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Association for the Fight Against Corruption "TRANSPARENCY INTERNATIONAL" IN BOSNIA AND HERZEGOVINA

FINANCIAL STATEMENTS FOR YEAR 2025 WITH INDEPENDENT AUDITOR'S REPORT

Banja Luka, March 2026



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COURT INTERPRETER FOR THE ENGLISH LANGUAGE
Vojislav Boljanić
BANJA LUKA
STALNI SUDSKI TUMAČ ZA ENGLESKI JEZIK

INDEPENDENT AUDITOR'S OPINION

ASSOCIATION FOR THE FIGHT AGAINST CORRUPTION
"TRANSPARENCY INTERNATIONAL" IN BOSNIA AND HERZEGOVINA
BANJA LUKA
To:
- Association's assembly and management

Opinion

We have audited the enclosed financial statements of the Association for the Fight against Corruption "Transparency International" in Bosnia and Herzegovina, which comprise the Balance Sheet as at 31 December 2025, the related Income Statement, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, as well as a summary of significant accounting policies and notes to the financial statements.

In our opinion, the enclosed financial statements present a true and fair view of the financial position as at 31 December 2025 and of the financial performance and cash flows for the period then ended, in accordance with International Accounting Standards and International Financial Reporting Standards.

Basis for opinion

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 Association in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as well as the ethical requirements that are relevant to our audit of financial statements in Republika Srpska / Bosnia and Herzegovina, 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.

Other matters

We conducted a review of the special-purpose financial statement relating to the execution of the grant budget approved by the donor, the Swedish International Development Cooperation Agency (SIDA), under grant reference SIDA–16792, represented by the Swedish Embassy in Sarajevo, covering the period from 1 January 2025 to 31 December 2025.

The funds subject to audit for the second reporting period consist of SEK 3,350,000 (EUR 598,630.58) remitted by the Swedish International Development Cooperation Agency (SIDA) and SEK 2,784,830 (EUR 495,761.07) remitted by the Danish Ministry of Foreign Affairs (DMFA).

The planned SIDA budget for the second reporting period amounted to BAM 556,124.00 (EUR 284,341.69), while actual implementation totalled BAM 407,109.84.

resulting in a variance of BAM 149,014.16. The donor proposed that this amount be deducted from the tranche planned for 2026. The variance between remitted and planned funds arose from exchange rate differences incurred upon payment of the tranche in the amount of BAM 41,706.58, as well as bank conversion fees of BAM 800.00. The amount attributable to exchange rate differences was carried forward to the subsequent reporting period.

Regarding the funds remitted by the Ministry of Foreign Affairs of Denmark (MFA Denmark), the planned budget for the first reporting period amounted to BAM 488,449.56 (EUR 249,740.29), while actual implementation totalled BAM 398,075.15. Unspent funds of BAM 90,374.41 will be implemented in 2026. The variance between remitted and planned funds arose from exchange rate differences of BAM 6,567.87, as well as bank conversion fees of BAM 743.64. The amount attributable to exchange rate differences was carried forward to the subsequent reporting period.

In our opinion, the Project costs have been presented fairly and accurately, with each expenditure of budgeted funds duly documented and categorised by type, nominal amount and nature. The accounting records substantiate the nominal amounts of disbursed grant funds, the expenditure items and their classification, as well as the related payments, in accordance with the terms agreed with the grant provider.

Key audit matters

Key audit matters relate to assurances regarding compliance with tax regulations (calculation and payment of liabilities to the budget/funds), as well as adherence to the conditions set by the donor, which constitute a key aspect of the Association's operations. These matters have been addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon; however, no separate opinion is expressed on these matters.

1. Fair and true presentation of donor-approved funds

In 2025, the Association received funding from multiple donors. Upon receipt of donations, the Association entered into agreements that clearly defined the conditions to be met regarding the justification of the funds received. In recording these donations, the Association applied the relevant accounting and financial reporting standards governing this area. Management believes that these transactions have been presented appropriately in the financial statements.	The audit procedures performed included a review of the agreements concluded with donors and the requirements the Association was obliged to meet in order to account for the funds received. Using a sampling method, selected projects were examined to verify the justification of expenditures and their recognition in the Association's financial statements. Exchange rate variances were analysed, given that certain donations were accounted for in currencies other than EUR (e.g. SEKT, etc.). The release of deferred income into the Association's regular income was reviewed in accordance with *IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance*.

	Based on the analysis performed, we obtained reasonable assurance that the balance sheet items used to track the funds received through donations, and their expenditure, have been presented accurately.

Management's Responsibility for the Financial Statements

The Association's management is responsible for the preparation and fair presentation of these financial statements, including their appropriate and timely disclosure. This responsibility includes the establishment and maintenance of adequate accounting records in accordance with the applicable laws of Bosnia and Herzegovina and Republika Srpska, the design and operation of internal controls relevant to the preparation of financial statements free from material misstatement, the selection and consistent application of appropriate accounting policies, and the timely assessment of assets and equity, in line with the principles set out in International Accounting Standards and International Financial Reporting Standards.

Management's responsibility also extends to compliance with applicable legal provisions, including those governing accounting, taxation and other laws relevant to the Association's operations.

Furthermore, management is responsible for adherence to internal decisions adopted in accordance with the Association's governing regulations, which includes safeguarding the integrity of assets.

Auditor's responsibility

Our objective is to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether arising from fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance represents a high level of assurance, but it 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 may result from fraud or error and are considered material if, individually or in 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 conducted in accordance with International Standards on Auditing, we exercised professional judgement and maintained professional scepticism throughout the engagement. We also:

- Identified and assessed the risks of material misstatement in the financial statements, whether arising from fraud or error;
- Designed and performed audit procedures responsive to those risks, and obtained sufficient and appropriate audit evidence 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;
- Obtained an understanding of internal control relevant to the audit in order to

design audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;

- Evaluated the appropriateness of accounting policies applied and the reasonableness of accounting estimates and related disclosures made by management;
- Concluded on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists in relation 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 operating as a going concern;
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements reflect the underlying transactions and events in a manner that achieves a true and fair view;
- Communicated 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 identified during the audit;
- Provided a statement confirming our compliance with relevant ethical requirements regarding independence, as well as with other matters that may reasonably be expected to bear on our independence, and, where applicable, the related safeguards.

The audit process resulting in this independent auditor's report involved the engagement of Milan Blagojević, a certified auditor holding a valid licence.

No. 33/26
Banja Luka, 27 March 2026

Certified auditor:
Milan Blagojević

Auditing and Tax Counselling Firm
ADITON d.o.o.
Banja Luka
Bosnia and Herzegovina

