b>533,201</b>	<b>305,024</b>	<b>1,332,071</b>

Out of total depreciation and amortisation expense (of the tangible and intangible assets), amount of MKD 68,062 thousand (2024: MKD 221,973 thousand) has been charged in Operations and logistic expenses. MKD 15,408 thousand (2024: MKD 17,029 thousand) in administrative costs and MKD 10,803 thousand (2024: MKD 13,266 thousand) in selling and distribution expenses.

*Impairment of property, plant and equipment*

Based on the impairment review of property, plant and equipment, the Company's management has not identified any indicators that the carrying amount of the assets exceeds their recoverable amount.

**OKTA AD – SKOPJE**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**9. Available-for-sale financial assets**

	<b>2025</b>	<b>2024</b>
At 1 <sup>st</sup> January	19,438	13,352
Additions	-	-
Disposals	-	-
Net (loss) gains transferred to revaluation reserves	3,539	6,086
<b>At 31<sup>st</sup> December</b>	<b>22,977</b>	<b>19,438</b>

Available-for-sale financial assets are denominated in Macedonian denars and include the following:

	<b>2025</b>	<b>2024</b>
Investments in companies	22,977	19,438
	<b>22,977</b>	<b>19,438</b>

The recognition of an impairment loss in profit or loss for the period of available-for-sale investments is determined by whether the decline in price is significant or prolonged. An increase in the price of the investment affects equity (through other comprehensive income) and has no impact on current profit or loss. During the current and previous reporting periods, no impairment losses were recognized on available-for-sale investments.

The following table provides the fair value measurement hierarchy of the Company's available-for-sale financial assets.

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		MKD'000	MKD'000	MKD'000	MKD'000
<b>Assets measured at fair value:</b>					
Available-for-sale investments					
Listed shares	31.12.2025		22,977	-	
Unlisted shares	31.12.2025		-	--	

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		MKD'000	MKD'000	MKD'000	MKD'000
<b>Assets measured at fair value:</b>					
Available-for-sale investments					
Listed shares	31.12.2024		19,438	-	
Unlisted shares	31.12.2024		-	-	

**OKTA AD – SKOPJE****NOTES TO THE FINANCIAL STATEMENTS**

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(all amounts are in thousands of MKD unless otherwise stated)

**10. Inventories**

	<b>2025</b>	<b>2024</b>
Trade goods	613,179	901,791
Spare parts and tools and consumables stores	16,676	15,841
	<b>629,855</b>	<b>917,632</b>

During 2025, MKD 14,532 thousand (2024: MKD 12,320 thousand) was recognized as an expense for inventories carried at net realizable value recognized in cost of sales.

**11. Trade and other receivables**

Carrying amount of trade receivables is presented as follows:

	<b>2025</b>	<b>2024</b>
Trade receivables domestic	92,516	81,933
Trade receivables foreign	118,202	200,562
<b>Trade receivables – gross</b>	<b>210,718</b>	<b>282,495</b>
Provision for impairment of trade receivables	(64,694)	(66,904)
<b>Total trade receivables</b>	<b>146,024</b>	<b>215,591</b>

Carrying amount of trade and other receivables is presented as follows:

	<b>2025</b>	<b>2024</b>
Trade receivables - domestic	92,387	81,918
Trade receivables - foreign	93,958	200,562
Domestic receivables from related parties (Note 19)	129	15
Foreign receivables from related parties (Note 19)	24,244	-
Less: Provision for impairment	(64,694)	(66,904)
<b>Trade receivables – net</b>	<b>146,024</b>	<b>215,591</b>
Receivable from Escrow account	769,497	769,497
Prepaid expenses	51,398	77,236
Advance payments	2,673	3,710
Receivables from state (note 4.6)	24,859	-
Income tax receivables	-	14,700
Other receivables	5,295	-
<b>Other receivables</b>	<b>853,722</b>	<b>865,143</b>
	<b>999,746</b>	<b>1,080,734</b>

Receivables from related parties represent receivables from Vardax Branch office (2024: Vardax Branch – see Note 19).

Following the provisions of the Share Purchase and Concession Agreement dated 8<sup>th</sup> May 1999 concluded between EL.P.ET Balkaniki S.A. (the parent company of OKTA AD - Skopje) and the Government of the Republic of North Macedonia, the Company has recognized receivables in the period from 2000 to 2004 in the amount of approximately MKD 769,497 thousand relating to the period prior to the acquisition.

**OKTA AD – SKOPJE**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

**11. Trade and other receivables (continued)**

The ageing analysis of trade receivables is as follows:

	<b>2025</b>	<b>2024</b>
Not past due	138,768	215,039
less than 30 days	4,721	277
30 to 90 days	1,806	239
90 days to 1 year	729	36
Over 1 year	64,694	66,904
<b>Total gross receivables</b>	<b>210,718</b>	<b>282,495</b>

Movements on the provision for impairment of trade receivables are as follows:

	<b>2025</b>	<b>2024</b>
At 1 <sup>st</sup> January	66,904	66,427
Provision for receivables impairment	-	-
Collected receivables	-	-
Written off receivable	-	-
FX difference	(2,210)	477
<b>At 31<sup>st</sup> December</b>	<b>64,694</b>	<b>66,904</b>

Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The ageing analysis of provision for impairment is as follows:

	<b>2025</b>	<b>2024</b>
Over 1 year	64,694	66,904
Over 180 days	-	-
	<b>64,694</b>	<b>66,904</b>

The carrying amounts of the Company's trade receivables are denominated in the following currencies:

	<b>2025</b>	<b>2024</b>
MKD	45,896	36,906
EUR	82,537	79,388
USD	17,591	99,297
	<b>146,024</b>	<b>215,591</b>

The carrying amounts of the Company's other receivables are denominated in the following currencies:

	<b>2025</b>	<b>2024</b>
MKD	853,722	865,143
	<b>853,722</b>	<b>865,143</b>

The fair value of the trade receivables and the other receivables at the balance sheet date is the same as their carrying value.

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**NOTES TO THE FINANCIAL STATEMENTS**

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**12. Cash and cash equivalents**

	<b>2025</b>	<b>2024</b>
Bank accounts in domestic currency	753,545	1,096,826
Bank accounts in foreign currency	74,236	130,798
Cash on hand	-	5
Deposits	2,832,937	1,850,741
Impairment of cash	(1,054)	(1,588)
	<b>3,659,664</b>	<b>3,076,782</b>

Deposits with maturity above three months could be withdrawn at any time without penalty, and as result of this, are considered as cash and cash equivalents.

The carrying amounts of the cash and cash equivalents are denominated in the following currencies:

	<b>2025</b>	<b>2024</b>
MKD	3,585,428	2,945,984
EUR	32,153	98,831
USD	42,083	31,967
	<b>3,659,664</b>	<b>3,076,782</b>

**13. Issued capital and reserves**

**Issued capital**

The total authorised number of ordinary shares is 846,360 shares, with the value of EUR 51.12 per share (2024: 846,360 ordinary shares with EUR 51.12 per share). All issued shares are fully paid. During 2024 OKTA has purchased 84,636 own shares.

The shareholders structure as at 31 December 2025 was as follows:

	<b>Number of ordinary shares</b>	<b>Total shares</b>	<b>% of total share capital</b>
EL.P.ET Balkaniki S.A.	724,360	724,360	85.59 %
OKTA AD Skopje	84,636	84,636	10.00%
Other 1)	37,364	37,364	4.41 %
	<b>846,360</b>	<b>846,360</b>	<b>100 %</b>

1) Shareholders which individually hold less than 0.4% in share capital.

The shareholders structure as at 31 December 2024 was as follows:

	<b>Number of ordinary shares</b>	<b>Total shares</b>	<b>% of total share capital</b>
EL.P.ET Balkaniki S.A.	724,360	724,360	85.59 %
OKTA AD Skopje	84,636	84,636	10.00%
Other 1)	37,364	37,364	4.41 %
	<b>846,360</b>	<b>846,360</b>	<b>100 %</b>

1) Shareholders which individually hold less than 0.4% in share capital.

**OKTA AD – SKOPJE**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

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**13. Issued capital and reserves (continued)**

**Dividends**

The company in 2025 declared dividend in amount of 182,814 thousand of MKD. During the year, Company has paid dividend in amount of 181,884 MKD thousands (2024: nil). Difference between paid and declared dividend is recognised under dividend liability. Dividends paid for the year ended 31 December 2025 entirely relate to cash dividends on ordinary shares. There are no other declared dividends.

**Reserves**

*Statutory reserves*

According to Macedonian regulations the Company is required to have compulsory statutory reserve established through appropriation of its net profits. With the changes of the Law on Trading Companies effective from 1<sup>st</sup> January 2013 the Company is required to set aside 5 percent of its net statutory profit for the year in a statutory reserve until the level of the reserve reaches 1/10 of the share capital. The Company has achieved the required minimum in prior years and consequently no appropriation in 2025 has been made.

*Revaluation reserve*

The revaluation reserve balances relates to: property, plant and equipment and comprises the cumulative increased carrying value based on the increase of the producers' price index on the date of revaluation that was performed up to 2003 in amount of 114,419 MKD thousand (2024: 114,419 MKD thousand); and negative effects of revaluation of available for sale financial assets and long term employee benefits in amount of 2,224 MKD thousand (2024: 6,335 MKD thousand).

*Other reserves*

The other reserves balances relate to reinvested profits based on Decision passed by the Shareholder Assembly in amount of 739,154 MKD thousand (2024: 521,727 MKD thousand) and Common Consumption Fund in amount of 2,362 thousand (2024: 2,362 MKD thousand).

**14. Employee benefit obligations**

	<b>2025</b>	<b>2024</b>
Retirement benefit obligations and jubilee awards	13,074	13,789
	<b>13,074</b>	<b>13,789</b>

Assumptions are set based on actuarial advice in accordance with published statistics and experience in the country. The employee benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

**OKTA AD – SKOPJE****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

**14. Employee benefit obligations (continued)***Mortality rate:*

From the study of the mortality rates in the past years the Company has determined a representation of the expected current mortality in Republic of North Macedonia. Mortality standard table EVK2000 was used for 2025 and 2024.

	<b>2025</b>	<b>2024</b>
<b>Amounts recognised in Balance sheet</b>		
Present value of obligations	13,074	13,789
Fair value of plan assets	-	-
<b>Net Liability/ (Asset) in Balance Sheet</b>	<b>13,074</b>	<b>13,789</b>
<b>Amounts recognized in Profit and Loss</b>		
Service cost	1,367	919
Net interest on the net defined benefit liability/ (asset)	507	687
Past service cost	541	665
Settlement/ Curtailment/ Termination loss (gain)	-	-
Recognition of actuarial (gain)/Loss	(730)	159
<b>Regular P&amp;L charge</b>	<b>1,685</b>	<b>2,430</b>
Settlement/ Curtailment/ Termination loss/ (gain)	1,433	5,690
<b>Total P&amp;L Charge</b>	<b>3,118</b>	<b>8,120</b>
<b>Reconciliation of benefit obligation</b>		
Defined Benefit Obligation at start period	13,789	12,426
Service cost	1,367	919
Interest cost	507	687
Past service cost	541	665
Benefits paid directly by the Company	(3,261)	(8,650)
Settlement/ Curtailment/ Termination loss (gain)	1,433	5,690
Actuarial (gain)/loss- experience	(1,302)	2,052
<b>Defined benefit obligation at end of period</b>	<b>13,074</b>	<b>13,789</b>
<b>Movements in Net Liability/ (Asset) in Balance Sheet</b>		
Net Liability/ (Asset) in Balance Sheet at the beginning of the period	13,789	12,426
Benefits paid directly	(3,261)	(8,650)
Total expense recognised in the income statement	3,118	8,119
Total amount recognised in the Other comprehensive income	(572)	1,894
<b>Net Liability/ (Asset) in Balance sheet</b>	<b>13,074</b>	<b>13,789</b>
<b>Assumptions</b>		
Discount rate	4.85%	3.80%
Price inflation	3.5%	3.50%
Rate of compensation increase	3.5%	3.50%
Plan duration	9.99%	9.55%

**OKTA AD – SKOPJE**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

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**15. Leases**

**Company as a lessee**

The Company has lease contracts for motor vehicles used in its operations. Leases of motor vehicles generally have lease terms between 4 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios.

