3.1.5 Improve the governance, efficiency, and accountability of Publicly-Owned Enterprises (POEs) to enhance their contribution to the economy

In accordance with the national legal framework on public internal control, financial management and internal audit, the RGF Regulation and the applicable Commission Implementing Decision, the competent authorities conducted a comprehensive verification process for this reform step.

This included the systematic collection and review of relevant evidence by the Ministry of Economy and the POEs, within their respective internal control frameworks, with internal audit units exercising their functions in accordance with their mandate. The checks and verifications were performed through the relevant layers of the control system, including the units responsible for implementation within the POEs, the POE Monitoring Unit, the Reform Agenda coordination unit, the Secretary General of the Ministry of Economy, and the Chief Executive Officers or equivalent senior management authorities within the respective POEs.

The Reform Agenda coordination structures within the Office of the Prime Minister carried out additional checks and verifications to ensure the completeness and accuracy of the reported information and supporting evidence.

The step under review	50% of the independent external audit recommendations for the year 2023 have been fully implemented by the central POEs
Baseline	No baseline
Deadline of the step	June 2026
Actual results	The Monitoring Unit for Publicly Owned Enterprises (hereinafter: the POE Unit) has required central Publicly Owned Enterprises (POEs) to report on a quarterly basis on the implementation of the External Auditor's recommendations issued for the 2023 audit period. The quarterly reports include information on the recommendation as presented in the audit report, the implementation status, actions undertaken or reasons for non-implementation, supporting evidence and document references, as well as the action plan for further implementation. These reports are reviewed and discussed by the Audit Committee and the Board of Directors of each POE. Based on the reports submitted by the enterprises, the POE Unit conducted an analysis of the audit findings and the progress made in implementing the recommended measures. As of 4th quarter of 2025, the overall implementation rate was 35%. According to the final reports submitted by POEs in 2026, the implementation rate increased to 45% of the 2023 external audit recommendations. As part of its monitoring mandate, the POE Unit has continuously encouraged and reminded enterprises to treat the implementation of External Auditor recommendations as a key governance and management priority.
Evidence provided	The following evidence is provided in support of the achieved results: 1. Template to be used for monitoring 2. Emails to POEs requesting submission of filled standardized template form 3. Reports from POEs on the status of implementation of recommendations. 4. Official letter from POE Unit-Ministry of Economy to POEs, 5. POE Unit summary on the analysis of the implementation of the External Auditor's 2023 recommendations; 6. Internal Audit report confirming the reported reform results (in authentic and translated copy to English) At the time of this reporting, there was no report published by the National Audit Office on the implementation of recommendations.
Checks performed	During the verification of this reform step, all relevant evidence was reviewed and

in the verification of the step and related findings	summarised in the control checklist, while all supporting documents were properly stored to ensure a complete audit trail. The conducted checks and verifications confirmed that: • all required documents, as specified in Annex 1 of the Reform Agenda, were provided and attached to this report; • the submitted evidence is consistent with the description and requirements of the reform step set out in the Commission Implementing Decision; • the submitted documentation confirms the fulfilment of the reform step; • the submitted documentation confirms the period in which the reform step was fulfilled. Part of internal control system, the Internal Audit of the Ministry of Economy has conducted an audit to assess the accuracy and completeness of the reform implementation and related evidence. The findings conclude the completeness and accuracy of reported results. We provide this internal audit report in the list of evidence. Based on the checks and verifications conducted, the evidence provided confirms the fulfilment of the reform step and the relevant implementation period. No related findings were identified.
Compliance with general principles and DNSH principle	The implementation of the step is in compliance with the general principles outlined in Article 4 and 11(4) of Regulation (EU) 2024/1449 and Article 3 of the Facility Agreement and the 'Do No Significant Harm' principle (DNSH).
Double funding	The implementation of this step did not involve the use of third-party contributions. Accordingly, based on the checks conducted, no double funding was identified.
Clear conclusion on the achievement of the step	Based on the above, we assess that the target of 50% implementation of the independent external audit recommendations for 2023 was achieved. Central POEs reached an implementation level of 45%, representing 90% achievement of the planned target.

From: Vlore Tosuni <vlore.tosuni@rks-gov.net>

To: 'Gramos.Hashani@kek-energy.com'; 'burbuqe.hana@kosovotelecom.com'; 'Nora.Rraci@postakosoves.com'; 'faruk.mujka@iber-lepenc.org'; 'Arsim.Fetahu@kru-prishtina.com'; 'Dardan Velija' <klmcdardanvelija@gmail.com>; 'Ymer Salihu' <ymer.salihu@kru-hidromorava.com>; 'bashkim.kurti@kru-mitrovica.com'; 'Jeton.shabani@bifurkacioni.com'; 'hasan.krasniqi@kru-gjakova.com'; 'Faton Ahmeti' <faton.ahmeti@trepcasha.com>; 'f_berisha@hotmail.com'; 'd.cena@hidrodrini.com'; 'fidan.qufaj@kruradoniqi-dukagjini.com'; 'izet63@hotmail.com'; 'naser.krasniqi@kosovorailway.com'; 'agron.statovci@trainkos.com'

CC: Defrim Pllashniku <defrim.pllashniku@rks-gov.net>; Merita Uruqi <Merita.Uruqi@rks-gov.net>; Qendresa Morina <qendresa.morina@rks-gov.net>; Flutura Shala <Flutura.Shala@rks-gov.net>; Fidaim Spahiu <Fidaim.Spahiu@rks-gov.net>; Filloreta G. Gashi <Filloreta.G.Gashi@rks-gov.net>; Adem M. Ahmetaj <Adem.M.Ahmetaj@rks-gov.net>

Subject: Reminder and Request for Submission of Reports Using the Standardized Template for the Implementation of External Audit Recommendations for 2023

Dear all,

In line with the legal mandate of the Publicly-Owned Enterprises Policy and Monitoring Unit (POE Unit) for monitoring the performance of central public enterprises, as well as in accordance with the requirements of the European Reform Agenda and the obligations arising from the European Union integration process, I would like to remind you that the POE Unit is in the final phase of preparing the progress report on the implementation of external audit recommendations for the year 2023.

After receiving reports from a number of enterprises, it has been noted that many of them have been submitted in different formats and not always with the necessary level of accuracy and detail. In order to ensure clarity, comparability, and standardization across all central POEs, we kindly request that the reports be resubmitted using exclusively the attached template, where all fields highlighted in yellow must be completed.

The template foresees that the report must include the following required components:

1. Short narrative description of the external audit report:
• Summary of the content and main findings for 2023.

2. For each external audit recommendation:
• Description of the finding (as presented in the audit report).
• The enterprise's action plan to address the finding.
• Current implementation status, categorized as:
→ Fully implemented,
→ In progress,
→ Not implemented.

• Justification of the status (e.g., why it has not been implemented, what actions have been undertaken to date, what challenges exist, remaining deadlines).
• Supporting evidence (board decisions, accounting documents, updated reports, administrative acts, etc.) – indicate the document title in the table and attach the referenced document in the email you will send to the relevant analyst responsible for your enterprise.
• Action plan for remaining implementation, if the recommendation has not been fully implemented.

3. Summary of overall implementation:
• Number of recommendations implemented, in progress, and not implemented, including a breakdown in the corresponding percentages.

The standardized collection of this information is essential for the harmonization of data and for the finalization of the consolidated report on the implementation of external audit recommendations. This represents one of the key objectives of the Reform Agenda to ensure the implementation of 50% of the external auditor's recommendations for 2023 by central public enterprises.

Therefore, you are kindly requested to submit the completed document with all relevant information by the end of the week, **21 November 2025, at noon**.

Thank you for your cooperation and your continued commitment to strengthening transparency, accountability, and good governance of public enterprises.

Sincerely,

Vlorë Tosuni
U.D. Drejtor
Njësia për Politika dhe Monitorim të Ndërmarrjeve Publike
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From: Vlore Tosuni
Sent: Monday, November 10, 2025 3:19 PM
To: Merita Uruqi <Merita.Uruqi@rks-gov.net>; Flutura Shala <Flutura.Shala@rks-gov.net>; Qendresa Morina <qendresa.morina@rks-gov.net>; Fidaim Spahiu <Fidaim.Spahiu@rks-gov.net>; Filloreta G. Gashi <Filloreta.G.Gashi@rks-gov.net>; Adem M. Ahmetaj <Adem.M.Ahmetaj@rks-gov.net>

Cc: Defrim Pllashniku <defrim.pllashniku@rks-gov.net>
Subject: Request for reporting on implementation of external audit recommendations of year 2023

Dear Sir/Madam,

Within the legal mandate of the **Unit for Policy and Monitoring of Public Enterprises (UPMPE)** to monitor the performance of central public enterprises, and in line with the requirements of the European Reform Agenda and the obligations arising from the European Union integration process, we hereby inform you that the UPMPE is in the process of preparing the report on progress in the implementation of external auditors' recommendations for the year 2023. This report constitutes an important component of measuring progress within the Public Enterprise Reform, which aims to improve governance, transparency, and responsible financial management of public enterprises, in accordance with EU standards and OECD practices.

In this context, we request that all central public enterprises submit to the UPMPE, no later than **14 November 2025**, a detailed written report on the implementation of the external auditor's recommendations for 2023, including the following elements:

• A list of the recommendations issued by the external auditor for 2023 (as per the audit report);

• The current implementation status of each recommendation, classified as follows:

- Fully implemented;
- In the process of implementation (with a detailed description of the actions undertaken and the remaining timelines);
- Not implemented (with a clear and detailed justification for delays or the inability to implement);

• Supporting evidence for implemented recommendations (e.g. board decisions, updated financial reports, accounting documents, administrative acts, etc.);

• An action plan for the remaining implementation of recommendations, including clear deadlines and assigned responsibilities.

These enterprise reports will serve to update the Report on the Implementation of External Auditor's Recommendations, which the UPMPE is preparing in line with the objectives set out in the Reform Agenda, namely the implementation of **50% of the 2023 external auditor's recommendations** for central public enterprises.

Please ensure that, in addition to the official document approved by the Board, an editable or "machine-readable" version is also submitted within the deadline specified above.

Yours sincerely,

Vlorë Tosuni
U.D. Drejtor

Njësia për Politika dhe Monitorim të Ndërmarrjeve Publike

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Publicly Owned Enterprise

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS ARISING FROM THE AUDITOR'S REPORT FOR

Prepare a short and concise narrative regarding the content and findings of the External Auditor's report.

No.	Description of the recommendation (according to the audit report)	Responsible Unit	Current implementation status	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
	Finding / Observation No. 1. "**Place the auditor's finding here."**	"**Place the responsible unit for implementation here."**	☐ Completely Implemented **X In process** ☐ Not implementable	**"Provide a description of the actions undertaken to eliminate the finding in question"**	**"Decision taken on finding no. 1"**	**"Provide the relevant clarifications"**

According to the recommendations issued by the External Auditor for the year xxx, there were a total of five **(5)** recommendations, where each represents **20%** of the total. The summary of their implementation is as follows:

1. **Finding 1** – (20% of the total) *not implemented*;
2. **Finding 2** – (20%) *implemented 100%*;
3. **Finding 3** – (20%) *implemented 100%*;
4. **Finding 4** – (20%) *not implemented*;
5. **Finding 5** – (20%) *implemented at the rate of 100%.*.

Based on this:

- The completion of points 2: (20%), 3 (20%) and 5 (20%) reaches a total of **60%**.
- The non-fulfilment of points 1: (20%) and 4 (20%) amounts to a total of **40%**.

PUBLIC OWNED ENTERPRISES
REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN
FOR THE RECOMMENDATIONS ARISING FROM THE AUDITOR'S REPORT FOR 2023

1. KOSOVO TELECOM JSC

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS ARISING FROM THE AUDITOR'S REPORT FOR 2023

No.	Description of the recommendation (according to the audit report)	Current implementation status	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
2.2 Matters affecting the conclusion of compliance.					
1	A1 Providing incentives to employees in the absence of a compensation/reward policy.	☐ Fully implemented ☐ In process ☐ Not implemented	Following the completion of mobile network modernization projects, the Technical Directorate has halted the provision of incentives, as noted in the minutes of the Executive Management meeting held on 08.01.2025.	Attached to the correspondence dated 17.11.2025 (9:59 AM)	NONE
2	A2 Shortcomings in recruitment processes for internal and external vacancies.	☐ Fully implemented ☐ In process ☐ Not implemented	During the recruitment process, as a Public Enterprise, TK has strictly adhered to the provisions of the 'Regulation on Employment Relations' No. 01-2978/22 dated 27.06.2022 regarding recruitment procedures. TK has consistently sought explanations and interpretations	Attached to the correspondence dated 17.11.2025 (9:59 AM)	NONE

			from the competent authorities regarding the implementation of 'Administrative Instruction No. 07/17'. Considering the analysis of this matter and the relevant legal interpretations, 'Administrative Instruction MFPT01/2024 on the Regulation of Public Vacancy Procedures in the Public Sector' and 'Administrative Instruction MFPT No. 03/24 on the Supplementing and Amendment of Administrative Instruction 01/2024' have entered into force, specifically Article 2, paragraph 3, according to which the provisions of this Instruction do not apply to public institutions whose recruitment procedures are regulated through specific arrangements via internal acts. In this particular case, TK has regulated this matter through the above-mentioned Regulation. Attached is 'Administrative Instruction MFPT No. 03/24 on the Supplementing and Amendment of Administrative Instruction 01/2024'.		
2.2.1 Accounts receivable					
3	A3 Non-reconciliation of the register of provisioned accounts receivable in accordance with legal requirements.	☐ Fully implemented ☐ In process ☐ Not implemented	The Revenue Department to date has not received any court decision enforcing the collection of debts from such customers. Even if such a decision was issued, any write-off of these debts would require approval from senior management,	Attached to the correspondence dated 17.11.2025 (10:03 AM)	Through this recommendation, the auditors requested that customer debts which could not be collected through legal proceedings, or where it is known in advance

			however, management opposes writing off debts in the system. During the 2024 Financial Statements audit by NAA, this issue was not repeated, as it was confirmed that the Financial Statements for 2023 and 2024 fairly and accurately present the company's financial position.		that such proceedings would fail, be written off from the system. This recommendation cannot be implemented. Debt write-offs can only occur if a specific law provides for the forgiveness of such debts.
4	B1 Underestimation of accounts receivable	☐ Fully implemented ☐ In process ☐ Not implemented	Actions taken to identify discrepancies Following previous actions to reconcile accounts receivable between the billing system and the financial (ERP) system, the Revenue Assurance Department, in cooperation with other relevant departments of Kosovo Telecom, has continued the process of verifying and reconciling the data. As noted in the response provided last year, this process covers the period from 1999 to the present, and discrepancies have mainly resulted from changes in the three billing systems over this time, with challenges in accurately transferring accounts receivable data from one system to another. Nevertheless, it is worth emphasizing that in recent years significant improvements have been achieved, as reconciliations between revenues and cash are	Attached to the correspondence dated 17.11.2025 (9:59 AM)	The discrepancy relates to prior years. For 2024 and 2025, there are no discrepancies. Therefore, the recommendation is considered 100% implemented.

			now almost 100%, with minor, negligible differences. Last year, Kosovo Telecom succeeded in reducing the discrepancy by €48,880 compared to the previous year. This effort has continued this year, and we are continuously working to further minimize these differences. Additional clarifications for the ledger 'Collections from Court Cases without Reference Number'. The current balance of this account is €53,715.60, representing a cumulative amount attributable to customers who are not included in the active billing system. These customers had a 'deactivated' status (as of 2004) during the system transition period, and consequently, their debts were not carried over to the new system. For these customers, Kosovo Telecom's Legal Department has initiated legal proceedings to collect the debts. Details of all transactions related to this account can be found in the attachment. This account supports the verification process and assists in accurately documenting all actions taken. Upon resolution of cases in favor of Kosovo Telecom, collections from these customers were credited to this cumulative account, as they lacked active		

			individual accounts in the billing system.		
2.2.2 Salary expenses					
5	B2 Non-payment of employees with the same grade for the same position	☐ Fully implemented ☐ In process ☐ Not implemented	This finding was resolved (eliminated) during the implementation of the restructuring process.		NONE
6	B3 Filling positions with Acting Officers	☐ Fully implemented ☐ In process ☐ Not implemented	This finding was resolved (eliminated) during the implementation of the restructuring process.		NONE

According to the recommendations issued by the External Auditor for the year 2023, there were a total of six (6) recommendations, where each represents 100% of the total. The summary of their implementation is as follows:

1. **Finding 1** – (100%) *implemented*;
2. **Finding 2** – (100%) *implemented*;
3. **Finding 3** – (100%) *implemented*;
4. **Finding 4** – (100%) *implemented*;
5. **Finding 5** – (100%) *implemented*;
6. **Finding 6** – (100%) *implemented*.

   Based on this:

   - The completion of points: 1 (100%), 2 (100%), 3 (100%), 4 (100%), 5 (100%) dhe 6 (100%) **results in an overall average of 100%.**

2. KMDK J.S.C. Public Enterprise

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR RECOMMENDATIONS ARISING FROM THE EXTERNAL AUDITOR'S REPORT FOR THE YEAR 2023

No.	Description of Recommendation (as per audit report)	Responsible Unit	Current Implementation Status	Description of Actions Taken / Reason for Non-Implementation	Supporting Evidence (document references)	Action Plan for Further Implementation (if applicable)
	Finding / Issue No. 1					
	"Insert the auditor's finding."	"Insert the responsible unit for implementation."	☐ Fully implemented X In process ☐ Not implemented	"Provide a description of actions taken to address the finding."	"Decision taken regarding finding no. 1"	"Provide relevant clarifications"
	Non-confirmation of accounts payable	Legal Office	⌛ In process	The discrepancies relate to two invoices from 2021. The case has been audited by the NAO; the Board has only partially approved the independent audit report as the case has already been referred to the Special Prosecution. No further actions can be taken while the case is under judicial process.	NAO Report; Criminal complaint dated 01.04.2025; Board of Directors' decisions	Pending completion of the judicial process. Further steps will be taken after the final decision of the competent authority.
	Lack of revaluation of fixed assets	Finance Department / Management	☑ Implemented	The revaluation process has been initiated and external experts have been engaged	Final valuation report Raporti i vlerësimit - KMDK_Final 02.03.2(	Completion of revaluation and reflection in the 2025 Financial Statements

According to the recommendations issued by the External Auditor for the year 2023, there were a total of two (2) recommendations, each representing 50% of the total. The summary of their implementation is as follows:

1. Finding 1 – (50%) not implemented – in process;
2. Finding 2 – (50%) fully implemented (100%);

Based on this:

- Implemented items: 1 (50%), reaching a total of 50%;
- Non-implemented items: 1 (50%), reaching a total of 50%.

3. POE "Iber Lepenc" JSC

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS ARISING FROM THE AUDITOR'S REPORT FOR 2023

Nr.	Description of the recommendation (according to the audit report)	Responsible Unit	Current implementation status	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
1	1.According to IAS 16 – Property, Plant and Equipment, revaluations should be carried out with sufficient regularity to ensure that the carrying amount (net book value) of an asset does not differ materially from the amount that would be determined using fair value at the end of the reporting period. The company last carried out the asset valuation process in 2007. As a result, the accounting register includes 1,235 assets with a historical cost totaling €9,179,599, which have been fully depreciated and whose net book value is recorded as zero. Furthermore, the asset register also contains 41 assets for which the acquisition value has not been	CFO	☐ **Completely Implemented** ☐ In process ☐ Not implementable	The valuation report prepared by the licensed valuation company has been received and approved by the Board. Subsequently, the new fair values resulting from the revaluation of assets have been recorded in the accounting system.	Independent Valuation Company Report.	Presentation in the Financial Statements for 2025

	recorded due to the lack of supporting documentation. These assets are still active; however, no revaluation or review of their useful life has been performed, the same as for the other assets. Despite the commitment made by management in the action plan and efforts made through procurement procedures, due to the lack of responsible bidders, this issue has remained unimplemented.					
2	IAS 16 – Property, Plant and Equipment, paragraph 39 states that if the carrying amount (net book value) of an asset increases because of a revaluation, the increase shall be recognized in other comprehensive income and accumulated in equity under the heading "revaluation surplus." However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss. Furthermore, paragraph 41 states that a portion of the revaluation surplus may be transferred when the asset is used by the entity. In such a case, the amount of the surplus transferred represents the difference between depreciation based on the revalued carrying amount (net book value) of the asset and depreciation based on the asset's original cost.	CFO	☐ Completely Implemented ☐ **In process** ☐ Not implementable	The valuation report prepared by the licensed valuation company has been received and approved by the Board. Following the completion of the asset revaluation process, a new revaluation surplus will be recognized. The previously recorded revaluation balance is currently under analysis to determine the necessary adjustments.	Independent Valuation Company Report.	Presentation in the Financial Statements for 2025

	The amount of the revaluation reserve presented in the financial statements was €162,424,909, resulting from the increase in asset values following the revaluation conducted in 2007. Since 2007, this amount has not been regularly adjusted to reflect depreciation related to the revalued portion of the assets. Consequently, the value of the revaluation reserve as well as depreciation expenses have not been accurately presented in the financial statements. Despite management's commitment to implement this recommendation, the issue of the inaccurate presentation of the revaluation reserve has not been addressed until the latest asset revaluation.					
3	According to IAS 16 – Property, Plant and Equipment, paragraph 50, the depreciable amount of an asset shall be allocated on a systematic basis over its useful life. The enterprise had not applied the requirements of the standard regarding the depreciation of assets following the last revaluation, as depreciation after revaluation was allocated over the entire useful life of the assets rather than over their remaining useful life. This issue was identified in 24 tested samples that had undergone the revaluation process in 2007.	CFO	☐ **Completely Implemented** ☐ In process ☐ Not implementable	The valuation report prepared by the licensed valuation company has been received and approved by the Board. The Board has also approved the Accounting and Finance Regulation, in which Article 21 includes the uniform depreciation rates for newly acquired assets as well as the rates applied to revalued assets based on their remaining useful lives.	The Accounting and Finance Regulation, Protocol No. 01-4674, Article 21.	Implementation of the regulation with the new depreciation rates effective from January 2025.

	This depreciation approach occurred due to the criteria applied in recording the assets after the revaluation, without any justification provided in the revaluation report explaining why depreciation was calculated over the entire useful life rather than over the remaining useful life of the assets.					
4	According to International Standards for the Professional Practice of Internal Auditing (Standards 1300, 1310, 1311), the Chief of Internal Audit is required to develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. This program is implemented through internal assessments, which include ongoing monitoring of the progress of internal audit activities, as well as periodic self-assessments or assessments by other individuals within the organization who possess sufficient knowledge of internal audit practices. Within the enterprise, the internal audit function is performed solely by a single officer responsible for both conducting and reviewing audits, which limits the ability to provide an effective quality assurance and improvement program for audit activities. During the year, the	Board of directors/ Company Secretary	☐ **Completely Implemented** ☐ In process ☐ Not implementable		Regulation No. 02/2024 on the Systematization and Description of the Positions at HE "Ibër Lepenc", Section 4, page 27. Decision on the Appointment of the Internal Auditor. Report of the Internal Audit Office of HE Ibër Lepenc for 2024, page 21, item 4.	Implementation of the Regulation

	enterprise hired an internal audit officer who, within a short period, terminated the employment relationship. As of year-end, the Internal Audit Unit had not yet been staffed with additional staff.					