AUTHORISED COURT INTERPRETER FOR THE ENGLISH LANGUAGE
Vojislav Boljanić
BANJA LUKA
STALNI SUDSKI TUMAČ ZA ENGLESKI JEZIK

FINANCIAL STATEMENT FORMS FOR YEAR 2025

BALANCE SHEET

(Statement of Financial Position)
as at 31/12/2025

-BAM

Account No.	ITEM	AOP Code	Note	Gross	Allowance	Net	Previous year amounts (PS)
	ON-BALANCE SHEET ASSETS A. NON-CURRENT ASSETS (002+008+015+016+017+022+034)	001		361,891	259,113	102,778	119,073
01	I INTANGIBLE ASSETS (003 through 007)	002		145,913	100,706	45,207	59,513
010, part 019	1. Research and development	003					
011, 013, part 019	2. Concessions, patents, licences and similar rights	004	1	145,913	100,706	45,207	59,513
012, part 019	3. Goodwill	005					
014, part 019	4. Other intangible assets	006					
015, 016 and part 019	5. Advances and intangible assets under preparation	007					
02	II PROPERTY, PLANT AND EQUIPMENT (009 through 014)	008		215,978	158,407	57,571	59,560
020, part 029	1. Land	009					
021, part 029	2. Buildings	010					
022, part 029	3. Plant and equipment	011	2	215,978	158,407	57,571	59,560
023, part 029	4. Other property, plant and equipment	012					
024, part 029	5. Investment in not one's own property, plant and equipment	013					
025, 026, part 029	6. Advances and property, plant and equipment under preparation	014					
03	III INVESTMENT PROPERTIES	015					
04	IV LEASED ASSETS	016					
05	V BIOLOGICAL ASSETS (018 through 021)	017					
050, part 059	1. Forests	018					
051, part 059	2. Plantations	019					
052, 053, part 059	3. Livestock and other biological assets	020					
055, 056 and part 059	4. Advances and biological assets under preparation	021					
06	VI LONG-TERM FINANCIAL INVESTMENTS (023+024+025+030+033)	022					
060, part 069	1. Investments in subsidiaries	023					
061, part 069	2. Investments in associates and joint ventures	024					
part 06	3. Financial assets at amortised value (026 through 029)	025					
062, part 069	3.1. Long-term loans to related legal entities	026					
063, part 069	3.2. Long-term loans – domestic	027					
064, part 069	3.3. Long-term loans - foreign	028					
065, part 069	3.4. Other financial assets at amortised cost	029					
part 06	4. Financial assets at fair value through other total results (031+032)	030					
066, part 069	4.1. Equity instruments	031					
067, part 069	4.2. Debt instruments	032					
068, part 069	5. Receivables from finance leases	033					

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BALANCE SHEET

(Statement of Financial Position)
as at 31/12/2025 – Contd.

-BAM

Account No.	ITEM	AOP Code	Note	Gross	Allowance	Net	Previous year amounts (PS)
07 and 08	VII OTHER LONG-TERM ASSETS AND ACCRUALS	034					
090	B. DEFERRED TAX ASSETS	035					
	C. CURRENT ASSETS (037 + 044)	036		1,307,334	0	1,307,334	510,595
10 through 15	I INVENTORIES, NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS ASSETS (038 through 043)	037		20,604	0	20,604	20,681
100 through 109	1. Materials on stock	038					
110 through 119	2. Work in progress, semi-finished products and services in progress	039					
120 through 129	3. Finish products on stock	040					
130 through 139	4. Goods on stock	041					
140 through 149	5. Non-current assets held for sale and discontinued operations assets	042					
150 through 159	6. Prepayments	043	3	20,604	20,604	20,681	
	II SHORT-TERM ASSETS EXCLUDING INVENTORIES AND NON-CURRENT ASSETS HELD FOR SALE (045 + 052 + 061 + 064 + 065)	044		1,286,730	0	1,286,730	489,914
	1. Short-term receivables (046 through 051)	045	4	43,299	0	43,299	28,823
200, part 209	1.1. Trade receivables – associated legal entities	046					
201,202,203, part 209	1.2. Domestic trade receivables	047		506		506	506
204, part 209	1.3. Foreign trade receivables	048		5,351		5,351	1,438
group 21, except 214	1.4. Receivables from specific business operations	049					
group 22, except 224	1.5. Other short-term receivables	050		33,842		33,842	23,279
224	1.6. Receivables for overpaid corporate income tax	051		3,600		3,600	3,600
	2. Short-term financial investments (053 + 058 + 059 + 060)	052					
	2.1. Financial assets at amortised cost (054 through 057)	053					
230, part 238	a) Short-term loans to related legal entities	054					
231, part 238	b) Short-term domestic loans	055					
232, part 238	c) Short-term foreign loans	056					
233, part 238	d) Other financial assets at amortised cost	057					
235 and 236	2.2. Financial assets at fair value through profit or loss	058					
234, 239	2.3. Receivables from finance leases	059					
214	2.4. Derivative financial assets	060					
24	3. Cash equivalents and cash (062 + 063)	061		1,243,431	0	1,243,431	461,091
240, part 249	3.1. Cash equivalents	062					
241 through 249	3.2. Cash	063	5	1,243,431		1,243,431	461,091
270 through 279	4. Value-added tax	064					

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BALANCE SHEET

(Statement of Financial Position)
as at 31/12/2025 – Contd.

-BAM

Account No.	ITEM	AOP Code	Note	Gross	Allowance	Net	Previous year amounts (PS)
280 through 289	5. Short-term accruals	065					
	D. ON-BALANCE SHEET ASSETS (001 + 035 + 036)	066		1,669,225	259,113	1,410,112	629,668
880 through 888	E. OFF-BALANCE SHEET ASSETS	067					

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BALANCE SHEET

(Statement of Financial Position)
as at 31/12/2025 – Contd.

-BAM

Account No.	ITEM	AOP Code	Note	Current year	Previous year
	ON-BALANCE SHEET LIABILITIES A. EQUITY (102 - 110 + 113 - 114 + 115 + 119 + 122 - 123 + 124 - 128+ 131)	101	6	188,583	130,341
30	I SHARE CAPITAL (103 + 106 + 107 + 108 + 109)	102			
300	1. Equity capital – ordinary shares (104 + 105)	103			
	1.1. Equity capital – ordinary shares	104			
	1.2. Equity capital – preferred (priority) shares	105			
302	2. Stakes in limited liability companies	106			
304	3. Stakes	107			
305	4. Capital owned by state	108			
309	5. Other shared capital	109			
31	II REPURCHASED OWN SHARES AND SUBSCRIBED CAPITAL UNPAID (111 + 112)	110			
310	1. Repurchased own shares and stocks	111			
311	2. Subscribed capital unpaid	112			
320	III ISSUING PREMIUMS	113			
321	IV ISSUING LOSS	114			
part 32	V RESERVES (116 through 118)	115			
322	1. Legal reserves	116			
323	2. Statutory reserves	117			
329	3. Other reserves	118			
part 33	VI REVALUATION RESERVES (120 + 121)	119			
330	1. Revaluation reserves for property, plant, equipment and intangible assets	120			
331 and 334	2. Other revaluation reserves	121			
332	VII POSITIVE EFFECTS OF VALUATION OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	122			
333	VIII NEGATIVE EFFECTS OF VALUATION OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	123			
34	IX RETAINED EARNINGS (125 through 127)	124		188,583	216,885
340 or 342	1. Prior years retained earnings / Unallocated surplus of income over expenditure in previous years	125		130,341	216,885
341 or 343	2. Current year retained earnings / Unallocated surplus of income over expenditure in the current year	126		58,242	
344	3. Net income of entrepreneurs	127			
35	X LOSS (129 + 130)	128		0	86,544
350 or 352	1. Previous years loss / Surplus of expenses over revenues from previous years	129			
351 or 353	2. Current year loss / Surplus of expenses over revenues for the current year	130			86,544
	XI NON-CONTROLLING INTERESTS	131			
	B. LONG-TERM PROVISIONS AND LONG-TERM LIABILITIES (133 + 137 + 145)	132		1,209,965	478,419
part 40	I LONG-TERM PROVISIONS (134 through 136)	133			
400	1. Provisions for costs incurred during the warranty period	134			
404	2. Provisions for employee salaries and other benefits	135			
401, 402, 403, part 409	3. Other long-term provisions	136			
	II LONG-TERM LIABILITIES (138 through 144)	137			

AUTHORISED COURT INTERPRETER FOR THE ENGLISH LANGUAGE
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Vojislav Boljanić
BANJA LUKA

BALANCE SHEET

(Statement of Financial Position)
as at 31/12/2025 – Contd.