The Company also has certain leases of vehicles with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	<b>Motor vehicles</b>	
	<b>2025</b>	<b>2024</b>
<b>Cost</b>		
Balance as at 1 January	32,652	-
Additions	1,041	-
Modification	-	-
<b>Balance as at 31 December</b>	<b>33,693</b>	-
<b>Accumulated Depreciation</b>		
Balance as at 1 January	-	-
Charge for the period	11,489	-
<b>Balance as at 31 December</b>	<b>11,489</b>	-
<b>Net book value as at 31 December</b>	<b>22,204</b>	-

**OKTA AD – SKOPJE**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

**15. Leases (continued)**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Note	2025	2024
Balance as at 1 January		32,652	-
Additions		1,041	-
Modification			
Interest cost	4.8	764	
Repayment		(13,017)	-
<b>Balance as at 31 December</b>		<b>21,440</b>	<b>-</b>
<b>Current</b>		<b>11,243</b>	<b>-</b>
<b>Non - current</b>		<b>10,197</b>	<b>-</b>

The amounts recognized in profit or loss are presented below:

	Note	2025	2024
Depreciation for right of use assets	4.3, 4.4., 4.5	11,489	-
Interest expense on lease liabilities	4.8	764	-
Expense relating to short term leases and taxes	4.3, 4.4., 4.5	1,177	-
<b>Total amount recognised in the Statement for comprehensive income</b>		<b>13,430</b>	

The maturity table of the undiscounted cash flows of the lease liabilities is presented below:

	Less than 1 year	Between 1 and 5 years	Total
As at 31 December 2025			
Lease liability	11,243	10,197	21,440

**OKTA AD – SKOPJE**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

**16. Trade and other payables and provisions**

Carrying amount of trade payables is presented as follows:

	<b>2025</b>	<b>2024</b>
Domestic trade payables	371,443	449,629
Foreign trade payables	384,255	489,132
	<b>755,698</b>	<b>938,761</b>

Carrying amount of trade and other payables is presented as follows:

	<b>2025</b>	<b>2024</b>
Domestic trade payables	382,334	449,629
Foreign trade payables	8,614	2,826
Foreign payables from related parties (Note 19)	210,403	300,295
Foreign trade payables prior acquisition	165,238	186,011
<b>Trade payables</b>	<b>766,589</b>	<b>938,761</b>
Advances received	383,033	391,332
Excise taxes payable	445,071	375,791
Salaries and wages	13,919	13,867
Personal income tax and contributions	7,183	7,166
Withholding tax	50	101
Provision for court cases	1,390	1,959
Accrued liabilities	89,953	92,190
Dividend liability	4,257	3,327
Liabilities to employees	1,731	2,061
VAT liabilities	105,997	69,674
<b>Other current liabilities</b>	<b>1,052,584</b>	<b>957,468</b>
	<b>1,819,173</b>	<b>1,896,229</b>

Liabilities to related parties represent liabilities to HelleniQ Energy S.A. Greece (Note 19).

The carrying amounts of the trade payables are denominated in the following currencies:

	<b>2025</b>	<b>2024</b>
MKD	371,443	449,630
USD	172,892	215,956
EUR	211,363	273,175
	<b>755,698</b>	<b>938,761</b>

The carrying amounts of the other payables are denominated in the following currencies:

	<b>2025</b>	<b>2024</b>
MKD	1,052,584	957,468
	<b>1,052,584</b>	<b>957,468</b>

**OKTA AD – SKOPJE****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

**17. Expenses by nature**

	<b>2025</b>	<b>2024</b>
Cost of traded goods	37,066,507	43,038,613
Gross salaries and wages	298,788	305,839
Miscellaneous expenses	126,153	128,355
Depreciation and amortization	94,273	252,268
Other fixed cost	67,820	66,709
Inventory difference expenses (Manipulation and shrinkage expenses)	47,540	38,806
Insurance expenses	45,783	40,243
Cost of traded electricity	39,442	5,239
Public relation and advertising expenses	36,852	21,662
Personnel related expenses	32,995	33,656
Maintenance expenses	27,866	28,149
Electricity	14,857	19,044
Impairment of inventories	14,532	12,320
Depreciation of right of use assets	11,489	-
Rental expenses	4,798	9,796
Other variable expenses	4,696	6,892
Transportation expenses	3,272	10,583
Waste treatment expenses	2,750	1,010
Own consumption of fuels	2,416	2,683
Telecommunication expenses	1,844	1,588
Redundancy expenses	1,607	6,332
Business travel	1,488	1,050
Provision for legal cases	1,205	7,489
Office supplies expenses	773	976
Impairment of spare parts and consumables	236	668
Dues and subscriptions	8	8
Impairment of bad and doubtful debts	-	669
	<b>37,949,990</b>	<b>44,040,647</b>

**OKTA AD – SKOPJE**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

**18. Employee related expenses**

	<b>2025</b>	<b>2024</b>
Salaries and wages	182,044	185,780
Contributions and taxes	90,049	91,642
Other benefits	26,695	28,417
	<b>298,788</b>	<b>305,839</b>
	<b>2025</b>	<b>2024</b>
Average number of employees	244	260

**19. Related party transactions**

The Company is controlled by EL.P.ET Balkaniki S.A. Greece, which owns 85.59% of the Company's shares. Ultimate parent is HelleniQ Energy S.A (former name: Hellenic Petroleum S.A.) incorporated in Greece. The remaining 4.41% of the shares are held by the minor shareholders and 10.00% of shares are held by OKTA AD Skopje.

All transactions with related parties are conducted under mutually agreed terms.

The following transactions were carried out with related parties, parent company, ultimate parent company (described above in the first paragraph of this Note) and other related parties which are members of HelleniQ EnergyGroup of companies.

***Sales of goods and services***

<b><i>Sales of goods</i></b>	<b>2025</b>	<b>2024</b>
EKO Serbia	73,259	211,994
Vardax Branch Office	1,281	51
	<b>74,540</b>	<b>212,045</b>
	<b>2025</b>	<b>2024</b>
<b><i>Sales of services</i></b>		
Vardax Branch Office	1,166	2,693
EKO BG.	7	-
Jugopetrol A.D.	1,157	1,156
	<b>2,330</b>	<b>3,849</b>

**OKTA AD – SKOPJE**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

**19. Related party transactions (continued)**

***Purchases of goods and services***

<b><i>Purchases of trading goods</i></b>	<b>2025</b>	<b>2024</b>
HelleniQ Energy S.A.	35,878,461	42,314,632
Jugopetrol A.D.	-	1,143
	<b>35,878,461</b>	<b>42,315,775</b>

<b><i>Purchases of services</i></b>	<b>2025</b>	<b>2024</b>
HelleniQ Energy S.A.	1,099	952
Hellpe Digital	23,250	34,226
HFL S.A.	5,452	5,918
EKO Bulgaria	6,366	2,995
	<b>36,167</b>	<b>44,091</b>

<b><i>Receivables arising from sale of goods</i></b>	<b>2025</b>	<b>2024</b>
EKO Serbia	24,244	-
Vardax Branch Office	14	15
	<b>24,258</b>	<b>15</b>

<b><i>Receivables arising from sale of services</i></b>	<b>2025</b>	<b>2024</b>
Vardax Branch Office	115	-
	<b>115</b>	<b>-</b>

***Outstanding balances arising from purchase of goods/services***

<b><i>Payables arising from purchase of raw materials and goods</i></b>	<b>2025</b>	<b>2024</b>
HelleniQ Energy S.A.	208,717	291,519
	<b>208,717</b>	<b>291,519</b>

<b><i>Payables arising from purchase of services</i></b>	<b>2025</b>	<b>2024</b>
HFL S.A.	452	908
HelleniQ Energy S.A.	190	190
Hellpe Digital	-	4,731
EKO Bulgaria	1,044	2,947
	<b>1,686</b>	<b>8,776</b>

**OKTA AD – SKOPJE**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

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**19. Related party transactions (continued)**

***Key management compensation***

Key management includes members of the Board of Directors and Directors within the Company. The compensation paid or payable to key management for services is shown below:

	<b>2025</b>	<b>2024</b>
Salaries	21,732	22,959
Taxes and contributions	8,983	9,261
Other benefits	5,287	3,201
	<b>36,002</b>	<b>35,421</b>

**20. Commitments and contingencies**

**Capital commitments**

As of 31 December 2025, there are capital commitments in amount of MKD 62,909 thousand (2024: MKD 73,800 thousand) for completion of a transformers project.

**Bank guarantees**

The Company has contingent liabilities in respect of bank guarantees arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities. The Company has bank guarantees in the amount of MKD 1,807,657 thousand as at 31 December 2025 (2024: MKD 1,016,983 thousand). No additional payments are anticipated at the date of the financial statements.

**Unused Credit Limits**

The Company has unused credit limits in amount of MKD 0.5 million as 31 December 2025 (2024: 1.26 MKD million).

**Legal proceedings**

From time to time and in the normal course of the business, claims against the Company may be received. On the basis of its own estimates and both internal and external professional advice, the management of the Company is of the opinion that no material losses will be incurred in respect of claims which were not provided for.

**Commitments**

**Operating lease commitments**

The Company leases motor vehicles under operating lease agreements. The lease expenditure charged to the Statement of comprehensive income during 2024 is disclosed in Note 4.3, 4.4 and 4.5, and for 2025 due to adoption of IFRS 16 as presented in Note 2.3 from Accounting policy are presented in Note 4.3, 4.4 and 4.5 and 15.

The future aggregate minimum lease payments under operating leases are as follows:

**OKTA AD – SKOPJE**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

(all amounts are in thousands of MKD unless otherwise stated)

**20. Commitments and contingencies (continued)**

**Commitments (continued)**

**Operating lease commitments (continued)**

	2025	2024
No later than 1 year	11,243	14,804
Later than 1 year and no later than 5 years	10,197	21,779
	<b>21,440</b>	<b>36,583</b>

**21. Financial instruments**

**21.1 Fair value of financial instruments**

Cash and cash equivalents, trade receivables and payables and other current financial assets and liabilities mainly have a short-term maturity. For this reason, their carrying amounts at the reporting date approximate their fair values.

**21.2 Changes in liabilities arising from financing activities**

The following table summarizes the changes in liabilities arising from financing activities, including both cash flow and non-cash changes, and reconciles the opening and closing balances in the statement of financial position of liabilities arising from financing activities for the year ended 31 December 2025 and 31 December 2024:

	1 January 2025	Incoming cash flows	Outgoing cash flows	Foreign exchange movement	Accruals using the effective interest rate method	New leases	Other	31 December 2025
	<i>MKD'000</i>	<i>MKD'000</i>	<i>MKD'000</i>	<i>MKD'000</i>	<i>MKD'000</i>	<i>MKD'000</i>	<i>MKD'000</i>	<i>MKD'000</i>
Lease liabilities	32,652	-	(12,254)	-	-	1,042	-	21,440
Dividend payables	3,327	182,814	(181,884)	-	-	-	-	4,257
<b>Total liabilities from financing activities</b>	<b>35,979</b>	<b>182,814</b>	<b>(194,138)</b>	<b>-</b>	<b>-</b>	<b>1,042</b>	<b>-</b>	<b>25,697</b>

	1 January 2024	Incoming cash flows	Outgoing cash flows	Foreign exchange movement	Accruals using the effective interest rate method	New leases	Other	31 December 2024
	<i>MKD'000</i>	<i>MKD'000</i>	<i>MKD'000</i>	<i>MKD'000</i>	<i>MKD'000</i>	<i>MKD'000</i>	<i>MKD'000</i>	<i>MKD'000</i>
Dividend payables	3,569	-	(242)	-	-	-	-	3,327
<b>Total liabilities from financing activities</b>	<b>3,569</b>	<b>-</b>	<b>(242)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,327</b>

**22. Events after the reporting period**

Thessaloniki–Skopje product pipeline, owned and operated by VARDAX, subsidiary of Hellenic Energy, has started at beginning of 2026 with testing activities of the pipeline operations.

OKTA looks forward to utilize this transport route once the product pipeline is commercially operational, which will provide additional assurance in continuity of supply on the markets of OKTA's operations.

There are no other events after the reporting period that would have impact on the 2025 Statement of comprehensive income, Statement of financial position or Statement of cash flow.