According to the recommendations issued by the External Auditor for the year 2023, there were a total of five **(4)** recommendations, where each represents **25%** of the total. The summary of their implementation is as follows:

1. **Finding 1** – (25% of the total) *implemented 100%*;
2. **Finding 2** – (25%) *implemented 50%*;
3. **Finding 3** – (25%) *implemented 100%*;
4. **Finding 4** – (25%) *not implemented 100%*;

Based on this:

- The completion of points :1 (25%), 2 (12.5%), 3 (25%) and 4 (25%) reaches a total of **87.5%**.
- The non-fulfilment of points :2 (12.5%) amounts to a total of **12.5%**

KOMPANIA RAJONALE UJËSJELLËSIT SH.A.
REGIONAL WATER COMPANY J.S.C.
RAGIONALNA KOMPANIJA ZA VODOSNABEVANJE D.D.
PRISHTINA

4. RCW Prishtina J.S.C.

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS ARISING FROM THE EXTERNAL AUDITOR'S REPORTS FOR 2023

No	Description of the recommendation (according to the audit report))	Responsible Unit	Current implementation status ☐Implemented ☐ In process ☐ Not implemented	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable
1	**Issue A1 - Deficiency in the Asset Register Recommendation** The Board of Directors should ensure that a full review of the asset register is carried out in order to identify all deficiencies and to take the necessary actions in order to ensure that the value of the assets is presented fairly and accurately in the annual financial statements	Finance Directorate Technical Directorate	In Process	Management will look at the technical possibilities for realizing the pricing of those assets that would still have a net book value even at the end of 2023. For the 16 assets where the measurement unit was technically incorrect, they will be adjusted based on the information received for those objects. For the value of assets that have a net value of €0 but are still in use, we consider that the policy implemented by us is in order, we have elaborated the same in the Management Comments	See the NAO Audit Report for 2024 table 1 - Implementation of recommendations	This recommendation was also addressed during 2024, but some elements of the recommendation remained unimplemented during that year. This year, the considered cost of the remaining assets will also be calculated at a cost of €0 (62 assets remain out of 92 but will be addressed with the 2024 AFS.
2	**Issue A2 - Improper treatment of long-term assets, respectively capital projects**	Finance Directorate	Implemented	The fixed assets regulatory policy will be supplemented in order to provide for the specifics	See the 2024 NAO	During 2024, the regulation on fixed assets

	Recommendation The Board of Directors should ensure the development of a written procedure so that the treatment of assets, respectively projects, which relate to works and supplies, is done according to International Accounting Standards, so that their presentation is as fair as possible.	Technical Directorate		according to the given recommendation.	report Tablea no. 1 pp. 25-26. |See attached regulation Ref no.2.	was reviewed/updated, thereby addressing the recommendation.
3	**Issue A3 - Weaknesses identified by the fixed assets inventory report** **Recommendation** The Board of Directors, before approving the inventory report, should provide relevant evidence (research) regarding assets that were not physically found by the committee but were recorded in the accounting register. It should also develop clear procedures to ensure that the company's assets are handled properly.	CEO Finance Directorate	In Process	During the inventory of the following year, a committee will be created that will analyze the reasons for the shortages. Regarding the treatment in the PF, we consider that it has been treated in accordance with IFRS, but steps will be taken in the software to enable assets (that are no longer in use or that are missing according to the committee's report) to only be passively written off and not directly written off until further clarifications/treatment.		The technical aspect for which the finding was presented has been addressed, but other issues have emerged during the inventory since we are dealing with assets that are geographically dispersed and which are outdated and various issues arise.
4	**Issue A4 - Unconfirmed Accounts Receivable Balances** **Recommendation** The Board of Directors should ensure periodic reconciliation procedures with economic partners so that the presentation of accounts receivable is accurate.	Commercial Department Secretary (for liquidation cases)	Not Implemented	Management will take steps regarding cases where there is no harmonization. At the same time, where there is non-compliance in cases of SOE liquidation, legal steps will be taken and reviewed.		Këtu kemi të bëjme me një rekomandim i cili përsëritet ndër vite, kryesisht edhe për shkak të libravë që mbahen nga kompanitë por një pjesë e problmatikes ka të bëjë me borxhet e pronavë të cilat janë privatizuar dhe nuk janë shlyer borxhet paraprake ndaj KRUP.
5	**Issue A5 - Incomplete presentation of explanatory notes**	Finance Directorate	Implemented	Management will also disclose these details of the information in the PF for the following year.	They are presented in the set	See the 2024 NAO report Tablea no. 1 pp. 25-26

	Recommendation The Board of Directors should ensure that the explanatory notes, containing the basic principles used in the preparation of the financial statements and information on the composition of the items in the statements, are provided in accordance with the requirements of accounting standards.				of financial statements See Ref no.1 (pages 40-71)	
6	**Issue A6 - Inaccurate presentation of prepayments** **Recommendation** The Board of Directors should ensure that the values presented in the statement of financial position are accurate for the relevant accounts including all invoices.	Finance Directorate	Implemented	Management will take action to ensure that the presented balance of prepayments is accurate.	Accounting balance correction	The value of the prepayment to the Municipality of Prishtina has now been corrected..
7	**Issue B1 - Inaccurate presentation of accounts payable** **Recommendation** The Board of Directors should ensure that necessary corrective actions are taken to correct errors in the accounting records relating to payables in order to ensure an accurate presentation in the financial statements. In addition, mechanisms should be established to review the payables register on a regular basis to verify the completeness and accuracy of the list of payables to suppliers.	Finance Directorate	Not Implemented	Management will take action to ensure that the presented LLP status is accurate at the end of the year. And actions will be taken to reconcile with the supplier with whom we had differences.		The lack of equalization continues to happen with Ferronikeli, as they do not accept an amount of debt that has been carried over since 2017.
8	**Issue A7 - Acceptance of documents after the closure of the public competition** **Recommendation** The Board of Directors should ensure that when conducting recruitment procedures, it respects the requirements set forth in the legal regulations.	Secretary Administration Department	Implemented		See the NAO report for 2024 Table no. 1 pp. 25-26	This phenomenon has not been repeated.

9	**Issue A8 - Awarding of Contract to Irresponsible Operator** **Recommendation** The Board of Directors should ensure that actions are taken to increase controls in the tender evaluation process and also to provide higher oversight to the procurement office so that procurement activities are carried out in full compliance with the requirements arising from the tender dossier, namely the procurement law.	Procurement Department	Implemented	Management will take action to avoid these omissions and accurately evaluate all offers from operators in detail..	Ref no. 1. See the 2024 NAO report Table no. 1 p. 25-26	This phenomenon has not been repeated.
10	**Issue B2 - Lack of contracts with customers for water services** **Recommendation** The Board of Directors should ensure that all appropriate actions are taken to enter into contracts with all existing customers who are without contracts	Commercial Directorate	In Process	As part of the agreement with the Post of Kosovo, we are following up on contracts created for existing customers who have not had contracts until now, while for new customers, contracts are signed immediately.		Although a significantly high number of contracts were signed, it has not yet been achieved to be fulfilled 100%, since most of it remains the responsibility of the consumers who must sign the service contracts. We have also signed the agreement with the Post of Kosovo and this has contributed to a significant increase in performance in recent years.
11	**Issue B3 - Customer register not in compliance with ARRU rules** **Recommendation** The Board of Directors should ensure that remedial measures are taken so that all customers registered with the designation "NN" (no name and surname) and other abbreviations are registered in the name of the service users. Furthermore, it should be	Commercial Directorate	In Process	Although during 2023 the management has taken action on this issue through the commission, they have not managed to identify all customers with N.N. The duties of the commission have been to verify all customers who are registered as NN (unknown. The commission		This remaining number, although minimal, is being addressed, although the committees formed for objective reasons have found it impossible to identify these consumers.

	ensured that the recorded amount of debt is determined to which customers it belongs to and that the necessary measures are taken for their collection.			has prepared a report and report by attaching all relevant documents. The commission assesses that all customers since their registration have been identified as NN customers in the past, no property, demolished house, uninhabited property has been found. During this year, these cases will be reviewed once again and a decision will be made on how to act with these customers.		
12	**Issue B4 - Lack of installation of water meters** **Recommendation** The Board of Directors should take concrete actions to install water meters for all customers so that billing for water used is done on a consumption basis.	Commercial Directorate	In Process	Even on this issue, actions have been taken and the number of consumers without water meters has been reduced. All consumers have been inspected and where there were conditions for installation, water meters have been installed, but for some consumers there were no technical conditions for the installation of water meters (due to the lack of manholes, valves, or blocked access). There are also properties that are uninhabited or even dilapidated and that still appear in the program as consumers without U.M., because consumers have not submitted any request to be deactivated where they have no water meters. Consumers will be inspected and measures will be taken in		Actions have been taken, currently there are less than 200 consumers left without a water meter, according to reports from the teams, these have remained because they do not have the technical ability to install a water meter.

				cases where they do not offer us conditions for the installation of corresponding meters.		
13	**Issue A9 - Weaknesses in the management of capital investment projects** **Recommendation** The Board of Directors should take action to monitor personnel/departments within the company so that projects are implemented according to the requirements of the agreement	Technical Directorate	In Process	Considering that steps have been taken this year and the auditing of projects will be carried out in earlier stages, we consider that it will increase the security of the smooth running of the processes. Also this year, the projects have been initiated significantly earlier than last year in order to be completed and to achieve the receipt of all funds.		In 2024, the % of realization was more satisfactory than in 2023. For the current year, we expect all projects signed in the financing agreement to be realized.
14	**Issue A10 - Failure to provide all stocks with relevant codes** **Recommendation** The Board of Directors should ensure that warehouse management is carried out according to regulations, providing each item with the relevant code, and have a policy for handling out-of-use stocks.	Finance Directorate	Implemented	A Commission has already been formed that will divide the categories/types of stocks in more detail and the same will be applied to the warehouse system.	Ref. No. !. See the 2024 NAO report Tablea no. 1 p. 25-26	The required actions for addressing have been taken.
15	**Issue A11 - Deficiencies in the transfer of ownership process for capital projects** **Recommendation** The Board of Directors should ensure that projects are monitored during the contract execution process and that in cases of signing of agreements for transfer of ownership, the projects are handled in the appropriate manner.	Technical Directorate Finance Directorate	In Process	The management will take steps to complete all projects that have remained unfinished. The decision will also be made for a commission that will make technical acceptances and divide the components of the assets so that they can then be recorded in the accounting.		Although relevant committees have been formed by RCWP and maximum efforts have been made to complete the documentation, this point still remains challenging due to the physical/technical condition of the projects..

16	**Issue B5 - Lack of identification of payments received from unidentified customers/consumers** **Recommendation** The Board of Directors should ensure that appropriate actions are taken to identify customers who have made payments so that this is reflected in their individual cards.	Finance Directorate	Not Implemented	Due to the very high age of the balance, management will again attempt to take action on these assets. However, if this is deemed impossible with prior notice, these will be treated in accordance with the requirements of the standards.		This balance has been carried over since 2013. Unfortunately, even though we have sent several official requests to the Treasury, we have not been sent the analytical card of payments to RCWP through the Treasury. Since we know from experience that most of these funds are from Budget Organizations.
17	**Issue A12 - Lack of a separate account for property tax** **Recommendation** The Board of Directors should ensure that the recording of expenses and liabilities is done according to the relevant codes and accounts as required.	Finance Directorate	Implemented	These accounts will also be technically opened upon request, even though they are not considered necessary.	Ref.1 See the NAO report for 2024 Tablea no. 1 p. 25-26	The necessary actions have been taken, codes have been opened for each municipality.
18	**Issue A13 - Accumulation of Accounts Receivable** **Recommendation** The Board of Directors should ensure that the Company is taking timely legal action to prevent the statute of limitations on debts**.**	Commercial Directorate in coordination with the Secretary	Not Implemented	Considering that the value of old debts is extremely high, in order not to jeopardize the company's performance and financial stability, a detailed regulation will be drafted this year, which foresees the taking of steps in each situation in accordance with the legal framework. Due to the very old age of inherited debts, the management will continue to take actions regarding the collection of old debts.		In 2024 we had a decrease in the balance since the collection rate was over 100%, this is expected this year as well. But the full collection of these debts remains a challenge since they are debts that date back to the post-war period. The management is constantly taking actions, including sending cases to enforcement, increasing inspection teams and

						ongoing awareness campaigns.
19	**Issue A14 - Acceptance of supplies without a report from the acceptance committee** The Board of Directors should ensure that in cases of acceptance of goods, appropriate committees are formed to monitor the supply of fuels.	Finance Directorate	Implemented	Although it was an isolated case, management has increased its attention and will take steps, and all supply contracts will be accepted by commission in accordance with the requirements of the legal framework.	Ref.1 See the 2024 NAO report Tablea no. 1 p. 25-26	All such acceptance are now made on commission.

According to the recommendations issued by the External Auditor for 2023, there were a total of 19 recommendations, each representing 5.26% of the total.

The summary of their implementation is as follows:

- Findings A2,A4,A5,A6,A7,A8,A10,A12,A14 have been implemented, which in total amounts to 47.37% (9*5.26%);
- Findings A3, B2, B3, B4, B5 are in process as they are partially implemented 26.31% (5*5.26%);
- Other findings, which in total amounts to 26.3% due to impossibility, have not been addressed

REPORT ON THE IMPLEMENTATION OF TH ACTION PLAN FOR THE RECOMMENDATIONS FROM THE AUDITOR'S REPORT FOR THE YEAR 2023

Nr.	Recommendation description (according to audit report))	Responsible Unit	Current implementation status	Description of actions taken / Reason for non-implementation	Supporting evidence (document reference))	Action plan for further implementation (if applicable)
1.	**<u>Property, Plant and Equipment</u>** We recommend that management be equipped with adequate software that will enable the maintenance and accurate reporting of financial records and also to draft clear procedures for the treatment and recognition of assets and related transactions.	CEO and CFO for Asset section	☐ Fully implemented X implemented ☐ Not implemented	The Company has developed procurement procedures for the purchase of new ERP software, but they have failed. The Company will start again with new procedures for the supply of new software. I inform you that the Company has an internal regulation for Asset Management with protocol number 739 dated 10.12.2021, approved by the Board of Directors and based on this regulation the Company manages assets and calculates their depreciation.	The ERP implementation process is in the final stage.	
2.	**<u>Accounts Trade Receivables</u>** To have better control of receivables, we recommend that the Company make proper accounting records and perform regular reconciliations with customers so that the value of trade receivables is accurately presented at the reporting date.	Comercial / Retail director, And Financial Manager	☐ Fully implemented X implemented ☐ Not implemented	With the purchase of the new software, it will be possible to provision accounts receivable as required by international accounting standards. The current software does not share any aging structure of accounts receivable.	We are still in the process of implementing ERP, which in the future will enable us to assess the aging of debts. But considering the great value of LLA and the RWC business	

	We also recommend that the Company conduct regular aging analyses and this will help management improve collections and settlements with customers, and have a better history and make more accurate estimates for bad debt provisions.			While for future reconciliations with customers, we will implement this recommendation. The regulation for the provisioning of LLA has been sent to the BOARD, where we have taken the regulation used by KRU PRISTINA as a model. During 2026, it will be reviewed and sent for approval, after consultations with the Shareholder.	where we have minimal operating profit, provisioning for LLA would send us into deep financial losses	
3.	**<u>Management of stock and other inventory in use</u>** In this case, we recommend that data on stocks and other inventory be managed consistently and assessed for possible damage, then a provision for obsolete stocks is recognized. Stocks identified as obsolete or slow-moving should be separated and written off immediately and this will help regulate their condition, which should be analyzed continuously, at least on a quarterly basis, evaluating each unit for future use.	Financial Manager Warehouse Manager	X Fully implemented implemented ☐ Not implemented	The find was eliminated, a commission was formed and the unused material was sold through an AUCTION, organized through the PROCUREMENT office.	The obsolete stocks have been evaluated by the relevant commission and the auction procedures have been carried out. Together with the Procurement Office, the sale process has been completed. The remaining part, which was completely unusable, has been destroyed.	
4	**<u>Accounting program inadequate for the needs of the Company</u>**	CEO and CFO	X Fully implemented implemented	We have mentioned above, in the first finding, that the Company will very soon	The ERP implementation process is in the final phase, where	

	We recommend that the company's management engage as soon as possible to equip itself with a material financial accounting program that meets the Company's requirements in accordance with International Accounting Standards - IAS and the requirements arising from the Law on Accounting, Financial Reporting and Auditing		☐ Not implemented	develop procurement procedures for the supply of new ERP software.	Invoicing has been finalized, Accounting is being finalized, and will continue with Human Resources, and the final processes.	

According to the recommendations issued by the Internal Auditor for 2023, there were a total of five (4) recommendations, each representing 25% of the total. The summary of their implementation is as follows:

1.Finding 1 – (25%) was 100% implemented

2. Finding 2 – (25%) was not 100% implemented

3. Finding 3 – (25%) was 100% implemented;

4. Finding 4 – (25%) was 100% implemented;

According to this:

- Achievement of points: 1 (25%), 2 (25%) and 3 (25%),4(25%), reach a total of 100%.
- Failure to achieve points:Realizimi i pikave:

6. KRU HIDROMORAVA Sh.A.

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS ARISING FROM THE INDEPENDENT AUDITOR'S REPORT FOR THE YEAR 2023

During the audit, seven key findings were identified, relating to asset management, receivables, payables, provisioning, and contingent liabilities. The status of implementation of the recommendations is presented below:

1. Asset Revaluation (Finding No. 1) – Fully Implemented

The Company has carried out the revaluation through a licensed firm and has updated its records in accordance with IFRS requirements.

2. Receivables – Lack of Confirmations (Finding No. 2) – In Progress

The lack of confirmations mainly relates to old debts prior to 2014, socially owned enterprises, and inactive entities. The confirmation and treatment process for these accounts is ongoing through communication with the Kosovo Privatization Agency (KPA) and relevant parties.

3. Non-Provisioning of Receivables (Finding No. 3) – Not Implemented

The provisioning regulation has been reviewed by the Board but has not yet been approved. It is expected to be updated and resubmitted for approval.

4. Payables – Confirmations (Finding No. 4) – Fully Implemented

Of all confirmation requests, only one (from Municipal Directorates) was not returned due to administrative reasons. Other balances have been verified through confirmations and alternative procedures.

5. Contingent Liabilities (Finding No. 5) – Fully Implemented

Liabilities have been disclosed in accordance with IAS 37 and were confirmed following the conclusion of enforcement procedures in January 2024.

6. Ownership of Land and Buildings (Finding No. 6) – In Progress

The property registration process depends on the respective municipalities. The Company has submitted all required applications; however, final decisions have not yet been issued.

7. Unidentified Payments (Finding No. 7) – In Progress

Payments are being continuously identified in cooperation with banks, customers, and institutions. Unidentified balances arise due to incomplete information provided at the time of payment execution.

No.	Description of Recommendation (as per the Audit Report)	Current Implementation Status	Reason for Non-Implementation	Supporting Evidence (Document References)	Action Plan for Further Implementation (if applicable)
	Finding No. 1 Asset Revaluation – The Company has recognized a revaluation reserve of EUR 8,049,519 as at 31 December 2023 (as well as at 31 December 2021, in the same amount of EUR 8,049,519), which originates from the asset revaluation conducted in 2007. Since then, no subsequent periodic revaluation has been performed, as required by the International Financial Reporting Standards (IFRS). The failure to carry out asset revaluation and to review the useful life of assets currently in use increases the risk that their carrying value presented in the financial statements may materially differ from their fair value.	Fully Implemented		Valuation report prepared by the licensed company "Nexia LLC" (attached).	
	Finding No. 2 Receivables – We selected 42 samples for confirmation of receivable balances from customers, amounting to EUR 251,896.61. However, up to the date of this report, only two confirmations have been received. Meanwhile, two customers have made payments totaling EUR 15,759.32 in 2024, and two customers, with balances of	In Progress	In relation to the finding concerning the lack of confirmation of a portion of receivables, we hereby provide the following explanation and outline of actions undertaken by the Company: Debts incurred prior to 2014 – EUR 49,173.82 These amounts relate to sewer blockage services performed in sensitive and urgent cases for institutions and large businesses. Due	KPA decisions (attached).	Socially Owned Enterprises For receivables related to Socially Owned Enterprises, the Company will continue the communication process and follow-up procedures through the Kosovo Privatization Agency (KPA), until the completion of the liquidation process. The final settlement of these obligations will be carried

	EUR 18,415.22, are subject to legal proceedings.		to the nature of these interventions, the benefiting parties have refused to confirm the obligations, claiming that such services fall under the Company's responsibility toward citizens and were carried out without prior request. This has made formal confirmation of these liabilities impossible, despite continuous efforts by the responsible officials of that period. Receivables from Socially Owned Enterprises – EUR 80,983.51 These debts relate to socially owned enterprises that are currently inactive and do not have responsible representatives to provide confirmations. However, there are official decisions confirming that these entities have not yet been fully liquidated. All confirmation requests have been submitted to the Privatization Agency (KPA), and we are awaiting the completion of the liquidation process so that these obligations can be addressed in accordance with legal procedures. Cases settled through payment From this category, 6 cases have been successfully closed through payments totaling EUR 47,281.27. Pre-2014 debts – EUR 28,930 These obligations relate to businesses that are no longer active, have ceased operations, or have submitted unresolved complaints. Further		out only after full liquidation, in accordance with the legal and administrative decisions issued by the competent authorities. Receivables for Services and Water Prior to 2014 Receivables dating prior to 2014, which have not been realizable for many years and continue to affect the overstatement of current assets, should be addressed for decision-making by the Board. Given that these obligations are considered irrecoverable and are repeatedly raised as findings in external audits, the Board is required to make a clear decision regarding: • their write-off, or • their accounting treatment and reclassification in accordance with applicable standards.

			verification has not been possible in these cases; however, supporting documentation exists and will be used in any future legal or administrative proceedings.		
	Finding No. 3 Non-provisioning of Receivables – Trade and other receivables in the 2023 financial statements amounted to EUR 3,579,021. For the year 2023, the Company has made a provision for receivables in the amount of EUR 24,474.47, representing only 40% of receivables identified as non-existent, amounting to EUR 61,186.18 according to accounting records. These provisions were approved by the Board. In accordance with IFRS 9, although companies are required to apply the expected credit loss model for the calculation of provisions on receivables and loans granted, KRU Hidromorava is still significantly behind in the full implementation of this standard.	Not Implemented	The Regulation for the provisioning of receivables was reviewed at the Board meeting held in February 2024. However, it has not been approved, as the Board requested additional amendments prior to final approval. Currently, the updated document is being prepared and will be resubmitted for approval at a forthcoming Board meeting.		
	Finding No. 4 Payables – We selected 14 samples for confirmation of trade payables from suppliers, amounting to EUR 74,656.29. Up to the date of this report, 11 confirmations were received, representing EUR 66,625.56 (93.82%). Through	Fully Implemented	During the process of confirming trade payables, confirmation requests were sent to all selected suppliers. All confirmations were received within the deadline, except for one confirmation from Municipal	Draft Document	

	alternative procedures, we attempted to verify the accuracy of the remaining unconfirmed balances reported by the Company; however, we were unable to obtain sufficient appropriate evidence. The lack of supplier confirmations creates uncertainty regarding the accuracy and completeness of payables as presented in the financial statements as of 31 December 2023.		Directorates, which relates to a significant amount. The non-receipt of this confirmation is considered to be due to administrative delays, rather than any inaccuracy in the Company's reporting of liabilities.		
	Finding No. 5 Contingent Liabilities – Contingent liabilities amounting to EUR 77,884.14. The assessments made by the Legal Department regarding contingent obligations as of 31 December 2023 do not provide sufficient assurance that they are fully in compliance with the requirements of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. Our opinion is not qualified in relation to this matter.	Fully Implemented	Contingent liabilities have been disclosed as explanatory information in the financial statements for the audited period. These liabilities were not recognized in the financial statements, as the matter was under court proceedings, and recognition would have had a significant impact on the financial result of the period. However, in January 2024, the case was finalized through enforcement proceedings, thereby making the obligation certain and confirmed after the reporting date.	Financial expertise report and enforcement transaction	Arbitration Tribunal Decision A.nr.01/2023 dated 14.12.2023, Enforcement Order P.nr.172/23, and Bank Confirmation The case relates to unpaid works and services, with a total awarded amount of EUR 77,884.14, consisting of: • Principal debt: EUR 50,216.32 • Loss of profit: EUR 18,268.12 • Accrued interest: EUR 9,399.39

