

**NATIONAL ALLIANCE FOR LOCAL
ECONOMIC DEVELOPMENT - NALED, BELGRADE**

**Financial Statements as of and for the
Year ended 31 December 2025
and**

Independent Auditor's Report

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*This is an English translation of Independent Auditor's Report and
2025 Financial Statements originally issued in the Serbian language*

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Association "National Alliance for Local Economic Development - NALED", Belgrade

Opinion

We have audited the financial statements of the Association "National Alliance for Local Economic Development - NALED", Belgrade (hereinafter "the Association"), which comprise the balance sheet as of 31 December 2025 and the income statement for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as of 31 December 2025, and its financial performance for the year then ended in accordance with the accounting regulations prevailing in the Republic of Serbia and accounting policies disclosed in Note 3 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with Law on Audit ("RS Official Gazette", no 73/2019) and International Standards on Auditing (ISAs). 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 Association in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Serbia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting regulations prevailing in the Republic of Serbia, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Association "National Alliance for Local Economic Development - NALED", Belgrade (Continued)

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 the Law on Audit and ISAs 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 the Law on Audit and ISAs, we exercise professional judgment and maintain professional scepticism 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 Association'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 Association'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 Association 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 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.

Belgrade, 23 March 2026



Gordana Dobrosavljević
Gordana Dobrosavljevic
Certified Auditor

INCOME STATEMENT
For the Year Ended 31 December 2025
In RSD thousand

	Note	2025	2024
OPERATING INCOME			
Sales of services	5	188,725	220,242
Income from membership fees	6	106,455	106,139
Income from donations, grants and subsidies	7	398,970	367,376
Other income		368	84
		694,518	693,841
OPERATING EXPENSES			
Cost of material and energy	8	(11,506)	(7,220)
Salaries, compensations and other personal expenses	9	(328,982)	(328,228)
Cost of production services	10	(52,954)	(64,475)
Amortisation and depreciation expense	14, 15	(4,455)	(4,519)
Cost of provisions	22	-	(1,432)
Cost of donations		(4)	(353)
Non-material costs	11	(287,101)	(282,121)
		(685,002)	(688,348)
OPERATING PROFIT		9,516	5,493
Financial income	12	1,882	653
Financial expenses	12	(1,121)	(1,305)
Financing gains/(losses)		761	(652)
Other income		176	48
Other expenses		(8,878)	(2,870)
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX		1,575	2,019
(Expenses)/income from prior years' error adjustment		(813)	(1,483)
PROFIT BEFORE TAX		762	536
Income tax expense	13	(463)	(309)
PROFIT FOR THE YEAR		299	227

The accompanying notes on pages 5 to 29 are an integral part of these financial statements.

The accompanying financial statements were authorized for issue on 16 March 2026 and shall be submitted to the Serbian Business Registers Agency.

Signed on behalf of the Association's management by:

 <hr/> Violeta Jovanovic Legal representative of the Association	 <hr/> Branko Drcevic Finance and Projects Director	 <hr/> Biljana Lazic Person responsible for the preparation of financial statements
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NATIONAL ALLIANCE FOR LOCAL
ECONOMIC DEVELOPMENT - NALED, BELGRADE

BALANCE SHEET
As of 31 December 2025
In RSD thousand

	Note	31 December 2025	31 December 2024
ASSETS			
Non-current assets			
Intangible assets	14	4,522	3,242
Property, plant and equipment	15	9,617	6,423
Long-term financial placements	16	2,754	2,754
		<u>16,893</u>	<u>12,419</u>
Current assets			
Advances paid for inventories and services		4,509	2,972
Trade receivables	17	38,569	23,749
Other receivables	18	29,164	26,856
Short term financial placement	19	20,000	30,000
Cash and cash equivalents	20	459,895	288,875
Short-term prepayments and accrued income	21	13,743	5,120
		<u>565,880</u>	<u>377,572</u>
TOTAL ASSETS		<u>582,773</u>	<u>389,991</u>
EQUITY AND LIABILITIES			
Equity			
Retained earnings		-	-
		<u>37,323</u>	<u>37,024</u>
		<u>37,323</u>	<u>37,024</u>
Current liabilities			
Short term provisions	22	1,432	1,432
Accounts payable	23	27,302	22,582
Other current liabilities	24	63,373	67,563
Taxes, contributions and other duties payable		-	23
Income tax payable		463	309
Short-term accruals and deferred income	25	452,880	261,058
		<u>545,450</u>	<u>352,967</u>
TOTAL EQUITY AND LIABILITIES		<u>582,773</u>	<u>389,991</u>

The accompanying notes on pages 5 to 29
are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

All amounts are expressed in RSD thousand, unless otherwise stated

1. CORPORATE INFORMATION

The association “National Alliance for Local Economic Development - NALED”, Belgrade (hereinafter: the “Association” or “NALED”), was founded on 6 June 2006, as a non-party and non-governmental association of citizens, with the aim of providing incentives to foreign direct investments, as well as permanent, stable and functional cooperation between representatives of the domestic economy and economic associations with potential foreign investors and units of local self-government for the purpose of improving the overall environment for stimulating local economic development in the Republic of Serbia.