Name of the Company: OKTA Crude Oil Refinery AD Skopje

Address: Str. 1 No. 25, Miladinovci, Skopje

Unique ID number: 4074009

Balance Sheet 01.01.2025 - 31.12.2025				
Position	AOP	Note No	Amount	
			Current year	Previous year
1	2	3	4	5
<b>ASSETS: A. NON-FIXED ASSETS (002+009+020+021+031)</b>	001		1.554.068.456	1.381.504.530
<b>I. Intangible assets (003+004+005+006+007+008)</b>	002	5	34.285.856	29.996.231
Expenditures for research and development	003			
Patents, license, concession and other rights.	004		33.583.454	29.996.231
Goodwill	005			
Advance payment for intangible assets	006			
Intangible assets in preparation	007		702.402	
Other intangible assets	008			
<b>II. Tangible assets (010+013+014+015+016+017+018+019)</b>	009	6	1.496.805.600	1.332.071.206
Immovable property (real estate) (011+012)	010	6	486.512.899	493.845.551
Land	011	6	247.318.812	247.318.812
Buildings	012	6	239.194.087	246.526.739
Plant and equipment	013	6	569.859.373	440.183.453
Transport assets	014	6	13.212.197	15.288.837
Tools, office inventor, assets for transport	015	6	81.192.669	77.688.581
Biological assets	016			
Advance payment for tangible	017			
Tangible assets in preparation	018	6	323.211.057	305.025.027
Other tangible assets in preparation	019	6	22.817.405	39.757
<b>III. INVESTMENT IN IMMOVABLE PROPERTY</b>	020			
<b>IV. LONG-TERM FINANCIAL ASSETS (022+023+024+025+026+030)</b>	021		22.977.000	19.437.093
Investment in branch offices	022			
Investment in associate entities and joint venture investments	023			
Receivables from long-term loans granted to related parties	024			
Receivables from long-term loans	025			
Investment in long-term securities (027+028+029)	026		22.977.000	19.437.093
Investment in securities held to maturity	027			
Investments in securities available for sale	028		22.977.000	19.437.093
Investments in securities at fair value through profit or loss	029			
Other long-term financial assets	030			
<b>V. LONG-TERM RECEIVABLES (032+033+034)</b>	031		0	0
Receivables from related parties	032			
Receivables from customers	033			
Other long-term receivables	034			
<b>VI. DEFERRED TAX ASSETS</b>	035		16.022.438	24.066.730
<b>B. CURRENT ASSETS (037+045+052+059)</b>	036		5.262.726.706	4.997.911.879
<b>I. Stocks (038+039+040+041+042+043)</b>	037		629.854.647	917.631.616
Stocks of raw materials	038		1.004.352	1.017.175
Stocks of spare parts, small inventory, packaging and tyres	039		15.672.068	14.823.020
Stock of unfinished products and semi-products	040			
Stock of finished products	041			
Stock of commercial products	042		613.178.227	901.791.421
Stock of biological products	043			

<b>II. ASSETS (OR GROUP FOR TRANSFER FOR SALES AND INTERRUPTED WORKS)</b>	044			
<b>III. SHORT-TERM RECEIVABLES (046+047+048+049+050+051)</b>	045		967.912.962	1.003.498.235
Receivables from related parties	046	7	24.486.878	15.330
Trade accounts receivable	047	7	121.537.466	215.575.241
Advance payments	048		2.673.355	3.710.241
Receivables from the state upon taxes, social contribution, customs duties, excise and other duties towards the state	049		49.718.352	14.700.512
Receivables from the employees	050		0	
Other short term receivables	051		769.496.911	769.496.911
<b>IV. SHORT-TERM FINANCIAL ASSETS (053+056+057+058)</b>	052		0	0
Investment in securities (054+055)	053		0	0
Investment in securities held to maturity	054			
Investments in securities at fair value through profit or loss	055			
Receivables from short-term loans granted to related parties	056			
Receivables from short-term loans	057			
Other short-term financial assets	058			
<b>V. Cash and cash equivalents (060+061)</b>	059	8	<b>3.664.959.097</b>	<b>3.076.782.028</b>
Cash	060		826.727.805	1.226.040.667
Cash equivalents	061		2.838.231.292	1.850.741.361
<b>VI. PREPAYMENT OF EXPENSES FOR FUTURE PERIODS AND CALCULATED REVENUES</b>	062		<b>51.397.686</b>	<b>77.235.630</b>
<b>TOTAL ASSETS: ASSETS (001+035+036+044+062)</b>	063		<b>6.884.215.286</b>	<b>6.480.718.769</b>
<b>B. OUT-OF-BALANCE RECORDS - ASSETS</b>	064			
<b>LIABILITIES: A. SHARE CAPITAL AND RESERVES (066+067-068-069+070+071+075-076+077-078)</b>	065		<b>4.965.274.405</b>	<b>4.570.699.922</b>
<b>I. SHARE CAPITAL</b>	066	9	<b>2.472.819.516</b>	<b>2.472.819.516</b>
II. Share premiums	067			
III. Own shares (-)	068		-502.795.976	-502.795.976
IV. Registered, not paid capital (-)	069			
<b>V. Revaluation reserve and differences from evaluation of components of the other comprehensive profit</b>	070		<b>112.195.658</b>	<b>108.083.968</b>
<b>VI. RESERVES (072+073+074)</b>	071		<b>1.236.233.547</b>	<b>1.018.806.832</b>
Statutory reserves	072		494.718.176	494.718.176
Company's reserves (according to the Incorporation Act)	073			
Other reserves	074		741.515.371	524.088.656
<b>VII. ACCUMULATED PROFIT</b>	075		<b>1.073.545.107</b>	<b>1.256.358.867</b>
<b>VIII. TRANSFERRED LOSS (-)</b>	076			
<b>IX. PROFIT FOR THE CURRENT YEAR</b>	077		<b>573.276.553</b>	<b>217.426.715</b>
<b>X. LOSS FOR THE CURRENT YEAR</b>	078			
<b>XI. SHARE CAPITAL OF THE OWNERS OF THE PARENT COMPANY</b>	079			
<b>XII. NON-CONTROLLABLE PARTICIPATION</b>	080			
<b>B. LIABILITIES (082+085+095)</b>	081		<b>1.827.597.750</b>	<b>1.815.869.856</b>
<b>I. LONG-TERM PROVISIONS FOR RISKS AND EXPENSES (083+084)</b>	082		<b>13.074.410</b>	<b>13.789.257</b>
Provisions for pensions, severance payments and similar liabilities towards the employees	083		13.074.410	13.789.257
Other long-term provisions for risks and expenses	084			
<b>II. LONG-TERM LIABILITIES (од 086 до 093)</b>	085		10.196.966	0
Liabilities to related parties	086			
Trade payables	087			
Advance and deposit liabilities	088			
Liabilities upon loans and credits to related parties	089			
Liabilities upon loans and credits	090		10.196.966	
Liabilities upon securities	091			
Other financial liabilities	092			
Other long-term liabilities	093			
<b>III. DEFERRED TAX LIABILITIES</b>	094			

IV. SHORT-TERM LIABILITIES (од 096 до 108)	095		1.804.326.374	1.802.080.599
Liabilities to related parties	096	10	210.397.316	299.775.674
Trade payables	097	10	556.191.694	638.985.382
Advance and deposit liabilities	098		383.032.950	391.331.810
Liabilities for taxes and social contribution upon salaries	099		7.182.825	7.166.325
Liabilities towards the employees	100		15.650.213	15.928.798
Current tax liabilities	101		616.371.527	445.565.863
Short-term provisions for risks and expenses	102			
Liabilities upon loans and credits to related parties	103			
Liabilities upon loans and credits	104		0	0
Liabilities upon securities	105			
Liabilities upon participation in the profits	106		4.257.162	3.326.747
Other financial liabilities	107			
Other long-term liabilities	108		11.242.687	
V. DEFERRED PAYMENTS OF EXPENSES AND INCOME IN FUTURE PERIODS	109		91.343.131	94.148.991
VI. LIABILITIES FOR NON-FIXED ASSETS (OR GROUPS FOR TRANSFER) HELD FOR SALE OR INTERRUPTION OF WORK	110			
<b>TOTAL LIABILITIES: SHARE CAPITAL, RESERVES AND LIABILITIES (065+081+094+109+110)</b>	111		<b>6.884.215.286</b>	<b>6.480.718.769</b>
B. OUT-OF-BALANCE RECORDS - LIABILITIES	112			

Name of the Company: OKTA Crude Oil Refinery AD Skopje

Address: Str. 1 No. 25, Miladinovci, Skopje

Unique ID number: 4074009

Income Statement 01.01.2025 - 31.12.2025					
Ordinal No.	Position	AOP	Note No.	Amount	
				Current year	Previous year
1	2	3	4	5	6
1.	<b>I. OPERATIONAL INCOME (202+203+206)</b>	201		<b>38.493.471.289</b>	<b>44.268.865.107</b>
2.	Sale income	202	11	38.492.217.546	44.263.694.324
3.	Other income	203		1.253.743	5.170.783
4.	Change of the value of stock of finished products and unfinished production				
4.a.	Stock of finished products and unfinished production at the beginning of the year	204			
4.6.	Stock of finished products and unfinished production at the end of the year	205		0	0
5.	Capitalisation of own production and services	206			
6.	<b>II. OPERATIONAL EXPENSES (208+209+210+211+212+213+218+219+220+221+222)</b>	207		<b>37.960.923.644</b>	<b>44.055.255.793</b>
7.	Raw materials expenses	208		50.648.849	52.033.348
8.	Purchase price of the goods sold	209		37.153.229.202	43.082.537.273
9.	Purchase price of materials, spare parts, small inventory, packaging and tyres	210			
10.	Services categorized as material expenses	211		102.700.856	116.162.445
11.	Other operational expenses	212		196.731.634	192.200.934
12.	Employees expenses (214+215+216+217)	213		335.083.292	337.365.820
12.a.	Net salaries	214		172.149.059	181.123.621
12.6.	Expenses for taxes and salaries contributions	215		17.868.416	16.866.744
12.b.	Mandatory social contribution expenses	216		79.304.585	74.775.885
12.r.	Other expenses for employees	217		65.761.232	64.599.570
13.	Depreciation of tangible and intangible assets	218		105.761.274	252.267.548
14.	Impairment of non-fixed assets	219			
15.	Impairment of fixed assets	220		14.767.930	13.656.936
16.	Provisions for risks and expenses	221			
17.	Other operational expenses	222		2.000.607	9.031.489
18.	<b>III. FINANCIAL INCOME (224+229+230+231+232+233)</b>	223		<b>150.413.014</b>	<b>55.236.810</b>
19.	Financial income arising from related parties (225+226+227+228)	224		18.930.355	4.863.032
19.a.	Income from investment in related parties	225			
19.6.	Income from interests from related parties	226			
19.b.	Income from foreign exchange difference from related parties	227		18.930.355	4.863.032
19.r.	Other financial income from related parties	228			
20.	Income from investment in non-related parties	229		869.400	765.900
21.	Income from interests from non-related parties	230		61.397.114	19.311.646
22.	Income from foreign exchange difference from non-related parties	231		14.605.145	23.168.275
23.	Unrealised income from financial assets	232			
24.	Other financial income	233		54.611.000	7.127.957
25.	<b>IV. FINANCIAL EXPENSES (235+239+240+241+242+243)</b>	234		<b>16.171.981</b>	<b>30.917.644</b>
26.	Financial expenses with related parties (236+237+238)	235		15.277.330	10.426.026
26.a.	Expenses for interest payable to related parties	236			
26.6.	Expense for foreign exchange differences payable to related parties	237		15.277.330	10.426.026
26.b.	Other financial expenses payable to related parties	238			
27.	Expenses for interest payable to non-related parties	239		894.651	47.260
28.	Expense for foreign exchange differences payable to non-related parties	240			20.444.358
29.	Unrealised loss from financial assets	241			
30.	Impairment of financial assets and investment	242			
31.	Other financial expenses	243			
32.	Participation in the profit of associate entities	244			
33.	Participation in the loss of associate entities	245			
34.	Profit from regular operations (201+223+244)-(204-205+207+234+245)	246		666.788.678	237.928.480

35.	Loss from regular operations (204-205+207+234+245)-(201+223+244)	247		
36.	Net profit from interrupted work	248		
37.	Net loss from interrupted work	249		
38.	Profit before taxation (246+248) или (246-249)	250	666.788.678	237.928.480
39.	Loss before taxation (247+249) или (247-248)	251	0	0
40.	Corporate income tax	252	93.512.125	20.501.765
41.	Deferred tax assets	253		
42.	Deferred tax liabilities	254		
43.	<b>NET PROFIT FOR THE CURRENT YEAR (250-252+253-254)</b>	255	573.276.553	217.426.715
44.	<b>NET LOSS FOR THE CURRENT YEAR (251+252-253+254)</b>	256	0	0
45.	Average number of employees upon work hours	257	244	260
46.	Number of months of work	258	12	12
47.	PROFIT/LOSS FOR THE PERIOD	259	573.276.553	217.426.715
47.a.	Profit belonging to the shareholders in the parent company	260		
47.б.	Profit belonging to the uncontrollable participation	261		
47.в.	Loss belonging to the shareholders in the parent company	262		
47.г.	Loss belonging to the uncontrollable participation	263		
48.	EARNINGS PER SHARE	264		
48.a.	Total basic earnings per share	265	697	257
48.б.	Total diluted earnings per share	266		
48.в.	Basic earning per share from interrupted work	267		
48.г.	Diluted earnings per share from interrupted work	268		