					In addition, the following amounts were awarded: • Interest at 8% on the principal amount of EUR 77,884.14, calculated from 06.07.2020 until full payment, amounting to EUR 12,117.00 • Arbitration costs: EUR 6,884.40 • Enforcement procedure costs: EUR 315.00 • Financial expert report fee: EUR 300.00 These amounts were confirmed through the enforcement order and the corresponding bank statement confirming execution of payment.
	Finding No. 6 (related to Finding No. 1) Land and Buildings – The land and buildings reported in the statement of financial position as of 31 December 2023 are not supported by formal ownership titles confirming that they are legally owned by the Company.	In Progress	Description of Actions Taken / Reason for Non-Implementation: The ownership of land and buildings does not depend on the Company's management. The Company has submitted all relevant requests to the competent municipalities and is currently awaiting official developments and decisions. To date, no progress has been made regarding this matter.	Requests addressed to Municipalities regarding property ownership	

	Finding No. 7 Unidentified Payments – Collections amounting to EUR 19,430 were not allocated to the respective customers' outstanding obligations toward the Company. Instead, these amounts were recorded within receivables as deductions under the description "Unidentified Payments". According to Company officials, this situation occurred due to difficulties in identifying customers at the time payments were made through bank accounts.	In Progress	Payments are continuously identified following each confirmation, whether from customers, institutions, or the Treasury, in cooperation with banks. Although the majority of payments are successfully identified and matched with the respective accounts, new unidentified items are also generated during the process due to incomplete information available at the time the payments are made.		Payments are continuously identified following each confirmation received from customers, institutions, or the Treasury, in cooperation with banks. The majority of payments are correctly identified and allocated to the respective accounts; however, during the process, new unidentified items also arise due to incomplete information available at the time the payment is executed

According to the recommendations issued by the External Auditor for the year 2023, there are a total of seven (7) recommendations, each representing 14.29% of the total. The summary of their implementation status is as follows:

1. Finding 1 – (14.285%) 100% implemented
2. Finding 2 – (14.285%) in progress
3. Finding 3 – (14.285%) not implemented
4. Finding 4 – (14.285%) 100% implemented
5. Finding 5 – (14.285%) 100% implemented
6. Finding 6 – (14.285%) in progress
7. Finding 7 – (14.285%) in progress

Based on this, the overall implementation summary is as follows:

- **Implemented recommendations:** Findings 1, 4, and 5 (3 × 14.29%) = **42.86%**
- **Recommendations in progress:** Findings 2, 6, and 7 (3 × 14.29%) = **42.85%**
- **Not implemented recommendations:** Finding 3 (1 × 14.29%) = **14.29%**

MITROVICA
KOMPANIA UJESJELLESI RAJONAL SH.A.
REGIONAL WATER COMPANY J.S.C.
KOMPANIJA REGIONALNI VODOVOD D.D.
Rruga e Liqenit p.n. – 40000 Mitrovicë
Data: _____ Nr.: _____

7. KRU MITROVICA Sh.A.

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS ARISING FROM THE AUDITOR'S REPORT FOR 2023

The financial statements of KRU Mitrovica for the year 2023 received a qualified opinion, as although they generally present a true and fair view in accordance with IFRS, the audit identified several significant deficiencies: the Company has not carried out a revaluation of property, plant and equipment in accordance with IAS 16; there is a high risk of non-collection and insufficient provisioning of receivables, particularly those related to the Northern Municipality; the Company lacks adequate policies for inventory valuation in accordance with IAS 2; and it has overstated current liabilities due to the failure to adjust VAT payable following legislative changes—matters for which the auditors were unable to obtain sufficient and appropriate audit evidence through standard or alternative procedures.

No.	Description of the recommendation (according to the audit report)	Responsible Unit	Current implementation status	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
	As disclosed in Note 5, Property, Plant and Equipment amounted to EUR 23,690,792 as at 31 December 2023 and EUR 24,162,675 as at 31 December 2022. The Company has not performed any revaluation of its assets, as required under the revaluation model prescribed by International Accounting Standard 16 Property, Plant and Equipment ("IAS 16"). In accordance with IAS 16, revaluations should be carried	Finance Department and Technical Department	☐ Completely Implemented X In process ☐ Not implementable	We have commenced and are currently in the process of revaluing the assets.	The establishment of the commission and the working group.	It is planned to be completed by April 2026.

	out with sufficient regularity to ensure that the carrying amount (net book value) of assets does not differ materially from that which would be determined using fair value at the reporting date. We were unable, through alternative audit procedures, to assess whether the carrying value of Property, Plant and Equipment has been presented in accordance with the requirements of IAS 16.					
	As disclosed in Note 6 to the Financial Statements, trade receivables for the year ended 31 December 2023 amount to EUR 26,156,905, compared to EUR 25,871,367 as at 31 December 2022. As at 31 December 2023, the Company has receivables amounting to EUR 18,136,488 related to bulk billing provided to the Northern Municipality of Mitrovica for residents of the northern part of the city. Based on our testing, the invoices issued to the respective Municipality are not accepted, making it impracticable to pursue collection through legal procedures. These matters provide a clear indication that the Company should have performed a more in-depth	Finance Department	☐ Completely Implemented X In process ☐ Not implementable	The procedure for the provisioning of accounts receivable has been submitted to the Board for approval.	The minutes of the Board meeting and the submitted email.	Upon approval of the procedure, it will be implemented immediately.

	assessment of the provisioning of trade receivables. We were unable, through the application of standard and alternative audit procedures, to verify whether the Company will be able to collect the presented receivables. The Company does not have sufficient analyses supporting management's estimates regarding the allowance for doubtful and bad debts. Consequently, we were unable to obtain reasonable assurance over the net carrying value of the Company's trade receivables as at 31 December 2023. Furthermore, the Company has not fully applied the requirements of IFRS 9 in relation to the provisioning of receivables. In the absence of the historical analyses required by IFRS 9 and a defined model for calculating expected credit losses, we are unable to assess the potential impact on provisions had the Company fully complied with the requirements of IFRS 9.					
	As disclosed in Note 9, trade and other payables amount to EUR 4,935,742 as at 31 December 2023 and EUR 5,046,592 as at 31 December 2022. Included within this balance is VAT payable of	N/A	☐ Completely Implemented ☐ Not implementable	The Company is required to clarify this balance with the Tax Administration of Kosovo, although this amount is not reflected as VAT payable in the	N/A	N/A

	EUR 3,547,974 as at 31 December 2023 and EUR 3,574,938 as at 31 December 2022. This balance represents VAT payable carried forward from the period when VAT was accounted for upon cash collection of billing. Following changes in the applicable legislation, the Company has not made the necessary adjustments in the Financial Statements, resulting in an overstatement of the Company's current liabilities.			records of the Tax Administration. Following such clarification and in accordance with the requirements arising from the Tax Administration, the matter should be accounted for in line with IFRS and IAS. The Company is currently in the process of addressing this issue.		
	As disclosed in Note 7 to the Financial Statements, inventories amount to EUR 251,509 as at 31 December 2023 and EUR 264,537 as at 31 December 2022. The Company has not applied any policy regarding inventory valuation to determine their net realizable value, as required by International Accounting Standard 2 Inventories ("IAS 2"). Due to the nature of the financial records maintained by the Company, we were unable, through the application of standard and alternative audit procedures, to determine the potential impact on the financial statements in the event of any write-down or provisioning of these balances.	Finance Department	☐ Completely Implemented ☐ Not implementable	The procedure has been approved and implemented.	Provisioning Procedure	Provisioning Procedure

According to the recommendations issued by the External Auditor for the year 2023, there were a total of four **(4)** recommendations, where each represents **25%** of the total. The summary of their implementation is as follows:

- Finding 1 – (25%) has not been implemented;
- Finding 2 – (25%) has not been implemented;
- Finding 3 – (25%) has not been implemented;
- Finding 4 – (25%) has not been implemented.

KOMPANIA RAJONALE E UJËSJELLËSIT SH.A
REGIONAL WATER COMPANY J.S.C
REGIONALNA KOMPANIJA ZA VODOSNABDEVANJE D.D
HIDROREGJIONI JUGOR

8. RWC Hidroregjioni Jugor JSC PRIZREN

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN ON THE RECOMMENDATIONS ISSUED BY THE AUDITOR'S REPORT FOR 2023

Based on the findings of the National Audit Office, for the years 2018-2019, one of the findings in the Financial Statements Audit Report was the revaluation of non-current assets. At the end of 2019, at the beginning of 2020, we as a company completed the revaluation of non-current assets by a licensed company, and in the 2020 Audit, according to NAO, this finding is implemented.
Whereas, during the audit of the Financial Statements 2022-2024 by the Independent External Auditor, this finding was not fully implemented.

No.	Description of the recommendation (according to the audit report)	Responsible Unit	Current Implementation Status	Description of the actions taken / Reason for non-implementation	Supporting evidence (document reference)	Action plan for further implementation (if applicable)
	Finding No . 1 As further disclosed in note 4 of the accompanying financial statements, the value of the Company's Property, Plants and Equipment as of December 31, 2023 is EUR 32,103 thousand (December 31, 2022; EUR 32,426 thousand). The company has re-evaluated the value of Property, Waste and	**Management**	☐ Fully implemented X In process ☐ **Not implemented**	The revaluation of the assets was done in 2020 by a company licensed according to the requirements and procurement procedures.	**"The decision taken to find no.1"**	We request that the future re-evaluation be done at the sector level and according to the legal requirements and recommendations of the external auditor. Since, another revaluation will financially burden the company.

	Equipment in 2020. We were not able, by applying the standard and alternative audit procedures, to determine whether the re-evaluation carried out was done in accordance with the International Accounting Standard 16 Properties, Plants and Equipment and to determine whether adjustments to the carrying value of the object were necessary.					

According to the recommendations issued by the External Auditor for 2023, there have been a total of (1) recommendations, each representing 100% of the total. The summary of their realization is as follows:

1.Finding 1 – (100%) *not realized*;

Based on this:

- Non-realization of points: 1 (100%) reach a total **of 100%.**

9. RWC HIDRODRINI Sh.A.

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS FROM THE INDEPENDENT AUDITOR'S REPORT FOR THE YEAR 2023

No.	Recommendation description (according to audit report)	Current status of implementation	Description of actions taken / Reason for non-implementation	Supporting evidence (document reference)	Action plan for further implementation (if applicable)
	Finding No. 1	☐ Fully implemented X In progress ☐ Not implemented	**"To describe the actions taken to eliminate the finding in question."**	**"Decision taken on finding no. 1"**	**"Give the relevant clarifications"**
AI	Issue A1 - Underestimation of obligations and income from grants According to IAS 20 – Government Grants, Grants related to assets, including non-monetary grants with fair value, should be presented in the statement of financial position either by recognizing the grant as deferred income or by deducting the grant received from the carrying amount of the asset. And hence the change of these two values had caused us to have underestimating them in PFV. This occurred due to the lack of knowledge of the company's staff to properly handle this statement item, as well as the periodic non-harmonizations	Fully implemented	After we are equipped with ITUN project invoices in Peja in the amount of €25,828,816 It has been analyzed and the report has been registered as company assets and has passed as a follow-up project to the completed project.	Attached invoices and list of registered assets	Finished

	between the accounting records for grants and deferred revenue.				
A2	Issue A2 - Don't harmonization between accounting records of accounts receivable and confirmation letter According to the Standard International of Accounting 1 - Presentation of Statements Financial, the statement of financial position shall present the financial position at the reporting date, presenting the state of assets, liabilities and equity, based on accounting data at the same date. Also, Law No. 06/L-032 on Accounting, Financial Reporting and Auditing, Article 12 Inventory of assets and liabilities determines that, Commercial Companies subject to The provisions of this Law, verify at least once (1) a year, the existence and the evaluation of assets, liabilities and capital through the inventory of these elements and their supporting evidence through the inventory process. While, Article 2 determines that the inventory must be reconciled with the accounting books. In the statement of financial position, KRU Hidrodrini sh.a presented accounts receivable in the amount of €12,478,178, while in the general ledger the net balance was €12,089,259, which resulted in a difference of €388,919. Furthermore, to test the existence of trade receivables, we sent nine (9) confirmation letters to third parties/clients for a total amount of	Not implemented	A procedure will be established for the provisioning of accounts receivable according to age. Annual reconciliations will also be carried out with major clients.	There is no documentation	No action has been taken

	€196,901. Of these, we did not receive confirmation letters from six (6) clients in the amount of €151,865, and we were unable to confirm their accuracy through other procedures. According to the chief financial officer, this happened because the company had not carried out the inventory/harmonization process with clients on a periodic basis.				
B1	Issue B1 - Lack of revaluation of long-term assets According to the International Accounting Standard - IAS 16, Tangible long-term assets - revaluations of assets should be made regularly every three or five years, to ensure that the carrying amount (net) of the asset does not differ materially from what would be determined if fair value at the end of the reporting period were used. The company last carried out the asset valuation process in 2007. From that time period, a large number of assets in the register, around 307 assets, which have an acquisition cost of €2,396,168, are fully depreciated in accounting and are still generating economic benefits for the company. These assets are still active and for the same, no reassessment and review of lifespan had been carried out. Therefore, we were not able to assess whether their value was presented fairly. The issue of asset revaluation was also addressed in the financial audit report for 2021 and 2022, but despite this, no action was taken by the Company, even citing a lack of financial resources.	In process	Considering that some properties that we use, we do not own them, for this reason we have taken steps where we have made geodetic measurements for the plots and that through our requests to the Municipal Assemblies we will request that these properties be transferred to our ownership and then through procurement we will procure the item that is also found in our Business Plan for Asset Revaluation.	Attached find the geodetic measurements.	We will try to finalize it by the end of 2026!

B2	Issue B2 - Non-Provisioning of Trade Receivables Finding Under International Financial Reporting Standard 9 Financial Instruments, an entity may calculate expected credit losses for trade receivables using a provision matrix. The entity shall use its historical experience to estimate expected credit losses for the 12-month period or expected credit losses for the life of the financial asset. Depending on the diversity of its customers, the entity will use appropriate groupings if its historical credit loss experience indicates different loss patterns for different customer segments. The company, as of 2018, had not provided for accounts receivable as required by the standard. Of the gross amount of accounts receivable disclosed in the amount of €18,882,956, over 97% were older than 1 year, therefore we could not obtain assurance that the net carrying amount of €12,478,178 of trade receivables presented in the financial statements is correct. Despite the recommendation from previous years, management had not applied an appropriate and consistent policy for provisioning accounts receivable.	In process	We have prepared the Regulation on Provisioning for Bad Debts and Accounts Receivable. The reason is that we do not currently have a Board and we are unable to approve it.	Draft Regulation	The draft regulation for provisioning of accounts receivable is ready, we are just waiting for approval by the Board of Directors.
A3	Issue A3 - Overstatement of tax liabilities to ATK, as well as other short-term liabilities between the PFVs and accounting records. -According to Law No. 06/L-032 on Accounting, Financial Reporting and Auditing, Article 12.1, commercial companies are required to verify at least once (1) per year the	Fully implemented	We have communicated with ATK and received confirmation that we have zero tax obligations, all that remains for us is to intervene in the system and eliminate it as a finding.	Report from ATK	We have completely fixed it.

	existence and valuation of assets, liabilities and capital, by taking an inventory of these elements and their supporting evidence through the inventory process. The inventory must be reconciled with the accounting books. The "Value Added Tax (VAT) Payable" account is a liability account, which is presented in the short-term liabilities section. The company had presented the amount of €2,016,697 for this VAT liability item, which consisted of the items (VAT liability in the amount of €1,981,008, pension contribution liability in the amount of €27,874, and payroll tax liability in the amount of €7,815). However, our analyses based on the "Tax Returns", "Overall Status of Taxpayer's Returns and Other Transactions" and the confirmation letter received from the Tax Administration, confirm that the Company is a creditor to the Tax Administration for the amount of €35,689 for this tax account. The difference between the amount presented in the statement of financial position and the confirmed liability, in the amount of €1,981,008, is the amount by which the short-term liabilities have been overstated. Furthermore, the total short-term liabilities in the PFVs were overstated by €306,016, compared to the general ledger (in the general ledger the balance of total short-term liabilities is €2,326,277, while in the PFV it is €2,020,261). The overestimation of tax liabilities occurred due to the non-				

	harmonization over the years of the company's tax liabilities with the status of declarations and debts in TAK, while the overestimation of other short-term liabilities was due to the non-harmonization of the financial statements.				
A4	Overstatement of long-term assets and understatement of ongoing investments According to IAS 1, explanatory notes are an integral element of financial statements. According to the definitions made in this standard, these notes to the financial statements should: Present information about the bases used to prepare the financial statements. IAS 1 also states that an entity should prepare its financial statements, except for cash flow information, on the accrual basis (accrual basis of accounting). The explanatory notes to the financial statements present additional information in order to meet the needs of users with information about the composition of the elements of the statement of financial position and the statement of financial position. They usually also contain information on the accounting policies used by the economic entity to prepare the financial statements. The information on non-current assets - namely in the item "Property, equipment and plant" presented in the statement of financial position and in the explanatory notes - is inaccurate compared to the basis used for their preparation (the company's asset register).	Fully implemented	After we were provided with the invoices for the ITUN project in Peja in the amount of €25,828,816, an analytical report has been prepared and they have already been registered as company assets and have been transferred from an ongoing project to a completed project.	Documents are similar to A1	Finished

	In the statement of financial position, the net amount of the item "Property, equipment and plant" was €13,109,835, while according to the summary asset register their net amount is €11,577,125. As a result, the value of long-term assets was overstated by €1,532,710. This difference is due to the fact that the company has an item or account in its accounting called "Non-capitalized assets" with an amount of €1,480,317, which was transferred to the accounting system in the last three years. The other amount of €52,393 is a result of the understatement of depreciation for the period. Furthermore, there are other differences between the PFVs and the general ledger under the item "Property, equipment and plant", in the PFV this item is presented with a value of €13,109,835, while in the general ledger this item has a value of €13,362,586, in which case we have an underestimation of it in the PFV for the value of €252,751. Also, in the financial statements, the following investments are understated for the value of €6,395. In the summary register of following investments, the final balance is €25,828,818, while in the PFV it is €25,835,213.				
A5	Inaccurate presentation of liabilities in the company's register Based on the Conceptual Framework for Financial Reporting, paragraph 4.46, a liability is recognized in the statement of financial position when it is probable that an outflow of economic resources will be required to settle the present obligation	Fully implemented	Nothing has been done.	There is no document	We will try to finalize it by the end of 2026!

	and the amount by which the obligation will be settled can be measured reliably. Trade accounts payable in the PFV were reported as €3,564 as a liability to various suppliers, while in the general ledger the balance of trade payables was a debit balance (prepayments) of €13,532. As a result, accounts payable were overstated by €3,564 while prepayments to suppliers were understated by €13,532. This occurred as a result of poor control, as the values from the general ledger were not presented correctly in the PFV.				
A6	Issue A6 - Deficiencies in the explanatory notes According to IAS 1, explanatory notes are an integral element of financial statements. According to the definitions made in this standard, these notes to the financial statements should present information about the bases used for the preparation of the financial statements. Furthermore, according to IAS 37, the entity should provide explanatory information about contingent assets and liabilities (contingents), except when the possibility of an inflow/outflow of resources embodying economic benefits no longer exists. Also, according to IAS 20, for government grants, explanatory information should be provided about the accounting policies used for the grants, the nature and amount of government grants recognized in the financial statements, and the unfulfilled conditions attached to government assistance.	Implemented	During the preparation of the 2026 PF, we will make the disclosure in the PF.	Financial Statements 2025	We are implementing them in the statements for 2025

	Although at the beginning of the explanatory notes, management has made a statement of compliance for the preparation of financial statements in accordance with SNRF, it has not presented clear information in the narrative part on the basis of the preparation of the financial statements, as follows: The Company has not provided explanatory information for the events that meet the conditions for their treatment as contingent liabilities. Those economic events relate to nine (9) legal cases in the amount of €40,000, and management has not given any judgment regarding the possibilities of provisioning them, although some of them have only passed the first instance in the courts. Liabilities to grants (government and international grants) amounted to €31,757,032, for which no information was provided regarding the accounting policies applied, the nature and size of the grants, and whether these grants have specific conditions to be met. The information provided by the company in the explanatory notes is deficient regarding the accounting policy for measuring the class of assets (property, plant and equipment); long-term liabilities (deferred revenues), and the calculation of the provision for accounts receivable. These deficiencies occurred because the company did not have a certified accountant and his engagement was delayed, which resulted in the lack of timely information to include in the PFV.				

A7	Issue A7 - Failure to record incoming invoices in the protocol book. Law No. 04/L-184 on Office Work Administration Article 3, point 4 states that the document management unit shall open the received documents, stamp the protocol, date, record them in the basic or auxiliary records, send them to the designated unit, and after completion within the institution, return the case to the document management unit. During 2023, the company had not applied the protocol process. This has resulted in the invoices not being recorded in the protocol book and the documentation not being further processed by the unit that was supposed to manage them. However, the documentation was stored in the respective offices without any specific instructions and without being classified according to the validity periods of the documents. This occurred due to insufficient care and control to ensure that the company respected legal requirements.	Fully implemented	All invoices are subject to the protocolization and certification process.	There is no document.	Finished
A8	Issue A8 - Presentation of unidentified accounts receivable According to SNK 1 - Presentation of financial statements, the statement of financial position should present the financial position at the reporting date, presenting the state of assets, liabilities and equity, based on accounting data at the same date. In the accounting item with the description "Unidentified customers" in the amount of €176,132, there were receivables that belonged to previous years and the year	In procces	Several payments have been identified and have been improved, and the process is ongoing.	There is no document.	We have barrier in this direction

	2023. These were receivables that were not deducted from the respective customers for the obligations paid to the company. Also, in the accounting records from previous years, approximately 171 customers were mistakenly recorded who did not have any names and had identification numbers that did not correspond to the company's customers. Their final balance was €25,534. According to the responsible officials, this was a problem carried over from previous years as a result of difficulties in identifying customers through the company's bank account, due to incomplete description of data in the case of payments, as well as non-harmonization of the bank report between the finance department and the sales and customer department..				

According to the recommendations issued by the External Auditor for 2023, there were a total of ten (10) recommendations, each representing 10% of the total. The summary of their implementation is as follows:

1. **Finding A1 – (10%) 100% implemented;**
2. **Finding A2 – (00.00%) 00% not implemented;**
3. **Finding B1 – (4%) 40% implemented;**
4. **Finding B2 – (5%) 50% implemented;**
5. **Finding A3 – (10%) 100% implemented.**
6. **Finding A4 – (10%) 100% implemented;**
7. **Finding A5 – (7%) 70% not implemented;**
8. **Finding A6 – (10%) 100% implemented;**
9. **Finding A7 – (10%) 100% implemented;**
10. **Finding A8 – (00.00%) 00% not implemented.**

Based on this:

- Achievement of points: 1 (10%), 3 (4%), 4 (5%), 5 (10%), 6 (10%), 7 (7%), 8 (10%) and 9 (10%) reach a total of 66.00 %.
- Failure of points: 2 (10%), 3 (6%), 4 (5%), 7 (3%), and 10(10%) reach a total of 34.00 %.