-BAM

Account No.	ITEM	AOP Code	Note	Current year	Previous year
411	1. Liabilities to associated legal entities	138			
413	2. Long-term loans – domestic	139			
414	3. Long-term loans - foreign	140			
412	4. Liabilities from issued debt instruments	141			
415, 416	5. Long-term liabilities from financial leasing	142			
418	6. Other long-term financial liabilities at amortized cost	143			
part 409, 410, 419	7. Other long-term liabilities, including accruals	144			
408	III DEFERRED INCOME AND GRANTS RECEIVED	145	7	1,209,965	478,419
407	C. DEFERRED TAX LIABILITIES	146			
42 through 49	D. SHORT-TERM LIABILITIES AND SHORT-TERM PROVISIONS (148+155+161+162+163+164+165+166+167+168)	147	8	11,564	20,908
42	1. Short-term financial liabilities (149 through 154)	148			
420	1.1. Short-term liabilities to associated legal entities	149			
421 through 424	1.2. Short-term loans and short-term liabilities for issued securities	150			
425 and 426	1.3. Short-term liabilities from financial leasing	151			
427	1.4. Short-term liabilities at fair value through profit and loss	152			
428	1.5. Derivative financial liabilities	153			
429	1.6. Other liabilities at amortised cost	154			
43	2. Liabilities from operations (156 through 160)	155		3,765	13,223
430 and 436	2.1. Received advances, deposits and caution money	156			
431	2.2. Trade payables – associated entities	157			
432, 433, 434	2.3. Domestic trade payables	158		3,765	13,223
435	2.4. Foreign trade payables	159			
437, 439	2.5. Other liabilities from operations	160			
440 through 449	3. Liabilities from specific operations	161			
450 through 458	4. Liabilities for salaries and allowances	162			
460 through 469	5. Other liabilities	163			105
470 through 479	6. Value-added tax	164			1,341
48 except 481	7. Liabilities for other taxes, contributions and duties	165		422	142
481	8. Profit tax liabilities	166			
49, except 496	9. Short-term accruals	167		7,377	6,097
496	10. Short-term provisions	168			
	E. ON-BALANCE SHEET LIABILITIES (101+132+146+147)	169		1,410,112	629,668
890 through 898	F. OFF-BALANCE SHEET LIABILITIES	170			

Licensed person:
Jadranka Volak

Person authorised to represent:
Boris Divjak

COURT INTERPRETER FOR THE ENGLISH LANGUAGE
STALNI SUDSKI TUMAČ ZA ENGLESKI JEZIK
Vojislav Boljanić
BANJA LUKA

INCOME STATEMENT

(Statement of Comprehensive Income in the Period)
from 1 January to 31 December 2025

-BAM

Account No.	ITEM	AOP Code	Note	Current year	Previous year
	A. OPERATING INCOME AND EXPENSES -I OPERATING INCOME (202+206+210+214–215+216–217+218)	201	9	1,680,559	2,045,098
60	1. Income from sales of merchandise goods (203 through 205)	202			
600, part 605	1.1. Income from sale of merchandise goods to associated legal entities	203			
601, 602, 603, part 605	1.2. Income from sale of merchandise goods on domestic market	204			
604, part 605	1.3. Income from sale of merchandise goods on foreign market	205			
61	2. Income from sale of products (207 through 209)	206			
610, part 615	2.1. Income from sale of products to associated legal entities	207			
611, 612, 613, part 615	2.2. Income from sale of products on domestic market	208			
614, part 615	2.3. Income from sale of products on foreign market	209			
62	3. Income from provision of services (211 through 213)	210		16,189	55,507
620, part 625	3.1. Income from services provided to associated legal entities	211			
621, 622, 623, part 625	3.2. Income from services provided on domestic market	212		9,478	55,507
624, part 625	3.3. Income from services provided on foreign market	213		6,711	
630	4. Increase in value of products in stock	214			
631	5. Decrease in value of products in stock	215			
640 and 641	6. Increase in the value of investment properties and biological assets that are not subject to depreciation	216			
642 and 643	7. Decrease in the value of investment properties and biological assets that are not subject to depreciation	217			
650 through 659	8. Other operating income	218		1,664,370	1,989,591
	II OPERATING EXPENSES (220+221+222+223+226+227+234+235+236)	219	10	1,614,400	2,117,264
500 through 502	1. Cost of goods sold	220			
510 through 512	2. Material costs	221		10,033	25,302
513	3. Fuel and energy costs	222		10,739	8,351
52	4. Expenses for salaries, allowances and other personal income (224+225)	223		983,839	1,161,043
520 and 523	4.1. Gross salaries and gross allowances	224		811,637	946,320
524 through 529	4.2. Expenses for other personal income	225		172,202	214,723
530 through 539	5. Services expenses	226		177,560	255,153
54	6. Depreciation and provisioning expenses (228+233)	227		42,473	45,323
540	6.1. Depreciation expenses (229 through 232)	228		42,473	45,323
part 540	a) Depreciation of property, plant and equipment	229		42,473	45,323
part 540	b) Depreciation of investment properties	230			
part 540	c) Depreciation of leased assets	231			
part 540	d) Depreciation of other assets	232			
541	6.2. Provisioning expenses	233			
55 except 555 and 556	7. Immaterial expenses (excluding taxes and contributions)	234		387,523	616,169
555	8. Tax expenses	235		1,417	5,002
556	9. Contributions expenses	236		816	921
	B. OPERATING PROFIT (201 – 219)	237	11	66,159	
	C. OPERATING LOSS (219 – 201)	238			72,166
66	D. FINANCIAL INCOME AND EXPENSES -1 FINANCIAL INCOME (240 through 243)	239		2,436	1,084

AUTHORISED COURT INTERPRETER FOR THE ENGLISH LANGUAGE
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BANJA LUKA
STALNI SUDSKI TUMAČ ZA ENGLESKI JEZIK

INCOME STATEMENT

(Statement of Comprehensive Income in the Period)
from 1 January to 31 December 2025 – Contd.

-BAM

Account No.	ITEM	AOP Code	Note	Current year	Previous year
660, 661	1. Interest income	240		36	54
662	2. Foreign exchange gains	241		2,400	1,030
663	3. Income from currency clause	242			
669	4. Other financial income	243			
56	II FINANCIAL EXPENSES (245 through 248)	244		8,634	6,431
560, 561	1. Interest expenses	245			
562	2. Foreign exchange losses	246		8,634	6,431
563	3. Expenses due to currency clause	247			
569	4. Other financial expenses	248			
	E. PROFIT FROM REGULAR OPERATION (237+239-244) or (239-244-238)	249		59,961	
	F. LOSSES FROM REGULAR OPERATION (238+244-239) or (244-239-237)	250			77,513
67	G. OTHER PROFITS AND LOSSES -1 OTHER INCOME AND GAINS (252 through 260)	251		35	208
670, 670 net	1. Net income from sale of intangible assets, property, plant and equipment	252			
671, 671 net	2. Net income from sale of investment property	253			
672, 672 net	3. Net income from sale of biological assets	254			
673, 673 net	4. Net income from sale of non-current assets held for sale and discontinued operations assets	255			
674, 674 net	5. Net income from sale of financial assets and investments in associated legal entities	256			
675, 675 net	6. Net income from sale of materials	257			
676	7. Surpluses	258			
677, 679	8. Other income and gains	259	12	35	208
678, 677	9. Net income from derivative financial instruments	260			
57	II OTHER EXPENSES AND LOSSES (262 through 270)	261		1,754	9,239
570, 670 net	1. Net losses from the disposal of intangible assets, property, plant and equipment	262		1,737	
571, 671 net	2. Net losses from the disposal of investment property	263			
572, 672 net	3. Net losses from the disposal of biological assets	264			
573, 673 net	4. Net losses from the disposal of non-current assets held for sale and discontinued operations assets	265			
574, 674 net	5. Net losses from the disposal of financial assets and investments in associated legal entities	266			
575, 675 net	6. Net losses from sale of materials	267			
576	7. Deficits	268			
577, 678 net	8. Net losses from derivative financial instruments	269			
578, 579	9. Other expenses and losses	270	13	17	9,239
	H. GAIN FROM OTHER INCOME AND EXPENSES (251 - 261)	271			
	I. LOSS FROM OTHER INCOME AND EXPENSES (261 - 251)	272		1,719	9,031

AUTHORISED COURT INTERPRETER FOR THE ENGLISH LANGUAGE
STALNI SUDSKI TUMAČ ZA ENGLESKI JEZIK
Vojislav Boljanić
BANJA LUKA

INCOME STATEMENT

(Statement of Comprehensive Income in the Period)
from 1 January to 31 December 2025 – Contd.