Initially, the Association was organized in accordance with the provisions of the Law on Association of Citizens in Associations, Social Organizations and Political Organizations Established for the Territory of the SFRY (“SFRY Official Gazette”, no. 42/1990 and “FRY Official Gazette”, no. 24/1994, 28/1996 and 73/2000) and the provisions of the Law on Social Organizations and Citizens' Associations (“SRS Official Gazette” no. 24/1982, 39/1983, 17/1984, 50/1984, 45/1985 and 12/1989 and “RS Official Gazette”, no. 53/1993, 67/1993, 48/1994, 101/2005 and 51/2009), as positive legal regulations in the Republic of Serbia at the time of establishment of the Association.

After the entry into force of the Law on Associations (“RS Official Gazette”, no. 51/2009, 99/2011 and 44/2018), the Association harmonised the Statute with the provisions of the aforementioned Law.

On 24 February 2010, the Association was registered in the Register of Associations with the Serbian Business Registers Agency, pursuant to the Decision no. BU 1059/2010.

The founders of the Association are domestic natural persons residing in the Republic of Serbia.

The registered activity of the Association is 9499 - activity of other organizations based on membership.

The registration number of the Association is 17646877, and its tax identification number is 104478656.

The Association is classified as a small legal entity.

The Head (Executive) Office of the Association is situated in Belgrade, at 30 Makedonska Street.

As of 31 December 2025, the Association had 84 employees (31 December 2024: 70 employees).

The registered legal representative of the Association is Violeta Jovanovic, residing in Belgrade.

Pursuant to the Founding Act dated 28 March 2013, the Association founded the company “Expose” d.o.o. Belgrade, as the sole owner with 100% share in its capital (RSD 10 thousand).

The main activity of subsidiary is provision of consulting business services and other management advisory. On 2 April 2013, pursuant to the Decision no. BD 33784/2013 the subsidiary was registered in the Company Register with the Serbian Business Registers Agency.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

All amounts are expressed in RSD thousand, unless otherwise stated

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

2.1. Basis of Preparation and Presentation of the Financial Statements

Legal entities (including other legal entities and associations) and entrepreneurs in the Republic of Serbia are obliged to maintain their books of account, recognize and assess assets and liabilities, income and expenses, compile, submit and disclose their financial statements in accordance with the Law on Accounting (“RS Official Gazette”, no. 73/2019 and 44/2021) and other applicable laws and by-laws in the Republic of Serbia.

The accompanying financial statements of the Association as of and for the year ended 31 December 2025 have been prepared in accordance with the accounting regulations prevailing in the Republic of Serbia, based on the Law on Accounting and the Guidelines on the Manner of Recognition, Measurement, Presentation and Disclosure of Items in Separate Financial Statements of Micro and Other Legal Entities (“RS Official Gazette”, no. 89/2020). In accordance with the provisions of the Law on Accounting, the annual financial statements of other legal entities (and associations) include the balance sheet, income statement and notes to the financial statements.

The accompanying financial statements have been prepared on a historical cost basis.

These financial statements are the separate financial statements of the Association as of and for the year ended 31 December 2025, excluding receivables, liabilities and operating result of its subsidiary. The Association has no obligation to prepare consolidated financial statements.

The financial statements of the Association are presented in the format prescribed by the Rulebook on the Content and Form of Financial Statements and the Content and Form of the Statistical Report for Other Legal Entities (“RS Official Gazette”, no. 89/2020). This Rulebook legally defines the forms of financial statements and the content of items in these forms, as well as the minimum content of notes to the financial statements.

The Association’s financial statements are stated in thousands of Dinars (RSD), unless otherwise stated. The Dinar (RSD) is the functional and official reporting currency of the Association.

The principal accounting policies applied in the preparation of these financial statements are set out in Note 3.

The accounting policies and estimates adopted in the preparation of these financial statements are consistent with those followed in the preparation of the Association’s annual financial statements as of and for the year ended 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

All amounts are expressed in RSD thousand, unless otherwise stated

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS
(Continued)

2.2. Comparative Figures

Comparative figures represent data included in the audited financial statements as of and for the year ended 31 December 2024, prepared in accordance with the accounting regulations prevailing in the Republic of Serbia.

2.3. Going Concern Assumption

The financial statements of the Association have been prepared on a going concern basis, which implies that the Association will continue its operations in the foreseeable future, covering the period of at least twelve months from the date of the financial statements.

The management believes that the Association's ability to continue as a going concern will not be jeopardized in the foreseeable future despite the effects of the macroeconomic instability and geopolitical uncertainty, both on the global economy and the overall economic circumstances in the Republic of Serbia, as disclosed in more detail in Note 30.

2.4. Use of Estimates

The preparation of financial statements in accordance with the applicable financial reporting framework requires the application of certain key accounting estimates. It also requires management to exercise its judgement in the process of applying the Association's accounting policies. These estimates and related assumptions are based on information available as of the date of the preparation of the financial statements. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. If it is determined, through an examination, that there have been changes in the estimated value, the identified effects are recognised in the financial statements in the period when the change has occurred.

Areas that require a higher degree of judgment or complexity, or areas where assumptions and estimates are material to the financial statements are disclosed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2025

All amounts are expressed in RSD thousand, unless otherwise stated

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Sales Income

Income from sales of services is recognized at fair value of the service provided or to be provided, net of any contracted discounts. Income from services is recognized in the accounting period in which the services are rendered.

All expenses arising in the current period for the purposes of generating sales income are charged to the income statement.

3.2. Membership Fees

Income from membership fees is presented in the amount of calculated annual membership fees to legal entities, local government units and non-governmental organisations, as members of the Association.