10.KOSOVO RAILWAYS – TRAINKOS J.S.C

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS ARISING FROM THE INDEPENDENT AUDITOR'S REPORT FOR 2023

Regarding the audit report of the financial statements for the year 2023, a management letter has been issued. A management letter is sent only in cases where the findings are minor and are not included in the audit report.
Unlike the reports of previous years, when we received an adverse opinion on the financial statements, as a result of the overall engagement and efforts made, this year we have achieved a qualified opinion.
With regard to the findings, they are fewer this year, as they were addressed in the previous year. Concerning these findings, specifically the implementation of the auditors' recommendations, management has also prepared an action plan**.**

No.	Description of the recommendation (according to the audit report)	Responsible Unit	Current implementation status	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
1	**Finding / Observation No. 1.** As reported in Note 7 – Property, Plant and Equipment, in the amount of EUR 2,053,888.37 (31 December 2022: EUR 2,431,605.45), TRAINKOS has not carried out a revaluation of Property, Plant and Equipment since 2007, thereby reporting these assets at excessively low historical cost, despite the fact that these assets continue to generate economic benefits (cash inflows).	Finance Department – Management	☐ Completely Implemented **X In process** ☐ Not implementable	The issue of asset revaluation has been a recurring matter raised by the auditor for several consecutive years. During 2020 and 2021, the Company conducted procurement procedures twice in succession to engage an economic operator for the revaluation of assets; however, there were no responsive bidders. This matter has also been discussed with the		Regarding the revaluation of properties, this is not an issue affecting only Trainkos, but all Public Enterprises, since no revaluation of properties/assets has been carried out since 2007, at the time of Kosovo Railways J.S.C. Upon the recommendation of the Shareholder at the Annual General

				Shareholder, and it is expected that an operator (a licensed appraiser) will be engaged to carry out the revaluation of the assets of all Public Enterprises, including Trainkos. Until an external operator is engaged for the revaluation of assets, the Company will establish a special committee to prepare for this process and to review this matter. Furthermore, based on the Shareholder's recommendations, and subject to its financial capabilities, the Company will establish a reserve fund for this purpose.		Meeting held on 13 May 2024, each enterprise, including Trainkos, should allocate a reserve fund for the revaluation of these assets; however, no procurement procedures or calls for bids should be initiated at this stage, but the amount should simply be maintained as a reserve. In the near future, it is expected that the revaluation of assets will be conducted for all enterprises that will fall under the Sovereign Fund (should the Law on the Sovereign Fund pass the judicial procedures). For this purpose, it is advisable to establish a fund, however small, in order to contribute financially to the revaluation process in the future. This amount has been allocated in the 2025 Budget Plan under Code 5719, page 9.

2	**Finding A1** As disclosed in Note 10 – Total Equity, the amount reported as at 31 December 2023 in the sum of EUR 69,629.20 (2022: EUR 299,808.39) is not in agreement with the Statement of Changes in Equity, where the amount reported for 2023 is EUR 65,087.52 (2022: EUR 299,808.39).	Finance Department– Accounting Sector	**X Completely Implemented** ☐ In process ☐ Not implementable	The Finance Department has analyzed the difference, which resulted from a technical error. While the amount of EUR 69,629.20 is recorded in two positions, it is shown in the Statement of Changes in Equity as EUR 65,087.52. Management will take measures to ensure that, when preparing the Financial Statements, the values are consistent between the Statement of Financial Position (SFP) and the Statement of Equity (SE).	It was not identified in the 2024 External Auditor's Report.	
3	**Finding A2** As reported in Note 7 – Property, Plant, and Equipment, in the amount of EUR 2,053,888.37 (31 December 2022: EUR 2,431,605.45), TRAINKOS has not disclosed the items "Ongoing Investments" and "Immovable Assets," thereby not fully complying with the principle of understandability. It is worth noting that the above-mentioned items are presented in the Statement of Financial Position; however, the same amounts are not classified in	Finance Department– Accounting Sector	**X Completely Implemented** ☐ In process ☐ Not implementable			

	Note 7.					
4	**Finding A3** As disclosed in Note 8 – Other Current Liabilities, for the year 2023: EUR 956,016.55 (2022: EUR 797,948.07), TRAINKOS is delayed in the payment of Pension Contributions and Payroll Tax, as required by the applicable tax laws.	Finance Department – Management	☐ Completely Implemented **X In process** ☐ Not implementable	For the majority of 2023, the obligations for the payment of contributions and payroll taxes were fulfilled; however, the significant increase in other current liabilities in 2023 is due to penalties and interest imposed by the Tax Administration of Kosovo (TAK) for obligations carried forward since 2020 related to contributions and payroll taxes. To resolve this issue, in the absence of sufficient financial resources to settle all obligations at once, the Company intends to reach an agreement with TAK for an extended repayment period that is financially manageable for the Company. (Previous attempts were unsuccessful due to large installment amounts and the Company's inherited financial situation.		The finding in question represents a serious concern, as it not only requires an investigation into the legal actions taken by the management at the time (an action with suspected abuse of official duty) that led the Company into debt and financial difficulties, but it also threatens the ongoing operation of the Company. Since the Company is in a poor financial position, additional steps were taken in 2024 to reduce expenses, including restructuring measures and other cost-saving efforts. In 2024, attempts were also made to fulfill obligations using funds received from the Ministry; however, when the payment plan was submitted, the Ministry rejected it, stating that the amounts had already

						been paid once and that they would not cover these old debts again. Additionally, due to a lack of other financial options (considering the closed operation on Line 10), the Company submitted a request on 04 June 2024, Protocol No.: 377, for a loan to the Ministry of Economy to cover unpaid contributions inherited from 2020, but this request has not yet received a response. Senior management and the Company's decision-making bodies intend to take concrete steps in 2025 to resubmit the request, aiming for the loan to be approved so that this inherited issue can be resolved as soon as possible. Through the loan, the debts and penalties would be covered, thereby relieving the Company's liquidity from placing undue burden on the

						already constrained budget caused by accumulating obligations, penalties, and interest. The loan includes a plan that would stop the further accrual of interest and penalties, supporting the Company's liquidity in accordance with the auditor's recommendations.
5	**Finding A4** During the audit process, we noted that TRAINKOS has still not appointed three key senior positions, namely: i) Chief Executive Officer, ii) Chief Financial and Treasury Officer, and iii) Internal Audit Officer, as required by Law No. 03/L – 087 on Public Enterprises. These positions are currently being managed by Acting Officers. Additionally, during the last quarter of the reporting year (2023), TRAINKOS carried out its functions in the absence of a Board of Directors.	Board of Directors	**X Completely Implemented** ☐ In process ☐ Not implementable	The acting officers in the senior positions have remained in their roles for an extended period due to the failure of the recruitment processes, as well as because the Company operated for a period in 2023 without a Board of Directors. Following the appointment of the new Board of Directors at the beginning of 2024, matters regarding the acting positions began to be addressed, followed by the initiation of the selection procedures. For the selection of the Chief Financial and Treasury Officer and the Internal		

				Audit Officer, the procedures have been repeated several times due to the lack of successful candidates.		

According to the recommendations issued by the External Auditor for the year 2023, there were a total of five (5) recommendations, each representing 20% of the total.

The summary of their implementation is as follows:

1. Revaluation of property, plant, and equipment – (20%) **not implemented**;
2. Statement of Changes in Equity – (20%) **fully implemented (100%)**;
3. Property, plant, and equipment – reconciliation – (20%) **fully implemented (100%);**
4. Other current liabilities for the years 2022–2023 (TAK) – (20%) **not implemented**;
5. Appointment of senior officers: i) Chief Executive Officer, ii) Chief Financial and Treasury Officer, iii) Internal Audit Officer, as required by Law No. 03/L–087 "On Public Enterprises" – (20%) **fully implemented (100%)**.

Based on this:

- The implementation of points 2 (20%), 3 (20%), and 5 (20%) totals **60%**.
- The non-implementation of points 1 (20%) and 4 (20%) totals **40%**.

11.Trepça J.S.C.

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS ARISING FROM THE AUDITOR'S REPORT FOR 2023

In the report on the implementation of the action plan for executing the recommendations related to the findings of the external auditor's report for the year 2023, the data is presented as requested. It is clearly observed that almost all recommendations which are in the process of implementation and are expected to be implemented with the preparation of the financial statements have been presented as unimplemented recommendations.

No.	Description of the recommendation (according to the audit report)	Current implementation status	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
A1	The Supervisory Board should ensure that the necessary actions have been taken to address the company's property-related issues and to update the asset register to reflect the current status, thereby presenting fixed assets accurately and fairly in the financial statements.	☐ Completely Implemented X In process ☐ Not implementable	Management has taken the necessary actions to address the company's property-related issues and has initiated the process of updating the asset register to reflect the current status, thereby ensuring that fixed assets are presented accurately and fairly in the financial statements.	List of Properties and Assets	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.

A2	The Supervisory Board should ensure that, prior to the approval of the financial statements, they are subject to a review process so that the presentation of fixed assets is accurate and complete.	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.
A3	The Supervisory Board should ensure that concrete corrective actions have been taken to address the issue of share capital in accordance with legal requirements.	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.
A4	The Supervisory Board should ensure that the necessary actions have been taken to establish an asset management and asset impairment policy in accordance with accounting standards requirements.	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.
A5	The Supervisory Board should ensure periodic reconciliation procedures of accounts with customers and also review the register of liabilities so that the financial statements present the company's financial position as accurately and fairly as possible.	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.

A6	The Supervisory Board should ensure that, during the recording and preparation of the Financial Statements (FS), the company has applied double-entry accounting, and that the necessary corrections are made and errors identified which have caused this imbalance.	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.
A7	The Supervisory Board should ensure a comprehensive analysis of the items that have affected the inaccurate presentation of cash flows and take the necessary corrective actions in order to present a true and fair view of them.	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.
A8	The Supervisory Board should ensure that the necessary actions have been taken to align the company's tax liabilities with the account balances at the Tax Administration of Kosovo (TAK) and that they are accurately presented in the annual financial statements.	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.
A9	The Supervisory Board should ensure that an accurate assessment of the accounts receivable register is carried out, including periodic reconciliations with customers, and that appropriate supporting evidence is secured prior to the approval of the financial statements.	X Completely Implemented ☐ In process ☐ Not implementable	The recommendation has been closed, and other issues identified during the year for this category have been presented in the report as new issues.	Audit Report on the Annual Financial Statements of Trepça J.S.C. for the Year 2024	
A10	The Supervisory Board should ensure that comprehensive	☐ Completely Implemented	Management has published a public announcement for the engagement of	Procurement Notice Procurement Number:	This recommendation

	analyses are carried out regarding the ability of clients to settle their debts in accordance with International Financial Reporting Standards (IFRS).	X In process ☐ Not implementable	a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	12997 12998-25-9336-2-3-6	will be implemented by the completion of the Financial Statements for the year 2025.
A11	The Supervisory Board should consider the possibility of revaluing the company's assets to ensure that the value presented in the financial statements does not materially differ from fair value at the end of the reporting period. Additionally, a professional assessment should be conducted to determine the most profitable form and approach for the treatment of waste/sterile materials for the company.	☐ Completely Implemented X In process ☐ Not implementable	Management has established a commission for the assessment of waste in cooperation with UNDP and the Office of the Prime Minister, and has also published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Decision No. for waste assessment: 6446 – 07.08.2025 Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.
A12	The Supervisory Board should ensure that revenues presented in the financial statements reflect the accurate position for the accounting period for which the Annual Financial Statements (AFS) have been prepared.	X Completely Implemented ☐ In process ☐ Not implementable	During the audit of the financial statements for the year ended 31.12.2024, in relation to revenue testing, no cases of revenue understatement were identified as a result of lack of completeness. Consequently, it is assessed that the previous recommendation has been satisfactorily addressed and is considered closed.	Audit Report on the Annual Financial Statements of Trepça J.S.C. for the Year 2024	
A13	The Supervisory Board should ensure that the explanatory notes include the fundamental principles used in the preparation of the financial statements and that information regarding the composition of the statement items is provided	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.

	in accordance with the requirements of accounting standards.				
A14	The Supervisory Board should ensure that the necessary assessments for provisions and contingencies are made and that complete explanatory information is provided in the financial statements.	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.
A15	The Supervisory Board should ensure that the recognition of advance revenues is treated on an accrual basis so that the financial statements present a true and fair view.	X Completely Implemented ☐ In process ☐ Not implementable	During the audit, it was observed that the economic entity has taken measures to improve previous practices and has correctly classified advances received from customers, recognizing them as deferred revenues in accordance with the relevant accounting standards (IAS 1 and IFRS 15). As a result, the recommendation has been satisfactorily addressed and is considered closed.	Audit Report on the Annual Financial Statements of Trepça J.S.C. for the Year 2024	
A16	The Supervisory Board should ensure the creation of a complete register with relevant evidence when recording liabilities related to grants, so that the presentation in the financial statements is complete and accurate.	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.
A17	The Supervisory Board should ensure that necessary actions have been taken so that the inventory report is comprehensive, and that the commissions only record the	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial

	assets present in the company.		financial statements for the year 2025.		Statements for the year 2025.
A18	The Supervisory Board should review the internal regulation and take appropriate actions for the systematic organization of the company's employees.	☐ Completely Implemented X In process ☐ Not implementable	Management has engaged an external expert for company restructuring.	Expert Contract: Contract No.: 12997 12998-25-5229-2-2-1/C963	Until 31.12.2025
A19	The Supervisory Board should ensure concrete actions are taken to address the issue of employee compensations	X Completely Implemented ☐ In process ☐ Not implementable	During the year, the company did not make payments for early retirement pensions.	Audit Report on the Annual Financial Statements of Trepça J.S.C. for the Year 2024	
A20	The Supervisory Board should take immediate measures to settle liabilities toward employees and the Tax Administration of Kosovo (TAK) to prevent the continuous increase of additional costs arising from these obligations and to address cases of undeclared employees.	☐ Completely Implemented X In process ☐ Not implementable	Regarding tax obligations, there is no repayment plan due to financial difficulties. Concerning employee declarations, all measures have been taken to ensure that this finding is addressed and not repeated.	All employees have been registered in the EDI system at the Tax Administration of Kosovo (TAK).	Until 31.12.2025
A21	The Supervisory Board should ensure that employee compensations are made in accordance with the Labour Law and take corrective actions for any payments made beyond contractual obligations. Additionally, the Supervisory Board should ensure that an internal act has been prepared and approved, specifying the organizational structure and the level of compensation for the members of the rescue team.	X Completely Implemented ☐ In process ☐ Not implementable	During the year, the company did not apply payments of this nature.	Audit Report on the Annual Financial Statements of Trepça J.S.C. for the Year 2024	

A22	The Supervisory Board should ensure the drafting and approval of regulations necessary for the company's business operations, ensuring their application across all business units.	☐ Completely Implemented X In process ☐ Not implementable	Management has engaged an external expert for company restructuring.	Expert Contract: Contract No.: 12997 12998-25-5229-2-2-1/C963	Until 31.12.2025
A23	The Supervisory Board should ensure that the operation of units, the preparation of the business plan, and its approval comply with the requirements of the Trepça Law and the company's Statute.	X Completely Implemented ☐ In process ☐ Not implementable	The Supervisory Board has approved the 2026 Business Plan in accordance with the Trepça Law and the company's Statute.	Business Plan 2026	
A24	The Supervisory Board should ensure that the financial statements are prepared and approved within the legally established deadlines.	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.
A25	The Supervisory Board should ensure that annual and quarterly reports contain all required elements in accordance with the Law on Public Enterprises.	X Completely Implemented ☐ In process ☐ Not implementable	The management report issue has been addressed together with the financial statements.	Audit Report on the Annual Financial Statements of Trepça J.S.C. for the Year 2024	
A26	The Supervisory Board should ensure that tax requirements are properly handled in the accounting records in accordance with the legislation in force.	X Completely Implemented ☐ In process ☐ Not implementable	During the sample testing related to rental income from buildings, it was observed that the appropriate measures have been taken to ensure the correct accounting of withholding tax. As a result, the recommendation from the previous report has been satisfactorily addressed and is considered closed.	Audit Report on the Annual Financial Statements of Trepça J.S.C. for the Year 2024	
A27	he Supervisory Board should ensure that personnel engaged in contract management have	X Completely Implemented	Procurement office staff are licensed to use the e-procurement platform by the Central Procurement Agency	License/Certificate Numbers: 999	

	knowledge of the e-procurement platform and apply the e-procurement system in managing all contracts.	☐ In process ☐ Not implementable	(KRPP). Furthermore, we are finalizing procedures for the use of a single e-procurement platform and applying the e-procurement system in the management process for all contracts across all units of Trepça J.S.C.	625 436 489 421	
A28	The Supervisory Board should enable solutions that do not rely solely on a single economic operator, ensure regular training for the use of the application, so that staff can use it independently without operator assistance.	X Completely Implemented ☐ In process ☐ Not implementable	A new software program has been installed, which allows us to customize modules according to our requirements. Additionally, trainings and support are provided as needed upon staff requests.	Software KIT	

According to the recommendations issued by the External Auditor for the year 2023, there were a total of 28 recommendations, with each representing 3.57% of the total. The summary of their implementation is as follows:

1. Finding A1 – (3.57%) *not implemented*
2. Finding A2 – (3.57%) *not implemented*
3. Finding A3 – (3.57%) *not implemented*
4. Finding A4 – (3.57%) *not implemented*
5. Finding A5 – (3.57%) *not implemented*
6. Finding A6 – (3.57%) *not implemented*
7. Finding A7 – (3.57%) *not implemented*
8. Finding A8 – (3.57%) *not implemented*
9. Finding A9 – (3.57%) *fully implemented*
10. Finding A10 – (3.57%) *not implemented*
11. Finding A11 – (3.57%) *not implemented*
12. Finding A12 – (3.57%) *fully implemented*
13. Finding A13 – (3.57%) *not implemented*
14. Finding A14 – (3.57%) *not implemented*
15. Finding A15 – (3.57%) *fully implemented*
16. Finding A16 – (3.57%) *not implemented*
17. Finding A17 – (3.57%) *not implemented*
18. Finding A18 – (3.57%) *not implemented*

19. Finding A19 – (3.57%) *fully implemented*
20. Finding A20 – (3.57%) *not implemented*
21. Finding A21 – (3.57%) *fully implemented*
22. Finding A22 – (3.57%) *not implemented*
23. Finding A23 – (3.57%) *fully implemented*
24. Finding A24 – (3.57%) *not implemented*
25. Finding A25 – (3.57%) *fully implemented*
26. Finding A26 – (3.57%) *fully implemented*
27. Finding A27 – (3.57%) *fully implemented*
28. Finding A28 – (3.57%) *fully implemented*

Based on this:

- The completion of points A9, A12, A15, A19, A21, A23, A25, A26, A27, and A28 – (3.57 × 10) reach a total of 35.71%.
- The non-fulfilment of points: A1, A2, A3, A4, A5, A6, A7, A8, A10, A11, A13, A14, A16, A17, A18, A20, A22, and A24 – (3.57 × 18) reach a total of 64.29%.

12. RIC" Radoniqi-Dukagjini" JIC Gjakova

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS FROM THE INDEPENDENT AUDITOR'S REPORT FOR THE YEAR 2023

The financial statements for 2023 have been audited by the company "Quatra Audit LLC" Prishtina, where a qualified opinion was given and a Managment letter with the findings was sent, which were reviewed by our Company.
According to the opinion given, except for the matters in the basis for qualified opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS)

No.	Description of the recommendation (according to the audit report)	Responsible Unit	Current implementation status	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
	Finding / Observation No. 1. "Property, Equipment and Machinery: The Company has never reviewed the fair value of assets as required by the Revaluation Model of International Accounting Standard 16 Property, Plant and Equipment ("IAS16"), where revaluations shall be made on a regular basis sufficient to ensure that the carrying amount of the asset does not differ materially	Finances	☐ Completely Implemented X In process ☐ Not implementable	The Company will take into consideration the recommendation of the External Auditor and will look into the possibilities of contracting a company that will carry out the revaluation of assets as required		The company is looking at opportunities in coordination with the PNU regarding the implementation of the revaluation of assets. In the process of implementation, during the year 2025-2026

	from that which would be determined if fair value at the balance sheet date were used.					
	Finding / Observation No. 2. Non-implementation of the regulation on provisioning of Accounts Receivable: Trade accounts receivable for the year ending December 31, 2023 are 1,280,213 Euro and on December 31, 2022 in the amount of 1,247,098 Euro. The Company has made a partial assessment of the provision based only on days of delay by groups. We were not able, by applying standard and alternative audit procedures, to verify whether the Company will be able to collect the value of the presented accounts receivable. The Company has not complied with regulation 01/2018, article 5			The Company will take into consideration the recommendation of the External Auditor in implementing the provisioning of accounts receivable. Provisioning of bad debts is done in accordance with accounting standards and in full compliance with Law 05/L29. Before making provision for debts, in-depth analyses of each position are made and practical steps are taken based on the relevant documentation. In December 2024, the Accounts Receivable Regulation was modified, and the Management will act according to the requests from the AJ		

According to the recommendations issued by the External Auditor for 2023, there were a total of two (2) recommendations, each representing 50% of the total. The summary of their implementation is as follows:

1. Finding 1-(50%) is in the process of being implemented
2. Finding 2-(50%) is implemented;

Based on this:

- Realization of points: 2 reach a total of 50%
-Non-realization of points: 1 reach a total of 50%;

13. RWC BIFURKACIONI Sh.A.

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS ARISING FROM THE EXTERNAL AUDITOR'S REPORT FOR 2023

Unqualified Opinion

The financial statements of **BIFURKACIONI** present fairly, in all material respects, the financial position of the company as at 31 December 2023, as well as its financial performance and cash flows for the year end, in accordance with the International Financial Reporting Standards (IFRS).

No.	Description of the recommendation (according to the audit report)	Responsible Unit	Current implementation status	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
1.	As disclosed in Note 7 – Property, Plant, and Equipment, with a carrying amount of €6,364,316.14 (31 December 2022: €5,261,086.37), BIFURCATION has not conducted a revaluation of property, plant, and equipment for over 10 years. Consequently, these assets are reported at significantly understated historical cost, despite continuing to generate economic benefits (cash flows). This practice results in a misalignment with the matching principle.	Management	☐ Completely Implemented ☐In process X Not implementable	The elimination of this finding is planned for October 2024 and is included in the 2025–2027 Business Plan, with asset revaluation set for 2026.	2025–2027 Business Plan	The asset revaluation has not yet been conducted, as we are awaiting the government's decision on the revaluation of assets for all water supply companies.
2.	As disclosed in Note 5 – Trade and Other Receivables, as of 31 December 2023, the gross value amounted to €9,033,511.45 (31	Accounts Receivable Unit	X Completely Implemented ☐ In process	The Accounts Receivable Unit maintains regular contact with customers and	Based on the improvement in the billing-to-collection ratio, KRU	The Accounts Receivable Unit works intensively to contact customers who are

	December 2022: €9,143,476.17). Although BIFURKACIONI managed to improve the billing/collection ratio during 2023 by €109,964.72, or 1.20%, the high level of trade and other receivables is still considered significant by us.		☐ Not implementable	negotiates agreements for debt rescheduling	Bifurkacioni managed to reduce the level of accounts receivable by 0.91% during 2024	more than three months overdue.
3.	As reported in Note 7 – Property, Plant, and Equipment, with a value of €6,364,316.14 (31 December 2022: €5,261,086.37), BIFURKACIONI reported an amount of €1,871,530.16 – Purchases during the year, without disclosing the effects of disposals. Consequently, the purchases made during the reporting year do not fully comply with the principles of completeness and comprehensibility	Financial Statements Preparer – CFO	X Completely Implemented ☐ In process ☐ Not implementable	The 2024 financial statements include a detailed disclosure of all changes in asset values.	The audit report on the 2024 financial statements confirms that all disclosures are complete.	