REPORT FOR COMPREHENSIVE INCOME					
Ordinal No.	Position	AOP	Note No.	Amount	
				Current year	Previous year
1.	Profit for the year	269		573.276.553	217.426.715
2.	Loss for the year	270			
3.	Other comprehensive profit (273+275+277+279+281+283) - (274+276+278+280+282+284)	271		4.111.690	4.191.308
4.	Other comprehensive loss (274+276+278+280+282+284) - (273+275+277+279+281+283)	272			
5.	Gains arising from translation of foreign operations	273			
6.	Loss arising from translation of foreign operations	274			
7.	Gains from re-assessment of financial assets available for sale	275		3.539.907	6.085.593
8.	Loss from re-assessment of financial assets available for sale	276			
9.	Effective portion of gains from hedging instruments for hedging of cash flows	277			
10.	Effective portion of losses from hedging instruments for hedging of cash flows	278			
11.	Changes of re-evaluation reserves for non-current assets (+)	279			
12.	Changes of re-evaluation reserves for non-current assets (-)	280			
13.	Actuarial gains on defined plans for employee benefits	281		571.783	
14.	Actuarial losses on defined plans for employee benefits	282			1.894.285
15.	Share in other comprehensive income of associates (just for the needs of consolidation)	283			
16.	Share in other comprehensive loss of associates (just for the needs of consolidation)	284			
17.	Corporate Income Tax in the components of the other comprehensive income	285			
18.	Net other comprehensive income (271-285)	286		4.111.690	4.191.308
19.	Net other comprehensive loss (285-271) или (272+285)	287		0	
20.	Total comprehensive income for the year (269+286) или (286-270)	288		577.388.243	221.618.023
20.a.	Comprehensive income attributable to share holders of parent company	289		577.388.243	221.618.023
20.б.	Comprehensive income belonging to uncontrollable participation	290			
21.	Total comprehensive loss for year (270+287) or (270-286) or (287-269)	291			
21.a.	Comprehensive loss attributable to share holders of parent company	292		0	0
21.б.	Comprehensive loss belonging to uncontrollable participation	293			

Name of the Company: OKTA Crude Oil Refinery AD Skopje

Address: Str. 1 No. 25, Miladinovci, Skopje

Unique ID number: 4074009

For 2024

Specific data for the period 01.01.2025-31.12.2025				
Number	Position	AOP	Amount	
			Current year	Previous year
	3	4	5	6
	<b>A. Intangible assets</b>			
1	Purchase value of development expenses (internal projects)	601		
1,1	Salary and allowance to employees directly involves in internal projects	602		
1,2	Material costs and services used at internal projects	603		
2	Current value of internal projects (< or = AOP 003 from BS)	604		
3	Current value of computer software (< or = AOP 004 from BS)	605	9.233.599	5.111.274
4	Current value of computer sotwer developed for own use(< or = AOP 004 from BS)	606		
5	Current value of data base(< or = AOP 004 from BS)	607		
6	Current value of the basic herd(< or = AOP 016 from BS)	608		
	<b>B. Tangible assets</b>			
7	Land	609	247.318.812	247.318.812
8	Forests	610		
9	Current value of apartments and residential buildings (< or = AOP 012 from BS)	611		
10	Current value of nonresidential buildings (< or = AOP 012 from BS)	612	239.194.087	233.747.881
11	Current value of civil engineering(< or = AOP 016 from BS)	613		
12	Current value of telecommunications and IT equipement(< or = AOP 012 from BS)	614		
13	Current value of computer equipment(< or = AOP 016 from BS)	615	4.604.049	5.724.404
14	Current value of plantations(< or = AOP 016 from BS)	616		
15	Current value of herd of cattle(< or = AOP 016 from BS)	617		
16	Original art and literature works for performing activities of culture and art	618		
17	Books, paintings, sculptures, museum exhibits items of archive materials, etc.	619	39.757	39.757
18	Precious metals	620		
19	Antiques and other art valuables	621		
20	Other precious valuables	622		
21	Investments in natural resources in preparation	623		
22	Improvement of land	624		
	<b>C. Funds in loans and credit at the end of the period</b>			
23	Loans givent to non financial companies in private and state ownership and public companies in the country (< or = AOP 024 + AOP 025 + AOP 032 + AOP 033 + AOP 034 + AOP 046 + AOP 047 + AOP 056 + AOP 057 + AOP 058 од BS)	625		
	<b>D. Other assets at the end of the year</b>			
24	Receivables on the basis of sale of goods and services and advances (short-term trade credits) given to non-financial companies in private and state ownership and public enterprises, in the country (< or = AOP 006 + AOP 017 + AOP 030 + AOP 046 + AOP 047 + AOP 048 from BS)	626		
25	Receivables on the basis of sale of goods and services and advances (short-term trade credits) provided to bodies of legislative, executive and judicial authority , government units and other budget-funded legal entities (< or = AOP 030 + AOP 046 + AOP 047 + AOP 048 from BS)	627		
26	Other receivables from non financial companies in private and state ownership and public comanies in the country(< or = AOP 034 + AOP 046 + AOP 047 + AOP 051+AOP 062 from BS)	628		
27	Other receivables from bodies of legislative, executive and judicial authority , government units and other budget-funded legal entities (< or = AOP 034 + AOP 046 + AOP 047 + AOP 051 + AOP 062 from BS)	629		

28	Receivables of sale of goods and services and advances (short-term trade credits) and other receivables from all entities at home and abroad- total ( < or = AOP 006 + AOP 017 + AOP 030+ AOP 034+ AOP 035+ AOP 046+ AOP 047 + AOP 049 + AOP 050+ AOP 051 + AOP 057 + AOP 062 from BS)	630		
<b>E. Share Capital</b>				
29	Share capital (equity) in shares held by other companies in private and state ownership and public enterprises registered in the country (from AOP 065 from BS)	631	356.333.292	356.333.292
30	Equity (equity) in shares owned by individuals, self-employed persons and non-profit organizations registered in the country (from AOP 065 from BS)	632		
31	Equity (equity) in shares owned by the Government of the Republic of Northern Macedonia, FPIOSM, HIFSM, AVRSM, local self-government units and other legal entities financed from the budget (from AOP 065 from BS)	633		
<b>F. Loans</b>				
32	Liabilities on loans and credits taken from non-financial companies 6 in private and state ownership and public enterprises, in the country 7 (or = AOP 086 + AOP 087 + AOP 088 + AOP 089 + AOP 090 + AOP 096 + AOP 0104 + AOP 107 from BS)	634		
<b>G. Other Obligation at the end of the period</b>				
33	Obligations on the basis of procurement of goods and services and advances (short-term trade credits) received from non-financial trade companies in private and state ownership and public enterprises, in the country (or = AOP 096 + AOP 097 + AOP 098 + AOP 108 from BS)	635	324.721.134	412.079.945
34	Obligations on the basis of procurement of goods and services and advances (short-term trade credits) received from legislative, executive and judicial bodies, FPIOSM, HIFSM, ESA, local self-government units and other legal entities financed from the budget (or = AOP 096 + AOP 097 + AOP 098 + AOP 108 from BS)	636		
35	Other liabilities to non-financial companies 6 in private and state ownership and public enterprises, in the country (or = AOP 092 + AOP 093 + AOP 096 + AOP 106 + AOP 107 + AOP 108 + AOP 109 from BS)	637		
36	Other liabilities to bodies of legislative, executive and judicial power, FPIOSM, HIFSM, AVRSM, local self-government units and others budget-funded legal entities (or = AOP 092 + AOP 093 + AOP 094 + AOP 099 + AOP 101 + AOP 107 + AOP 108 + AOP 109 from BS)	638		
37	Liabilities on the basis of trade credits, advances and other liabilities to all entities in the country and abroad (total) (or = AOP 092 + AOP 093 + AOP 094 + AOP 096 + AOP 097 + AOP 098 + AOP 099 + AOP 100 + AOP 101 + AOP 107 + AOP 108 + AOP 109 from BS)	639		
<b>H. Income</b>				
<b>I. Sale income</b>				
38	Income from sales of goods and services( AOP641+ AOP 642) (< or = AOP 202 from IS)	640	27.790.628.137	30.504.969.194
39	Income from sales of goods (< or = AOP 202 from IS)	641	27.483.260.996	30.259.707.219
40	Income from services (< or = AOP 202 from IS)	642	307.367.141	245.261.975
41	Income from sale of products, goods and services in the domestic market (< or = AOP 202 from IS)	643		
42	Income from sale of products, goods and services in the foreign market (< or = AOP 202 from IS)	644	10.697.056.999	13.755.244.538
43	Income from sale of products, goods and services in EU member countries 2) (< or = AOP 202 from IS)	645		
44	Income from usage of computer software developed for own use (< or = AOP 206 from IS)	646		
45	Income from rent (< or = AOP 202 from IS)	647		
46	Income from rent of land (< or = AOP 202 from IS)	648		
47	Income from sale of goods based on financial rent (leasing) (< or = AOP 202 from IS)	649		

	<b>II. Other income</b>			
48	Profit from sale of tangible assets and intangible assets (< or = AOP 203 from IS)	650		
49	Profit from sale of biological resources - assets (< or = AOP 203 from IS)	651		
50	Profit from sale of of capital share and securities (< or = AOP 203 from IS)	652		
51	Profit from sale of materials (< or = AOP 203 from IS)	653		
52	Income from surpluses (< or = AOP 203 from IS)	654		
53	Income from written-off receivables and income from write-off of liabilities (< or = AOP 203 from IS)	655	210.568	608.151
54	Income based on effects from contracted risk protection(< or = AOP 203 from IS)	656		
55	Income from premiums, subventions, grants and donations (< or = AOP 203 from IS)	657		
56	Income from subventions (< or = AOP 203 from IS)	658	0	0
57	Income from donations and sponsorships (< or = AOP 203 from IS)	659		
58	Income from cancellation of long-term reservations (< or = AOP 203 from IS)	660		
59	Other operating income (< or = AOP 203 from IS)	661		
60	Income from penalty fees, unclaimed deposits, awards, etc.(< or = AOP 203 from IS)	662		
61	Income from previous years (< or = AOP 203 from IS)	663	946.494	1.696.363
62	Income from taxes and contributions (< or = AOP 203 from IS)	664		
63	Income from operating leasing (< or = AOP 203 from IS)	665		
	<b>III. Financial income</b>			
64	Income from dividends	666	869.400	765.900
	<b>I. Expenses</b>			
65	Cost of goods and services sold	667	37.105.949.273	43.043.851.512
	<b>I. Costs for raw materials, energy, spare parts and small inventory</b>			
66	Costs for raw materials (< or = AOP 208 from IS)	668	546.502	395.470
67	Heating, fuel and grease (< or = AOP 208 from IS)	669	12.941.349	9.284.919
68	Food articles(< or = AOP 208 from IS)	670		
69	Office materials (< or = AOP 208 from IS)	671	773.375	974.857
70	Costs for packaging (< or = AOP 208 from IS)	672		
71	Uniforms-protective clothing and footwear (< or = AOP 208 from IS)	673	1.671.120	2.769.058
72	Materials for cleaning and maintenance (< or = AOP 208 from IS)	674		
73	Water (< or = AOP 208 from IS)	675		
74	Used electricity (< or = AOP 208 from IS)	676	7.278.125	14.217.693
75	Used fuel energy(< or = AOP 208 from IS)	677	5.100.675	5.164.118
76	Used spare parts and maintenance materials (< or = AOP 208 from IS)	678		
77	Write-off of inventory, packaging and tires (in production) (< or = AOP 208 from IS)	679		
	<b>II. Costs for services</b>			
78	Transportation services in the country (< or = AOP 211 from IS)	680	3.709.956	11.783.652
79	Transportation services abroad (< or = AOP 211 from IS)	681		
80	Postal services in the country (< or = AOP 211 from IS)	682	2.283.553	1.829.811
81	Postal services abroad (< or = AOP 211 from IS)	683		
82	External services for manufacture (< or = AOP 211 from IS)	684		
83	Production and craft services (< or = AOP 211 from IS)	685		
84	Rents for business premises in the country (< or = AOP 211 from IS)	686		
85	Rent of equipment (< or = AOP 211 from IS)	687	4.111.086	12.704.843
86	Rent of land (< or = AOP 211 from IS)	688		
87	Costs for research (< or = AOP 211 from IS)	689		
88	Costs for development (< or = AOP 211 from IS)	690		
	<b>III. Compensation costs for employees</b>			
89	Calculated compensation during sick leave	691	3.432.462	1.795.725
90	Compensation for severance pay for retirement (< or = AOP 217 from IS)	692	1.302.255	2.008.852
91	One time compensation in the form of severance paymnet for permanent engagement under conditions defined by law (< or = AOP 217 from IS)	693		
92	Jubilee awards (< or = AOP 217 from IS)	694		
93	Regress for annual holiday (< or = AOP 217 from IS)	695	9.882.378	9.801.275
94	Other employee benefits (< or = AOP 217 from IS)	696	446.622	78.818
95	Volume - increased diet	697		

