

# Independent reasonable assurance report

TITAN USJE A.D. Skopje



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# Independent reasonable assurance report<sup>1</sup>

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To the Management of TITAN USJE A.D. Skopje

## 1. Scope of the reasonable assurance engagement

We were engaged by the Management of Titan USJE AD Skopje (hereinafter referred to as “the Company”) to perform an independent reasonable assurance engagement regarding the process of approval by the Company’s shareholders of related party transactions with Titan Global Finance PLC (the related party or TGF).

On 24 April 2026, the Board of Directors of the Company will adopt a Draft Decision for the approval of related party transactions with Titan Global Finance PLC concerning loans, which will be subject to approval by the Company’s shareholders at the upcoming Annual General Meeting of Shareholders. The transactions are as follows:

	Loan 1: TGF → USJE
<b>Purpose</b>	General corporate purpose
<b>Effective date of the loan</b>	September 2026
<b>Currency</b>	Eur
<b>Principal</b>	Up to 30.000.000 Eur
<b>Repayment terms</b>	On the maturity date of 3 February 2031
<b>Interest rate</b>	4.11%

The Draft Decision for the approval of related party transactions, provided in Annex 1, constitutes an integral part of our Independent Reasonable Assurance Report.

## 2. Regulatory framework for related party transaction

The assurance engagement was performed in accordance with Article 460a of the Trade Companies Law (Official Gazette of the Republic of Macedonia No. 28/2004...191/2025). This regulatory provision requires the Management of the Company to obtain a reasonable assurance report prepared by an independent auditor in cases where the value of the transaction, or the cumulative value of mutually related transactions realized during the previous 12 months from the date of approval of the related party transaction, amounts to 10% or more of the value of the Company’s assets determined on the basis of the latest audited annual financial statements. According to the Company’s audited financial statements for the year ended 31 December 2025, the total assets of the Company amount to EUR 111,833 thousand. The cumulative amount of loans realized under agreements as of 31 December 2025, is EUR 12,073 thousand, which represents 1.08% of the Company’s total assets.

The independent auditor is required, based on the procedures performed and the evidence obtained, to issue an opinion on whether the related party transaction is in compliance with the applicable regulations in the country, whether the related party transaction is fair, i.e., whether the value of the transaction is determined under market conditions, whether there is any disproportionality between the mutual benefits of the parties, whether there are other facts and circumstances that could constitute grounds for causing harm, and to recommend to the minority shareholders whether to support the related party agreement.

<sup>1</sup> Translation of the original Independent Auditor’s Report issued in Macedonian language

### 3. Responsibility of the Company's Management

The Management of the Company is responsible for establishing, negotiating, and executing transactions with its related party in accordance with the regulatory provisions of Articles 460 and 460a of the Trade Companies Law (Official Gazette of the Republic of Macedonia No. 28/2004...191/2025); for the preparation, fair presentation, and accuracy of the relevant data and information required for the assessment and evaluation of compliance of related party transactions under Articles 460 and 460a of the Trade Companies Law (Official Gazette of the Republic of Macedonia No. 28/2004...191/2025).

This responsibility includes the selection and application of appropriate methods for the preparation of financial and non-financial data from the submitted documentation, as well as the use of assumptions and estimates for disclosures that are reasonable under the given circumstances. Furthermore, the Management of the Company is responsible for maintaining records and adequate internal controls designed to support the process of preparing the Requests. In particular, the Management of the Company is responsible for ensuring that internal controls are designed and implemented in such a way as to prevent the Report from containing material misstatements

### 4. Responsibility of the Auditor

Our responsibility is to assess the compliance of the Company's transactions with its related party against the criteria established in Article 460a of the Law and to issue an independent reasonable assurance conclusion based on the evidence obtained.

We conducted the engagement in accordance with International Standard on Assurance Engagements – ISAE 3000 (Revised), applicable to assurance engagements other than audits or reviews of historical financial information, as adopted in the Republic of North Macedonia. This standard requires our compliance with the ethical requirements of the Code of Ethics for Professional Accountants in force in the Republic of North Macedonia, as well as planning and performing the independent reasonable assurance engagement in a manner that enables us to express a reasonable assurance conclusion.

The procedures selected depend on the auditor's judgment and include an assessment of the risks of material misstatement in the Requests. In making these risk assessments, the auditor considers the internal control established by the Company relevant to the preparation and fair presentation of the Requests, in order to design procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

### 5. Out independence and quality control

We apply International Standard on Quality Management 1, as adopted in the Republic of North Macedonia and published in the Official Gazette of the Republic of North Macedonia No. 273/24. The Company has designed, implemented, and operates a quality management system, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We comply with the independence requirements and other ethical standards in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code of Ethics), published in the Official Gazette of the Republic of North Macedonia No. 273/24 of 30 December 2024, which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

In this context, the team performing the engagement is independent of the Company and has not participated in the preparation of the submitted documents related to the Agreement for the approval of transactions with its related party connected with loans.

### 6. Sources of data

For the execution of our engagement, we used the following acts and sources of information and data:

- Reading the content and obtaining an understanding of the nature, scope, and terms of the transaction specified in the Loan Agreement identified in Section 1 above;
- Interview with the Management responsible for the preparation of the Draft Decision for the approval of the related party transaction, as well as the related agreements and annexes with the related party;
- Verification and analysis of external unrelated comparable transactions with the transactions subject to our engagement, based on the CUP method
- Comparison of the results of the analysis of comparable transactions with the terms specified in the loan agreement; and
- Verification and analysis of the Company's audited financial statements for the year ended 31 December 2025, and identification of relevant data and information related to the Company's transactions with its related party.