According to the recommendations issued by the External Auditor for the year 2023, there were a total of five **(3)** recommendations, where each represents 33.33**%** of the total. The summary of their implementation is as follows:

1. **Finding 1** – (33.33% of the total) *not implemented*;
2. **Finding 2** – (33.33%) *implemented 100%*;
3. **Finding 3** – (33.33%) *implemented 100%*;

Based on this: The completion of points 2: (33.33%) and 3 (33.33%) reaches a total of **66.66%**.

The non-fulfilment of points 1: (33.33%) amounts to a total of **33.33%**.

14. R.I.C. Drini I Bardhë J.s.c.

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS ARISING FROM THE AUDITOR'S REPORT FOR 2023

Requirements of IAS 16

According to paragraph 31 of this Standard, after recognition as a long-term asset (land, buildings, machinery, and equipment), fair value can be measured reliably and shall be carried at the revalued amount, which is the fair value of the items at the date of revaluation minus any subsequent accumulated depreciation. The Company has not carried out asset revaluation since 2007 and, as a result, a considerable number of assets appear with a zero value in accounting even though they are functional and used by the Company.

No.	Description of the recommendation (according to the audit report)	Responsible Unit	Current implementation status	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
	Finding / Observation No. 1. Lack of Asset Revaluation	The Company does not have the resources for this Revaluation.	☐ unimplemented	We have requested support from the Government.	Submission of official documents to the Ministry of Economy	If we have a positive increase in revenue, we can do the revaluation ourselves as a Company.

According to the recommendations issued by the External Auditor for the year 2023, there were a total of five **(1)** recommendations, where each represents **100%** of the total. The summary of their implementation is as follows:

1. **Finding 1** – (0 % of the total) *unimplemented*;

Based on this:

- The non-fulfilment of points 1: (0 %)

15. Public Enterprise “Posta e Kosovës” J.S.C.

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS ARISING FROM THE AUDITOR’S REPORT FOR 2023

Prepare a short and concise narrative regarding the content and findings of the External Auditor’s report.

No.	Description of the recommendation (according to the audit report)	Responsible Unit	Current implementation status	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
	There were no findings from the external auditor (unqualified opinion).					

According to the External Auditor’s report for the year 2023, there were no findings!

16. "RAILWAY INFRASTRUCTURE OF KOSOVO – INFRAKOS" J.S.C

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS ARISING FROM THE EXTERNAL AUDITOR'S REPORT 2023

Introduction

The audit of the Financial Statements of the Public Enterprise "Railway Infrastructure of Kosovo – Infrakos" J.S.C. for the year ended 31 December 2023 was carried out by the National Audit Office of the Republic of Kosovo, in accordance with the Law on the Auditor General and the International Standards of Supreme Audit Institutions (ISSAIs), with the aim of expressing an opinion on the financial statements and assessing compliance with the applicable legislation.

The External Auditor issued a qualified opinion, concluding that the financial statements, in general, present a true and fair view of the financial position of the enterprise, except for the effects of certain material matters identified during the audit. The main findings that influenced this opinion relate to the lack of sufficient and reliable evidence for certain significant financial items. Specifically, the enterprise has reported a considerable amount as a revaluation reserve for which no supporting evidence has been provided, an issue that has remained unresolved for years. Furthermore, deficiencies were identified in the documentation of grant-related liabilities, where part of these is not supported by adequate documentation. Another important issue is the lack of asset revaluation since 2007, resulting in many assets with a zero book value, which affects the fair presentation of the enterprise's asset value.

Despite these issues, the auditor concluded that, in all material respects, the financial activities and transactions of the enterprise were conducted in compliance with the applicable legislation. The report also highlights the need to improve internal controls and strengthen financial reporting practices. In this regard, a total of four recommendations has been issued, of which one is new and three are repeated from previous years, indicating the need for more effective addressing of the identified issues.

Overall, the audit findings aim to enhance the reliability of financial reporting and improve financial management within the enterprise, while the implementation of the recommendations remains essential for advancing financial governance and transparency.

Nr.	Description of the recommendation (according to the audit report)	Current implementation status	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
	Issue 1: Lack of accounting data for the revaluation reserve **Finding:** IAS 16, specifically paragraph 39, stipulates that if the carrying amount (net value) of an asset increases as a result of a revaluation, the increase shall be credited directly to equity under the heading of revaluation surplus. IAS 16 also provides that a non-current asset shall be recognized as an asset if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably. The enterprise presented in the statement of financial position the amount of €15,226,015 as a revaluation reserve (surplus). However, for this presented value, it was unable to provide accounting records or evidence to substantiate the amount reported in the statement of financial position. This issue has remained	In progress	We have obtained the decision on the division of the railways into two enterprises, from which Infrakos was established, and we have also secured the agreement with the Shareholder based on which the assets were transferred under the management of Infrakos, including their financial value. These documents substantiate the historical background, namely the value of the assets, which also includes the revaluation amount.	a) Decision of the Government of the Republic of Kosovo on the division of Kosovo Railways No. 260210; b) Agreement No. 952 between the Ministry of Economy and the Public Enterprise Infrakos	If the shareholder does not allocate funds for the revaluation of assets for the year 2026, the enterprise will explore the possibility of carrying out such a process using its own resources.

	uncorrected since 2011. Infrakos, in its action plan, stated that it is unable to address this issue due to the lack of source information, and that it will be addressed at the time of asset revaluation. Based on official confirmations, this amount has been inherited from the former Kosovo Railways (Infrakos and Trainkos), for which there is no historical evidence confirming that the same amount was accurately carried forward. Recommendation: The Board of Directors should take immediate actions to ensure the provision of information related to the revaluation surplus and ensure that the annual financial statements are prepared based on verified accounting data and supported by appropriate evidence.				

	Issue 2: Lack of complete data on grants **Finding:** IAS 20 stipulates that government grants related to assets, including non-monetary grants at fair value, should be presented in the statement of financial position either by recognizing the grant as deferred income (liability related to grants) or by deducting the grant from the carrying amount of the asset. The enterprise presented liabilities related to grants in the statement of financial position in the amount of €40,080,848. However, we identified that an amount of €4,750,000 of these grant-related liabilities was not supported by adequate evidence such as acceptance reports or any other relevant documentation. The lack of supporting evidence is linked to the feasibility study for the "Railway Line 10"	Fully implemented	It has been implemented, as we have secured the supporting documents/evidence as requested by the National Audit Office for €3,650,000. However, supporting evidence is still missing reports valued at €500,000 and €600,000. These physical reports were found archived after the National Audit Office report had been finalized; however, such reports do not specify the financial value.	Supporting evidence attached: a) WB17-KOS-TRA-02 -Feasibility Study andESIA for the RailwayLine from Prishtina to the Prishtina Airport Phase 1 (PFS): Pre-FeasibilityStudy Report. b) WB14-KOS-TRA- 01-Preliminary Design andthe ESIA for the rehabilitation of the railway line Fushe Kosove / Kosovo Polje – Podujevo (Border with Serbia) ENVIRONMENTAL	

	project, which relates to earlier years. This occurred due to insufficient internal controls to ensure timely provision of the necessary documentation, and the finance department had relied solely on correspondence (email) from the project implementation unit within the enterprise regarding the services received. **Recommendation:** The Board of Directors should ensure that relevant supporting evidence is obtained when recording grant-related liabilities, to ensure that the presentation in the annual financial statements is complete and accurate.			AND SOCIAL SCREENING REPORT c) Detailed design and tender preparation for the northern part of RailwayRoute 10 (Mitrovica - Leshak – border withSerbia) d) TA-KOS-02 – Study for Rehabilitation of Rail Route 10 – €500,000 WB5-KOS-TRA-06 – Rehabilitation of key railway links (East–West) in Kosovo – €600,000	

	Issue 3: Non-revaluation of the enterprise's assets **Finding:** International Accounting Standard (IAS) 16 for Property, Plant and Equipment stipulates that	Not implemented	This finding has been discussed at the General Meeting of Shareholders, and it has been emphasized that it will be reconfirmed by the Shareholder. A decision will	Securing financial resources from Infrakos is not possible due to the company's financial situation; however, if financial support were provided, we would be ready to initiate the	

	revaluations should be carried out regularly every three to five years to ensure that the carrying amount (net value) of an asset does not differ materially from its fair value at the end of the reporting period. Since 2007 onwards, the enterprise has not performed any revaluation of its assets. Based on our analysis of the asset register, we identified 1,686 assets with a historical cost of		be taken for all Central Public Enterprises, as this issue applies to all of them.	revaluation process in line with the recommendation.	

	€7,573,844, which have been fully impaired and recorded with a net book value of zero. We also noted that the asset register includes 369 assets with a historical cost of €7.3 million and 1,317 additional assets with a historical cost of €238 thousand. The fact that the enterprise's assets such as buildings, machinery, railway station structures, transformer stations, and other operational assets are still in use, while their net book value is recorded as zero, indicates the need for revaluation and reassessment of their useful lives. Based on confirmations from officials, the lack of revaluation occurred due to continuous financial constraints and the inability of the enterprise to finance the revaluation process.				

	Recommendation: The Board of Directors should ensure a comprehensive review of the asset register and take actions to carry out a revaluation of assets by a licensed valuer. In the absence of internal funds, the possibility of securing financing from the shareholder should be considered.				

	Issue 4: Weaknesses in the Accounting Information System **Finding:** Law No. 06/L-032, Article 11, defines accounting records as including records of initial accounting entries and supporting records such as controls, electronic funds transfer records, invoices, contracts, general and subsidiary ledgers, journal entries, and other adjustments in financial statements not reflected in journal		In addressing this issue, the enterprise has twice conducted public procurement procedures for the supply of a new accounting information system and asset management system, engaging different economic operators, with the aim of modernizing and replacing the existing system.	• Contract No. 27700-23-7922-1-2-1/C130 – Supply of software for financial and asset management (2023) • Contract No. 27700-25-4957-1-2-1/C197 – Supply of software for financial, asset, and	The enterprise is currently conducting a detailed analysis of the reasons for the failure of the two procurement procedures for the

	entries, as well as working papers supporting cost allocations, calculations, reconciliations, and disclosures. Accounting records are maintained within a double-entry accounting system. We identified that the Accounting Information System used by the enterprise since 2003 has not been updated since 2008. The system does not generate appropriate analytical and integrated financial reports. Furthermore, since 2014, the system has not been maintained. During 2023, the enterprise carried out procurement procedures for the purchase of an accounting system and signed a contract for the "Supply of software for financial and asset management." This project was planned to be financed by the Ministry of Economy. However, the contract was cancelled because the economic operator failed to fulfill its contractual obligations. Despite having	In progress	In both cases, contracts were signed for software implementation, and during the implementation phase meetings, presentations, and functional testing of system modules were carried out with the participation of relevant departments of the enterprise. However, during the evaluation and testing process, it was determined that the functionalities provided did not meet the technical and operational requirements specified in the contract. As a result, both contracts were terminated at different stages of implementation due to the	accounting management (2025) • Procurement procedure files for both cases • Contract cancellation decisions • Evaluation and module testing reports • Minutes of meetings and presentations • Official communications (emails) during implementation	implementation of the new accounting information system and asset management system, with the aim of identifying the technical and functional obstacles that led to the non-implementation of the contracts. Based on the results of this analysis, the possibility will be assessed of improving and

	entered into a contractual agreement for the software, the contract was ultimately terminated due to non-performance by the contractor. Recommendation: The Board of Directors should ensure that the accounting information system can generate all necessary information, including the general ledger. During the procurement process, the enterprise should clearly define the technical and functional requirements that the accounting information system must fulfill.		non-fulfillment of functional and technical requirements by the economic operators, which made it impossible to implement the planned accounting and asset management system.		upgrading the existing information system, including the integration and linking of necessary modules, or alternatively, re-initiating the procurement procedure for a new system, in accordance with operational requirements and financial reporting standards.

According to the recommendations issued by the External Auditor for 2023, there were a total of four (4) recommendations, each representing 25% of the total. The summary of their implementation status is as follows:

1. Finding 1 – (25%): 20% implemented and 5% not implemented
2. Finding 2 – (25%): fully implemented;
3. Finding 3 – (25%): not implemented;
4. Finding 4 – (25%): 12.5% implemented and 12.5% not implemented.

Based on this:

- The implemented portion of the recommendations (Finding 1: 20%, Finding 2: 25%, and Finding 4: 12.5%) totals 57.5%.
- The non-implemented portion (Finding 1: 5%, Finding 4: 12.5%, and Finding 3: 25%)

KORPORATA ENERGJETIKE E KOSOVËS SH.A.
KOSOVO ENERGY CORPORATION J.S.C.
ENERGETSKA KORPORACIJA KOSOVA D.D.

17. KOSOVO ENERGY CORPORATION J.S.C.

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR RECOMMENDATIONS ARISING FROM THE INDEPENDENT AUDITOR'S REPORT FOR THE YEAR 2023

No.	Description of Recommendation (according to the audit report)	Current Implementation Status	Description of Actions Taken / Reason for Non-Implementation	Supporting Evidence (document references)	Action Plan for Further Implementation (if applicable)
	Insert the auditor's finding	☐ Fully implemented ☒ In progress ☐ Not implemented	**"Describe the actions taken to eliminate the respective finding."**	**"Decision taken regarding Finding No. 1"**	**"Provide relevant clarifications"**
1	Periodically revalue non-current assets recorded under the revaluation model	In progress	KEK established a commission at the beginning of 2025 to assess the functionality of non-current assets with a net book value of zero; however, the commission's work was not completed before receiving the draft audit report from the National Audit Office.	Decision on the establishment of a comprehensive working group	KEK will establish another commission within this year to address this issue (conduct revaluation of non-current assets as required by IFRS).
2	Non-update the asset register with changes occurring over the years for immovable properties	In progress	KEK established a comprehensive working group in 2024 to address this issue. Some property issues have been resolved; however, for certain KEK properties, despite actions taken by management, resolution remains subject to approval by third parties (judicial institutions, municipalities, and agencies). Regarding this finding, KEK has updated all properties under a single name, KEK J.S.C. Additionally, through the same agency, KEK has registered/recorded all properties in its possession (orthophoto).	Decision on the establishment of a comprehensive working group	

3	Deficiencies in negotiated procedures without publication of contract notice	In progress	Negotiated procedures without publication—due to frequent complaints from economic operators to the Procurement Review Body in open procedures (often unjustified and intended to delay procurement processes), KEK J.S.C. is compelled to initiate negotiated procedures for essential supplies, without which electricity production would be at risk. However, management will ensure that delays in regular procedures due to complaints to the PRB are not caused by inadequate technical specifications or unclear criteria in the tender dossier.		Requesting units will exercise increased care when drafting technical specifications, clearly detailing defined criteria. Management will ensure that competent officials in the relevant field are appointed to evaluation committees. The Procurement Office will ensure that criteria in the tender dossier are clear and will review evaluation reports professionally, ensuring transparency of the process.
4	Signing of the contract for auditing Financial Statements	Fully implemented	For 2025, no external audit will be contracted; financial statements will be audited only by the National Audit Office.	Proposal from the Financial Division for the Budget Department and decision of the Board of Directors not to contract external audit (except audit by the National Audit Office)	
5	Reduction of the deadline for tender submission	Fully implemented	During the audit, based on selected samples, it was found that the requirements set by relevant legislation and recommendations have been implemented.		
6	Deficiencies in contract management plans	Fully implemented	During the audit, based on selected samples, it was found that the requirements set by relevant legislation and recommendations have been implemented.		
7	Frequent use of minimum value procurement procedures	In progress	The Procurement Office continuously attempts to consolidate minimum value requests; however, due to the nature of production, the large number of departments, their territorial spread, and daily needs for materials, equipment, etc., it is difficult to consolidate them at a satisfactory level.		During the preparation of the Procurement Plan for 2026, the Procurement Office, in cooperation with requesting units, will maximize efforts to consolidate requests. During 2025, efforts are being made to reduce the frequent use of minimum value procedures by grouping similar requests from corporate divisions into a single procedure (excluding urgent requests related to the production process).

8	Encryption of laptops and user access through Virtual Private Network (VPN)	Partially implemented	During 2023, the enterprise completed the file encryption process, while the implementation of forms for VPN access was partially completed, as testing confirmed they were not used in all cases.		This year, KEK management, through the IT Department, has taken all necessary actions to ensure that VPN access is authorized only after prior approval through forms.

Based on the External Auditor's recommendations for 2023, there were a total of eight (8) recommendations, each representing 12.5% of the total. Their implementation summary is as follows:

Finding 1 – (0.0%) not implemented at 100%.
Finding 2 – (5.0%) implemented at 40%.
Finding 3 – (0.0%) not implemented at 100%.
Finding 4 – (12.5%) implemented at 100%.
Finding 5 – (12.5%) implemented at 100%.
Finding 6 – (12.5%) implemented at 100%.
Finding 7 – (0.0%) not implemented at 100%.
Finding 8 – (8.75%) implemented at 70%.

Overall Conclusion

Implementation of items: 2 (5%), 4 (12.5%), 5 (12.5%), 6 (12.5%), and 8 (8.75%) reaches a total of 51.25%.

Non-implementation of items: 1 (12.5%), 3 (12.5%), 7 (12.5%), and partial non-implementation of 2 (7.5%) and 8 (3.75%) totals 48.75%.

Public Owned Enterprises

Risk Management Report for the Year 2025

MARCH 2026

1. KOSOVO RAILWAYS – TRAINKOS J.S.C.

Risk Management Report for the Year 2025

The Public Enterprise Kosovo Railways TRAINKOS J.S.C. provides freight and passenger transport services, for which it regulates its operations in accordance with the applicable legislation and policies of the Republic of Kosovo. Despite the established rules governing the provision of these services, during the course of its operations TRAINKOS J.S.C. faces various types of risks, which pose obstacles to the achievement of the objectives set out in the Business Plan.

Through the Annual Business Plan, TRAINKOS J.S.C. has defined its Mission, Vision, and Objectives, which constitute the basis of its existence. At the same time, it is committed to providing services to the best of its capabilities, ensuring the protection of employees' health at work and the provision of safe services. Considering the importance of these commitments and the obstacles that may arise and create risks, TRAINKOS J.S.C. has undertaken a series of specific actions primarily aimed at their prevention and mitigation. The actions taken are intended to ensure the normal functioning of operations and the improvement of the quality and standards of its activities. Taking into account the importance of identifying risks and undertaking appropriate actions in a timely manner, TRAINKOS J.S.C., among its key measures, has included the identification and prevention of these risks throughout the entire operational cycle of its activities.

The successful achievement of the defined objectives is ensured through the preparation of an Action Plan, approved on 26.12.2024, under Protocol No. I/202. However, the list of identified risks also includes those that do not depend on TRAINKOS J.S.C., namely external risks with a direct impact on the company's operations. The actions planned to be undertaken by the Management during 2025 consisted mainly of continuous institutional requests and notifications.In order to ensure more effective management, the Regulation on Risk Management was drafted and approved on 28.07.2025, under Protocol No. I/96.

It is important to emphasize that during 2025, no elements of fraud or corruption risk were identified within the Enterprise. During this period, internal processes were carried out in accordance with the applicable legal acts and regulations, while the control and oversight mechanisms functioned effectively, contributing to the prevention of any potential form of misuse or abuse.

The table below presents all identified risks, as well as the plan for their management:

List of Risks for 2025	
1	Poor condition of the existing railway infrastructure;
2	Frequent operational interruptions due to rehabilitation works on the Fushë Kosovë – Hani i Elezit railway line;
3	Unfair competition and the creation of opportunities for railway operators to operate prior to the establishment of long-term sustainable policies for the railway sector;
4	Delays in the preparation and implementation of a Master Plan for Trainkos;
5	Market segmentation and the adverse impact of competition from trucks;
6	Lack of adequate actions by state institutions to direct transport towards the railway sector in providing import/export freight services;
7	Potential disputes regarding assets (rolling stock) inherited from Kosovo Railways;
8	Non-compliance with the applicable transport legislation, particularly in the railway transport sector, and the lack of initiative for drafting secondary legislation for its implementation;
9	Financial instability and the inability to ensure sustainable long-term liquidity;
10	Lack of actions to operationalize all services that Trainkos is licensed to provide, which would enable the acquisition of clients currently using services offered by competitors;
11	The need to secure financial resources for adequate rolling stock according to the requirements and development of the railway sector, along with all associated benefits;
12	Legal disputes inherited from the former Kosovo Railways;
13	Continuation of non-operation of railway lines, connections with ports for intermodal transport, and the closure of lines in northern Kosovo, which would enable services at competitive rates with European countries;
14	Non-utilization of other existing railway lines within the territory of the Republic of Kosovo for industrial and passenger transport;
15	Lack of professional staff to carry out tasks in accordance with forthcoming sector reforms and to fulfill obligations required for meeting standards imposed by the EU
16	The technical condition of rolling stock, the expiration of inspections (need for re-certification) for passenger transport wagons and locomotives currently in operation for maintaining and organizing passenger and freight transport

No.	List of Risks for 2025	Possibility	Impact	Description of Actions Taken / Reason for Non-Implementation	Supporting Evidence (Document References)	Action Plan for Further Implementation (if applicable)
1	Poor condition of the existing railway infrastructure;	☐ Most Likely ☒ Possible ☐ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☒ Major ☐ Moderate ☐ Minor ☐ Negligible	External impact with internal risk	N/A	N/A
2	Frequent operational interruptions due to rehabilitation works on the Fushë Kosovë – Hani i Elezit railway line;	☐ Most Likely ☒ Possible ☐ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☒ Major ☐ Moderate ☐ Minor ☐ Negligible	External impact with internal risk	N/A	N/A
3	Unfair competition and the creation of opportunities for railway operators to operate prior to the establishment of long-term sustainable policies for the railway sector;	☐ Most Likely ☐ Possible ☒ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☒ Major ☐ Moderate ☐ Minor ☐ Negligible	External impact with internal risk	N/A	N/A
4	Delays in the preparation and implementation of a Master Plan for Trainkos;	☐ Most Likely ☐ Possible ☒ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☐ Major ☒ Moderate ☐ Minor ☐ Negligible	External impact with internal risk	N/A	N/A

No.	List of Risks for 2025	Possibility	Impact	Description of Actions Taken / Reason for Non-Implementation	Supporting Evidence (Document References)	Action Plan for Further Implementation (if applicable)
5	Market segmentation and the adverse impact of competition from trucks;	☐ Most Likely ☐ Possible ☒ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☐ Major ☒ Moderate ☐ Minor ☐ Negligible	External impact with internal risk	N/A	N/A
6	Lack of adequate actions by state institutions to direct transport towards the railway sector in providing import/export freight services;	☒ Most Likely ☐ Possible ☐ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☐ Major ☒ Moderate ☐ Minor ☐ Negligible	External impact with internal risk	N/A	N/A
7	Potential disputes regarding assets (rolling stock) inherited from Kosovo Railways;	☐ Most Likely ☐ Possible ☒ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☐ Major ☒ Moderate ☐ Minor ☐ Negligible	External impact with internal risk	N/A	N/A
8	Non-compliance with the applicable transport legislation, particularly in the railway transport sector, and the lack of initiative for drafting secondary legislation for its implementation;	☐ Most Likely ☐ Possible ☒ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☐ Major ☒ Moderate ☐ Minor ☐ Negligible	External impact with internal risk	N/A	N/A