3.3. Income from Donations

The amount of funds received through donations is initially recorded as deferred income within liabilities, i.e. accruals and deferred income, which is reduced by crediting the income statement in the period when costs related to the use of funds received from donations are charged to the income statement (Note 7).

Cash donations whose purpose is not strictly defined, covering a single accounting period and intended to cover the costs incurred by the Association during that period, are recognized within income in the accounting period in which they are received.

3.4. Interest Income and Expenses

Interest income is recognised on an accrual basis and credited to the income statement under financial income.

Interest expenses are recorded as an expense during the period in which they are incurred and recorded under financial expenses.

3.5. Operating Expenses

Operating expenses comprise costs incurred by generating the revenue from sales and include cost of material and energy, gross salaries, depreciation and amortisation expense, maintenance costs and cost of services provided by third parties.

Operating expenses also include non-material costs, such as the costs of insurance, bank charges, entertainment, taxes and other costs incurred in the current accounting period.

Operating expenses are recognised on an accrual basis in the actual amounts in the accounting period to which they relate.

Maintenance and repair costs of intangible assets and equipment are recognised as an expense of the accounting period in which they arise in actual amounts (Note 10).

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2025

All amounts are expressed in RSD thousand, unless otherwise stated

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.6. Foreign Currency Translation and Accounting Treatment of Exchange Gains/Losses and Effects of Foreign Currency Clause Application

The items included in the Association's financial statements are measured by using the currency of the primary economic environment in which the entity operates (functional currency). As disclosed in Note 2.1, the financial statements are stated in thousands of Dinars (RSD), which represents the functional and official reporting currency of the Association.

All assets and liabilities denominated in foreign currency at the balance sheet date are translated in their RSD equivalent by applying the official middle exchange rates of the National Bank of Serbia, prevailing at the reporting date (Note 32).

Foreign currency transactions occurred during the reporting period are translated into RSD equivalent at the official exchange rates of the National Bank of Serbia in effect at the date of each transaction.

Foreign exchange gains and losses arising upon the translation of assets, liabilities and transactions are credited or debited, as appropriate, to the income statement, as part of financial income, i.e. financial expenses.

Gains and losses arising upon translation of receivables and liabilities with the contracted foreign currency clause are also credited or debited as appropriate, to the income statement, as part of financial income, i.e. financial expenses.

3.7. Income Tax and Taxes and Contributions Not Related to Operating Result

(a) Income Tax

Income tax expense, i.e. the tax on the difference between income and expenses, represents the amount that is calculated and paid in accordance with the Corporate Income Tax Law applicable in the Republic of Serbia, and the relevant by-laws.

In accordance with Article 1 of this Law, other legal entities, including associations, are taxpayers of corporate income tax if they earn income from the sale of products on the market, or from rendering of services with fee compensation.

Tax on the difference between income and expenses is the amount calculated by applying the prescribed tax rate of 15% (2024: 15%) to the tax base reported in the annual tax balance, which represents the amount of pre-tax profit after adjustments for reconciliation of taxable income and expenses, in accordance with the tax regulations of the Republic of Serbia. The finally calculated tax liability may be reduced by determined tax credits.

The Corporate Income Tax Law of the Republic of Serbia does not envisage that any tax losses of the current period can be used to recover taxes paid within a specific previous period. However, the losses from the current period reported in the tax balance can be used to reduce the tax base for future accounting periods, but not longer than five ensuing years.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2025

All amounts are expressed in RSD thousand, unless otherwise stated

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.7. Income Tax and Taxes and Contributions Not Related to Operating Result (Continued)

(b) Taxes and Contributions Not Related to Operating Result

Taxes and contributions that are not related to the operating result comprise property tax (including tax on received donations, Note 3.8.), payroll taxes and contributions payable by the employer and various other taxes and contributions paid in accordance with the republic, municipal and general regulations.

These taxes and contributions are recorded within non-material costs (Note 11).

3.8. Tax on Received Donations

Article 14 of the Law on Property Taxes ("RS Official Gazette", no. 26/2001, 42/2002, 80/2002, 135/2004, 61/2007, 5/2009, 101/2010, 24/2011, 78/2011, 57/2012, 47/2013, 68/2014, 95/2018, 99/2018, 86/2019, 144/2020, 118/2021, 138/2022, 92/2023 and 94/2024) stipulates that the gift tax is paid on received funds, rights and items, unless the individual value of the received funds is less than RSD 100 thousand, or if the Law or an international treaty allows for tax exemption.

3.9. Employee Taxes and Contributions for Social Security

In accordance with the regulations prevailing in the Republic of Serbia, the Association is obliged to pay payroll taxes and contributions to various state social security funds that provide social security for employees. These obligations involve the payment of contributions on behalf of the employee and by the employer, in an amount calculated by applying the specific, legally-prescribed rates.

The Association is also legally obligated to withhold contributions from gross salaries to employees, and on their behalf to transfer the withheld portions directly to the appropriate government funds. The Association has no legal obligation to pay further benefits due to its employees by the state pension fund upon their retirement.

These taxes and contributions payable on behalf of the employee and employer are charged to expenses in the period in which they arise.

3.10. Long-term Financial Placements

Long-term financial placements relate to the equity investment in the subsidiary, solely founded by the Association ("Expose" d.o.o. Belgrade), and measured at cost.

The equity investment in the subsidiary is tested for impairment if there is an indication that its value may be impaired.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

All amounts are expressed in RSD thousand, unless otherwise stated

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11. Intangible Assets

Intangible assets of the Association relate to software purchased from third parties and other intangible assets.