	<b>IV. Other operating expenses</b>			
96	Daily allowance for business trips, overnights and travel expenses (< or = AOP 217 from IS)	698	4.139.135	3.453.294
97	Daily allowance for business trips (< or = AOP 217 from IS)	699		
98	Compensation for employee expenses and gifts (< or = AOP 217 from IS)	700		
99	Compensation for accommodation and food provided by the company (< or = AOP 217 from IS)	701		
100	Separate life compensation (< or = AOP 217 from IS)	702		
101	Gifts to employees (< or = AOP 217 from IS)	703		
102	Costs for organized food during work (< or = AOP 217 from IS)	704	15.484.427	15.694.585
103	Costs for organized transportation to the and from the work place (< or = AOP 217 from IS)	705	17.357.394	17.826.846
104	Compensation for occasional and temporary work (< or = AOP 217 from IS)	706	15.839.190	15.959.060
105	Costs for compensation and other remuneration of external members of the Supervisory Board, Board of Directors and managers	707	5.756.601	9.196.771
106	Costs for sponsorships (< or = AOP 212 from IS)	708	2.655.869	2.519.231
107	Representation costs (< or = AOP 212 from IS)	709	8.902.539	8.554.215
108	Premiums for property insurance (< or = AOP 212 from IS)	710	37.905.375	34.848.075
109	Bank services fees (< or = AOP 212 from IS)	711	10.933.965	14.609.374
110	Taxes that do not depend on the result (< or = AOP 212 from IS)	712	19.169.592	29.143.808
111	Contributions that do not depend on the result (< or = AOP 212 from IS)	713	511.493	515.400
112	Membership fees of associations in the country and abroad (< or = AOP 212 from IS)	714	4.426.593	4.450.539
113	Costs for the occasional and temporary working (or = AOP 217 of BU)	715		
114	Royalty compensations (< or = AOP 217 from IS)	716		
115	Other costs from the work (< or = AOP 212 from IS)	717	85.395.157	79.196.788
	<b>V. Other expenses</b>			
116	Fines, penalties and compensation for damages etc. (< or = AOP 222 from IS)	718		
117	Compensation for damages (< or = AOP 222 from IS)	719		
	<b>VI. Impairment of financial assets and investments</b>			
118	Impairment of long-term financial investments and other securities available for sale (= AOP 242 from IS)	720		
	<b>VII. Dividends and other payments to the investors</b>			
119	Paid out dividends	721		
	<b>E. Specific data</b>			
120	Average number of employees based on the situation at the end of the month	722	244	260
121	Average number of employees at the headquarters based entity at the end of the month "	723	244	260
122	Number of subsidiaries in which activity is performed, without the registered office of the entity	724	1	1

Name of the Company: OKTA Crude Oil Refinery AD Skopje

Address: Str. 1 No. 25, Miladinovci, Skopje

Unique ID number: 4074009

Structure of income per business activities for the period 01.01.2025-31.12.2025			
NCBA (National classification of business activities)			Realized income (MKD)
Ordinal No.	class /subclass	Name	
1	46.71	Sales of trading goods	38.301.043.928
2	52.10	Warehousing and storage	228.408.814
3	47.30	Sales of products in Petrol Station	30.482.217
4	35.14	Electricity trade	25.612.969
5	35.11	Electricity production	58.336.375
6			
7			
		<b>Total Income</b>	<b>38.643.884.303</b>

## **Explanatory Notes**

**OKTA AD – SKOPJE****GENERAL AND EXPLANATORY NOTES**

For the year ended 31 December 2025

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(all amounts are in MKD unless otherwise stated)

**1. General information**

OKTA AD - Skopje (hereinafter “the Company”) is a joint stock company established on 26 March 1980. The Company is owned 85.59% by EL.P.ET Balkaniki S.A., a company controlled by HelleniQ Energy S.A. The parent company is incorporated in Greece.

The Company’s main activities are trade and import of oil derivatives. Major oil derivatives are Gasoline, Diesels, Fuel oil, LPG and Kerosene-Jet Oil. OKTA has a leading position in the supply and trading of oil derivatives. The company uses the installation infrastructure in Skopje for import, storage and sale of oil derivatives.

Starting from July 2013 OKTA has been listed on Macedonian Stock Exchange.

As of 31<sup>st</sup> December 2025, the Company had 241 employees (2024: 260 employees).

The address of the Company is as follows:

Street 1 no.25  
Miladinovci Ilinden  
1000 Skopje  
North Macedonia

The financial statements of OKTA AD – Skopje were authorised for issue by the Management on 19<sup>th</sup> February 2026 and were approved by the Board of Directors on 24<sup>th</sup> February 2026. These financial statements are subject to approval by Company’s Shareholders Assembly as well.

**2. Accounting policies****2.1. Basis of preparation**

The financial statements have been prepared on a historical cost basis, except for available-for-sale investments, which are measured at fair value.

The financial statements are presented in Macedonian denar and all figures are rounded to the nearest thousand Macedonian denar (MKD thousand), unless otherwise stated.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Statement of compliance**

These financial statements are prepared, in accordance with the Rulebook for Accounting published in Official Gazette No.75/2024 (Rulebook), whereby the International Financial Reporting Standards (IFRS volume 2023) were published (further “accounting standards applicable in RN Macedonia”).

**OKTA AD – SKOPJE****GENERAL AND EXPLANATORY NOTES**

For the year ended 31 December 2025

(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.1 Basis of preparation (continued)****Statement of compliance (continued)**

This Rulebook of Accounting comprises International Financial Reporting Standards (IFRS) - IFRS 1 to IFRS 17, International Accounting Standards (IAS) - IAS 1 to IAS 41, International Financial Reporting Interpretations Committee (IFRIC) - IFRIC 1 to IFRIC 23 and Standing Interpretations Committee (SIC) Interpretations comprising SIC 7 to SIC 32. The above stated standards, amendments and interpretations (IFRSs, IFRICs and SICs) are effective, in the Republic of North Macedonia, starting from 1 January 2025 except for IFRS 17 which is effective starting from 1 January 2028. With the amendment to the Rulebook published in the Official Gazette No.274/2024, IFRS 9 became effective (in the Republic of North Macedonia) starting from 1 January 2028 and as per the guidance provided by Council for Advancement and Oversight over the accounting profession of the Republic of North Macedonia, IAS 39 and IFRS 4 as published in Official Gazette No. 159/2009 remain effective accounting standards for financial instruments and insurance contracts until that date.

The Company applied all relevant standards, amendments and interpretations which were published in the Official Gazette No.75/2024 and No.274/2024. As IFRS 9 and IFRS 17 are not effective for periods beginning on or after 1 January 2025, the Company's financial statements are prepared in accordance with accounting standards applicable in the Republic of North Macedonia as published in the Rulebook and explained above. Consequently, IFRS 1 is not applicable, and the Company applied the specific transitional provisions for all effective accounting standards, as explained in the text further.

In addition, these financial statements are prepared based on obligation requirements with the Company Law (published in Official Gazette No. 28/2004, 84/2005, 25/2007, 87/2008, 42/2010, 48/2010, 24/2011, 166/2012, 70/2013, 119/2013, 120/2013, 187/2013, 38/2014, 41/2014, 138/2014, 88/2015, 192/2015, 6/2016, 30/2016, 61/2016, 88/2017, 192/2017, 64/2018, 120/2018, 290/2020, 215/2021, 99/2022, 272/2024 and 191/2025).

More information for the nature and effects of the changes resulting from the adoption of the new Rulebook on Accounting is disclosed in Note 2.3

**Going concern**

The global oil market in past years was significantly influenced by geopolitical tensions, including the ongoing conflict in Eastern Europe following Russia's invasion of Ukraine and the crisis in the Middle East. These events contributed to rising inflation, supply chain disruptions, and increased volatility in energy prices. In response, central banks worldwide implemented monetary measures, including interest rate adjustments and liquidity interventions, to curb inflation and support economic stability. While these factors shaped the broader market environment, the company's operations remained largely unaffected, demonstrating resilience amid economic and geopolitical uncertainties.

These financial statements have been prepared on a going concern basis which presumes the realization of assets and liabilities in the normal course of business.

Management of the Company has made overall assessment of impact of current macroeconomic environment and events on preparation and presentation of these financial statements, and

**OKTA AD – SKOPJE****GENERAL AND EXPLANATORY NOTES**

For the year ended 31 December 2025

(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.1 Basis of preparation (continued)****Going concern (continued)**

has prepared business plan for the upcoming five years from the date of these financial statements taking into consideration the estimation of the continued business impacts of economic, market and geopolitical (Ukraine-Russia and Middle East war) disruption.

The management has concluded that there are no material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and thus it is appropriate to prepare the financial statements on a going concern basis.

**Consistency**

The presentation and classification of items in the financial statements is retained from one period to the next unless it is apparent that due to the change in the nature of the entity's operations or a review of its financial statements shows that another presentation or classification would be more appropriate.

The main changes in the comparatives relate to reclassifications of revenues from sales of electricity and related cost of traded electricity which are resulting from increased entity's electricity operations. The changes in the presentation are not influencing significantly the content of the financial statements. The changes are explained and described under Note 2.6 Comparative Information.

**2.2 Summary of accounting policies****a) Foreign currency translation****Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') which is Macedonian denars (MKD).

**Transactions and balances**

Foreign currency transactions are translated into Macedonian denars using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end are recognised in the Statement of comprehensive income. Monetary assets and liabilities denominated in foreign currencies are translated according to the middle exchange rates from the National Bank of the Republic of North Macedonia valid at the date of the financial statements.

Foreign exchange gains and losses are presented in the Statement of comprehensive income within "finance income/ costs (net)".

The foreign currency deals of the Company are predominantly based in EURO (EUR) and in United States Dollars (USD). The exchange rates used for translation at 31<sup>st</sup> December 2025 and 31<sup>st</sup> December 2024 were as follows:

Exchange rate:	31 <sup>st</sup> December 2025	31 <sup>st</sup> December 2024
	MKD	MKD
EUR	61.49	61.49
USD	52.31	58.88
GBP	70.59	74.13

## OKTA AD – SKOPJE

## GENERAL AND EXPLANATORY NOTES

For the year ended 31 December 2025

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(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.2 Summary of accounting policies (continued)****b) Revenue from contract with customers**

The Company's operating activity is related to the provision of trade and import of oil derivatives and sales of electricity. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Disclosures about the significant accounting estimates, estimates and assumptions related to revenue from contracts with customers are provided in Note 2.4.

**Sale of goods (oil derivatives)**

Revenue from the sale of goods - oil derivatives is recognized at a point in time when control of the asset is transferred to the customer, which is usually upon delivery of the goods. The normal credit period is from 0 to 30 days from delivery.

The Company assesses whether there are other promises in the contract that constitute separate performance obligations to which a portion of the transaction price should be allocated (for example, warranties, customer loyalty points). When determining the transaction price for the sale of goods, the Company assesses the effects of variable consideration, the existence of significant financing components and consideration due to the customer (if any).

**(i) Variable consideration**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Company provides retrospective volume rebates to customers once the quantity of goods purchased during the period exceeds the threshold specified in the contract. The volume rebates give rise to variable consideration.

**• Volume rebates**

The Company provides retrospective volume rebates to certain customers after the quantity of products purchased during the period exceeds the contractually specified threshold. The rebates are offset against amounts owed by the customer.

To estimate the consideration for expected future rebates, the Company applies the expected value method for contracts with more than one volume threshold. The method selected that provides the best estimate of the amount of variable consideration is determined primarily by the number of volume thresholds contained in the contract. The Company then applies the requirements to constrain the estimates of variable consideration and recognizes a reimbursement liability for the expected future rebates.

**OKTA AD – SKOPJE****GENERAL AND EXPLANATORY NOTES**

For the year ended 31 December 2025

(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.2 Summary of accounting policies (continued)****b) Revenue from contracts with customers (continued)****Sale of electricity**

Revenue from sale of electricity is recognized over time as the customer simultaneously receives and consumes the benefits. Company has assessed that it has a right to consideration from the customer in an amount that corresponds directly with the value to the customer of the Company's performance completed to date and thus, the Company recognises revenue in the amount to which it has a right to invoice.

**Contract balances*****Contract assets***

The contract asset is the right to receive consideration in exchange for the goods or services that have been transferred to the customer.

If, by transferring the goods or services to the customer, the Company fulfills its obligation before the customer pays the relevant consideration or before the payment becomes due, a contract asset is recognized for the consideration earned, which is conditional.

***Trade receivables***

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Please refer to the accounting policies for financial assets set out in section e) Financial instruments – initial recognition and subsequent measurement.

***Contract liabilities***

The contract liability is the obligation to transfer goods or services to the customer for which the Company has received consideration (or consideration is due) from the customer. If the customer pays the consideration before the Company transfers the goods or services to the customer, a contract liability is recognized when the payment is made or when the payment becomes due (whichever occurs earlier). Contract liabilities with customers are recognized as revenue when the Company fulfills its obligations under the contract.