No.	List of Risks for 2025	Possibility	Impact	Description of Actions Taken / Reason for Non-Implementation	Supporting Evidence (Document References)	Action Plan for Further Implementation (if applicable)
9	Financial instability and the inability to ensure sustainable long-term liquidity;	☐ Most Likely ☒ Possible ☐ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☐ Major ☒ Moderate ☐ Minor ☐ Negligible	Measures have been taken for the continuous monitoring of the financial situation, expenditure planning, prioritization of payments, as well as for following legal procedures to protect the institutional interest	 ATK.pdf	There is a risk of liquidity disruption due to accumulated financial obligations and ongoing enforcement procedures
10	Lack of actions to operationalize all services that Trainkos is licensed to provide, which would enable the acquisition of clients currently using services offered by competitors;	☐ Most Likely ☐ Possible ☒ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☐ Major ☒ Moderate ☐ Minor ☐ Negligible	Risk with external impact	N/A	N/A
11	The need to secure financial resources for adequate rolling stock according to the requirements and development of the railway sector, along with all associated benefits;	☐ Most Likely ☐ Possible ☒ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☐ Major ☒ Moderate ☐ Minor ☐ Negligible	The need for medium- and long-term government plans for capital investments	N/A	N/A
12	Legal disputes inherited from the former Kosovo Railways;	☐ Most Likely ☒ Possible ☐ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☒ Major ☐ Moderate ☐ Minor ☐ Negligible	High risk arising from the inheritance of legal disputes, which could seriously threaten financial stability in case of	 29.01.26. Databaza e Zyrës Ligjore 29 12	Continuous monitoring

No.	List of Risks for 2025	Possibility	Impact	Description of Actions Taken / Reason for Non-Implementation	Supporting Evidence (Document References)	Action Plan for Further Implementation (if applicable)
				enforcement (depending on the scale and amount of the dispute)		
13	Continuation of non-operation of railway lines, connections with ports for intermodal transport, and the closure of lines in northern Kosovo, which would enable services at competitive rates with European countries;	☐ Most Likely ☒ Possible ☐ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☐ Major ☒ Moderate ☐ Minor ☐ Negligible	Risk with external impact	N/A	N/A
14	Non-utilization of other existing railway lines within the territory of the Republic of Kosovo for industrial and passenger transport;	☐ Most Likely ☐ Possible ☒ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☐ Major ☒ Moderate ☐ Minor ☐ Negligible	Risk with external impact	N/A	N/A
15	Lack of professional staff to carry out tasks in accordance with forthcoming sector reforms and to	☐ Most Likely ☒ Possible ☐ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☐ Major ☐ Moderate ☒ Minor ☐ Negligible	Risk with minor impact, as the company's policies also take into account knowledge inheritance and the coverage of professional strategic executive positions for the operation of the enterprise	 Vendimet per pranimin e kandidat	Employment of professional executive staff. Internal training and development of existing staff. The risk to the continuity of positions through new hires mainly arises from the low attractiveness of these positions

No.	List of Risks for 2025	Possibility	Impact	Description of Actions Taken / Reason for Non-Implementation	Supporting Evidence (Document References)	Action Plan for Further Implementation (if applicable)
	fulfill obligations required for meeting standards imposed by the EU					to new employees due to relatively low salaries.
16	The technical condition of rolling stock, the expiration of inspections (need for re-certification) for passenger transport wagons and locomotives currently in operation for maintaining and organizing passenger and freight transport	☐ Most Likely ☐ Possible ☒ Moderate ☐ Unlikely ☐ Rare	☒ Serious / Fatal ☒ Major ☐ Moderate ☐ Minor ☐ Negligible	The risk is high because the enterprise possesses limited operational assets that are aged and relatively old, and which are simultaneously in a state of severe depreciation with medium or low repairability due to multiple factors. These conditions have a direct impact and pose a high risk to the operation of the enterprise in case of breakdowns or lack of investments.	 Njoftimet e nenshkrimit te kont	Capital investments / repair of equipment and spare parts / fleet enhancement with new rolling stock – light motor trains.

Measures Taken

As part of the risk management measures, the Risk Management Plan and the Regulation on Risk Management were initially approved:

No.	List of Risks for 2025	Supporting Evidence (Document References)
1	Risk Management Plan, No. I/204, dated 26.12.2024	Plani për Menaxhimin e Rrezi
2	Regulation on Risk Management, No. I/96, dated 28.07.2025	RREGULLORE-PER-MENAXHIMIN-E-RRE

2025 AUDIT REPORT

1. Introduction

This annual report presents the activities of the Internal Audit Unit for the year 2025. The report summarizes the audits conducted and the recommendations provided, and it contributes to strengthening internal control systems, risk management, and governance, thereby enhancing transparency and accountability within the Enterprise.

2. Recommendations and Their Monitoring

- Number of audits planned according to the annual plan: 8
- Additional audits conducted at the request of management: 1
- Number of audits conducted: 9
- Audits according to the annual plan and at the request of the Ministry of Economy for the verification of expenditure compliance: 9 reports
- Audits of Capital Investment Projects financed by the Ministry of Economy: 7 reports
- Number of recommendations provided: 20
- Percentage of recommendations implemented: 13.33% (data refer to June 2025).
- Recommendations in the implementation process: 73.33% (data refer to June 2025). According to the Annual Plan, the evaluation of recommendation implementation will be conducted in June 2026.
- Percentage of recommendations not implemented: 13.33% (data refer to June 2025).
- Impact: improvement of management and transparency, increased accountability and credibility, and enhanced efficiency in policy implementation.
- Audits conducted but not approved, including the 2026 annual plan: 3

Due to the absence of the Chief Auditor, during the last months of 2025, reporting by the Internal Audit Unit was not carried out, and consequently, approval by the Audit Committee was not obtained for two audits and the annual plan for 2026, specifically - Railway Operations Department – Freight Transport Sector, Annual Audit Plan for 2026, Administration Department – Logistics and IT Sector.

Nevertheless, these audits were conducted, completed, and finalized within the year 2025.

3. Conclusions

The audits conducted have contributed to the identification of areas for improvement and to providing recommendations for strengthening internal control, effective resource management, and the improvement of the Enterprise's processes.

4. Annex – Table of Audits Conducted

During 2025, 9 audits were conducted according to the Annual Audit Plan, while additional reports were prepared on expenditure compliance and Capital Investment projects, resulting in a total of 24 audit reports:

No.	Audit Topic	Recommendations	Type of Audit
1	Monitoring Report of the Asset Registration Commissions of Trainkos J.S.C. – DSHS 2410	*1.We recommend that company management establish a professional commission to verify all equipment and assess whether it can be repaired or should be disposed of as scrap. Likewise, for company vehicles, a commission should be created to evaluate them. Vehicles and other equipment that cannot be repaired should follow procedures for scrap disposal.* *2.We recommend that management verify these oils and remove any unused or expired oils from the depots in accordance with legal procedures.* *3.We recommend that management repair the existing dispensing equipment or provide new equipment, ensuring that oil supply is accurate and losses during supply are minimized.*	According to the Plan
2	Finance Department – Financial Reports	*1.We recommend that management identify the outstanding amount of this employee's contributions, consult with the competent authorities, and act in accordance with the applicable laws.* *2.We recommend that company management make the pension contributions payment to prevent potential lawsuits from employees.*	According to the Plan

3	Railway Operations Department – Security, Control, and Quality Sector	1. We recommend that management review the SMS Manual, taking into account all positions directly involved in traffic safety, and remove positions that have been abolished due to the enterprise restructuring. 2. We recommend that management remove all tables that are unnecessary as part of this manual. 3. We recommend that the Security, Control, and Quality Sector carry out planning and auditing of safety in accordance with the manual requirements and European directives. 4. We recommend that management, in cooperation with Infrakos, ARH, and the competent authorities, inform citizens through various campaigns to enhance safety along the railway line. 5. We recommend that management appoint the SMS Manager, who will monitor and provide recommendations for correcting the manual. 6. We recommend that management provide these documents as soon as possible, as they are part of the manual and explanatory of the manual's operations	According to the Plan
4	Administration Department– Human Resources Sector	1. We recommend that management conduct employee performance evaluations on an annual basis, as stipulated by law. 2. We recommend that the Administration Department explore the possibility of expanding the program used by the Finance Department to include electronic submission of leave requests. This would also facilitate easier tracking and recording by the Human Resources Sector and help prevent potential errors. Additionally, we recommend digitalizing employee files.	According to the Plan
5	Review of Recommendations by the IAU and External Auditor	Percentage of recommendations implemented: 13.33% (data refer to June 2025). Recommendations in the implementation process: 73.33% (data refer to June 2025). Percentage of recommendations not implemented: 13.33% (data refer to June 2025).	According to the Plan
6	Capital Investments – Medium Repair of Wagons	We recommend that the Procurement Department proceed with the remaining procedures, as the commission has determined that the works were carried out in accordance with the technical specifications and the contract. The IAU confirms that all audit objectives have been achieved and that the procurement procedures were conducted in compliance with the applicable Law and Public Procurement Regulation.	According to the Plan
7	Capital Investments – Supply of Equipment and Parts for MML – Supply of Locomotive Filters	We recommend that the Procurement Department proceed with the remaining procedures, as the commission has verified that the works were executed in accordance with the technical specifications and the contract. The IAU confirms that all audit objectives have been achieved and that the procurement procedures were carried out in compliance with the applicable Law and Public Procurement Regulation.	According to the Plan

8	Expenditure Compliance Report – January	With this, we have completed the audit according to the Annual Plan of the Finance Department. The IAU confirms that all procedures are in compliance with the Agreement of the Ministry of Economy. We would like to express our appreciation and gratitude for the cooperation and assistance provided by the staff contacted during our work in the Finance Department.	According to the Plan
9	Expenditure Compliance Report – February	With this, we have completed the audit according to the Annual Plan of the Finance Department. The IAU confirms that all procedures are in compliance with the Agreement of the Ministry of Economy. We would like to express our appreciation and gratitude for the cooperation and assistance provided by the staff we contacted during our work in the Finance Department.	According to the Plan
10	Expenditure Compliance Report – March	With this, we have completed the audit according to the Annual Plan of the Finance Department. The IAU confirms that all procedures are in compliance with the Agreement of the Ministry of Economy. We would like to express our appreciation and gratitude for the cooperation and assistance provided by the staff we engaged with during our work in the Finance Department.	According to the Plan
11	Expenditure Compliance Report – April	With this, we have completed the audit according to the Annual Plan of the Finance Department. The IAU confirms that all procedures are in compliance with the Agreement of the Ministry of Economy. We would like to express our appreciation and gratitude for the cooperation and assistance provided by the staff we interacted with during our work in the Finance Department.	According to the Plan
12	Expenditure Compliance Report – May	With this, we have completed the audit according to the Annual Plan of the Finance Department. The IAU confirms that all procedures are in compliance with the Agreement of the Ministry of Economy. We would like to express our appreciation and gratitude for the cooperation and assistance provided by the staff we engaged with during our work in the Finance Department.	According to the Plan
13	Expenditure Compliance Report – June	With this, we have completed the audit according to the Annual Plan of the Finance Department. The IAU confirms that all procedures are in compliance with the Agreement of the Ministry of Economy. We would like to express our appreciation and gratitude for the cooperation and assistance provided by the staff we interacted with during our work in the Finance Department.	According to the Plan
14	Expenditure Compliance Report – July	With this, we have completed the audit according to the Annual Plan of the Finance Department. The IAU confirms that all procedures are in compliance with the Agreement of the Ministry of Economy. We would like to express our appreciation and gratitude for the cooperation and assistance provided by the staff we contacted during our work in the Finance Department.	According to the Plan
15	Expenditure Compliance Report – August	With this, we have completed the audit in accordance with the Annual Plan of the Finance Department. The IAU confirms that all procedures are in compliance with the Agreement of the Ministry of Economy. We would like to express our appreciation and gratitude for the cooperation and assistance provided by the staff we engaged with during our work in the Finance Department.	According to the Plan
16	Expenditure Compliance Report – September	With this, we have completed the audit according to the Annual Plan of the Finance Department. The IAU confirms that all procedures are in compliance with the Agreement of the Ministry of Economy.	According to the Plan

		We would like to express our appreciation and gratitude for the cooperation and assistance provided by the staff we contacted during our work in the Finance Department.	
17	Capital Investments – Wheel Replacement for Locomotive 645-016	It is recommended that H.K. Trainkos J.S.C. continue to fully implement the legal procedures and relevant public procurement regulations in all capital investment projects, maintaining the standards of transparency, competition, and efficiency demonstrated during this process. Meanwhile, the Procurement Office should proceed with the necessary procedures to carry out capital investments so that the enterprise can timely benefit from the planned funds.	According to the Plan
18	Capital Investments – Supply of Equipment and Spare Parts for MML. Supply of Special Keys for the Disassembly and Assembly of Locomotive Heads of Types 661 and 645.	It is recommended that H.K. Trainkos J.S.C. continue to strictly follow the legal procedures and relevant public procurement regulations in all capital investment projects, maintaining the standards of transparency, competition, and efficiency demonstrated during this process. Meanwhile, the Procurement Office should proceed with the other necessary procedures to implement capital investments so that the enterprise can timely benefit from the planned funds.	According to the Plan
19	Capital Investments – Supply and Installation of a 150KW Static Generator	It is recommended that H.K. Trainkos J.S.C. continue to strictly follow the legal procedures and relevant public procurement regulations in all capital investment projects, maintaining the demonstrated standards of transparency, competition, and efficiency. Meanwhile, the Procurement Office should carry out the other necessary procedures to implement capital investments so that the enterprise can timely benefit from the planned funds.	According to the Plan
20	Capital Investments – Supply of Lead Starter Batteries for Locomotives	It is recommended that H.K. Trainkos J.S.C. continue to strictly follow the legal procedures and relevant public procurement regulations in all capital investment projects, maintaining the standards of transparency, competition, and efficiency demonstrated during this process. Meanwhile, the Procurement Office should carry out the other necessary procedures to implement the capital investments so that the enterprise can timely benefit from the planned funds.	According to the Plan
21	Capital Investments – Supply of Batteries for Passenger Transport Wagons	It is recommended that H.K. Trainkos J.S.C. continue to strictly follow the legal procedures and relevant public procurement regulations in all capital investment projects, maintaining the standards of transparency, competition, and efficiency demonstrated during this process. Meanwhile, the Procurement Office should carry out the other necessary procedures to implement the capital investments so that the enterprise can timely benefit from the planned funds.	According to the Plan
	Audit of Scrap Sales	*1. Non-use of procurement procedures for scrap sales* The IAU recommends that management ensure that the handling and sale of scrap is carried out in accordance with public procurement procedures.	

22		2. *Lack of an internal procedure for the handling and sale of scrap* An internal regulation for the handling of scrap should be drafted and approved, which will govern the processes of sale, public announcement, evaluation, and selection of scrap, as well as aspects of storage, organization, recording, and financial reporting. This will ensure that the process is transparent, properly documented, and protected against the risks of legal violations. 3. *Non-specification of VAT inclusion in the price* In future bidding, contracting, and invoicing processes, a clear separation between the net price and VAT must be made to ensure transparency, accuracy, and compliance with legal provisions as well as standard procurement and accounting practices.	Upon Request
23	Railway Operations Department - Audit of Freight Transport	1. *Non-fulfillment of the required professional training hours by employees* It is recommended that management take measures to ensure that all employees fulfill the required professional training hours in accordance with the annual plans. Additionally, the possibility of adjusting the training schedules should be considered to make them more accessible and aligned with the staff's operational commitments. 2. *Lack of Supporting Documentation* Complete and continuous documentation of working hours should be maintained for all periods. Additionally, official decisions should be issued and documented for any case of employee engagement outside the respective sector, in accordance with internal regulations and procedures. 3. *Irrational Assignment of Employees* Human resource planning should be reviewed and improved to ensure a fair and efficient distribution of tasks. Clear criteria should be established for task allocation and compensation based on hours worked, guaranteeing equal treatment for all employees.	According to the Plan

24	Audit of the Administration Department – Logistics and IT Sector	1. *Lack of Effective Management of the Vehicle Fleet* It is recommended that management take measures to establish and maintain detailed and up-to-date records for each vehicle, including the type, license plate, mileage, responsible users, and travel logs. This action will ensure accuracy, traceability, and full transparency in the management of the operational fleet. 2. *Insufficient Controls over Inventory* Complete, up-to-date, and continuous inventory records should be ensured for all periods. This entails establishing a standardized and functional system for recording inventory receipts, issues, and balances, as well as procedures for the acceptance and handover of inventory, with the aim of improving accuracy, transparency, and internal control. 3. *Lack of Complete and Structured Records for Warehouse Stocks* It is recommended that each warehouse of the Enterprise maintain regular, complete, and independent records for all material receipts and issues through periodic and standardized entries. These records should be periodically reconciled with the data from the "Planet Accounting" system of the Finance Department, with the aim of improving the accuracy of records, enhancing operational transparency, and strengthening internal controls over the management of material assets. 4. *Failure to Update and Improper Administration of Mobile Telephony* Management should ensure the establishment of a clear and formalized process for updating mobile phone user records in real time, in accordance with changes in employee status. Additionally, periodic verifications are recommended to ensure that mobile top-ups are provided only to active employees and in accordance with the functional requirements of their positions.	According to the Plan

2025 AUDIT REPORTS

INTRODUCTION

In accordance with the request of the Unit for Monitoring Public Enterprises, in the capacity of Shareholder, and based on the provisions of Law No. 03/L-087 on Public Enterprises, the Code of Ethics and Corporate Governance, as well as the legislation on public internal financial control, this report presents the assessment of high risks for the year 2025. External audit data for 2025 regarding high risks:

RAPORT I AUDITORIT TË JASHTËM								
Description of Findings	Findings	Recommendations	Fraud	Risk of Fraud	Impact	High Risk	Risk of Fraud	Impact
Finance Department / Revaluation of properties, equipment, and plants since 2007, reporting assets at a very low historical cost.	1	1	X	☐ Most Likely ☐ Possible ☐ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☐ Major ☐ Moderate ☐ Minor ☐ Negligible	Rrezik financiar / rrezik i raportimit financiar	☐ Most Likely ☐ Possible ☒ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☒ Major ☐ Moderate ☐ Minor ☐ Negligible

Departamenti i financave / Trainkos është në vonesë në pagesën e Kontributeve Pensionale dhe tatimit në pagë siç parashihet me Ligjet e aplikuara tatimore	1	1	X	☐ Most Likely ☐ Possible ☐ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☐ Major ☐ Moderate ☐ Minor ☐ Negligible	Rrezik financiar / Rrezik Ligjor përputhshmërie	☐ Most Likely ☐ Possible ☐ Moderate ☐ Unlikely ☒ Rare	☒ Serious / Fatal ☐ Major ☐ Moderate ☐ Minor ☐ Negligible

Internal Audit Data for 2025 on High Risks:

RAPORTE TË AUDITIMIT TË BRENDSHËM								
Departament	Findings	Recommendations	Fraud	Risk of Fraud	Impact	High Risk	Risk of Fraud	Impact
Departamenti i Financave / Kontributet Pensionale	2	2	X	☐ Most Likely ☐ Possible ☐ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☐ Major ☐ Moderate ☐ Minor ☐ Negligible	Financiar	☐ Most Likely ☐ Possible ☐ Moderate ☐ Unlikely ☒ Rare	☐ Serious / Fatal ☒ Major ☐ Moderate ☐ Minor ☐ Negligible

Conclusion:

The Risk Assessment Report for 2025 highlights only the high-risk areas, including potential fraud, financial and fiscal impacts, as well as operational exposures of significant importance to the enterprise. The document ensures transparency and accountability, providing a clear overview of the key identified risks.

Fushë Kosovë

30.01.2026

Chairman of the Board of Directors

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Jetmir Nuka

Risk Management
REPORT

2025

Prishtinë, 2026

2. POST OF KOSOVO J.S.C

Risk Management Report for the year 2025

The Central Public Enterprise Post of Kosovo J.S.C. as its main activity has the provision of postal services, as well as business services, including the sale of mobile and fixed telephony products and services. It operates with a wide network of sales and distribution points throughout all the territory of the Republic of Kosovo.

Besides postal services, the Post of Kosovo also offers non-banking financial services. At post offices, citizens can perform various financial payments, as the enterprise is licensed by the Central Bank of Kosovo as a Non-Banking Financial Institution (NBFI). This licence allows Kosovo Post to cooperate with state institutions and various partners, in accordance with signed agreements and in coordination with the CBK.

Post of Kosovo offers services to all citizens in accordance with the legislation and policies in force in the Republic of Kosovo. However, during the performance of its activities, the enterprise faces various risks that may affect the achievement of the objectives set at the Annual Business Plan.

The Annual Business Plan determines the mission, vision, and strategic objectives of the enterprise. Considering the importance of these objectives and possible challenges, Post of Kosovo has undertaken a series of actions to identify, prevent, and manage risks. These actions aim to ensure the normal functioning of activities and the continuous improvement of service quality.

The main measures undertaken include:

- Systematical identification of risks throughout all activity cycle;
- Drafting and finalizing the Risk Management Regulation by the end of 2025.
- Planning the approval of this regulation and the Risk Appetite document by the Board of Directors during year 2026.
- Appointment of the Risk Management Officer, who, in cooperation with the directors of the directories, will carry out the identification and management of risks

It is important to emphasize that during the year 2025, based on the existing information and internal control mechanisms, no reported cases of fraud have been identified; however, due to the inherent limitations of internal control systems, there is residual risk.

This report has been prepared in accordance with the requirements of the Unit for Monitoring Public Enterprises (UMPE), in the capacity of Shareholder, with the aim of reporting the main risks that affect the performance and sustainability of the enterprise for the year 2025.

The evaluation methodology is in accordance with the principles of public internal financial control (PIFC) and risk management practices in the public sector, enabling the effective identification and prioritization of risks.

The following table describes all identified risks, as well as the plan for managing them:

List of risks 2025	
	Internal Risks
I	The risk of outdated technology
2	The risk of depriciated transportation infrastructure and fleet
3	The risk of human resources
4	Financial and liquidity risk
5	The risk of legal compliance and reputation
6	The risk of information security
II	**External risks**
1	Risk from technological developments and digital platforms
2	Risk of legal and regulatory changes
3	Risk of competition from private operators
4	Economic risk and inflation
5	Risk of natural disasters and emergencies

In accordance with the request of the UMPE, in the capacity of Shareholder, and based on Law No. 03/L-087 on Public Enterprises, the Corporate Governance Code, and the legislation for public internal financial control (PIFC), this report presents the risk assessment for the year 2025.

The assessment has been carried out using the standard methodology Risk = Probability × Impact and classification into four levels: low, medium, high, and very high. Risks have been assessed based on:

- Likelihood of occurrence (1–5)

- Impact (1–5)

Classification:
1-5 (low)
6–10 (medium)
11–15 (high)
16–25 (very high)

The possibility/likelihood is assessed based on the probability of the risk occurring, while impact is evaluated according to financial, operational, and reputational consequences. Risks with high and very high impact are considered critical and require priority measures for management.

Risk Assessment and Classification

Risk assessment is carried out in accordance with the standard methodology based on the combination of likelihood and impact, providing the structured approach for their identification and prioritization.