Intangible assets are initially recognised at cost.

After the initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised over the period of 5 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

3.12. Property, Plant and Equipment

Property, plant and equipment of the Association include equipment and leasehold improvements.

Items of property, plant and equipment are initially recognised at cost.

Cost comprises the purchase price, and any directly-attributable costs of bringing the asset to working condition for its intended use.

Subsequent to the initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. The carrying value of the replaced asset is derecognised.

All other repairs and maintenance are charged to the income statement during the period in which they are incurred (Note 10).

Depreciation of equipment is calculated using the straight-line method to allocate the cost of assets over their estimated useful lives, as follows:

- Computers and computer equipment	25%
- Furniture and other equipment	10% - 15%
- Other equipment	20%
- Motor vehicles	10% - 50%

The depreciation of the equipment begins when the asset is put into use.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2025

All amounts are expressed in RSD thousand, unless otherwise stated

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12. Property, Plant and Equipment (Continued)

Gains/losses from the disposal or sale of assets are credited/debited to the income statement of the period the asset is disposed or sold, in the amount of the difference between the net inflow and the carrying value of the asset.

3.13. Financial Instruments

Financial assets and liabilities are recognised in the Association's balance sheet on the date upon which the Association becomes counterparty to the contractual provisions of a specific financial instrument.

Financial assets are initially recognised at cost representing the fair value increased by any directly attributable transaction costs, except for financial assets at fair value through profit and loss, when transaction costs are treated as the expenses of the period.

The Association has classified its financial assets in the category "Loans and Receivables". Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financial assets are derecognised when the Association loses control of the contractual rights governing cash flows from a financial asset, which occurs when the rights of use of such instruments have been realised, expired, abandoned and/or ceded.

Financial liabilities cease to be recognised when the Association fulfils the obligations, or when the contractual repayment obligation has either been cancelled or has expired.

(a) *Accounts Receivable*

After the initial recognition, accounts receivable are subsequently measured at amortized cost using the effective interest method, less allowance for impairment.

In the balance sheet of the Association, this category of financial assets includes current trade receivables and other receivables.

Trade receivables are recorded and measured at invoiced value net of allowance for impairment.

At the end of each reporting period the Association estimates the impairment of receivables. If there is objective evidence of impairment, the Association recognises an impairment loss in the income statement.

Impairment of receivables is recognized when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of receivables. The assessment of impairment of receivables is based on the ageing structure analysis and historical experience, and when the collection of the total amount or part of the receivable is no longer probable.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2025

All amounts are expressed in RSD thousand, unless otherwise stated

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.13. Financial Instruments (Continued)

(a) *Accounts Receivable (Continued)*

The carrying amount of the receivable is reduced through the use of an allowance account, and the amount of impairment loss is recognised as an expense in the income statement. When a receivable is uncollectible, it is written-off against the allowance for impairment of trade receivables.

Income from the reversal of impairment losses arising from subsequent recoveries and estimated collectability of receivables is recognised in the income statement.

(b) *Cash and Cash Equivalents*

Cash and cash equivalents are measured at nominal value.

(c) *Accounts Payable*

Trade payables and other current liabilities are measured at their nominal value due to the short-term nature of these receivables.

3.14. Leases

Association as a Lessee

Finance Lease

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership.

Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the 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 charged directly against income in interest expense. Leased assets are depreciated over the shorter of the estimated useful life of the assets and the lease term.

Operating Lease

A lease is classified as an operating lease if it does not transfer to the Association substantially all the risks and rewards incidental to ownership.

The total payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease (Note 10).

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2025

All amounts are expressed in RSD thousand, unless otherwise stated

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.15. Provisions and Contingencies

Provisions are recognized when the Association has a pending, present legal or contractual obligation as a result of a past event, and when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are estimated in the amount of expected expenditure based on which payments will be made in the following accounting periods.

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes to the financial statements (Note 28), unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

3.16. Related Party Disclosures

For the purposes of these financial statements, legal entities are treated as related parties if one legal entity has the ability to control another legal entity or has a significant influence on the financial and business decisions of another entity. The relations between the Association and its related party are regulated on a contractual basis and on market terms.

Outstanding balances of receivables and payables at the reporting date, as well as transactions carried out during the reporting periods with related parties are disclosed separately in notes to the financial statements (Note 26).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in accordance with the accounting regulations prevailing in the Republic of Serbia requires the Association's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as income and expenses for the reporting period.

These estimations and related assumptions are based on information available as of the date of preparation of the financial statements. Actual results could differ from those estimates. These estimates and underlying assumptions are reviewed on an ongoing basis, and changes in estimates are recognized in the income statement of the periods in which they become known.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2025

All amounts are expressed in RSD thousand, unless otherwise stated

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1. Useful Lives of Intangible Assets, Property, Plant and Equipment

Intangible assets and equipment are amortised or depreciated over their useful lives. Useful lives are based on the management's estimates of the period in which the assets will generate revenue.

Assessment is performed periodically by the Association's management and they carry out the appropriate changes, if the need arises. Changes to estimates can result in significant variations in the carrying value of assets and amounts charged to the income statement in specific periods.

As an example, if the Association was to shorten the average useful life of these assets by 10%, this would result in an additional amortisation and depreciation expense of approximately RSD 402 thousand for a twelve-month period.