-BAM

Account No.	ITEM	AOP Code	Note	Current year	Previous year
68	I. INCOME AND EXPENSES FROM ASSET VALUE ADJUSTMENTS, I INCOME FROM ASSET VALUE ADJUSTMENTS (274 + 281)	273			
part 68	1. Net gains from the adjustment of assets (excluding financial assets) (275 through 280)	274			
680, 580 net	1.1. Net gains from the reduction of previously recognised losses due to impairment of intangible assets	275			
681, 581 net	1.2. Net gains from the reduction of previously recognised losses due to impairment of property, plant and equipment	276			
682, 582 net	1.3. Net gains from the reduction of previously recognised losses due to impairment of investment properties valued at cost	277			
683, 583 net	1.4. Net gains from the reduction of previously recognized losses due to impairment of biological assets valued at cost	278			
685, 585 net	1.5. Net gains from value adjustment for materials and goods on stock	279			
688, part 689, 588, part 589 net	1.6. Net gains from value adjustment for non-current assets held for sale, discontinued operations assets and other non-financial assets	280			
part 68	2. Net gains from value adjustment for financial assets (282 through 285)	281			
684, 584 net	2.1. Net gains from value adjustment for long-term financial assets	282			
686, 585 net	2.2. Net gains from value adjustment for short-term financial assets (excluding receivables from buyers)	283			
687, 587 net	2.3. Net gains from the reduction of previously recognised credit-impaired assets due to impairment of receivables from buyers.	284			
part 689, part 589 net	2.4. Net gains from value adjustment for other financial assets	285			
58	II EXPENSES FROM ASSET VALUE ADJUSTMENTS (287 + 294)	286			
	1. Expenses from the adjustment of assets (excluding financial assets) (288 through 293)	287			
580, 680 net	1.1. Net losses due to impairment of intangible assets	288			
581, 681 net	1.2. Net losses due to impairment of property, plant and equipment	289			
582, 682 net	1.3. Net losses due to impairment of investment properties valued at cost	290			
583, 683 net	1.4. Net losses due to impairment of biological assets valued at cost	291			
585, 685 net	1.5. Net losses from value adjustment for materials and goods on stock	292			
588, part 589, 688, part 689 net	1.6. Net losses from value adjustment for non-current assets held for sale, discontinued operations assets and other non-financial assets	293			
	2. Losses from value adjustment for financial assets (295 through 298)	294			
584, 684 net	2.1. Net losses from value adjustment for long-term financial assets	295			
586, 686 net	2.2. Net losses from value adjustment for short-term financial assets (excluding receivables from buyers)	296			
587, 687 net	2.3. Net losses from value adjustment for receivables from buyers	297			

AUTHORISED COURT INTERPRETER FOR THE ENGLISH LANGUAGE
Vojislav Boljanić
BANJA LUKA
STALNI SUDSKI TUMAČ ZA ENGLESKI JEZIK

INCOME STATEMENT

(Statement of Comprehensive Income in the Period)
from 1 January to 31 December 2025 – Contd.

-BAM

Account No.	ITEM	AOP Code	Note	Current year	Previous year
part 589, part 689 net	2.4. Net losses from value adjustment for other financial assets	298			
	K. GAIN FROM ASSET VALUE ADJUSTMENTS (273 - 286)	299			
	L. LOSS FROM ASSET VALUE ADJUSTMENT (286 - 273)	300			
690 and 691	M. Income from changes in accounting policies and corrections of errors from previous years	301			
590 and 591	N. Expenses from changes in accounting policies and corrections of errors from previous years	302			
	Share of profit of associates and joint ventures accounted for using the equity method	303			
	Share of loss of associates and joint ventures accounted for using the equity method	304			
	TOTAL INCOME (201+239+251+273+301+303)	305		1,683,030	2,046,390
	TOTAL EXPENSES (219+244+261+286+302+304)	306		1,624,788	2,132,934
	O. PROFIT AND LOSS BEFORE TAXES, 1. Profit before taxes (305-306)	307		58,242	
	2. Loss before taxes (306-305)	308			86,544
721	P. CURRENT AND DEFERRED INCOME TAX. - 1. Tax expenses of the reporting period	309			
	2. Deferred tax expenses (311+312)	310			
722	2.1. Effect of a decrease in deferred tax assets	311			
724	2.2. Effect of an increase in deferred tax liabilities	312			
	3. Deferred tax income (314 + 315)	313			
723	3.1. Effect of an increase in deferred tax assets	314			
725	3.2. Effect of a decrease in deferred tax liabilities	315			
	Q. NET PROFIT AND NET LOSS FOR THE REPORTING PERIOD, 1. Net profit for the current year (307-308-309-310+313)	316		58,242	
	2. Net loss for the current year (308-307+309+310-313)	317			86,544
726	R. Interim dividends and other forms of net profit distribution during reporting period	318			
	Share of net profit loss attributable to majority owners	319			
	Share of net profit loss attributable to minority owners	320			
	Basic earnings per share	321			
	Diluted earnings per share	322			
	Average number of employees based on hours worked	323		19	21
	Average number of employees based on end-of-month headcount	324		19	21
	A. NET PROFIT OR NET LOSS FOR THE REPORTINGPERIOD	400	14	58,242	-86,544
	1. Items that may be reclassified to profit or loss (±402+403±404±405±406±407)	401			
Change in 332 and 333	1.1. Increase (decrease) in fair value of debt instruments at fair value through other comprehensive income	402			
Change in 331	1.2. Effects arising from hedging transactions	403			
	1.3. Share of other comprehensive income of associates and joint ventures accounted for using the equity method	404			
	1.4. Gains o losses on translation of foreign operations' financial statements	405			
Change in 339, part	1.5. Other items that may be reclassified to profit or loss	406			
	1.6. Deferred income tax relating to these items	407			

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STALNI SUDSKI TUMAČ ZA ENGLESKI JEZIK

INCOME STATEMENT

(Statement of Comprehensive Income in the Period)
from 1 January to 31 December 2025 – Contd.

-BAM

Account No.	ITEM	AOP Code	Note	Current year	Previous year
	2. Items that will not be reclassified to profit or loss (=409+410+411+412+413+414)	408			
Change in 330	2.1. Revaluation of property, plant, equipment and intangible assets	409			
Change in 332 and 333	2.2. Increase (decrease) in fair value of equity instruments through other comprehensive income	410			
Change in 339, part	2.3. Actuarial gains (losses) on defined benefit plans	411			
	2.4. Share of other comprehensive income of associates and joint ventures accounted for using the equity method	412			
Change in 339, part	2.5. Other items that will not be reclassified to profit or loss	413			
	2.6. Deferred income tax relating to these items	414			
	B. OTHER PROFIT/LOSS FOR THE PERIOD (=401+408)	415			
	C. TOTAL PROFIT / (LOSS) (400+415)	416		58,242	-86,544
	Share of total profit loss attributable to majority owners	417			
	Share of total profit loss attributable to minority owners	418			

Licensed person:
Jadranka Volak

Person authorised to represent:
Boris Divjak

AUTHORISED COURT INTERPRETER FOR THE ENGLISH LANGUAGE
Vojislav Boljanić
BANJA LUKA
STALNI SUDSKI TUMAČ ZA ENGLESKI JEZIK

CASH FLOW STATEMENT

(Statement of Cash Flow)
for the period covering 1 January 2025 to 31 December 2025