No.	List of risks 2025	Potential	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)	Responsible Unit
I	Internal risks						
1.	The risk of outdated technology	Medium	High	In order to reduce this risk, actual measures were taken during 2025 for the gradual modernization of the IT infrastructure. In this context, the supply of new computer	Documentation of IT equipment supplies; evidence of the equipment replacements; acceptance	To continue with the gradual modernization of the IT infrastructure according to the operational priorities and the criticality of services; to plan further replacement of components and equipment with high risk of failure; as well as to further advance technological platforms and components in order to increase stability, performance, and continuity of services.	IT & SI Department

No.	List of risks 2025	Potential	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)	Responsible Unit
				equipment was carried out and most of the outdated equipment were replaced, improving operational capacity and reducing the risk of technical failures. Additionally, investments were made to improve the conditions of the server room, including the installation of UPS devices, aiming to ensure uninterrupted power supply and maintain system stability. Alongside this, actions were taken to modernize the technological environment through the update of the fundamental infrastructure platforms and components, including the operating system, .NET, and MS SQL, aiing to reduce dependence on outdated technologies, increasing performance, supportability, and system resilience.	reports of equipment; technical documentation for improvements in the server room and installation of UPSs; evidence of updates of the operating system, .NET, and MS SQL.		

No.	List of risks 2025	Potential	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)	Responsible Unit
2	The risk of depriciated transportation infrastructure and fleet	Medium	Medium	The existing infrastructure of Post of Kosovo, including a considerable number of post offices, is characterized by high depreciation and a lack of sufficient investments over the years. This directly affects the quality of services provided, customer experience, and operational efficiency. At the same time, the transport fleet, largely composed of aging vehicles, presents challenges in terms of reliability, maintenance costs, and high fuel consumption. In market conditions where the demand for fast and efficient delivery is increasing, these limitations are affecting the competitiveness of Post of Kosovo against private operators, especially in urban areas and in express delivery/online sales services.	N/A	Measures in process: Post of Kosovo has started the process of modernizing its fleet and infrastructure, investing in more efficient means such as electric motorbikes for postman and new vans for regular postal routes. These investments have contributed to improving delivery times and reducing operational costs, especially in urban areas. At the same time, the gradual renovation of several post offices is being carried out, aiming to improve working conditions for employees and provide a more functional and modern environment for customers. Medium- and long-term measures: In the upcoming period, it is planned to continue investing in the renovation and standardization of the network of the post offices throughout the territory of Kosovo, including rural areas where the Post plays an important role in providing public services. Furthermore, it is aimed to gradually replace the existing fleet with more economical and ecological vehicles, as well as to integrate digital systems for logistics management and real-time tracking of shipments, with the aim to increase transparency and efficiency. The need for shareholder support: To achieve these strategic objectives, shareholders' support is essential, both on financial and institutional terms. Considering the role of Kosovo Post as a public enterprise for providing a universal service, it is necessary to ensure additional capital investments and support for development of the projects, which cannot be covered solely by own resources. At the same time, Kosovo Post remains committed to contribute with its own resources to this process of transformation and modernization through more efficient management and revenue generation.	Support Directory/Human Resources

No.	List of risks 2025	Potential	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)	Responsible Unit
3	Human resources Risk	Low	Medium	The old age of the staff and the lack of training affect productivity and innovation	N/A	Training programs are being implemented to improve technical and professional skills. Restructuring is underway, which aims to optimize operations and reorganize staff according to market needs.	Support Directory/Human Resources
4	Financial and liquidity risk	Medium	High	Financial and liquidity risk is related to limitations in financial resources, dependence on operating income, and restrictions on capital investments, which may affect the implementation of strategic projects and the financial sustainability of the enterprise	N/A	Financial and postal services are being diversified to increase revenues. New partnerships are being created to secure additional sources of financing and guarantee liquidity for investments, so that its impact is not major.	Finance Directory
5	Legal compliance and reputational risk	Low	High	Non-compliance with legal regulations and customer complaints may affect the credibility of the Kosovo Post.	N/A	Internal regulations are being updated, and a stricter quality monitoring system and ethical standards are being implemented to reduce the consequences of this risk.	Legal, PR communications officer, Customer Care.

No.	List of risks 2025	Potential	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)	Responsible Unit
6	Information security risk	Medium	High	To mitigate this risk, measures have been taken during 2025 to strengthen information security through investments in firewall equipment, advancement of monitoring systems and improvement of cyber defense mechanisms, with a focus on prevention, detection and management of security incidents. In addition, security testing (penetration testing) was carried out for the central SASP system, through which security vulnerabilities were identified, while measures were then taken to address and eliminate them. In addition, updates were carried out to technological components and supporting infrastructure, including .NET, the operating system and MS SQL, to strengthen the security, stability and reliability of the operating environment.	Documentation of investments in security equipment and mechanisms; technical reports and evidence for firewalls and monitoring systems; penetration testing report for the SASP system; evidence of corrective measures taken to address identified vulnerabilities; documentation of technological updates and advancements in supporting infrastructure.	Continue to strengthen technical and organizational security controls; advance capacities for monitoring, prevention and response to incidents; strengthen the protection of critical systems and networks; and support the increase in the sustainability of the technological environment to maintain security and continuity of services.	IT&SI Department

No.	List of risks 2025	Potential	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)	Responsible Unit
II	**External Risks**						
1	Risk from technological developments and digital platforms	High	Very High	To address this risk, the need for continuous advancement of technological capacities and adaptation of enterprise processes to digital developments and market demands has been assessed. In this regard, actions have been taken during 2025 to modernize the technological approach and support the transformation of operational and support processes, with the aim of increasing efficiency, improving the quality of services and strengthening the enterprise's resilience to technological changes,	Planning and development documents; records of activities and measures undertaken in the function of technological advancement; relevant technical and functional documentation for improving the enterprise's processes and technological capacities	Continue to assess the needs for technological advancement and take further steps to modernize processes and increase digital capacities, to improve efficiency, quality of services and adapt the enterprise to market developments.	Senior Management / IT & IS Department / relevant functional units
2	Risk of legal and regulatory changes	High	Medium	Changes in state policies may affect the functioning and revenues of the Post of Kosovo.	N/A	Cooperation with institutions is being strengthened to ensure legal compliance and the adaptation of business strategies.	Support/Legal Directory
3	Risk of competition from private operators	Medium	Medium	For Post of Kosovo, competition from private operators occurs in two main segments:	N/A	In postal services: Currently, the improvement of operational processes and the optimization of the distribution network are in progress with the aim of increasing efficiency. In the future, with the support of the shareholder	Business Development/Sales and Marketing Directory and

No.	List of risks 2025	Potential	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)	Responsible Unit
				Postal services: Private operators, especially in the field of express deliveries and courier services, are increasing competition for Post of Kosovo. They offer faster delivery times and greater flexibility, which is affecting the reduction of market share, especially in urban areas and in the business segment. Non-banking financial services / payments: The development of non-banking financial institutions and digital payment platforms is increasing competitive pressure in the payments segment, potentially affecting the reduction of transaction volumes and revenues for Post of Kosovo.		and using own funds, investments are planned in the modernization of the logistics infrastructure, the digitalization of services and the expansion of the offer for business clients, with the aim of increasing competitiveness in the market. In non-banking financial services/payments: The advancement of existing payment services and the increase in the security of transactions are in progress. In the following period, with the support of the shareholder and the allocation of own funds, the aim is to develop digital payment platforms, expand the range of financial services and create strategic partnerships, with the aim of increasing the use of these services and strengthening the position in the market.	Postal Service Directory
4	Economic Risk and Inflation	High	Medium	The increase in inflation in Kosovo, coupled with changes in the market and the increasing orientation of consumers towards digital services and online sales, is affecting and will affect the reduction of demand for	N/A	Kosovo Post is taking concrete steps to optimize operating costs, including reviewing internal processes and increasing operational efficiency. It is also in the process of analyzing and improving the tariff structure in accordance with market conditions and the regulatory framework, with the aim of ensuring a sustainable financial model and maintaining the quality of public services.	Finance Directory, Business Development/Sales Directory, Support Directory, Postal Service Directory

No.	List of risks 2025	Potential	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)	Responsible Unit
				traditional postal services. At the same time, the increase in energy prices, fuel and other operating costs poses a challenge to the financial sustainability of the Post as a public enterprise.			
5	Risk of natural disasters and emergencies	Low	Very High	Floods, earthquakes or pandemics can disrupt postal services.	N/A	Contingency plans have been and are being developed to ensure continuity of operations, including alternative distribution strategies and operational flexibility.	Business Development Directory, Support Directory, Postal Service Directory and Finance Directory.

The identified risks are continuously monitored by the responsible units, while the progress of the implementation of measures is reported periodically to senior management.

AUDIT REPORT 2025

This annual report presents the activities of the Internal Audit Unit for the year 2025. The report summarizes the audits performed, and the recommendations given, and contributes to the strengthening of internal control, risk management and governance systems, increasing transparency and accountability within Enterprise.

The internal audit findings were used as a basis for the identification and assessment of high risks in this report.

Recommendations and Their Monitoring

Regarding the internal audits conducted during the year, one of the most important elements has been the treatment of recommendations and monitoring of their implementation.

After the completion of each audit, the recommendations given have been addressed to the relevant management with the aim of improving processes, strengthening internal controls and minimizing the risks identified. These recommendations have not remained only at the reporting level but have been continuously followed up through a structured monitoring process.

The monitoring process has been developed systematically, including:

- setting clear deadlines for the implementation of recommendations
- periodic reporting by the responsible units
- verification of implementation by internal audit

A key element of this process has been the ongoing collaboration with management. Through regular communication and a constructive approach, it has been ensured that the recommendations are correctly understood and implemented in practice.

- Number of audits planned according to the annual plan: 5
- Additional audits performed at the request of management: 1
- Number of audits performed: 6
- Number of recommendations given: 14
- Percentage of recommendations implemented: 57%
- Recommendations partially implemented: 21.5%
- In process 21.5%
- Impact: improved management and transparency, increased accountability and credibility, increased efficiency in policy implementation.

Conclusion

The audits conducted have contributed to identifying areas for improvement and providing recommendations for strengthening internal control, effective resource management and improving Enterprise’s processes.

Table of completed audits

During 2025, 5 audits were carried out in accordance with the Annual Audit Plan, while one was carried out at the request of management, resulting in a total of 6 audit reports.

Internal audit findings and recommendations were used as a basis for identifying and assessing high risks in this report.

No	Audit topic	Recommendat ons	Type of audit
1	**Audit of the process of managing sales stock in warehouses, warehouses of the respective directorates, and the regional warehouse/treasury by goods/products held by the enterprise (Post, Vala-Telekomi-consignment, etc.)**	*1. Recommendation – To minimize discrepancies, we recommend that the Business Development Directorate (BDD) organize surprise inventory counts/registrations of stock in the Regional Treasuries.* *The region should verify the goods received against the waybill.* *Training should be provided to all personnel in the regions involved in stock management regarding company procedures and the use of the stock management system, as well as increasing staff accountability regarding the importance of stock data accuracy and the consequences of errors.* *2. Recommendation – Staff should be trained to ensure they acquire the necessary knowledge on which products fall within the deposit limit, and the process for supply requests should be clearly clarified so that the limit set by decision is maintained; it should be made clear that changes to the deposit limit cannot be made by the region without prior request and approval from the central level; and the value of the request made by the regional Treasury should be compared with the goods received, and any missing amount should be completed with other products in order to maintain the limit.* *We also recommend that the BDD update the stock decision, adapting it to the current needs of the regions, and set the minimum/maximum limit.*	Planned
2	**Audit of the revenue management process**	*1. We recommend that the Business Development Directorate, when concluding contracts, strengthen internal controls by taking steps so that, before the contract is drafted by the legal office, a decision/report is sent by your directorate stating the conditions that have been agreed, so that the drafting is in line with those conditions. Likewise, contracts drafted before processing and submission to the Chief Executive for signature should be checked and verified by sales as to whether their content is in line with the agreements and prior understandings between the parties. Also, for services that do not have VAT, the contract should not state that all prices include VAT, but should specify that only the prices for hybrid/commercial post services include VAT.*	Planned

		Since there is a 2013 price list that determines the prices of hybrid post, we recommend that, as it is more than 10 years old, it be updated. In addition to setting official prices, it should be emphasized that since this is a commercial service of the enterprise, in situations where service purchasers do not accept to be billed also for the commercial service, a prior cost-benefit analysis should be conducted and hybrid post services may be provided as a package (free of charge) so that it is formalized and it is known that the service was provided free of charge, revenues are 0, and therefore there is no obligation to pay VAT. *2. The enterprise, specifically the finance function, should apply regular procedures for reconciling accounting records with debtors so that the balance of accounts receivable is acceptable to both parties, and the same balance is also presented in the financial statements, rather than applying reconciliation only when requested by auditors or the Tax Administration.* *3. We recommend that the Finance Directorate strengthen internal controls by applying double controls in the segregation of responsibilities and by requiring accountability in line with assigned responsibilities. Improvements should be made in postings where possible, and the portion of VAT that has not been declared and paid should be settled. We also recommend that a general review be conducted of all invoices and accounts to ensure that other invoices have also been posted where they should be and that the VAT portion has been accounted for, declared, and paid.*	
3	***Audit of the process of implementat on of two contracts*** ***1. Servicing, supply of spare parts, and maintenance of air condit oners with ident f cat on number: 24-2755-2-3-6 and internal number: PK-24-15-236*** ***2. Servicing and maintenance of Kosovo Post generators with ident f cat on number: 24-4479-2-3-6 and internal number: PK-24-21-236***	*It is recommended that the Support Directorate strengthen internal control mechanisms through the appointment of competent contract managers with professional integrity, who diligently carry out their duties in accordance with legal and contractual requirements.* *1. Establishment of a contract tracking system:* *The relevant directorate should ensure the implementation of a manual or digital contract tracking system that includes control over deadlines, payment status, outstanding decisions, and contractual obligations. A mechanism for monthly reporting by contract managers on status and possible implementation challenges should also be established.* *In addition, the decision appointing the Contract Manager should also incorporate the requirement that the manager report to the requesting unit / supervisor of the requesting unit.* *2. Proper implementation of the financial terms in the air-conditioning maintenance contract:* *• Appropriate corrections should be made regarding the last unpaid invoice in accordance with the identified findings, and the amount of €10 belonging to the enterprise should be recovered from the economic operator.* *• For invoice no. 008/2025, which was issued after the contract expiry date but for which, according to evidence, the works were completed within the contractual deadline, two options are recommended:* *• Option 1: Acceptance of the invoice through formal protocol registration, with planning of funds for payment through budget revision and allocation of the necessary amount, and* *• the enterprise, while following its internal procedures, should hold the Contract Manager accountable for negligence,* *• Option 2: Financial responsibility should remain with the Contract Manager due to the late issuance and*	***Audit of the process of implementat on of two contracts*** ***1. Servicing, supply of spare parts, and maintenance of air condit oners with ident f cat on number: 24-2755-2-3-6 and internal number: PK-24-15-236*** ***2. Servicing and maintenance of Kosovo Post generators with ident f cat on number: 24-4479-2-3-6 and internal number: PK-24-21-236***

		processing of the official documentation. *3. Acceptance and payment of outstanding invoices under the generator contract:* *The Contract Manager is urgently invited to complete the files for the unpaid invoices under contract PK-24-21-236, and based on the technical assessment, the payments for services performed should be processed. It is emphasized that the contract remains valid until 03.07.2025; therefore, legal room exists to settle these obligations properly and within the contractual deadline.*	
4	***REPORT ON THE ADDRESSING AND IMPLEMENTATION OF IAU RECOMMENDATIONS BY MANAGEMENT FOR THE FIRST PERIOD OF 2025***	*The percentage of recommendations implemented for the first half of 2025 was 35% implemented and 65% partially implemented.*	***REPORT ON THE ADDRESSING AND IMPLEMENTATION OF IAU RECOMMENDATIONS BY MANAGEMENT FOR THE FIRST PERIOD OF 2025***
5	***Closing process of the circuit – Treasurys, report ng, limits in post of ces, reconciliat on with the Treasury***	*1. We recommend that the Director of Finance:* *• Monthly reconciliations of bank accounts with accounting records be carried out, including the control of all deposits;* *• Standard procedures be implemented for verifying and correcting discrepancies;* *• Internal control over the recording of customer payments be strengthened, ensuring that they are recorded in the correct accounts;* *• Reconciliations always be performed by also comparing them with the reports generated by SASP;* *A periodic bank reconciliation report should be developed and presented to management for monitoring.* *2. We recommend that the Business Development Directorate comply with the procedures of the cash management policy, implement regular verification controls regarding cash deposits and stock goods, and require complete documentation for every withdrawal of funds from counters, in order to strengthen transparency and avoid financial risks.* *A review and adjustment of the quantity of goods held as stock in post offices should also be carried out, and the physical situation should be reconciled with the recorded loads so that in those offices where stock is not necessary, the counter clerk is not burdened with unnecessary stock.* *3. We recommend that the Business Development Directorate – Philately comply with the internal rule requiring advance payment before delivery of goods, and at the same time request that the buyer to whom goods were allowed to be sold settles the unpaid amount.* *Accounting should strengthen internal supervision controls so that accounting records in the respective*	***Closing process of the circuit – Treasurys, report ng, limits in post of ces, reconciliat on with the Treasury***

		ledgers are accurate and any omissions are identified in a timely manner. Periodic verifications should also be conducted by accounting regarding financial and procedural compliance between philately and accounting.	
6	***ASSET MANAGEMENT PROCESS AUDIT***	*1. We recommend that:* *• accounting entries be reviewed and the cost of dismantling old air conditioners be incorporated into the initial value of the new assets, allocated proportionally;* *• it be ensured that, in the future, all necessary costs for site preparation and commissioning of new assets are treated in accordance with the relevant accounting standards.* *A Regulation on asset management should be drafted, including classification of costs as to which are used as operating expenses and which are depreciated, and which are necessary and fall within the initial value, so that financial staff have clear guidance for distinguishing between operating expenses and depreciation.* *2. It is recommended that the timely completion and entry into force of the approved regulations be ensured, so that the enterprise has a complete and functional framework for managing fixed assets.* *3. It is recommended that the Support Directorate, in coordination with the Acting Property Coordinator, update a plan for the formalization of ownership of immovable assets, with clear deadlines, a calculated required budget, and defined responsibilities, including these main actions:* *Updating the asset register by equipping all parcels with updated possession sheets (not older than 6 months) and copies of the relevant plans, as well as initiating requests for transfer of ownership for assets still registered in the name of PTK/PTT;* *Identifying and addressing cases where there are differences between the enterprise's internal records and the data of the Kosovo Cadastral Agency, with the aim of harmonizing the legal status of the property;* *Implementing periodic internal controls to verify consistency between internal records and official registers.* *Monitoring and reporting* *For monitoring purposes, it is recommended that the officer responsible for properties:* *Prepare quarterly progress reports, which should include the number of properties addressed, the status of ownership transfer requests, unresolved issues, and actions undertaken;* *Report progress to senior management and the Internal Audit Unit, in order to track implementation of the plan and timely address possible obstacles;* *Ensure that any change in the legal status of properties is reflected in internal registers and the relevant financial reporting.* *4. It is recommended that management undertake the following actions:* *Initiate legal procedures to clarify and protect ownership over the surface area of 428 m²;* *Carry out full legal and cadastral verification of the parcel, including obtaining updated ownership certificates and updating data with the relevant institutions;* *Take preventive measures to avoid unauthorized use and construction on enterprise properties;* *Strengthen internal controls through continuous property monitoring, with the aim of preventing similar cases in the future.*	***ASSET MANAGEMENT PROCESS AUDIT***

		5. It is recommended that, after completion of the inventory process, within the shortest possible timeframe, the relevant commission be formed for the assessment and treatment of damaged and obsolete inventory, and that the necessary actions be taken for its disposal or sale, in accordance with the applicable procedures and regulations.	

External AUDIT REPORTS 2025

Up to the time of writing this Report, we have not received a Report from the licensed External Auditor on the audit of the Financial Statements for 2025, therefore the high risks identified by him are not presented. The absence of an external auditor's report limits the full assessment of financial risks and should be considered when interpreting this Report.

Internal audit data for 2025 on high risks:

INTERNAL AUDIT REPORTS								
Department	Findings	RECOMMENDATIONS	Fraud	Fraud Possibility	Impact	High Risk	Fraud Possibility	Impact
Legal Department/ legal status of the property and the factual situat on on the groun	1	1	N/A	☐ Very High ☒ HIgh ☐ Medium ☐ Low	☐ Serious/ Fatal ☒ Major ☐ Medium ☐ Low	Legal and Financial	☐ Very High ☐ High ☐ Medium ☒ Low	☐ Serious / Fatal ☐ Major ☐ Medium ☒ Low

Conclusion:

The 2025 Risk Assessment Report highlights only high-risk areas, including potential fraud, financial and fiscal impacts, and operational exposures that are of major importance to the enterprise. The document ensures transparency and accountability, providing a clear overview of the main risks identified.

The identified risks require continuous monitoring and improvement of control mechanisms to ensure the sustainability and performance of the enterprise.

This report serves the Public Enterprises Monitoring Unit (PEMU) as a basis for monitoring the performance and risk level of the enterprise**.**

Chief Executive Officer	***Internal Audit Official***	***Chief Finance and Treasury Officer***
Nora Rraci	***Mjellma Vokshi***	***Blerim Krasniqi***
.....	.....	.....

3. KOSOVO LANDFILL MANAGEMENT COMPANY J.S.C.

Report on Risk Management for the Year 2025

Kosovo Landfill Management Company (KMDK J.S.C.) is a public enterprise that operates in the field of sanitary landfill management, transfer stations, and municipal waste treatment, in compliance with the applicable legislation and national policies for integrated waste management in the Republic of Kosovo.

In the course of its operations, KLMC is exposed to various types of risks, including operational, environmental, financial, legal, and institutional risks. These risks may, in turn, affect the achievement of the objectives set out in the Business Plan and strategic waste management sector documents.

In its Business Plan, KLMC defines its mission, vision, and strategic objectives, with a particular focus on:

- safe and sustainable operation of sanitary landfills;
- protection of the environment and public health;
- compliance with legal and environmental standards;
- improvement of operational and financial efficiency.

Given the importance of timely risk identification and management, KLMC has implemented systematic measures to identify, assess, and mitigate risks across the entire landfill operational cycle and supporting services.

Risk management within KLMC is implemented through:

- internal control and audit mechanisms;
- continuous monitoring by management and the Board of Directors.

It is important to note that during 2025, no instances or indicators of fraud or corruption risk were identified within KLMC. Internal processes were conducted in accordance with applicable legal acts and regulations, while internal control, audit, and oversight mechanisms functioned effectively, contributing to the prevention of any potential misuse.

List of Main Risks for the Year 2025 in KLMC

LIST OF MAIN RISKS IN 2025
1. Unsatisfactory condition of the existing sanitary landfill infrastructure, including degradation of landfill cells, absence of an adequate leachate drainage system, lack of a functional landfill gas management system, and deterioration of operational equipment.
2. Delays in capital investments for rehabilitation and expansion of existing cells.
3. Risk of overloading the landfill beyond its disposal capacity and failure to comply with environmental standards.
4. Lack of full alignment of landfill operations with the Integrated Waste Management Strategy and the KMDK Business Plan 2026–2028.
5. Delays in the preparation and implementation of the long-term investment plan and the sustainable development plan of KMDK.
6. Market segmentation and the unfavorable impact of informal competition (illegal landfills, non-delivery of waste to sanitary landfills).
7. Lack of adequate actions by municipalities to direct all municipal waste to KLMC licensed landfills.
8. Potential disputes regarding ownership of assets and land where landfills operate.
9. Incomplete implementation of applicable legislation on waste and environment, as well as lack of secondary legislation or sub-legal acts on fees, monitoring, and reporting.
10. Financial instability and inability to ensure long-term liquidity (delays in payments from municipalities and insufficient fee to cover real operational costs).
11. Failure to operationalize additional services that KMDK can provide under its legal mandate (landfill gas capture and utilization and waste-to-energy projects).
12. The need to secure financial resources for modern operational equipment and machinery (compactors, excavators, and environmental monitoring systems).