4.2. Impairment of Non-Financial Assets

At each reporting date, the Association's management reviews the carrying amounts of the Association's intangible assets and equipment presented in the financial statements. If there is any indication that such assets have been impaired, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

An impairment review requires management to make subjective judgments concerning the cash flows, growth rates and discount rates of the cash generating units under review.

4.3. Impairment of Trade Receivables and Other Receivables

The Association calculates impairment for doubtful receivables based on estimated losses resulting from the inability of its customers to make required payments.

When evaluating the amount of impairment losses for doubtful receivables, the Association bases its estimates on the ageing structure of receivables, historical experience, customer's creditworthiness and changes in payment pattern. These involve assumptions about future customer behaviour and the resulting future cash collections.

The actual level of receivables collected may differ from the estimated levels of recovery, which could impact operational results positively or negatively.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

All amounts are expressed in RSD thousand, unless otherwise stated

5. SALES OF SERVICES

	2025	2024
Sales of services on domestic market	63,016	157,984
Sales of services on foreign markets	125,709	62,258
Total	188,725	220,242

The Association provides consulting services to external parties. Income generated from these services is subject to taxation in accordance with the effective Corporate Income Tax Law of the Republic of Serbia (Note 3.7(a)).

Income from sales of services in 2025 is related to the services of organizing and conducting training, providing legal assistance and consulting to the following institutions and legal entities:

- Philip Morris Production SA in the amount of RSD 57,611 thousand;
- European Bank for Reconstruction and Development in the amount of RSD 27,807 thousand;
- EPTISA SEE doo in the amount of RSD 13,186 thousand;
- VISA in the amount of RSD 12,549 thousand;
- Mastercard in the amount of RSD 12,549 thousand;
- The Office for Information Technologies and eGovernment in the amount of RSD 9,247 thousand;
- ASPIRO in the amount of RSD 5,599 thousand;
- Council of Europe Development Bank (CEB) in the amount of RSD 4,819 thousand;
- IBF Brussels in the amount of RSD 4,086 thousand;
- GIZ Belgrade in the amount of RSD 3,721 thousand;
- TAG UK in the amount of RSD 3,107 thousand;
- Deloitte Consulting LLP in the amount of RSD 3,023 thousand;
- Other legal entities in the amount of RSD 19,019 thousand; and
- Sponsorship services provided to some members of the Association at an event "September Encounters" and NALED's General Meeting in the amount of RSD 12,402 thousand.

6. INCOME FROM MEMBERSHIP FEES

	2025	2024
Membership fees from:		
- Companies	66,600	69,690
- Cities and municipalities - units of local self-government and regulatory bodies	35,810	35,207
- Non-governmental organisations	4,045	1,242
Total	106,455	106,139

In 2025, the number of members decreased from 357, which was the number of members at the end of 2024, to 325, which was the number at the end of 2025.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

All amounts are expressed in RSD thousand, unless otherwise stated

7. INCOME FROM DONATIONS, GRANTS AND SUBSIDIES

	2025	2024
Income from foreign donations	265,231	294,846
Income from domestic donations	133,739	70,764
Income from co-financing	-	1,766
Total	398,970	367,376

Income from donations in 2025 relates to cash donations provided by:

- The Swedish International Development Cooperation Agency (SIDA) in the amount of RSD 166,178 thousand;
- Philip Morris Operations (PMI) a.d. Nis in the amount of RSD 101,268 thousand;
- The European Union in the amount of RSD 28,493 thousand;
- The Government of the United Kingdom in the amount of RSD 27,519 thousand;
- The German Agency for International Cooperation (GIZ) in the amount of RSD 15,649 thousand;
- United Nations Development Program in the amount of RSD 9,016 thousand;
- The Ministry of Regional Development and EU Funds of the Republic of Croatia in the amount of RSD 8,893 thousand;
- Climate-KIC Holding B.V. in the amount of RSD 7,280 thousand;
- Novo Nordisk Pharma d.o.o. Belgrade in the amount of RSD 5,010 thousand;
- Nanoinspekt d.o.o. Belgrade in the amount of RSD 4,059 thousand; and
- Other donors in the amount of RSD 25,605 thousand.

Donations were intended to finance several projects during 2025.

Income from donations is recognized in the amount of expenses incurred.

In 2025, the Association released deferred income in the amount of RSD 351,298 thousand (2024: RSD 349,833 thousand) ((see Note 25).

8. COST OF MATERIAL AND ENERGY

	2025	2024
Processing material	350	1,365
Tools and inventory	3,602	728
Other overhead material	3,046	746
Spare parts	287	247
Fuel and energy	3,852	3,523
Cost of tools and inventory written-off	369	611
Total	11,506	7,220

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

All amounts are expressed in RSD thousand, unless otherwise stated

**9. SALARIES, COMPENSATION AND OTHER
PERSONAL EXPENSES**

	2025	2024
Gross salaries and compensations	276,178	282,034
Compensations for temporary service contracts	8,217	6,557
Compensations for authorship contracts	7,298	7,191
Remuneration to physical persons arising from other contracts	4,803	1,672
Other personal expenses	32,486	30,774
Total	328,982	328,228

Gross salaries and compensations in 2025 remained almost at the same level as in 2024, which is in line with the employment dynamics during the year and changes in the employee structure.