-BAM

Account No.	ITEM	AOP Code	Note	Current year	Previous year
	A. CASH FLOW FROM OPERATING ACTIVITIES -I Cash inflows from operating activities (502 through 505)	501		2,986,724	2,255,089
	1. Inflows from sale and advances – domestic	502		10,803	
	2. Inflows from sale and advances – foreign	503		3,938	
	3. Inflows from premiums, subsidies and grants, etc.	504		55,063	
	4. Other inflows from operating activities	505		2,916,922	2,255,089
	II Cash outflows from operating activities (507 through 512)	506		1,600,360	2,079,772
	1. Payments to suppliers and given advances – domestic	507		500,302	910,047
	2. Payments to suppliers and given advances – foreign	508		3,504	
	3. Payment of interests	509			
	4. Payments for employee salaries, allowances and other employee benefits	510		963,076	1,161,043
	5. Payment of income tax	511			1,183
	6. Other payments from operating activities	512		133,478	7,499
	III Net inflow of cash from operating activities (501 - 506)	513		1,386,364	175,317
	IV Net outflow of cash from operating activities (506 - 501)	514			
	B. CASH FLOWS FROM INVESTING ACTIVITIES -I Cash inflows from investing activities (516 through 530)	515		36	54
	1. Cash inflows from the sale of shares and interests in subsidiaries, associates and joint ventures	516			
	2. Cash inflows from the sale of property, plant and equipment	517			
	3. Cash inflows from the sale of investment property	518			
	4. Cash inflows from the sale of biological assets	519			
	5. Cash inflows from the sale of intangible assets	520			
	6. Cash inflows from the sale of non-current assets held for sale	521			
	7. Cash inflows from financial assets at fair value through other comprehensive income	522			
	8. Cash inflows from financial assets at fair value through profit or loss	523			
	9. Cash inflows from other financial assets at amortised cost	524			
	10. Cash inflows from leases (principal)	525			
	11. Cash inflows from leases (interest)	526			
	12. Cash inflows from interest	527		36	54
	13. Cash inflows from dividends and share in profit	528			
	14. Cash inflows from derivative financial instruments	529			
	15. Other cash inflows from investing activities	530			
	II Cash outflows from investing activities (532 through 541)	531		27,915	45,065
	1. Cash outflows for the purchase of shares and interests in subsidiaries, associates and joint ventures	532			
	2. Cash outflows for the purchase of property, plant and equipment	533		27,915	45,065
	3. Cash outflows for the purchase of investment property	534			
	4. Cash outflows for the purchase of biological assets	535			
	5. Cash outflows for the purchase of intangible assets	536			
	6. Cash outflows for financial assets at fair value through other comprehensive income	537			
	7. Cash outflows for financial assets at fair value through profit or loss	538			

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BANJA LUKA
STALNI SUDSKI TUMAČ ZA ENGLESKI JEZIK

CASH FLOW STATEMENT

(Statement of Cash Flow)
for the period covering 1 January 2025 to 31 December 2025 – Contd.

-BAM

Account No.	ITEM	AOP Code	Note	Current year	Previous year
	8. Cash outflows for other financial assets at amortised cost	539			
	9. Cash outflows for derivative financial instruments	540			
	10. Other cash outflows for investing activities	541			
	III Net cash inflow from investing activities (515 - 531)	542			
	IV Net cash outflow for investing activities (531 - 515)	543		27,875	45,015
	C. CASH FLOWS FROM FINANCING ACTIVITIES - I Cash inflow from financing activities (545 through 550)	544			
	1. Cash inflows from increase in share capital	545			
	2. Cash inflows from sale of repurchased own shares	546			
	3. Cash inflows from long-term loans	547			
	4. Cash inflows from short-term loans	548			
	5. Cash inflows from issued debt instruments	549			
	6. Other cash inflows from financing activities	550			
	II Cash outflows for financing activities (552 through 558)	551		569,909	439,846
	1. Cash outflows for the repurchase of own shares and interests	552			
	2. Cash outflows for long-term loans	553			
	3. Cash outflows for short-term loans	554			
	4. Cash outflows for leases	555			
	5. Cash outflows for debt instruments	556			
	6. Cash outflows for paid dividends	557			
	7. Other cash outflows for financing activities	558		569,909	439,846
	III Net cash inflow from financing activities (544 - 551)	559			
	IV Net cash outflow for financing activities (551 - 544)	560		569,909	439,846
	D. TOTAL CASH INFLOWS (501 + 515 + 544)	561		2,986,760	2,255,143
	E. TOTAL CASH OUTFLOWS (506 + 531 + 551)	562		2,198,184	2,564,687
	F. NET CASH INFLOW (561 - 562)	563		788,576	
	G. NET CASH OUTFLOW (562 - 561)	564			309,544
	H. CASH AT THE BEGINNING OF ACCOUNTING PERIOD	565		461,091	776,035
	I. FOREIGN EXCHANGE GAINS FROM CONVERSION OF CASH	566		2,399	1,030
	J. FOREIGN EXCHANGE LOSSES FROM CONVERSION OF CASH	567		8,635	6,430
	K. CASH AT THE END OF ACCOUNTING PERIOD (565 + 563 - 564 + 566 - 567)	568		1,243,431	461,091

Licensed person:
Jadranka Volak

Person authorised to represent:
Boris Divjak

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BANJA LUKA
STALNI SUDSKI TUMAČ ZA ENGLESKI JEZIK

STATEMENT OF CHAGES IN EQUITY

for period ending on 31 December 2025

-BAM

Account No.	ITEM	AOP code	Note	Share capital/equity interests	Share premium	Reserves	Revaluation reserves for property, plant and equipment	Revaluation reserves for financial assets measured at fair value through other comprehensive income	Other revaluation reserves	Accumulated undistributed profit (uncovered loss)	TOTAL	Non-controlling interest (Minority interest)	TOTAL EQUITY
	1. Balance as at 1.1.20__	901								216,885	216,885		216,885
	2. Effect of changes in accounting policies	902											
	3. Effects of error corrections	903											
	4. New balance as at 1.1.20__ (901 ± 902 ± 903)	904		0	0	0	0	0	0	216,885	216,885	0	216,885
	5. Profit (loss) for the year	905								-86,544	-86,544		-86,544
	6. Other comprehensive income for the year	906											
	7. Total profit (loss) (± 905 ± 906)	907		0	0	0	0	0	0	-86,544	-86,544	0	-86,544
	8. Issue of share capital and other forms of equity increase	908											
	9. Acquisition of own shares and other forms of equity decrease	909											
	10. Dividends declared	910											
	11. Other forms of profit distribution and loss coverage	911											
	12. Other changes	912									0		0

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BANJA LUKA
STALNI SUDSKI TUMAČ ZA ENGLESKI JEZIK

STATEMENT OF CHAGES IN EQUITY

for period ending on 31 December 2025 – Contd.

Account No.	ITEM	AOP code	Note	Share capital/equity interests	Share premium	Reserves	Revaluation reserves for property, plant and equipment	Revaluation reserves for financial assets measured at fair value through other comprehensive income	Other revaluation reserves	Accumulated undistributed profit (uncovered loss)	TOTAL	Non-controlling interests (Minority interests)	TOTAL EQUITY
	13. Balance as at 31/12/20__ - 1/1/20__ (=904 + 907 + 908 - 909 - 910 + 911 + 912)	913		0	0	0	0	0	0	130,341	130,341	0	130,341
	14. Effects of changes in accounting policies	914											
	15. Effects of error corrections	915											
	16. New balance as at 1/1/20__ (913 + 914 + 915)	916		0	0	0	0	0	0	130,341	130,341	0	130,341
	17. Profit (loss) for the year	917								58,242	58,242		58,242
	18. Other comprehensive income for the year	918											
	19. Total profit (loss) (= 917 + 918)	919		0	0	0	0	0	0	58,242	58,242	0	58,242
	20. Issue of share capital and other forms of equity increase	920											
	21. Acquisition of own shares and other forms of equity decrease	921											
	22. Dividends declared	922											
	23. Other forms of profit distribution and loss coverage	923											
	24. Other changes	924											
	25. Balance as at 31/12/20__ (916 + 919 + 920 - 921 - 922 + 923 + 924)	925		0	0	0	0	0	0	188,583	188,583	0	188,583

AUTHORISED COURT INTERPRETER FOR THE ENGLISH LANGUAGE
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BANJA LUKA
STALNI SUDSKI TUMAČ ZA ENGLESKI JEZIK

Licensed person:
Jadranka Volak

Person authorised to represent:
Boris Divjak



1. PRAVNI I DRUGI OSNOVI

The terms and conditions of the audit engagement, alongside the respective responsibilities of the auditor and the Association's management, are formally established in the Audit Contract concluded between the Association for the Fight against Corruption "Transparency International" in Bosnia and Herzegovina Banja Luka and the Auditing and Tax Counselling Firm "Aditon" d.o.o. Banja Luka.