## 7. Criteria

The following methods are used in assessing the regulatory compliance of related party transactions:

*Loan 1: Long-term intercompany loan between the Company (Lender) and TGF (Borrower), September 2026, in accordance with the 2026 budget*

*Comparable uncontrolled price (CUP) Method.*

The CUP Method compares the agreed price for goods or services transferred in a controlled transaction with the agreed price for goods or services transferred under similar circumstances in a comparable uncontrolled transaction.

CUP is the price agreed for an identical or similar good or service as in a transaction between independent entities under similar circumstances, in a comparable uncontrolled transaction.

The application of the CUP Method may be based on internal comparables (when a related party performs the same transaction with both unrelated and related parties) and/or external comparables (when an independent company performs the same transaction as that between related parties).

The CUP Method with external comparable data was selected as the most appropriate method for testing the transaction under our audit, due to the fact that publicly available information was identified for transactions between unrelated parties under similar conditions to those conducted by the contracting parties.

Applying the CUP method, we identified and analyzed 10 transactions in EUR in Western Europe and Eastern Europe/Russia that occurred between April 1, 2025 and March 23, 2026, which we considered comparable to the financial transaction under our engagement.

The interquartile range of fees applied in the identified transactions showed an overall range of rates (%) from 2.57% to 5.47%, with an interquartile range between 3.72% and 5.37% and a median of 4.12%.

Based on the procedure performed, we concluded that the interest rate stipulated in the agreement, 4.11%, i.e. a margin of 1.91%, falls within the interquartile range of margins applied in the selected comparable loan agreements.

## 8. Procedures performed

Within the scope of our engagement, we performed the following procedures:

- Read the content and obtained an understanding of the nature, scope, and terms of the transaction specified in the Agreements referred to in Section 1 above;
- Conducted interviews with Management responsible for preparing the Draft Decision for approval of the related party transaction, as well as the related agreements and annexes with the related party;
- Verified and analyzed the Company's audited financial statements for the year ended 31 December 2025, and identified relevant data and information regarding the Company's transactions with its related party;
- Reviewed and analyzed data and information related to production costs and overheads relevant to the related party transactions, as disclosed in the Company's financial statements for the year ended 31 December 2025;
- Confirmed the value of cumulative related party transactions in accordance with the established criteria and adopted methods;
- Performed substantive testing, on a selective basis, of supporting documentation related to transactions with the related party, as well as with other unrelated customers, for the period January 2025 – December 2025;
- Calculated ratios and data relevant for assessing and evaluating compliance with the criteria established in the applicable regulatory provisions;
- Compared and analyzed the determined prices of finished products subject to the purchase and sale agreements and assessed whether the prices are fair and consistent with market conditions.

The Company's audited financial statements for the year ended 31 December 2025, were not subject to our audit in accordance with International Standards on Auditing (ISA). The procedures we performed do not constitute either an audit or a review of these financial statements; therefore, we are not responsible for issuing or updating any reports or opinions on the Company's historical financial information.

## 9. Limitation of scope

The scope of our engagement was limited both in terms of the areas subject to our examination and in terms of the extent to which they were examined. Therefore, there may be other matters, apart from those disclosed in this Report, that could be relevant to our assessment of the objectivity and compliance (contractual and legal) of the evaluations made by the Company's Management in relation to the transactions of Titan USJE AD Skopje with its related party TGF.

We believe that the evidence obtained provides a satisfactory and appropriate basis for our reasonable assurance conclusion with reservation.

#### 10. Basis for reasonable assurance conclusion

Our conclusion is formed on the basis of, and is subject to, the work described above and should be read in connection with these matters.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our reasonable assurance conclusion.

#### 11. Reasonable assurance conclusion

Based on the procedures performed, we identified that the transactions of the Company TITAN USJE AD Skopje with its related party Sharrcem SH.P.K., as set out in the Draft Decision for approval of related party transactions concerning the sale/purchase of cement, sharmall, pet-coke, and clinker, together with the related agreements and annexes identified in Section 1 above, are:

- In compliance with the applicable regulations in the Republic of North Macedonia;
- Objective, meaning that the terms of the transaction are determined under market conditions;
- Free from any identified disproportionality between the mutual benefits of the parties;
- Not subject to any other facts or circumstances that could constitute grounds for causing harm;
- Properly disclosed in the audited financial statements for 2025, where related party relationships and transactions are fairly presented; and
- Without risk factors in the execution of the related party transaction.

#### 12. Recommendation

Based on the above, we recommend that the minority shareholders of the Company support the related party transaction at the General Meeting of Shareholders, whose resolution represents an additional condition for the conclusion of this transaction and the delegation of authority for its implementation to the responsible persons of the Company.

This recommendation arises from the information disclosed above and is in connection with Article 3 of the Rulebook amending and supplementing the Regulation on the content and form of the opinion issued by the authorized auditor in the procedure for approval of a related party transaction in a public joint stock company (Official Gazette of the Republic of North Macedonia No. 182 of 21 October 2015).

#### 13. Limitation of use

This Reasonable Assurance Report has been prepared and is intended solely for the purpose of reporting to the Management of the Company. Accordingly, this Report of factual findings is not suitable for use by any other party for any other purpose or in any other context. Any party other than the Company that gains access to our Report or a copy thereof, and chooses to rely on it (or parts of it), does so at its own risk. We do not accept any responsibility to any party other than the Company in relation to the engagement performed and our Report.

This engagement does not oblige us to provide further consultations or statements, and our Reasonable Assurance Report may not be used before judicial authorities except with our prior consent.

Skopje,

17 April 2026

Grant Thornton Doo Skopje



Director  
Maja Atanasovska



Certified Auditor  
Maja Atanasovska

# Appendix

## Appendix 1

### Draft Decision from Board of Directors



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