**OKTA AD – SKOPJE****GENERAL AND EXPLANATORY NOTES**

For the year ended 31 December 2025

(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.2 Summary of accounting policies (continued)****b) Revenue from contracts with customers (continued)****Accounting policy for revenue recognition before January 1, 2025**

Revenue comprises the fair value of the consideration received or receivable for the sale of products, retail goods and services net of value-added tax, excise, rebates and discounts. Sales of products and retail goods are recognised when the Company has delivered it to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery does not occur until the products or retail goods have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Company has objective evidence that all criteria for acceptance have been satisfied.

*Interest income*

Interest income is recognized using the effective interest rate method, which is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument or, where appropriate, a shorter period, to the carrying amount of the financial asset. Interest income is included in finance income in the statement of comprehensive income.

*Dividend income*

Dividend income is recognized when the right to receive it is established.

**c) Taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

*Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate

## OKTA AD – SKOPJE

## GENERAL AND EXPLANATORY NOTES

For the year ended 31 December 2025

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(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.2 Summary of accounting policies (continued)****c) Taxes (continued)***Deferred income tax*

Deferred taxes are recognized using the balance sheet method for all temporary differences at the reporting date that arise between the tax bases of assets and liabilities and their carrying values.

Deferred tax liabilities are recognized for all taxable temporary differences:

- except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit or loss at the time of the transaction; and
- for taxable temporary differences related to investments in subsidiaries, associates and interests in joint ventures, except to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, unused tax credits carried forward and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax credits carried forward and unused tax losses can be utilized:

- unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit or loss at the time of the transaction; and
- for deductible temporary differences related to investments in subsidiaries, associates and interests in joint ventures, a deferred tax asset is recognized only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.
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The Company reviews the carrying value of deferred tax assets at each reporting date and reduces it to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered. Unrecognized deferred tax assets are reviewed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period in which the asset is realised or the liability is settled, based on tax rates (and tax laws) that have become effective or substantively becoming effective by the reporting date.

Deferred taxes related to items recognized outside profit or loss are recognized outside profit or loss. Deferred taxes are recognized, depending on the related transaction, either in other comprehensive income or directly in equity.

The Company offsets deferred tax assets and liabilities only when it has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

**OKTA AD – SKOPJE****GENERAL AND EXPLANATORY NOTES**

For the year ended 31 December 2025

(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.2 Summary of accounting policies (continued)****c) Taxes (continued)***Value Added Tax (VAT)*

Revenues, expenses and assets are recognized net of VAT, except in cases where:

- VAT incurred from the purchase of assets or services is not refundable by the tax authorities, in which case the VAT is recognised as part of the acquisition cost of the asset or as part of the relevant expense item, as appropriate; and
- receivables and payables that are reported with VAT included.

The net amount of VAT refundable by or payable to the tax authorities is included in the value of receivables or payables in the separate statement of financial position.

*Global Minimum Corporate Income Tax*

The Law on Global Minimum Corporate Income Tax has been published in the Official Gazette of Republic North Macedonia No. 3 as of 3 January 2025. The new law aims to ensure a minimum effective taxation of 15% for large multinational and domestic groups, resembling the rules laid down by the OECD and implemented through a Directive in the European Union. The global minimum top-up tax applies from 1 January 2024. This law will impact the tax structure of the Company and ensure compliance with global standards.

**d) Employees Benefits****Pension and other short-term liabilities to employees**

The Company, in the normal course of business, makes payments on behalf of its employees for pensions, health care, employment and personnel tax which are calculated on the basis of gross salaries and wages according to the legislation. The Company makes these contributions to the Governmental health and retirement funds as well as to private retirement funds. The cost of these payments is charged to the income statement in the same period as the related salary cost.

The Company does not operate any other pension scheme or post-retirement benefits plan and consequently, has no obligation in respect of pensions.

**Termination benefits**

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

**OKTA AD – SKOPJE****GENERAL AND EXPLANATORY NOTES**

For the year ended 31 December 2025

(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.2 Summary of accounting policies (continued)****d) Employees Benefits (continued)****Retirement benefits and jubilee awards**

Pursuant to the Labour law prevailing in the Republic of North Macedonia, the Company is obliged to pay retirement benefits in an amount equal to two average monthly salaries, at their retirement date, for which appropriate liability is recognized in the balance sheet measured at the present value of two average monthly salaries with adjustments incorporated in the actuarial calculation. According to the Collective agreement, the Company is obliged to pay jubilee anniversary awards that correspond to the total number of years of service of the employee. These employee benefit obligations are calculated annually by independent actuaries using the projected unit credit method. The actuarial valuation involves making assumption about discount rates, expected rates of return on assets, future salary increased, mortality increases and future pension increased. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. In addition, the Company is not obligated to provide further benefits to current and former employees.

Interest expense is calculated by applying the discount rate to the defined benefit liability. Changes in the latter are recognised in profit or loss for the period and are presented as follows:

- Service cost, including current service cost, past service cost, and gains and losses resulting from terminations or non-routine settlements under the plan, are included in the item "Personnel costs";
- Interest cost is presented as "Finance costs".

**e) Financial instruments - initial recognition and subsequent measurement**

- **Financial assets**

**Initial recognition**

Financial assets within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available for sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets upon initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and cash equivalents, trade and other receivables and available-for-sale financial assets.

## OKTA AD – SKOPJE

## GENERAL AND EXPLANATORY NOTES

For the year ended 31 December 2025

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(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.2 Summary of accounting policies (continued)****e) Financial instruments - initial recognition and subsequent measurement (continued)**

- **Financial assets (continued)**

**Subsequent measurement**

The subsequent measurement of the financial assets depends on their classification as follows:

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognised as other expenses in the statement of comprehensive income.

*Available-for-sale investments*

Available-for-sale investments include listed securities that are not classified as held for sale or as financial assets at fair value through profit or loss. Available-for-sale financial assets are initially recognised at fair value plus transaction costs. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

After initial recognition, available-for-sale investments are measured at fair value, with unrealized gains or losses on them being recognized in other comprehensive income in retained earnings until the investment is derecognized or impaired, when the cumulative gain or loss is recognized in profit or loss for the period.

Available-for-sale financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Dividends on available-for-sale financial assets are recognised in the Statement of comprehensive income as part of other income when the Company's right to receive payments is established.

## OKTA AD – SKOPJE

## GENERAL AND EXPLANATORY NOTES

For the year ended 31 December 2025

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(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.2 Summary of accounting policies (continued)****e) Financial instruments - initial recognition and subsequent measurement (continued)**

- **Financial assets (continued)**

**Derecognition**

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset but has retained control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**

The Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

*Financial assets carried at amortized cost*

For financial assets carried at amortized cost the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets which are individually impaired are not included in the collective assessment for impairment.

## OKTA AD – SKOPJE

## GENERAL AND EXPLANATORY NOTES

For the year ended 31 December 2025

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(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.2 Summary of accounting policies (continued)****e) Financial instruments - initial recognition and subsequent measurement (continued)**

- **Financial assets (continued)**

**Impairment of financial assets (continued)***Financial assets carried at amortized cost (continued)*

If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced by the amount of the impairment and the loss is recognised in the statement of comprehensive income. The interest income is recorded as part of finance income in the statement of comprehensive income. Loans and receivables together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the statement of comprehensive income.

*Available-for-sale investments*

For available-for-sale investments, the Company assesses at each reporting date whether there is objective evidence that the investment or group of investments is impaired.

For equity investments classified as available for sale, objective evidence includes a significant or prolonged decline in the fair value of the investment below its cost. "Significant decline" should be assessed against the initial acquisition cost of the investment, and "prolonged" against the period in which the fair value is below the initial acquisition cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less the impairment loss of that investment previously recognized in profit or loss – is deducted from other comprehensive income and recognized in profit or loss for the period. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value are recognized directly in other comprehensive income.

## OKTA AD – SKOPJE

## GENERAL AND EXPLANATORY NOTES

For the year ended 31 December 2025

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(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.2 Summary of accounting policies (continued)****e) Financial instruments - initial recognition and subsequent measurement (continued)****• Financial liabilities****Initial recognition and measurement**

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and lease liabilities.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification as follows:

*Loans and borrowings*

After initial recognition, loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses relating to loans and borrowings are recognised in the statement of comprehensive income for the period when the liabilities are derecognised as well as through the amortization process.

Amortized cost is calculated by taking into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the statement of comprehensive income.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Gains arising from derecognition of financial liabilities are recognised in the statement of comprehensive income, in other operating income.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

**f) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and the Company has an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**OKTA AD – SKOPJE****GENERAL AND EXPLANATORY NOTES**

For the year ended 31 December 2025

(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.2 Summary of accounting policies (continued)****g) Fair value measurement**

The fair values of financial instruments measured at amortized cost are disclosed in Note 21.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant who would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period and determines whether it is necessary to make transfers from one level to another.

The Company's management determines the policies and procedures that apply to both regular fair value measurements and non-regular fair value measurements.

For the purposes of fair value disclosure, the Company defines different classes of assets and liabilities depending on their nature, characteristics and risk and the relevant level of the fair value hierarchy described above.

**OKTA AD – SKOPJE****GENERAL AND EXPLANATORY NOTES**

For the year ended 31 December 2025

(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.2 Summary of accounting policies (continued)****h) Share capital**

Ordinary shares are classified as equity.

The share capital represents the par value of the shares issued and paid. The difference between the par value and the price paid for the shares is accounted for as share premium. Incremental costs directly attributable to the issue of shares are recognised as a deduction from equity, net of any tax effects.

Treasury shares are an entity's own equity instruments that are acquired and held by the entity, a subsidiary, or other members of the consolidated group. The consideration paid or received for treasury shares is recognised directly in equity.

**i) Cash dividend and non-cash distribution to equity holders of the parent**

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the profit or loss.

**j) Property, plant and equipment**

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Such cost includes the cost of replacing part of the property and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Up to 2003 they were revalued at the year-end by applying official revaluation coefficients based on the general manufactured goods price index. Such coefficients were applied to historical cost or later valuation and to accumulated depreciation. The effect of the revaluation of property, plant and equipment was credited to the revaluation reserve. Additions are recorded at cost. Cost includes the invoiced value and the expenditure that is directly attributable to the acquisition of the items.

Depreciation of property, plant and equipment is charged using rates not lower than those prescribed by the law and is designed to allocate the cost or valuation of property, plant and equipment on a straight-line basis over their estimated useful lives.

## OKTA AD – SKOPJE

## GENERAL AND EXPLANATORY NOTES

For the year ended 31 December 2025

(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.2 Summary of accounting policies (continued)****j) Property, plant and equipment (continued)**

The depreciation of property, plant and equipment shall start after expiration of the month of the start-up in the year in which the utilization of the property, plant and equipment has started. The following represents the range of the estimated useful lives applied to items of property, plant and equipment:

	2025	2024
Buildings	20 - 40 years	20 - 40 years
Computers	4 - 5 years	4 - 5 years
Equipment	Up to 20 years	Up to 20 years
Other equipment and vehicles	8 years	8 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

**k) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

***Company as a lessee***

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

***Right-of-use assets***

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term, as follows:

- Motor vehicles and other equipment 4 - 5 years

Right-of-use assets are subject to impairment on their own, or together with the cash generating unit to which they belong. The accounting policy for impairment is disclosed in section (o) Impairment of non-financial assets.

## OKTA AD – SKOPJE

## GENERAL AND EXPLANATORY NOTES

For the year ended 31 December 2025

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(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.2 Summary of accounting policies (continued)****k) Leases (continued)***Lease liabilities*

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The result of this re-measurement is disclosed in a line of the right-of-use assets note as modifications.

*Short-term leases and leases of low-value assets*

The Company applies the short-term lease recognition exemption to its short-term leases of vehicles (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also does not apply the lease of low-value assets recognition exemption. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

***Accounting policy for leases before January 1, 2025 - Company as a lessee***

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

**OKTA AD – SKOPJE****GENERAL AND EXPLANATORY NOTES**

For the year ended 31 December 2025

(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.2 Summary of accounting policies (continued)****l) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**m) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Acquisition costs include acquisition price (including import duties and non-recoverable taxes, after deducting trade discounts and rebates) and all directly attributable costs which are incurred to prepare the asset for its intended use. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful life of intangible assets is determined to be finite, as follows:

Software and other rights      5 years

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category that is consistent with the function of the intangible assets. Any gain or loss arising upon derecognition of intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income.

**n) Inventories**

Inventories are stated at lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred, bringing the inventories to their present location and condition. Cost of crude oil and cost of other raw materials, spare parts and tools and consumable stores, finished and trading goods is determined on a weighted average cost basis.