In accordance with International Standards on Auditing (ISAs), prior to commencing audit procedures, the auditor is required to obtain an understanding of the key financial indicators material to the Association's operations for the year under audit. This process encompasses gaining an understanding of any significant changes in the Association's governance and organisational structure, management, financing sources and primary objectives. Furthermore, the auditor must familiarise themselves with the utilization of revenues and expenditures as approved by the project financiers (donors) and the personnel responsible for project implementation (project managers).

According to the principles of the applicable audit regulations and generally accepted auditing practices, the audit is to be conducted in accordance with International Standards on Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Due to the nature of the Associations' line of work and other inherent limitations, there is an unavoidable risk that some material misstatements may remain undetected. However, by employing standardised sampling and inspection methods, as well as analytical procedures, this risk has been reduced to a reasonable and acceptable level.

The responsibility for preparing the financial statements, including their timely and accurate disclosure, lies with the Association's management. This includes establishing and maintaining proper accounting records and internal controls, selecting and applying appropriate accounting policies, and safeguarding the assets of both the Association and its donors.

As part of our audit process, we requested from management written confirmation concerning representations made to us in connection with the audit.

As part of our audit engagement, we established a professional working relationship with the hired accountant to facilitate our audit work.

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Vojislav Boljanić
BANJA LUKA

2. ASSOCIATION'S BACKGROUND INFORMATION

The Association for the Fight against Corruption "Transparency International" in Bosnia and Herzegovina Banja Luka was registered as a non-governmental organisation in the register maintained by the Ministry of Justice of Bosnia and Herzegovina under decision No. UP08-07-1-616/11 dated 25 May 2011, with the following name in all three languages of the constituent peoples of Bosnia and Herzegovina:

Udruženje za borbu protiv korupcije "Transparency International" u Bosni i Hercegovini,

Udruga za borbu protiv korupcije "Transparency International" u Bosni i Hercegovini,

Удружење за борбу против корупције "Транспаренци Интернатионал" у Босни и Херцеговини.

Association's abbreviated name: TI u BiH, TI u BIH, ТИ у БиХ

The register also contains an entry on the Association's logo. It consists of a circle bordered in blue, with two large stylised blue letters 'T' and 'I' in the centre.

According to the register maintained by the BiH Ministry of Justice, the Association's main objectives are as follows:

- curbing corruption, supporting the development of good governance, accountability and transparency of public institutions, common democratic values and fair market competition;
- organising seminars, roundtables and other forms of public and professional debate and training;
- initiating the collection of data on experiences in combating corruption;
- advocating the preparation of draft legislation and other documents;
- disseminating information on the Association's activities through print, digital and other media;
- collecting, processing and publishing data on corruption;
- commitment to providing free legal aid to citizens in their fight against corruption;
- commitment to conducting public opinion surveys;
- collaborating and sharing experiences with similar institutions and organisations at home and abroad;
- providing consultancy services that are in accordance with the Association's vision and mission and within the scope of the Association's mandate; the revenues thus generated will be used to finance the organisation's activities aimed at achieving its strategic objectives;
- pursuing professional activities and providing expertise in the field of the rule of law and fight against corruption.

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Following the decision of the BiH Ministry of Justice No. UP08-07-1-616/11 dated 18 November 2013, the registration information maintained in the Ministry's register was updated to reflect the following changes:

- Amendments to the Association's Statute No. 01/10 dated 8 December 2010;
- Change of address of the Association's seat from the former address in Sarajevo, 2 Franje Račkog Street to the new address in Banja Luka, 2 Gajeva Street;
- According to the decision of the BiH Ministry of Justice No. UP08-07-1-616/11 dated 18 November 2013, the address of the Sarajevo-based branch office of the Association for the Fight against Corruption Transparency International in Bosnia and Herzegovina was 2 Franje Račkog Street. According to the Decision Amending the Association's Statute No. 01-01-06-15 dated 24 October 2015, the address of the Sarajevo office was changed to Sarajevo, 4 Mehmed bega Kapetanovića Ljubušaka Street. Another change of address was registered in the BiH Ministry of Justice's register in accordance with the Decision No. UP09-07-1-552/17 dated 10 May 2017 and the current address of the office is Sarajevo, 9 Mule Mustafe Bašeskije Street;
- The change of person authorised for representation was registered under decision of the Association's Assembly No. 01-01-12(007)/15 dated 24 October 2015;
- Decision of the BiH Ministry of Justice No. UP0907-1-1421/21 dated 25 August 2020 acknowledged the extension of the term of the chairman of the Board of Directors until 15 January 2025.
- The person responsible for representing the Association is Mr Boris Divjak, chairman of the Board of Directors.
- According to the decision of the BiH Ministry of Justice No. UP08-07-1-79/22 dated 19 May 2022, the address of the Association's seat was updated in the register from the previous address in Banja Luka, 2 Gajeva Street to the new address: "Banja Luka, 64E Krfska Street".
- At the Association's Assembly held on 13 December 2025, a decision was adopted to change the registered address of the Association's branch office in Sarajevo. The new official address, effective as of 1 August 2025, is 20 Zmaja od Bosne Street. The application for the amendment to the Association's registration to reflect this change of address has been formally submitted to the Ministry of Justice and is currently undergoing legal processing.

Bookkeeping records are maintained by the professional bookkeeping agency "Libra", in accordance with the relevant contract. The agency is owned by Ms Jadranka Volak B.Sc.Econ., a professional accountant with a certified accountant licence. Ms Volak is responsible for ensuring that the required transaction records are properly maintained and updated.

The association TI in BiH conducts its financial transactions in convertible marks through following bank accounts:

- Unicredit bank DD Mostar 338-350-22574104-75, as its main transaction

account

- Nova Banka a.d. Banja Luka 555-100-00537859-83
- Nova Banka a.d. Banja Luka 555-100-00141800-10
- Nova Banka a.d. Banja Luka 555-100-00543323-84
- Procredit bank a.d. Banja Luka 194-106-97676001-21

The inflow and outflow of funds are recorded in the main transaction account, while sub-accounts are opened for individual projects within the main business account. This ensures that cash flows for each project or donor are monitored and controlled independently of other funds received or used by the Association

The Association is registered with the Tax Administration under tax identification number 4403650790008.

The Association is also registered with the Indirect Tax Authority of BiH under identification number 403650790008.

3. DOCUMENTATION AND ACCOUNTING

The original bookkeeping documents pertaining to financial transactions are stored at the Association's headquarters, while copies of bookkeeping and financial documents are forwarded to the contracted bookkeeping agency.

All documents related to financial operations in 2025 are properly numbered with project reference numbers and account ordinal numbers.

At the Association's headquarters, documents are organised by specific projects and arranged chronologically by month. In accounting, documents are organised and sorted by type of financial transaction - incoming invoices for expenses incurred, contracts for special services, service contracts with employees and external contractors, commercial bank statements for domestic and foreign currency accounts as original documents, as well as internal documents such as payroll accounts, cash-related documents, etc.