10. COST OF PRODUCTION SERVICES

	2025	2024
Lease of business premises and equipment	19,493	18,954
Marketing and advertising	22,331	32,923
Cost of transportation, postal and telecommunications services	6,461	6,879
Maintenance costs	3,578	4,117
Fairs	637	1,076
Other production services	454	526
Total	52,954	64,475

11. NON-MATERIAL COSTS

	2025	2024
Legal and advisory services	190,505	156,059
Event organisation costs	59,322	64,195
Representation	3,907	5,796
Audit and services of translators	6,321	7,055
Insurance premiums	3,080	2,744
Bank charges	1,311	1,334
Indirect taxes and membership fees	168	147
Other non-production services	22,487	44,791
Total	287,101	282,121

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

All amounts are expressed in RSD thousand, unless otherwise stated

11. NON-MATERIAL COSTS (Continued)

Costs of legal and advisory services increased in 2025 due to a higher number of activities that required the expertise of external consultants.

Non-material costs include certification expenses incurred in related party transactions in the amount of RSD 1,016 thousand (Note 26(a)).

Other non-production services in 2025 mostly relate to the costs of programme developers for project purposes.

12. FINANCIAL INCOME AND EXPENSES

	2025	2024
Foreign exchange gains and gains arising from foreign currency clause application	538	24
Interest income	1,344	629
Total	1,882	653
Foreign exchange losses and losses arising from foreign currency clause application	(1,121)	(1,305)
Total	(1,121)	(1,305)
Financing gains/(losses)	761	(652)

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

All amounts are expressed in RSD thousand, unless otherwise stated

13. INCOME TAX EXPENSE

(a) Components of Income Taxes on the Difference between Income and Expenses - Profit before Tax

	2025	2024
Income tax expense	463	309
Total	463	309

(b) Numerical Reconciliation of Income Tax Expense and Profit before Tax Multiplied by the Income Tax Rate

	2025	2024
Income earned on the market from		
sales of services	188,725	220,242
Rental income	368	85
Interest income	1,344	629
	190,437	220,956
Expenses incurred in relation to income earned on the market:		
- costs of material	(3,147)	(2,296)
- salaries and compensations	(89,977)	(104,376)
- amortisation and depreciation expense	(1,218)	(1,892)
- other operating expenses	(93,006)	(110,330)
	(187,348)	(218,894)
Tax base	3,089	2,062
Tax expense calculated at the statutory rate of 15%	463	309
Income tax expense reported in the income statement	463	309

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

All amounts are expressed in RSD thousand, unless otherwise stated

14. INTANGIBLE ASSETS

	Software	Other intangible assets	Total
COST			
Balance as of 1 January 2024	10,319	2,267	12,586
Additions during the year	-	-	-
Balance as of 31 December 2024	<u>10,319</u>	<u>2,267</u>	<u>12,586</u>
Additions during the year	2,053	515	2,568
Balance as of 31 December 2025	<u>12,372</u>	<u>2,782</u>	<u>15,154</u>
ACCUMULATED AMORTISATION			
Balance as of 1 January 2024	6,644	1,486	8,130
Amortisation expense	761	453	1,214
Balance as of 31 December 2024	<u>7,405</u>	<u>1,939</u>	<u>9,344</u>
Amortisation expense	1,038	250	1,288
Balance as of 31 December 2025	<u>8,443</u>	<u>2,189</u>	<u>10,632</u>
CARRYING VALUE AS OF:			
- 31 December 2025	<u>3,929</u>	<u>593</u>	<u>4,522</u>
- 31 December 2024	<u>2,914</u>	<u>328</u>	<u>3,242</u>

The cost of fully amortised intangible assets as of 31 December 2025 amounts to RSD 6,917 thousand (31 December 2024: RSD 5,807 thousand).

Based on the Association's management estimate, there are no indications that intangible assets are impaired at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

All amounts are expressed in RSD thousand, unless otherwise stated

15. PROPERTY, PLANT AND EQUIPMENT

	<u>Equipment</u>	<u>Leasehold improve- ments</u>	<u>Total</u>
COST			
Balance as of			
1 January 2024	29,082	7,087	36,169
Additions during the year	234	-	234
Balance as of			
31 December 2024	<u>29,316</u>	<u>7,087</u>	<u>36,403</u>
Additions during the year	6,361	-	6,361
Balance as of			
31 December 2025	<u>35,677</u>	<u>7,087</u>	<u>42,764</u>
ACCUMULATED DEPRECIATION			
Balance as of			
1 January 2024	19,588	7,087	26,675
Depreciation expense	3,305	-	3,305
Balance as of			
31 December 2024	<u>22,893</u>	<u>7,087</u>	<u>29,980</u>
Depreciation expense	3,167	-	3,167
Balance as of			
31 December 2025	<u>26,060</u>	<u>7,087</u>	<u>33,147</u>
CARRYING VALUE AS OF:			
- 31 December 2025	<u>9,617</u>	<u>-</u>	<u>9,617</u>
- 31 December 2024	<u>6,423</u>	<u>-</u>	<u>6,423</u>

The Association did not have assets under finance lease as of 31 December 2025 and 2024.

The cost of fully depreciated equipment as of 31 December 2025 amounts to RSD 19,056 thousand (31 December 2024: RSD 21,877 thousand).

Based on an Association's management estimate, there are no indications that property, plant and equipment of the Association are impaired at the reporting date.

16. LONG-TERM FINANCIAL PLACEMENTS

Long-term financial placements totalling RSD 2,754 thousand as of 31 December 2025 (31 December 2024: RSD 2,754 thousand) are related to the deposit paid to the company "Lion Belf" d.o.o. Belgrade for the lease of business premises where the Association's Executive Office is situated (Eurocentar building at Makedonska 30, Belgrade).