The cost of purchase of inventories comprises the purchase price, import duties, other non-recoverable taxes and other costs, which can be directly attributed to the procurement of the inventories (e.g. transportation costs). Trade discounts, rebates and other similar items are deducted in determining the purchase cost of inventories.

The costs of conversion of inventories comprise those costs that are directly related to the units of production, such as direct labour and a systematic allocation of fixed and variable production overheads. The allocation of fixed production overheads to the cost of conversion is based on the normal capacity of the production facilities. Any unallocated fixed production overheads are recognised as an expense in the period in which they are incurred. Variable production overheads are allocated to each unit of production on the basis of the actual use of the production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

**OKTA AD – SKOPJE****GENERAL AND EXPLANATORY NOTES**

For the year ended 31 December 2025

(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.2 Summary of accounting policies (continued)****o) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on the most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the statement of comprehensive income in expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income.

**p) Cash and cash equivalents**

Cash and cash equivalents comprise bank balances in local and foreign currency, cash in hand and deposits held at calls with banks.

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of twelve months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits held at calls with banks, as defined above.

**OKTA AD – SKOPJE****GENERAL AND EXPLANATORY NOTES**

For the year ended 31 December 2025

(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.2 Summary of accounting policies (continued)****q) Provisions and contingent liabilities***General*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

No provision is recognized for contingent liabilities. A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

**t) Earnings per share**

Basic earnings per share is calculated by dividing profit attributable to the equity holders of the Company for the period by the weighted average number of common stocks outstanding.

**u) Operating segments**

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the Management and for which discrete financial information is available. The Management is the person or group of persons who allocates resources and assesses the performance for the entity.

The functions of the Management are performed by Board of the Directors of the Company. The internal reporting within the Company presented to the Management is on a Company level and as one operating segment. The decisions brought by the Management are based on received reports presented as one operating segment.

## OKTA AD – SKOPJE

## GENERAL AND EXPLANATORY NOTES

For the year ended 31 December 2025

(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.3 Changes in accounting policies and disclosures****New and amended standards and interpretations**

The international financial reporting standards (IFRS standards, including IFRS 1) were initially published in the Official Gazette in 1997, and since then several updates have followed. The latest update was on 3<sup>rd</sup> April 2024 when Ministry of Finance adopted a new Rulebook for Accounting. The Rulebook on Accounting was published in the Official Gazette of RNM” no. 75/2024 as subsequently amended (Official Gazette of RNM” no. 274/2024) (“the Rulebook”) which includes the updated versions of IFRSs, IFRICs and SICs, as well as introduces new IFRSs and IFRICs, that were not included in the Rulebook on Accounting currently effective. The new Rulebook takes effect on 1 January 2025, except for IFRS 9 *Financial Instruments* and IFRS 17 *Insurance Contracts* that will be effective from 1 January 2028.

- **IFRS 9 *Financial Instruments: Classification and Measurement***
- **IFRS 10 *Consolidated Financial Statements***
- **IFRS 11 *Joint Arrangements***
- **IFRS 12 *Disclosure of Interests in Other Entities***
- **IFRS 13 *Fair Value Measurement***
- **IFRS 14 *Regulatory Deferral Accounts***
- **IFRS 15 *Revenue from Contracts with Customers***
- **IFRS 16 *Leases***
- **IFRS 17 *Insurance Contracts***
- **IFRS 1 *First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter (Amendments)***
  - **IFRS 2 *Share-based Payment (Amendments): Classification and Measurement of Share based Payment Transactions***
  - **IFRS 3 *Business combinations (Amendments): Definition of a business***
  - **IFRS 4 *Insurance Contracts (Amendments): Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts***
  - **Amendments to IAS 1 *Presentation of Financial Statements***
    - *and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of ‘material’*
    - *and IFRS Practice Statement 2: Disclosure of Accounting policies*
  - **Amendments to IAS 8 *Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates***
  - **Amendments to IAS 12 *Income Taxes***
    - *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
    - *Recognition of Deferred Tax Assets for Unrealised Losses*
  - **Amendments to IAS 16 *Property, Plant & Equipment* and IAS 38 *Intangible assets: Clarification of Acceptable Methods of Depreciation and Amortization***
    - *Proceeds before Intended Use*
  - **IAS 19 *Employee Benefits (Amendments): Plan Amendment, Curtailment or Settlement***
  - **IAS 28 *Investments in associates (Amendments): Long-term Interests in Associates and Joint Ventures***
  - **Amendments to IAS 37: *Onerous Contracts – Costs of Fulfilling a Contract***
  - **IAS 40 *Investment Property (Amendments): Transfers of Investment Property***

## OKTA AD – SKOPJE

## GENERAL AND EXPLANATORY NOTES

For the year ended 31 December 2025

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(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.3 Changes in accounting policies and disclosures(continued)****New and amended standards and interpretations (continued)**

- **IFRIC 14** *Prepayments of a Minimum Funding Requirement (Amendment)*
- **IFRIC 19** *Extinguishing Financial Liabilities with Equity Instruments*
- **IFRIC 20** *Stripping Costs in the Production Phase of a Surface Mine*
- **IFRIC 21** *Levies*
- **IFRIC 22** *Foreign Currency Transactions and Advance Consideration*
- **IFRIC 23** *Uncertainty over Income Tax Treatments*
- *The Conceptual Framework for Financial Reporting (Revised)*

The Company has most significant impact on the financial statements from the application of IFRS 16 *Leases*. The nature and effect of the changes resulting from the adoption of these new accounting standards are described below.

The application of the other IFRS accounting standards, amendments and clarifications has no material impact on the financial statements of the Company. The Company has not adopted standards, clarifications or amendments that have been published but have not yet entered into force.

The accounting principles and calculations used in the preparation of the financial statements are consistent with those applied in the preparation of the financial statements for the year ended 31 December 2024 and have been consistently applied in all periods presented in this report, except for the following IFRSs, which have been adopted by the Company as of 1 January 2025.

The Company applied for the first time IFRS 16 (Leases) and disclosed below, as required by IFRSs, the nature and effect of these changes.

IFRS 16 replaces IAS 17 *Leases*, IFRIC 4 *Determining Whether an Arrangement Contains a Lease*, SIC-15 *Operating Leases—Incentives*, SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

IFRS 16 sets out the principles for recognition, measurement, presentation and disclosures of leases and requires lessees to account all lease contracts based on uniform balance method, that is similar to the accounting treatment of finance lease in accordance with IAS 17.

The Company adopted IFRS 16 as a change in accounting policy using the transitional provisions of the standard, the modified retrospective method of adoption with the date of initial application of 1 January 2025. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application.

The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 January 2025. Instead, the Company applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

## OKTA AD – SKOPJE

## GENERAL AND EXPLANATORY NOTES

For the year ended 31 December 2025

(all amounts are in MKD unless otherwise stated)

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**2. Accounting policies (continued)****2.3 Changes in accounting policies and disclosures (continued)****New and amended standards and interpretations (continued)****IFRS 16 Leases**

Furthermore, the Company elected to use the recognition exemptions proposed by the standard for lease contracts that, at the commencement date have a lease term of 12 months or less and do not contain a purchase option ('short-term leases') and lease contracts for which the underlying asset is of low value ('low-value assets'). Finally, the Company decided to apply a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with similar remaining lease term for similar class of underlying assets in a similar economic environment).

IFRS 16 replaces IAS 17 *Leases*, IFRIC 4 *Determining Whether an Arrangement Contains a Lease*, SIC-15 *Operating Leases—Incentives*, SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

IFRS 16 sets out the principles for recognition, measurement, presentation and disclosures of leases and requires lessees to account all lease contracts based on uniform balance method, that is similar to the accounting treatment of finance lease in accordance with IAS 17.

The Company adopted IFRS 16 as a change in accounting policy using the transitional provisions of the standard, the modified retrospective method of adoption with the date of initial application of 1 January 2025. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 January 2025. Instead, the Company applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. Furthermore, the Company elected to use the recognition exemptions proposed by the standard for lease contracts that, at the commencement date have a lease term of 12 months or less and do not contain a purchase option ('short-term leases') and lease contracts for which the underlying asset is of low value ('low-value assets'). Finally, the Company decided to apply a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with similar remaining lease term for similar class of underlying assets in a similar economic environment).

## OKTA AD – SKOPJE

## GENERAL AND EXPLANATORY NOTES

For the year ended 31 December 2025

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(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.3 Changes in accounting policies and disclosures (continued)****New and amended standards and interpretations (continued)****IFRS 16 Leases (continued)**

The Company has lease contracts for motor vehicles. Before the adoption of IFRS 16, the Company classified each of its leases (as lessee) at the inception date as an operating lease. The leased vehicles were not capitalized and the lease payments were recognized as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognized under Trade and other receivables and Trade and other payables, respectively.

***Leases previously classified as finance leases***

The Company did not have any finance leases in 2024 and as at 1 January 2025.

***Leases previously accounted for as operating leases***

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

## OKTA AD – SKOPJE

## GENERAL AND EXPLANATORY NOTES

For the year ended 31 December 2025

(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.3 Changes in accounting policies and disclosures (continued)****New and amended standards and interpretations (continued)****IFRS 16 Leases (continued)**

For the year ended 31 December 2025 the effect of the application of IFRS 16 in the statement of comprehensive income, is:

	<b>For the year ended 31 December 2025</b>
Depreciation expenses for right of use assets	11,489,000
Interest expense on lease liabilities	<u>764,000</u>
<b>Total cost of leases in scope of IFRS 16</b>	<b>12,253,000</b>

The lease liabilities as at 1 January 2025 can be reconciled to the operating lease commitments as of 31 December 2024, as follows:

	<i>MKD</i>
Operating lease commitments as at 31 December 2024	<u><b>36,583,000</b></u>
Weighted average incremental borrowing rate as at 1 January 2025	2.74%
Discounted operating lease commitments as at 1 January 2025	<u><b>35,582,000</b></u>
Less:	
Commitments relating to short-term leases	<u>2,930,000</u>
Lease liabilities as at 1 January 2025	<u><u><b>32,652,000</b></u></u>

## OKTA AD – SKOPJE

## GENERAL AND EXPLANATORY NOTES

For the year ended 31 December 2025

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(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.4. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the value of reported assets and liabilities, and the disclosure of contingent liabilities at the reporting date, as well as the reported income and expenses for the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

***Determining the lease term of contracts with renewal and termination options – Company as lessee***

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has the option, under some of its leases to lease the assets for additional terms. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (as a change in business strategy).

***Revenue from contracts with customers***

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- **Determining method to estimate variable consideration and assessing the constraint**

Contracts for the sale of goods include volume rebates that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with volume rebates, as the contracts with customers have more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

The Company updates its assessment of volume rebates quarterly. Estimates of volume rebates are sensitive to changes in circumstances and the Company's past experience regarding rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future.

## OKTA AD – SKOPJE

## GENERAL AND EXPLANATORY NOTES

For the year ended 31 December 2025

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(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.4. Significant accounting judgements, estimates and assumptions (continued)****Estimates and assumptions*****Retirement benefit obligation***

Retirement benefit obligation is determined using actuarial valuation. This assessment requires making assumptions about the discount rate, future salary increases, staff turnover and mortality. Due to the long-term nature of the income of retirement, these assumptions are subject to significant uncertainty. As of 31 December 2025 the Company's retirement benefit obligation is equal to MKD 13,074 thousand (2024: MKD 13.789 thousand). Additional information regarding the retirement benefit obligation is provided in Note 14.

***Useful lives of property, plant and equipment, and intangible assets***

The determination of the useful lives of assets is based on historical experience with similar assets as well as any anticipated technological development and changes in broad economic or industry factors. The appropriateness of the estimated useful lives is reviewed annually or whenever there is an indication of significant changes in the underlying assumptions.

Further, due to the significant weight of depreciable assets in Company's total assets, the impact of any changes in these assumptions could be material to Company's financial position and results of operations. If depreciation cost is decreased/increased by 10%, this would result in change of annual depreciation expense of approximately MKD 9,427 thousand (2024: MKD 25,263 thousand).

The used depreciation rates are the best estimate of the useful life of the assets of the Company. Information on the useful lives of property, plant and equipment and intangible assets is presented in Note 2.2.

***Potential impairment of property, plant and equipment and intangibles***

The Company (with support from the ultimate parent company) is assessing the impairment of identifiable property, plant, equipment and intangibles whenever there is a reason to believe that the carrying value may materially exceed the recoverable amount and where impairment in value is anticipated. The recoverable amounts are determined by value in use calculations, which use a broad range of estimates and factors affecting those.

Among others, the Company typically considers future revenues and expenses, macroeconomic indicators, technological obsolescence, discontinuance of operations and other changes in circumstances that may indicate impairment. If impairment is identified using the value in use calculations, the Company also determines the fair value less cost to sell (if determinable), to calculate the exact amount of impairment to be charged (if any). As this exercise is highly judgmental, the amount of potential impairment may be significantly different from that of the result of these calculations. No indicators for impairment are identified in the current year and respectively no impairment test has been performed.