Documents are archived in accordance with applicable standards, accounting rules and archiving regulations.

The maintenance of accounting records is entrusted to a professional agency owned by a licensed accountant. Accounting is performed through automated data processing using appropriate computer software. Financial transactions are recorded in accordance with the prescribed chart of accounts.

Instabilities in Eastern Europe (War in Ukraine)

Instabilities in Eastern Europe caused by the ongoing war in Ukraine continued to act as a significant destabilising factor throughout 2025, indirectly impacting the economic system of Bosnia and Herzegovina. These events exerted prolonged upward pressure on the cost of raw materials within the production sector, as well as on the prices of goods and services in the consumer market, given that the BiH economy is predominantly trade and service-oriented. Under these circumstances, the real sector faced a continuous escalation of operating expenses during 2025, which business entities were often unable to fully offset through price adjustments of their own products and services. This imbalance led to a contraction of profit margins and increased the complexity of strategic business planning.

Consequently, during 2025, the Association's management prioritised stringent cost monitoring and the re-alignment of project budgets. These measures were implemented to ensure that all contracted activities were delivered in accordance with defined obligations, while maintaining the high quality of information and services provided by the Association.

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STALNI SUDSKI TUMAČ ZA ENGLESKI JEZIK
Vojislav Boljanić
BANJA LUKA

4. NOTES TO THE FINANCIAL STATEMENT 01/01 – 31/12/2025

The Association for the Fight against Corruption "Transparency International" in Bosnia and Herzegovina is registered as an association with the following as its full name: Udruženje za borbu protiv korupcije "Transparency International" u Bosni i Hercegovini.

Address: Krfska 64e, 78000 Banja Luka

TIN: 4403650790008

ID No. for VAT: 403650790008

Reg. No. 11109284

Number of staff as at 31/12/2025 – 17

Basis for the Preparation and Presentation of Financial Statements

Statement of Compliance

The enclosed financial statements constitute the Association's annual financial statements, prepared in accordance with the Law on Accounting and Auditing of Bosnia and Herzegovina and Republika Srpska, as well as other applicable accounting and professional regulations binding on the accounting profession.

The financial statements were approved by Management on 27 February 2026.

Going Concern

The financial statements have been prepared on a going concern basis, as Management has not identified any factors indicating uncertainty regarding the Association's ability to continue its operations profitably in the foreseeable future.

Accrual Basis of Accounting

Business transactions are recorded on the date they occur, in accordance with the accrual basis of accounting.

Accounting Policies and Estimates

In the annual financial statements for the period 1 January - 31 December 2025, accounting policies and valuation methods for liabilities, equity, income, expenses and financial results were applied in accordance with the Rulebook on Accounting, as well as International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). For asset valuation, depreciation was calculated as follows: Real Estate: straight-line method at 3%; Equipment: declining balance method –20% for equipment and 40% for computers and software.

The financial statements have been prepared in accordance with IAS and IFRS, as well as relevant instructions, explanations and guidelines issued by the International Accounting Standards Board. In addition to accounting standards, the compilation of the annual report also adhered to applicable tax regulations, the Law on Accounting and Auditing, the Law on Companies and other relevant laws and by-laws in effect at the time the transactions occurred and were recorded.

The financial statements have been prepared based on the historical cost principle, assuming the Association's ability to continue its operations indefinitely.

The amounts presented in the enclosed financial statements are expressed in Convertible Marks (BAM), which is the functional and official currency in Republika Srpska.

No adjustments were made to values from previous years during the reporting period.

Basis of valuation

Intangible Investments and Equipment

Fixed assets are classified into two groups.

The first group includes assets that are depreciated using the straight-line method for individual assets, with the following depreciation rates:

- Property and plants – 3%
- Intangible assets other than software – 10%.

The second group includes assets that are depreciated using the declining balance method for grouped assets, with the following depreciation rates:

- Computers, servers, software – 40%
- Equipment and other assets – 20%.

Subsequent Investments in Intangible Assets and Equipment

Subsequent investments in existing intangible assets and equipment that enhance the asset's performance, increase its capacity or extend its useful life are capitalised as part of the asset's acquisition cost.

In contrast, expenditures incurred to maintain the asset's original condition are recognised as maintenance costs and are expensed in the period in which they are incurred.

Receivables

Receivables are recognised at their nominal value. An assessment of the collectability of these receivables is performed as of the balance sheet date.

The valuation of receivables is performed indirectly through an allowance for doubtful accounts to account for the amount likely to be collected, and directly when it is certain and documented that the receivable is uncollectible.

Cash and Cash Equivalents

Cash and cash equivalents are recognised at their nominal value in Convertible Marks (BAM).

Capital

The reported profit is allocated to cover future losses or for other purposes as determined by the founder or Board of Directors in accordance with the Statute and internal policies.

Liabilities

Liabilities are recognised at their nominal value arising from the relevant transaction, or at the expected settlement amount related to that transaction.

A liability is classified as current if it is due to be settled within one year. Conversely, it is classified as non-current if it is due to be settled more than one year after the date it

was incurred or from the balance sheet date.

Long-term Provisions

Upon receipt, a donation is recognised as non-current income and recorded under deferred income and grants received. The deferred income is subsequently recognised as income from grants in the current period, offset by the depreciation amount calculated for the asset.

Income

Income is measured at its fair value and is recognised when there is a corresponding increase in assets or a reduction in liabilities.

Interest income is recognised over time in proportion to the duration for which the debtor utilises the asset, in accordance with the terms of the contract or applicable law.

Expenses

Expenses are recognised in the accounting period in which they are incurred, when the expenditure does not result in future economic benefits or when an obligation arises that does not meet the criteria for asset recognition. All expenses related to the accounting period are appropriately reflected in the financial statements.

NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

Note 1: "AOP 004 – Other Intangible Assets"

Account 013 – Other intangible assets includes software additions amounting to BAM 145,913 and accumulated amortisation amounting to BAM 100,706. During the reporting period, amortisation expense of BAM 24,601 was recognised, along with software additions totalling BAM 10,295.

Note 2: "AOP 011 – Equipment"

The structure of equipment as at 31 December 2025 is presented in the table below:

Description	Cost	Accumulated depreciation	Net book value
Equipment	215,978	158,407	57,571
Total:	215,978	158,408	57,571

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During the reporting period covered by the financial statements, the following changes were recorded in account 022:

- additions to equipment in the amount of BAM 17,620
- depreciation of equipment in the amount of BAM 17,871
- disposals of equipment in the amount of BAM 3,810

Note 3: "AOP 043 – Prepayments"

Description	Amount
Prepayments	20,604

The prepayments include advance payments to suppliers as follows:

- Hotel Palas: BAM 1,025
- Atal Group: BAM 55
- Aditon: BAM 12,285
- Refam Creative Solutions: BAM 1,500
- Rent paid in advance: BAM 3,300
- Revicon: BAM 599
- Auto taksi Avdo Baković: BAM 280
- Triglav osiguranje: BAM 160
- Boljanić Vojislav: BAM 1,400

Note 4: "AOP 045 – Short-term Receivables"

Description	Amount
Receivables for overpaid taxes and contributions	2,071
Trade receivables	5,857
Receivables from employees	3,600
Receivables from the Health Insurance Fund - sick leave reimbursements	31,771

Receivables for overpaid taxes and contributions relate to tax and contribution payments made in excess, amounting to BAM 2,071.

Note 5: "AOP 063 – Cash"

Cash comprises:

Description	Amount
Cash in bank accounts	1,196,416
Cash in bank accounts - foreign currency accounts	45,692
Cash in hand	323
Restricted cash	1,000
Total:	1,243,431

Note 6: "AOP 101 – Equity"

As at the balance sheet date, total equity amounts to BAM 188,583, comprising a current-year surplus (excess of income over expenses) of BAM 58,242 and accumulated surplus from prior years amounting to BAM 130,341.