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

All amounts are expressed in RSD thousand, unless otherwise stated

17. TRADE RECEIVABLES

	2025	2024
Domestic trade receivables	19,331	8,064
Foreign trade receivables	19,238	15,685
Balance as of 31 December	38,569	23,749

Domestic trade receivables as of 31 December 2025 relate to the receivables from EPTISA SEE d.o.o. Belgrade in the amount of RSD 15,820 thousand, the Ministry of Information and Telecommunications in the amount of RSD 1,523 thousand and German Agency for International Cooperation (GIZ) in the amount of RSD 1,988 thousand.

Foreign trade receivables as of 31 December 2025 relate to receivables from Philip Morris Products S.A. Neuchâtel in the amount of RSD 12,378 thousand, Philip Morris International IT Service in the amount of RSD 6,333 thousand and Management 4Health in the amount of RSD 527 thousand.

During the year the Association wrote off uncollectible receivables in the amount of RSD 8,031 thousand, which is charged to the income statement under other expenses.

For outstanding trade receivables stated as of 31 December 2025 and not collected until the date of preparation of the accompanying financial statements, the Association estimated their recoverability. It is expected that they will be fully collected.

18. OTHER RECEIVABLES

Other receivables totalling RSD 29,164 thousand as of 31 December 2025 (31 December 2024: RSD 26,856 thousand) comprise:

- Receivables from donors for completed project deliverables, for which the payment is expected in the following year in the amount of RSD 27,527 thousand;
- Interest receivable in the amount of RSD 74 thousand;
- Receivables for sick leave reimbursements from the Republic Health Insurance Fund in the amount of RSD 29 thousand;
- Receivables for reimbursable salary compensations in the amount of RSD 1,001 thousand; and
- Receivables for membership fees in the amount of RSD 533 thousand.

19. SHORT-TERM FINANCIAL INVESTMENTS

Short-term financial investments as of 31 December 2025 amount to RSD 20,000 thousand and completely relate to a fixed-term RSD deposit with a commercial bank. The funds are deposited for a period between 22 December 2025 and 22 January 2026 at an annual interest rate of 4.30%.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

All amounts are expressed in RSD thousand, unless otherwise stated

20. CASH AND CASH EQUIVALENTS

	2025	2024
Current accounts:		
- in RSD	164,652	154,354
- in foreign currency	295,243	134,521
Balance as of 31 December	459,895	288,875

21. SHORT-TERM PREPAYMENTS AND ACCRUED INCOME

	2025	2024
Accrued income from services	9,937	-
Prepaid expenses	4,205	3,245
Other accruals	1,583	3,329
Less: Allowance for impairment	(1,982)	(1,454)
Balance as of 31 December	13,743	5,120

22. SHORT-TERM PROVISIONS

Short-term provisions as of 31 December 2025 amount to RSD 1,432 thousand (31 December 2024: RSD 1,432 thousand) and completely relate to the provisions for retirement benefits.

The Association has made a provision for a retirement benefit in the amount of three average gross salaries of an employee who is going to retire in the upcoming period.

23. ACCOUNTS PAYABLE

	2025	2024
Advances received	10,321	13,641
Domestic trade payables - subsidiary (Note 26(b))	310	2,325
Domestic trade payables	15,817	6,616
Foreign trade payables and other payables	854	-
Balance as of 31 December	27,302	22,582

Advances received as of 31 December 2025 mostly relate to the liabilities towards the following customers: VISA in the amount of RSD 3,223 thousand and EPTISA SEE d.o.o. Belgrade in the amount of RSD 6,809 thousand.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

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24. OTHER CURRENT LIABILITIES

	2025	2024
Liabilities for net salaries and compensations	34,143	39,071
Payroll taxes on behalf of employee	5,083	5,619
Payroll contributions on behalf of employee	13,786	13,710
Payroll taxes and contributions on behalf of the employer	9,181	9,122
VAT payables	1,178	-
Other liabilities	2	41
Balance as of 31 December	63,373	67,563

25. SHORT-TERM ACCRUALS AND DEFERRED INCOME

	2025	2024
Deferred income from donations from foreign partners	147,007	83,240
Deferred income from donations from domestic partners	285,932	129,677
Accrued expenses and other accruals	10,417	1,105
Other deferred income	9,524	47,036
Balance as of 31 December	452,880	261,058

Deferred income from donations as of 31 December 2025 relates to donations from the following foreign and domestic partners:

- The Swedish International Development Agency (SIDA) - RSD 209,796 thousand;
- Philip Morris Operations (PMI) a.d. Nis - RSD 111,962 thousand;
- The German Agency for International Cooperation (GIZ) - RSD 74,811 thousand;
- The Ministry of Science, Technological Development and Innovation - RSD 19,661 thousand; and
- Other local and foreign partners - RSD 16,709 thousand.

Movements in *deferred income from donations* during the year were as follows:

	2025	2024
Balance as of 1 January	212,917	279,545
Donations received during the year	596,795	413,495
Released to the income statement (Note 7)	(351,298)	(349,833)
Funds transfer to grantees	(25,475)	(130,290)
Balance as of 31 December	432,939	212,917

Deferred income of the future period as of 31 December 2025 is mainly related to Philip Morris Products S.A. Neuchâtel in the amount of RSD 5,081 thousand.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

All amounts are expressed in RSD thousand, unless otherwise stated

26. RELATED PARTY TRANSACTIONS

The Association considers the subsidiary “Expose” d.o.o. Belgrade to be its related party. The Association is the founder and the sole owner of “Expose” d.o.o. Belgrade.