**OKTA AD – SKOPJE****GENERAL AND EXPLANATORY NOTES**

For the year ended 31 December 2025

(all amounts are in MKD unless otherwise stated)

**2. Accounting policies (continued)****2.4. Significant accounting judgements, estimates and assumptions (continued)****Estimates and assumptions (continued)*****Impairment of trade and other receivables***

The Company calculates impairment for doubtful accounts based on estimated losses resulting from the inability of its customers to make required payments. For customers in bankruptcy and liquidation, impairment is calculated on an individual basis, while for other customers it is estimated on a portfolio basis, for which the Company bases its estimate on the aging of its account receivables balance and its historical write-off experience, customer credit-worthiness and changes in its customers payment terms. These factors are reviewed periodically, and changes are made to the calculations when necessary. The estimates involve assumptions about future customer behaviour and the resulting future cash collections. If the financial condition of its customers were to deteriorate, actual write-offs of currently existing receivables may be higher than expected and may exceed the level of the impairment losses recognized so far.

***Provisions***

Provisions in general are highly judgmental, especially in the cases of legal disputes. The Company assesses the probability of an adverse event as a result of a past event to happen and if the probability is evaluated to be more than fifty percent, the Company fully provides for the amount of the liability. Due to the high level of uncertainty, in some cases the evaluation may not prove to be in line with the eventual outcome of the case.

***Solidarity tax***

On September 25, 2023, the Solidarity Tax Law came into force and is applicable only for 2024. The basis for calculation were results from past years. In compliance with the provisions of the law, an additional tax was determined. The tax rate is 30%. Solidarity tax was one-off public charge for 2023, however it is not calculated and paid on the actual result for 2023, but on the notional amount related to the result – tax basis for the year ended as of 31 December 2022 and after some adjustments. Management considers that tax on solidarity does not meet the definition of requirements of IAS 12 income tax and is presented as other operating expenses in Profit and loss in the annual account and financial statements for the year ended as of 31 December 2023. Constitutional Court of Republic of North Macedonia, on 5 February 2025, passed a Decision according to which the Law on Solidarity Tax is annulled. Ministry of Finance. For the refund of the paid tax, Ministry of Finance proposed solution to the Company, amount to be returned in two instalments starting from March 2026 and due to this Company recognized the amount as Other income during 2025.

***Global Minimal Income tax – Pillar II***

North Macedonia has adopted a new law on a 15% minimum global tax.

The new law aims to ensure a minimum effective taxation of 15% for large multinational and domestic groups resembling the rules laid down by the OECD and implemented through a Directive in the European Union (see Note 5 for further details).

**OKTA AD – SKOPJE****GENERAL AND EXPLANATORY NOTES**

For the year ended 31 December 2025

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(all amounts are in MKD unless otherwise stated)

**3. Financial risk management****3.1. Financial risk factors**

The Company does not apply hedge accounting for its financial instruments, all gains and losses are recognized in the Statement of comprehensive income. The Company is exposed in particular to risks from movements in exchange rates and market prices that affect its assets and liabilities. Financial risk management aims to limit these market risks through ongoing operational and finance activities.

**Market risk**

Market risk is defined as the 'risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices' and includes interest rate risk, currency risk and other price risk. The majority of the revenues of the Company are generated in MKD and the remaining part mainly in EUR and small amount of USD.

Expenses of the Company that arise are mainly connected to EUR, partially in USD and the remaining part in MKD. As a result, the Company objective is to minimize the level of its financial risk in MKD terms. For the presentation of market risks according to IFRS 7, sensitivity analyses that show the effects of hypothetical changes of relevant risk variables on profit or loss and shareholders' equity are required. The periodic effects are determined by relating the hypothetical changes in the risk variables to the balance of financial instruments at the balance sheet date. The balance at the balance sheet date is representative for the year as a whole.

The on-going global commodities in the constantly changing market resulted in, among other things, volatility of crude oil prices. The full extent of the impact of these market developments is proving to be impossible to anticipate or completely guarded against.

Management believes that is taking all the necessary measures to support the sustainability and growth of the Company's business in the current circumstances. Nevertheless, future market fluctuations cannot be predicted with accuracy.

**Foreign exchange risk**

The Company's functional currency is the MKD. The foreign exchange risk exposure of the Company is related to holding foreign currency cash balances and operating activities through revenues from and payments to international companies as well as capital expenditure contracted with vendors in foreign currency.

The Company manages the foreign exchange risk exposure by striving to lower the number of contracts in USD and to introduce contracts in EUR. The Company has small cash reserves in foreign currency and limited transactions in USD. The Company uses cash deposits in MKD or cash deposits in MKD indexed to EUR.

**OKTA AD – SKOPJE****GENERAL AND EXPLANATORY NOTES**

For the year ended 31 December 2025

(all amounts are in MKD unless otherwise stated)

**3. Financial risk management (continued)****3.1. Financial risk factors (continued)****Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Change in the interest rates and interest margins may influence financing costs and returns on financial investments.

Changes in market interest rates affect the interest income on deposits with banks. As of 31<sup>st</sup> December 2025, the Company has short time deposits in amount of 2,839,000 thousand (2024: 1,845,000). If interest rate had been 1% (2024: 1%) changed, higher or lower against contracted rates, profit would have been MKD 28,390 thousand (2024: MKD 18,450 thousand) after tax in net balance higher or lower. respectively.

**Price risk**

The Company's has commodity price exposures of oil products price levels. It affects the value of inventory and sales margins which in turn affects the future cash flows of the business. In the case of price risk the level of exposure is determined by the amount of priced inventory carried at each Balance Sheet date. The Company policy is to report its inventory at the lower of historic cost and net realisable value and the results are affected by the reduction in the carrying value of the inventory.

The extent of the exposure relates directly to the level of stocks and rate of price decrease. Sales margin exposure relates to the absolute level of margin generated by the operation of the company mainly driven by the regulated prices for domestic market by the Government Authorities and the Platt's prices for foreign markets.

**Credit risk**

Credit risk is defined as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk from its operating activities and certain financing activities. The process of managing the credit risk from operating activities includes preventive measures such as creditability checking and prevention barring, corrective measures during legal relationship, for example, reminding and disconnection activities, collaboration with collection agencies and collection after legal relationship as litigation process, court proceedings, involvement of the executive unit and factoring.

The overdue payments are followed through a debt escalation procedure based on customer type, credit class and amount of debt. The credit risk is controlled through credibility checking – which determines that the customer is not indebted and is credit-worthy, also through preventive barring – which determines the credit limit based on the customer's previous revenues.

The Company's procedures ensure on a permanent basis that sales are made to customers with an appropriate credit history and do not exceed the acceptable credit exposure.

**OKTA AD – SKOPJE****GENERAL AND EXPLANATORY NOTES**

For the year ended 31 December 2025

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(all amounts are in MKD unless otherwise stated)

**3. Financial risk management (continued)****3.1. Financial risk factors (continued)****Credit risk (continued)**

The Company has collaterals from customers in bank guarantees, mortgages and promissory notes in order to ensure their collectability. The Company does not guarantee obligations of other parties. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. Consequently, the Company considers that its maximum exposure is reflected by the amount of debtors net of provisions for impairment recognized and the amount of cash deposits in banks at the Balance Sheet date. Management is focused on dealing with most reputable banks in foreign and domestic ownership.

**Liquidity risk**

Liquidity risk is defined as the risk that the Company could not be able to settle or meet its obligations on time. The Company's policy is to maintain sufficient cash and cash equivalents to meet its commitments in the foreseeable future. Any excess cash is deposited in commercial banks.

The Company's liquidity management process includes projecting cash flows by major currencies and considering the level of necessary liquid assets, considering business plan, historical collection and outflow data. Regular cash projections are prepared and updated by the Treasury Department.

## OKTA AD – SKOPJE

## GENERAL AND EXPLANATORY NOTES

For the year ended 31 December 2025

(all amounts are in MKD unless otherwise stated)

## 4. Intangible Assets

<b>2025</b>	<b>MKD</b>
<b>Cost</b>	
Balance as at 1 January 2025	130,777,818
Additions	12,836,317
Assets in construction	702,402
Balance as at 31 December 2025	<u><b>144,316,537</b></u>
<b>Accumulated Amortisation</b>	
Balance as at 1 January 2025	100,781,587
Amortisation	9,249,094
Balance as at 31 December 2025	<u><b>110,030,681</b></u>
<b>Net book value as at 31 December 2025</b>	<u><b>34,285,856</b></u>
<b>2024</b>	
<b>Cost</b>	
Balance as at 1 January 2024	122,280,123
Additions	8,497,695
Assets in construction	-
Balance as at 31 December 2024	<u><b>130,777,818</b></u>
<b>Accumulated Amortisation</b>	
Balance as at 1 January 2024	92,772,145
Amortisation	8,009,442
Balance as at 31 December	<u><b>100,781,587</b></u>
<b>Net book value as at 31 December 2024</b>	<u><b>29,996,231</b></u>

## OKTA AD – SKOPJE

## GENERAL AND EXPLANATORY NOTES

For the year ended 31 December 2025

(all amounts are in MKD unless otherwise stated)

**5. Property, plant and Equipment**

<b>Year ended on 31 December 2024</b>	<b>Land</b>	<b>Buildings</b>	<b>Machinery and equipment</b>	<b>Construction in progress</b>	<b>Total</b>
Opening amount	<b>247,318,812</b>	<b>3,326,495,765</b>	<b>6,741,693,253</b>	<b>305,025,027</b>	<b>10,620,532,857</b>
Accumulated Depreciation	-	(3,079,969,026)	(6,208,492,625)	-	(9,288,461,651)
<b>Net book value</b>	<b>247,318,812</b>	<b>246,526,739</b>	<b>533,200,628</b>	<b>305,025,027</b>	<b>1,332,071,206</b>

<b>Year ended on 31 December 2025</b>					
<b>Net book value</b>	247,318,812	246,526,739	533,200,628	305,025,027	1,332,071,206
Additions	-			261,246,574	261,246,574
Transfer for construction in progress	-	10,547,777	232,512,767	(243,060,544)	-
Disposals NPV	-	(12,875,454)	(38,292,403)	-	(51,167,857)
Depreciation	-	(17,880,429)	(78,631,751)	-	(96,512,180)
Impairment of disposals	-	12,875,454	38,292,403	-	51,167,857
<b>Net book value as at 31 December 2024</b>	<b>247,318,812</b>	<b>239,194,087</b>	<b>687,081,644</b>	<b>323,211,057</b>	<b>1,496,805,600</b>

## OKTA AD – SKOPJE

## GENERAL AND EXPLANATORY NOTES

For the year ended 31 December 2025

(all amounts are in MKD unless otherwise stated)

## 6. Trade receivables

	2025	2024
Trade receivables domestic	92,515,560	81,932,487
Trade receivables foreign	118,201,529	200,562,357
Provision for impairment of trade receivables	(64,692,745)	(66,904,273)
<b>Total</b>	<b>146,024.344</b>	<b>215,590,571</b>

## 7. Cash and cash equivalents

	2025	2024
Bank account in in domestic currency	753,538,415	1,096,825,654
Bank account in foreign currencies	74,236,287	130,798,098
Cash on hand - in domestic currency	6,473	4,922
Cash on hand - in foreign currency	156	156
Impairment of deposit	(1,053,526)	(1,588,163)
Cash equivalent	2,838,231,292	1,850,741,361
<b>Total</b>	<b>3,664,959,097</b>	<b>3,076,782,028</b>

## 8. Share Capital

The total authorised number of ordinary shares is 846,360 shares value of EUR 51,12 per share, All issued shares are fully paid,

The shareholders structure as at 31 December 2025 was as follows:

	Number of ordinary shares	Total shares	% of total share capital
EL,P,ET Balkaniki S,A,	724,360	724,360	85,59 %
OKTA AD Skopje	84,636	84,636	10.00%
Others	37,364	37,364	4,41 %
	<b>846,360</b>	<b>846,360</b>	<b>100 %</b>

## OKTA AD – SKOPJE

## GENERAL AND EXPLANATORY NOTES

For the year ended 31 December 2025

(all amounts are in MKD unless otherwise stated)

**9. Trade payables**

	<b>2025</b>	<b>2024</b>
Domestic trade payables	371,442,411	449,629,313
Foreign trade payables	384,255,908	489,131,743
<b>Total</b>	<b>755,698,319</b>	<b>938,761,056</b>

**10. Sales**

	<b>2025</b>	<b>2024</b>
Sales on domestic market	27,711,211,203	30,495,356,396
Sales on foreign market	10,697,056,999	13,755,244,538
Sales of electricity	83,949,344	13,093,390
<b>Total Sales</b>	<b>38,492,217,546</b>	<b>44,263,694,324</b>