Note 7: "AOP 145 – Deferred Income and Grants Received"

As at the reporting date, an amount of BAM 1,209,965 has been recognised under this AOP, representing received but unspent grants.

Note 8: "AOP 147 – Short-term Liabilities"

Short-term liabilities are summarised in the table below:

Description	Amount
Trade payables	3,765
Other taxes and contributions payable	422
Value-added tax payable	0
Other liabilities	0
Accrued expenses	7,377
Total:	11,654

Trade payables amounting to BAM 3,765 represent outstanding liabilities arising from the reporting period.

Other taxes and contributions payable include BAM 96 for water management fees and BAM 326 for tax on payments under contractual agreements.

Note 9: "AOP 201 – Operating Income"

Total operating income amounts to BAM 1,680,559, comprising grants received of BAM 1,585,755, other operating income of BAM 14,370, sick leave reimbursement income of BAM 64,245 and income from rendered services of BAM 16,189.

Note 10: "AOP 219 – Operating Expenses"

A breakdown of operating expenses is presented in the table below:

Description	Amount
Expenses for other materials and fuel	20,772
Expenses for gross wages and employee benefits	983,839
Expenses for production services	177,560
Depreciation expense	42,473
Intangible expenses	387,523
Tax and contribution expenses	2,233
Total:	1,614,400

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Note 11: "AOP 237 – Operating Profit / Surplus of Income over Expenses"

The profit / surplus of income over expenses reported under this AOP amounts to BAM 66,159.

Financial income and expenses include:

- foreign exchange losses of BAM 8,634
- foreign exchange gains of BAM 2,400, and
- interest income of BAM 36.

Note 12: "AOP 259 – Other Income"

This AOP includes income arising from the reduction and write-off of liabilities amounting to BAM 35.

Note 13: "AOP 262/270 – Other Expenses"

Net losses arising from the disposal of intangible assets, property, plant and equipment amounting to BAM 1,737 are reported under AOP 262, while expenses reported under AOP 270 amount to BAM 17.

Note 14: "AOP 400 – Net Profit for the Current Year / Surplus of Income over Expenses"

This AOP discloses a surplus of income over expenses in the amount of BAM 58,242, which represents the difference between total income amounting to BAM 1,683,030 and total expenses amounting to BAM 1,627,788.

5. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2025, the Association was involved in the following lawsuits, summarised below along with their estimated values and current status:

Litigation against	Initiated by	Date of initiation	Current status	Estimated value
BiH Prosecutors' Office	TI BiH	17/01/2025	Pending	Court filing fee paid: BAM 100
W-HC Min. of Finance	TI BiH	11/02/2025	Pending	Order not received yet
W-HC Min. of Justice and Administration	TI BiH	11/02/2025	Pending	Order not received yet
W-HC Min. of the Interior	TI BiH	11/02/2025	Pending	Order not received yet
JU Gimnazija Banja Luka	TI BiH	13/02/2025	Claim upheld	Court filing and judgment fees paid: BAM 200

City of Čapljina	TI BiH	13/02/2025	Pending	Order not received yet
Court of BiH - request for extraordinary review before the Court of BiH	TI BiH	17/02/2025	Request denied	Court filing and judgment fees: BAM 200
Court of BiH - request for extraordinary review before the Court of BiH	TI BiH	17/02/2025	Request denied	Court filing and judgment fees: BAM 200
Kotor Varoš Centre for Social Work	TI BiH	18/02/2025	Claim upheld	Court filing and judgment fees paid: BAM 200
BiH Appellate Council - request for extraordinary review before the Court of BiH	TI BiH	20/02/2025	Pending, Court of BiH	Court filing and judgment fees: BAM 200
RS Min. of Transport and Communications	TI BiH	20/02/2025	Claim upheld	Court filing and judgment fees paid: BAM 200
RS Government	TI BiH	25/02/2025	Claim upheld	Court filing and judgment fees paid: BAM 200
RS Min. of Finance	TI BiH	11/03/2025	Claim upheld	Court filing and judgment fees paid: BAM 200
RS Min. of Family, Youth and Sport	TI BiH	27/03/2025	Resolved, claim upheld	Court filing and judgment fees: BAM 200, both paid
JP BH POŠTA d.o.o. Sarajevo	TI BiH	02/04/2025	Pending	Court filing fee paid: BAM 100
RS Min. of the Interior	TI BiH	02/04/2025	Claim upheld	Court filing fee paid: BAM 100, Order for judgment not received yet
Primary Heath Care Centre Bos. Petrovac	TI BiH	03/04/2025	Claim upheld	Not awarded and order not received yet
BH Pošta	TI BiH	23/05/2025	Pending, Cantonal Court Sarajevo	No costs, order not received yet
FBiH Banking Agency	TI BiH	30/05/2025	Pending	Court filing fee paid BAM 100
BiH Min. of Justice	TI BiH	03/07/2025	Pending	Court filing fee paid: BAM 100
RS Min. of Transport and Communications	TI BiH	09/07/2025	Claim upheld	Court filing fee paid: BAM 100, order for judgment not received yet
FBiH Min. of Justice	TI BiH	01/08/2025	Pending	Court filing fee paid: BAM 100
RS Min. of Family, Youth and Sport	TI BiH	20/08/2025	Resolved, claim upheld	No costs, order not received yet
FBiH Statistics Office	TI BiH	03/09/2025	Pending	Court filing fee paid: BAM 100
TC Prosecutor's Office	TI BiH	04/09/2025	Pending	Court filing fee paid: BAM 100
W-HC Government	TI BiH	08/09/2025	Pending	Order not received yet
Travnik Cantonal Prosecutor's Office	TI BiH	16/10/2025	Pending	Order not received yet

Appellate Council (BiH Pros. Office A.S. 2024)	TI BiH	03/12/2025	Pending	Court filing fee paid: BAM 100
RS Ministry of the Interior	TI BiH	22/12/2025	Pending	Order not received yet
FBiH Finance-Intelligence Agency	TI BiH	29/12/2025	Pending	Court filing fee paid: BAM 100

6. SUBSEQUENT EVENTS

No events have occurred subsequent to the balance sheet date that require adjustment to, or disclosure in, the financial statements

7. TAX RISKS

The tax system of Bosnia and Herzegovina and Republika Srpska is structured on the principle that indirect taxes (customs duties, excise duties, VAT and road tolls) are levied at the state level, while all other taxes (corporate income tax, personal income tax, property tax, fees, levies), as well as social security contributions, are levied at the entity level. A significant issue for taxpayers is the frequent changes to laws and subordinate regulations governing taxation, in contrast to most developed market economies that have a stable tax system.

In the practical application of tax laws, there are often discrepancies in the interpretation of specific legal provisions among different competent government authorities. These discrepancies can result in uncertainty. In certain cases, the same tax issue may fall under the jurisdiction of multiple inspection authorities (e.g. foreign trade, customs and foreign exchange control).

In accordance with the Tax Procedure Law of Republika Srpska and the Law on Indirect Taxation of Bosnia and Herzegovina, the statute of limitations for tax liabilities is five years. This effectively means that tax authorities have the right to enforce the payment of outstanding liabilities within five years from the date the obligation arose. These factors contribute to the tax risk in the Republic of Srpska and Bosnia and Herzegovina being considerably higher than in countries with stable and more developed tax systems.

Banja Luka

27 February 2026

Responsible person:

Boris Divjak m.p.

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No. VB-01/26
Date: 30/03/2026

I, Vojislav Boljanić, certified court interpreter for the English language, appointed in accordance with the decision of the Ministry of Justice of the Republika Srpska No. 01/2-704-33/04 of 13 December 2005, hereby certify that the foregoing translation is true to its original in the Serbian language.

Banja Luka, 30 March 2026