Transactions with the subsidiary “Expose” d.o.o. Belgrade are presented in the following tables:

- (a) Transactions with the related party, i.e. expenses incurred during the years ended 31 December 2025 and 2024, are summarized below:

	2025	2024
EXPENSES		
Certification expenses (Note 11)	1,016	234
Net expenses	1,016	234

- (b) Outstanding accounts payable as of 31 December 2025 and 2024 arising from related party transactions are presented in the table below:

	2025	2024
LIABILITIES		
Trade payables (Note 23)	310	2,325
Balance as of 31 December	310	2,325

- (c) Gross salaries and compensations of the key management personnel of the Association (CEO and seven managers in 2025) in 2025 and 2024 are presented in the table below:

	2025	2024
Gross salaries and compensations	79,013	76,659
Total	79,013	76,659

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

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27. COMMITMENTS

The Association's commitments arising from the operating lease of business premises are as follows:

	2025	2024
Up to one year	14,170	11,640
From one to three years	28,340	23,280
Balance as of 31 December	42,510	34,920

28. CONTINGENT LIABILITIES

As of 31 December 2025, the Association is not involved as a defendant in any litigation, whose outcome could have an adverse effect on the Association's performance in the upcoming period.

29. TAX RISKS

In the ordinary course of business, the Association enters into business transactions with its subsidiary. When preparing the accompanying financial statements, the Association has not recognized the effects of transfer pricing to the calculated income tax, as it considers that transactions with the subsidiary are carried out under market conditions. Therefore, in accordance with the tax laws of the Republic of Serbia, the Association is obliged to submit to the Tax Administration a tax balance and accompanying forms (together with transfer pricing documentation in abbreviated form) within 180 days from the expiration of the period for which the tax liability is determined.

In addition, the interpretation of tax laws by tax and other relevant authorities in relation to the transactions and activities of the Association may be different from the interpretation of the management of the Association. There is uncertainty whether the interpretations of the management of the Association and the accompanying documentation are sufficient and whether they correspond to the demands and interpretations of tax and other authorities.

The management of the Association believes that different interpretations cannot have material effects on the Association's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2025

All amounts are expressed in RSD thousand, unless otherwise stated

30. IMPACT OF THE GLOBAL MACROECONOMIC INSTABILITY AND GEOPOLITICAL UNCERTAINTY ON THE ASSOCIATION'S BUSINESS ACTIVITY

Since early March 2022, there has been increased instability in global financial and commodity markets due to the escalation of the conflict in Ukraine, which is still ongoing and has been accompanied by imposing sanctions on certain Russian companies and individuals. In addition, a Middle Eastern conflict between Israel and Palestine began in October 2023, which further escalated due to the attack by the United States and Israel on Iran at the end of February 2026.

have resulted in multiple issues affecting the stability of the global economy - rising rates of inflation, increased oil prices, energy instability, and uncertainty in the global banking sector noted among other matters. These factors may have significant financial effects on many entities. These include entities with physical operations in those affected areas and sectors as well as indirect interests (e.g. suppliers and customers, investors and lenders).

In relation to the aforementioned conflicts, there were no adverse effects on the Association's operations in 2025 nor does management expect a significant direct impact thereof in the following period. On the other hand, due to the continuation of the geopolitical uncertainty and macroeconomic instability, additionally triggered by tariffs imposed by the USA to numerous countries, a further negative impact on the global economy can be expected, especially on energy prices, fluctuations in exchange rates, interest rates, stock market activities, supply chain disruptions and increased inflationary pressures, which may indirectly affect the Association's business activity.

USAID, one of the largest donor organisations, was shut down in early 2025 setting off a wave of changes in aid policies across a large number of donor organisations.

Closing down USAID affected the Association's business activity in 2025 to a certain degree. USAID participation in the Association's funding from 2022 to 2024 was below 5%, whereas a share of USAID-funded projects in the 2025 funding plan was below 4%. Therefore, the Association was able to compensate for the loss of these funds from other sources.

The management carefully monitors and assesses the potential impact of the global macroeconomic instability on the economic circumstances in the country, and undertakes all necessary measures to ensure the stability of the Association's business operations. However, future effects cannot be predicted with reasonable certainty.

Based on the currently available information and the assessment of the realisation of the plans, the management believes that the current situation will not have an adverse effect on the activity of the Association, nor on its liquidity standing, which is stable, and that it will not jeopardize the Association's ability to continue as a going concern in the foreseeable future.

31. EVENTS AFTER THE REPORTING PERIOD

There were no significant events subsequent to the reporting date, which would require disclosures in the notes to the accompanying financial statements of the Association as of and for the year ended 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

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32. EXCHANGE RATES

The official middle exchange rates of the National Bank of Serbia for the major currencies, used in the translation of balance sheet items denominated in foreign currencies as of 31 December 2025 and 2024 into the functional currency (RSD), were as follows:

	<u>2025</u>	<u>2024</u>
EUR	117.2820	117.0149
USD	99.9165	112.4386

Belgrade, 16 March 2026

 Violeta Jovanovic Legal representative of the Association	 Branko Drcelic Finance and Projects Director	 Biljana Lazic Person responsible for the preparation of financial statements
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