13. Inherited legal disputes or contractual issues with economic operators.
14. Incomplete function of leachate management systems and landfill gas management (risk of groundwater pollution and risk of fires and explosions).
15. Failure to utilize the potential for circular economy and projects for reducing landfilling.
16. Lack of professional and technical staff in accordance with EU standards and environmental reporting requirements.
17. Lack of continuous training and knowledge transfer.
18. Technical condition of operational equipment and the risk of unexpected breakdowns (failures) (impact on the continuity of operation and increasing of maintenance costs).
19. Risk of damaging reputation due to environmental incidents, fires, and community complaints.
20. Possible legal changes and institutional reforms affecting the operational model of KMDK.
21. Risk of outdated assessment of accounts receivable (provisioning).
22. Risk of outdated valuation of assets in financial statements (revaluation).
23. Risk of weaknesses in the internal control system in procurement and contract management (lack of standardization, complete documentation, and systematic monitoring/supervision).
24. Risk of procedural, legal, and financial non-compliance in procurement and expenditure processes (the need for updating regulations, alignment with planning, and strengthening financial discipline).
25. Risk of inefficient management of financial resources and operational assets (including control over expenses, cash, fuel, equipment, and machinery).
26. Risk of lack of full integration and digitalization of operational and reporting processes (inaccuracies in data, unreliable reporting, and sub-optimal decision-making).

In the list below, all identified risks are presented and categorized according to the likelihood of occurrence and the impact of the risk.

Likelihood ☐ Highly probable ☐ Likely ☐ Moderate ☐ Unlikely ☐ Rare
Impact ☐ Serious ☐ High ☐ Moderate ☐ Minor ☐ Negligible

Nr.	List of Risks 2025	Likelihood	Impact	Description of actions taken	Supporting evidence	Action plan for further implementation
1	Unsatisfactory condition of the existing sanitary landfill infrastructure, including degradation of landfill cells, absence of an adequate leachate drainage system, lack of a functional landfill gas management system, and deterioration of operational equipment.	Highly probable	Serious	Damage has been identified in cells and technical systems.	Annual Financial and Operational Report 2024	Rehabilitation project and capital funds
2	Delays in capital investments for the rehabilitation and expansion of existing cells.	Possible	High	Planned investments experiencing or with budgetary delays.	N/A	Prioritization in budgeting
3	Risk of overloading the landfill beyond its disposal capacity and failure to comply with environmental standards.	Possible	Serious	Monitoring of existing capacities	2024 Annual Financial and Operational Report	Opening of new cells
4	Lack of full alignment of operations with the Integrated Waste	Moderate	High	Review of operational plans	Business Plan 2026–2028	Alignment of the annual plan

	Management Strategy and KLMC 2026–2028 Business Plan					
5	Delays in the preparation and implementation of the long-term investment plan and the sustainable development plan of KLMC	Moderate	High	Draft plan under preparation	N/A	Finalization and approval by the Board
6	Market segmentation and the adverse impact of informal competition (illegal landfills, failure to deliver waste to sanitary landfills)	Highly probable	High	Coordination with Municipalities	N/A	Strengthening of control and reporting
7	Lack of adequate actions by municipalities to direct all municipal waste to KMDK's licensed landfills	Highly probable	High	Meetings with municipalities	N/A	Monitoring mechanisms
8	Potential disputes regarding the ownership of assets and land where landfills operate	Possible	High	Verifikim juridik në proces	Government Decision No. 14/161 Date: 27.09.2023	Legal procedures
9	Failure to fully implement the applicable legislation on waste and the environment, as well as the lack of by-laws for tariffs, monitoring, and reporting	Moderate	High	Initiatives for completing the regulatory framework	N/A	Drafting of by-laws

10	Financial instability and inability to ensure long-term liquidity (delays in payments from municipalities and insufficient tariffs to cover actual operational costs)	Possible	Serious	Continuous financial monitoring	N/A	Tariff review and collection
11	Failure to operationalize additional services that KMDK can provide under its legal mandate (landfill gas capture and utilization and waste-to-energy projects)	Moderate	High	Preliminary feasibility study	N/A	Application for funding
12	Need to secure financial resources for modern operational equipment and machinery (compactors, excavators, and environmental monitoring systems)	Possible	High	Inventory of equipment	N/A	Capital investments
13	Inherited legal disputes or contractual issues with economic operators	Possible	High	Legal monitoring	Raport - Kontestet Gjyqësore në KMDK KMDK Report on Legal Disputes 2025	Legal defense strategy
14	Failure of full operation of leachate management systems and landfill gas	Possible	Serious	Laboratory monitoring	N/A	System modernization

	management (risk of groundwater contamination and risk of fires and explosions)					
15	Failure to utilize the potential for circular economy and projects to reduce landfilling.	Moderate	Moderate	Analysis of pilot projects	Integrated Waste Management Strategy 2024–2035	Development of projects
16	Lack of professional and technical staff in line with EU standards and environmental reporting requirements	Possible	Moderate	Recruitment plan	New organizational structure in the Business Plan	Budget for new staff
17	Lack of continuous training and knowledge transfer	Possible	Moderate	Limited trainings	N/A	Structured training program
18	Technical condition of operational equipment and the risk of unexpected breakdowns (impact on continuity of operations and increased maintenance costs)	Highly probable	High	Preventive maintenance	N/A	Gradual replacement
19	Risk of reputational damage due to environmental incidents, fires, and community complaints	Possible	High		NA	Public communication strategy/plan
20	Possible legal changes and institutional reforms affecting KMDK's operating model	Moderate	High	Monitoring of reforms	N/A	Adaptation of the operational model

21	Risk of non-updated assessment of accounts receivable (provisioning)	Moderate	Moderate	The report on provisioning of accounts receivable has been prepared and is awaiting discussion and approval by the Board of Directors.	External Audit Report 2024, Provisioning report	Approval by the Board and inclusion of provisioning in the financial statements
22	Risk of non-updated assessment of assets in the financial statements (revaluation)	Moderate	Moderate	The revaluation process has been initiated, the economic operator has been contracted, and the final revaluation report has been prepared.	External Audit Report 2024, contract with the economic operator, final revaluation report	Approval by the Board and Reflection in the financial statements
23	Risk of weaknesses in the internal control system in procurement and contract management	Moderate	Moderate	- Internal manuals and procedures have been drafted and approved. - Acceptance documentation has been standardized. - The use of the e-procurement platform has been improved. - Supervision during contract execution has been strengthened. -Trainings have been conducted for the responsible staff.	Audit Report No. 01/2025; Action Plan on the Implementation of Recommendations Reports on the Implementation of Recommendations	- Periodic monitoring of the implementation of procedures. - Annual review of manuals as needed. Regular internal control over contract management.
24	Risk of procedural, legal, and financial non-compliance in procurement and expenditure processes	Moderate	Moderate	- Review of the financial regulation (in process), - Improvement of expenditure certification, -Analytical system for monitoring payments, Monthly financial reporting (implemented).	Audit Report No. 02/2025; Action Plan on the Implementation of Recommendations Reports on the Implementation of Recommendations	Finalization and approval of the new regulation on financial policies and procedures
25	Risk of inefficient management of financial resources and operational assets	Moderate	Moderate	- Strengthening control over cash and petty cash, -Database for quarterly analysis, -Monthly reporting of expenditures, Rules and forms for the use of vehicles (mostly implemented).	N/A	-Review and approval of the regulation on private vehicles, -Review and approval of the regulation on representation, Continuous monitoring

26	Risk of lack of full integration and digitalization of operational and reporting processes	Moderate	Moderate	- Parallel manual and electronic recording (implemented), - Replacement of mechanical scales with digital ones (implemented), - Operationalization of tachographs and GPRS (implemented), - Commission for verification of machinery and periodic testing (implemented), - Integrated digitalization with QuickBooks (in process), Some regulations and digital logs still not implemented.	Audit Report No. 03/2025; Action Plan on the Implementation of Recommendations Reports on the Implementation of Recommendations	- Approval of regulations, - Installation of digital logs, - Testing of fuel tanks and Completion of digital integration with the financial system.

KLMC J.S.C. lacks:

- Risk Management Plan; and
- Risk Management Regulation;

Therefore, in 2026, drafting and approval of these two important documents will be planned, which will help in managing potential risks within the enterprise. The action plan will include internal and external risks, including those that do not directly depend on the enterprise but have a significant impact on its operations.

Internal Audit Report 2025

1. Introduction

In accordance with the 2025 Annual Audit Plan, for the implementation of five (5) audits, the Internal Audit Unit has carried out three (3) system audits (which have been approved by the Audit Committee), for which a total of 14 recommendations have been issued, accompanied by 52 concrete actions planned by management for implementation. This report presents the level of implementation of the recommendations and respective actions, based on the statements and official reports of the responsible structures, as well as the documentation provided for this purpose.

2. ***Recommendations and Their Monitoring***

Report on the Implementation of Recommendations – Internal Audit Unit						
Period: 01.01.2025 – 31.10.2025						
Nr.	**Audit Title**	**Recommendations Issued**	**Number of Actions**	**Implementation of Recommendations / Actions**	**Recommendations / Actions in Process**	**Recommendations / Actions Not Implemented**
1	**01/2025 –** "Audit of the System of Legality of Procurement Procedures and Contract Management"	**5**	**18**	**18**	**0**	**0**
2	**02/2025 –** "Audit of the System of Expenditures for Goods, Services, Utilities, and Cash"	**7**	**18**	**13**	**4**	**1**
3	**03/2025 –** "Audit of the Management System in Operational Services"	**2**	**16**	**10**	**2**	**4**
Number of Recommendations Issued & Number of Actions		**14**	**52**	**41**	**6**	**5**
Percentage (%) of Implementation of Recommendations		**100%**	**100%**	**78.85%**	**11.54%**	**9.62%**

3. Conculsion

Based on the reported data and supporting documentation provided by the responsible structures, it is concluded that the overall level of implementation of recommendations for the reporting period reaches 78.85%, which represents satisfactory progress towards strengthening the internal control system.
The full implementation of recommendations in Audit No. 01/2025 demonstrates a notable improvement in the area of procurement and contract management. Meanwhile, in audits related to financial and operational management, the finalization of several regulatory and systemic measures remains necessary, particularly in terms of updating internal regulations, digitalizing processes, and formalizing operational controls.

Overall, management has demonstrated commitment in addressing the issued recommendations. However, it is recommended to continue systematic monitoring of actions in process and to undertake concrete measures for the full implementation of the remaining recommendations, with the aim of further increasing transparency, compliance, and efficiency in the management of the enterprise's resources.

4. Annex – Table of Completed Audits

During 2025, three audits were conducted in accordance with the Annual Audit Plan, while there were no audits carried out upon request:

Nr.	Audit Topic	Recommendations Issued (briefly summarized)	Type of Audit
1	**Audit of the System of Legality of Procurement Procedures and Contract Management (01/2025)**	Five recommendations of medium and low priority were issued, focused on strengthening legality and internal control across all stages of procurement and contract management. The recommendations included: drafting and approval of internal manuals and procedures; standardization of acceptance documentation; improvement in the use of the e-procurement platform; strengthening supervision during contract execution; accurate documentation of works and expenditures; as well as training of responsible staff. The objective was to increase transparency, reduce the risk of legal non-compliance, and improve contract management.	***With the Annual Plan – Compliance audit and internal control system audit***
2	**Audit of the System of Expenditures for Goods, Services, Utilities, and Cash (02/2025)**	Seven recommendations (medium and low priority) were issued, aimed at strengthening financial discipline and compliance with financial legislation. The recommendations addressed: review and updating of financial regulations; control over petty cash funds; documentation and certification of expenditures; alignment of the procurement plan with the business plan; improvement of monitoring of payment deadlines; regulation of the use of private vehicles for official purposes; as well as strengthening transparency in financial reporting. The objective was to reduce financial risk and increase the reliability of reporting.	***With the Annual Plan – Financial and compliance audit***
3	**Audit of the Management System in Operational Services (03/2025)**	Two recommendations of medium priority were issued, which include a series of operational actions. The recommendations were oriented towards standardization, formalization, and digitalization of operational processes, including: full operationalization of tachographs and GPRS; monitoring of fuel expenses; technical verification of machinery; installation of digital systems (scales, electronic logs); harmonization of manual and electronic data; as well as strengthening control over the use of machinery and tanks. The objective was to increase operational efficiency, transparency, and control over the enterprise's assets.	***With the Annual Plan – Operational audit and internal control system audit***

AUDIT REPORTS 2025

INTRODUCTION

In accordance with the request of the Policy and Monitoring Unit of Public Enterprises, in its capacity as Shareholder, and based on the provisions of Law No. 03/L-087 on Public Enterprises, the Code of Ethics and Corporate Governance, as well as the legislation on public internal financial control, this report presents the assessment of high risks for the year 2025.The data from the external audit for 2025 on high risks:

EXTERNAL AUDITOR'S REPORT								
Description of Findings	Findings	Recommendations	Fraud	Fraud risk	Impact	High Risk	Likelihood of Fraud	Impact
Operations Departments				☐ Highly probable ☐ Possible ☐ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☐ High ☐Moderate ☐ Minor ☐Negligible	Financial risk / financial reporting risk	☐ Highly probable ☐ Possible ☒ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☒ High ☐ Moderate ☐ Minor ☐ Negliglbe
Department of Support Services				☐ Highly probable ☐ Possible ☐ Moderate ☐ Unlikely ☐ Rare	☐ Serious/ Fatal ☐ High ☐ Moderate ☐ Minor ☐ Negligible	Financial Risk / Legal Compliance Risk	☐Highly probable ☐ Possible ☐ Moderate ☐ Unlikely ☒ Rare	☒ Serious / Fatal ☐ High ☐ Moderate ☐ Minor ☐ Negligible

Internal audit data for 2025 on high risks:

Internal Audit Reports								
Department	Findings	Recommendations	Fraud	Fraud risk	Impact	High risk	Fraud risk	Impact
Procurement	5	5	X	☐ Highly probable ☐ Possible ☒ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☒ High ☐ Moderate ☐ Minor ☐ Negligible	Financial, Legal Compliance	☐ Highly probable ☐ Possible ☒ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☒ High ☐ Moderate ☐ Minor ☐ Negligible
Finance Department	7	7	X	☐ Serious / Fatal ☒ Possible ☒ Moderate ☐ Unlikely ☐ Rare	☒ Serious / Fatal ☐ High ☐ Moderate ☐ Minor ☐ Unlikely	Financial, Legal Compliance	☐ Highly probable ☒ Possible ☐Moderate ☐ Unliekly ☐ Rare	☐ Serious / Fatal ☒ High ☐ Moderate ☐ Minor ☐ Negligible
Operations Department	2	2	X	☐ Highly probable ☒ Possible ☐ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☒ High ☐ Moderate ☐ Minor ☐ Negligible	Operational, Financial	☐ Highly probable ☒ Possible ☐ Moderate ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☒ High ☒ Moderate ☐ Minor ☐ Negligible

Conclusion:

The risk assessment report for 2025 highlights only high-risk areas, including potential fraud, financial and fiscal impacts, as well as operational exposures that are of High importance to the enterprise. The document ensures transparency and accountability, providing a clear overview of the key identified risks.

Prishtinë **Chair of the Board of Directors**

12.02.2026

Afrim Konjufca

PUBLIC ENTERPRISE
4.“KOSOVO RAILWAYS INFRASTRUCTURE - INFRAKOS” JSC

REPORT

ON RISK MANAGEMENT FOR THE YEAR 2025

The Public Enterprise “Kosovo Railway Infrastructure – INFRAKOS” JSC, is a state-owned enterprise and as such extends and operates in the territory of Kosovo. Kosovo Railway Infrastructure JSC or the abbreviation of the new company Infrakos JSC registered in the ARBK with Unique Identification No. 811415620 which manages and maintains 333 km of existing railway lines, 105 kilometers in stations and over 100 kilometers of industrial lines, signaling systems, communications systems, energy systems, 32 railway stations, 115 bridges with a length of 2988 meters, 23 tunnels with a length of 9020 meters, 759 culverts and 257 level crossings, as well as other buildings and land property throughout the territory of Kosovo as seen on the map. In addition to providing railway lines in service for the operation and organization of railway traffic, the railway infrastructure business also deals with the construction of industrial tracks and other railway infrastructure for the needs of various companies, as well as the leasing of railway property for commercial benefits.

The Business Plan of the enterprise's activity is in function of fulfilling legal responsibilities in accordance with the applicable legislation for railways. The enterprise has a vision with a clear mission that addresses the objectives of the enterprise.

Company vision
To be a leader in providing rail routes and other infrastructure services to all rail transport operators domestically and internationally in an equal, transparent and non-discriminatory manner. To be the most attractive and efficient provider of the rail network in the Western Balkans region.

Company mission
Creating a competitive, sustainable and successful railway network in line with the needs of Kosovo's society and economy and beyond, as well as meeting safety, environmental and economic requirements.

The business objectives of Infrakos JSC are based on historical data, market analysis, technical capacity analysis and financial analysis and risk analysis which is part of the business plan. These factors are analyzed on an annual basis and monitored in quarterly periods. The company continuously aims to establish a balance between revenues, expenses and maintaining the liquidity of the company in order to adequately manage the assessment of risk and factors that affect the regular operation of the company,

The following table describes all identified risks, as well as the plan for their management:

Hazard List 2025	
1	Poor condition of the existing railway infrastructure.
2	The prolongation of works on the rehabilitation of the railway linë 10, as well as the impact of Customs and DAB decisions on the implementation of the project.
3	Lack of adequate actions by state institutions to orient transport towards the railway sector, especially in the provision of freight transport services (import/export).
4	Non-full implementation of the legislation in force for the railway sector, in particular the lack of full subsidization for the enterprise that manages the railway infrastructure.
5	Financial instability and the inability to secure long-term sustainable liquidity.
6	The complete non-functioning of all railway lines, the lack of connections with ports for intermodal transport, and the closure of lines in northern Kosovo, limiting competitiveness with European countries.
7	Judicial disputes inherited from the former Kosovo Railways.
8	Full underutilization of existing railway lines within the territory of the Republic of Kosovo for industrial and passenger transport.
9	High cost of maintaining railway infrastructure.
10	Lack of signaling-interlocking systems on most railway lines, with the exception of Line 10.
11	The existence of illegal railway level-crossings.
12	Failure to properly provide railway crossings with signaling by local and central institutions.
13	Limited human resources in the railway sector and lack of renewal of professional staff due to retirement and lack of sustainable funding.

No.	Hazard List 2025	Potential	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
1	Poor condition of the existing railway infrastructure;	☐In all likelihood ☒Possible ☐Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☒Major ☐Average ☐Minor ☐Negligible	Railway lines are continuously maintained according to technical protocols. The lack of investment and interventions results in an outdated infrastructure that is exposed to risks.	Maintenance according to regular company plans and applicable technical regulations	Sector action plan
2	Prolongation of works on the rehabilitation of the railway line 10 and the impact of Customs and DAB Decisions.	☐In all likelihood ☒Possible ☐Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☒Major ☐Average ☐Minor ☐Negligible	Impact with internal risk that also depends on external factors. Infrakos continuously informs and reports on the processes and has raised concerns about the possible consequences in all relevant institutions.	Contract with the contractor and international agreements, Customs Decision, and DAB Decisions.	The contractor is continuing the works at a slowed pace due to the financial impacts of the Customs Decision on the application of taxes. His work is supervised by the Project Implementation Unit and the contracted supervision company (Engineer), but in the absence of a contract there is no detailed work plan and defined deadlines.
3	Lack of adequate actions by state institutions to orient transport related to railway transport in providing services for the transportation of import/export freight.	☐In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☒Major ☐Average ☐Minor ☐Negligible	External influence with internal risk	N/A	N/A

No.	Hazard List 2025	Potential	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
4	Failure to fully implement the legislation in force for the railway sector, more specifically failure to fully subsidize the enterprise for managing the railway infrastructure;	☐In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☒Major ☐Average ☐Minor ☐Negligible	External influence with internal risk A five-year agreement has been signed that foresees the financing needs. So far, the financing is only partially provided, which guarantees a minimum functioning but does not guarantee sustainability and development.	Five-year agreement signed with the ME and MMPHI No. 1525 dated 11/12/2023	The agreement provides indicative values for subsidy and investment needs until 2027.
5	Financial instability and the inability to ensure long-term sustainable liquidity;	☐In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☐Major ☒Average ☐Minor ☐Negligible	Measures have been taken for continuous monitoring of the financial situation, planning of expenses, prioritization of payments, and following legal procedures to protect the interests of the enterprise. No unfunded liabilities are created and a financial agreement for a subsidy from the government has been signed, which is partially implemented.	Law on Railways Article 63. LAW No. 04/L-063, and the Five-Year Agreement signed with the ME and MMPHI No. 1525 dated 11/12/2023 https://gzk.rks-gov.net/ActDetail.aspx?ActID=2790	The five-year agreement provides indicative values for subsidy and investment needs until 2027. There is a risk of liquidity impairment due to financial obligations accumulated in TAK, enforcement procedures and ongoing disputes.
6	Non-full functioning of all railway lines, connections to ports for intermodal transport and closure of lines in Northern Kosovo that enable services at competitive prices	☒In all likelihood ☐Possible ☐Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☒Major ☐Average ☐Minor ☐Negligible	The lack of funding for the re-functionalization of all railway lines since the war has caused some railway lines to remain out of operation and degrade without maintenance.	N/A	N/A

No.	Hazard List 2025	Potential	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
	with European countries;					
7	Judicial disputes inherited from the former Kosovo Railways;	☐In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☐Major ☒Average ☐Minor ☐Negligible	High risk, which mainly comes from legal disputes that seriously jeopardize financial stability when they are enforced. High-risk cases are mainly related to disputes that have a legal basis for expropriations that were not compensated during the construction of railway lines.	Database of court cases and regular reporting on monthly, quarterly and annual periods.	Annual assessment of high-risk cases that is also taken as a basis for budget planning and the business plan.
8	Non-use of all other existing railway lines within the territory of the Republic of Kosovo for industrial and passenger transport;	☐In all likelihood ☒Possible ☐Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☒Major ☐Average ☐Minor ☐Negligible	External impact with internal risk due to extremely low-capacity utilization of current lines. Non-use results in low revenues from rail transport.	Railway operators have limited motor and financial capacity for passenger transport.	N/A
9	The high cost of maintaining railway infrastructure;	☐In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☐Major ☒Average ☐Minor ☐Negligible	The high cost of maintaining the railway infrastructure makes it impossible to maintain it with own revenues. Therefore, periodic public investments are needed from the state according to the indicative needs of the five-year agreement.	Five-year agreement signed with the ME and MMPHI No. 1525 dated 11/12/2023	Five-year agreement signed with the ME and MMPHI No. 1525 dated 11/12/2023

No.	Hazard List 2025	Potential	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
10	Lack of signaling-interlocking equipment on all railway lines, except for line 10, with all its benefits;	☐In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☐Major ☒Average ☐Minor ☐Negligible	The need for a long-term enterprise plan for safe railway level-crossings, a maintenance plan and full coordination with line ministries for sustainable financing.	Agreements with MMPHI for investments in railway level-crossings.	Agreements with MMPHI for investments in railway level-crossings
11	Illegal railway crossings	☐In all likelihood ☒Possible ☐Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☒Major ☐Average ☐Minor ☐Negligible	High risk comes from the opening of illegal level-crossings by citizens, businesses and institutions which directly endanger the lives of citizens and the safety of railway traffic. Inter-institutional coordination and support from the government and the police are required.	"After identifying illegal level-crossings along the railway lines, INFRAKOS, through the Railway Maintenance Unit, takes immediate measures to eliminate them, namely the destruction and physical closure of these level-crossings, in order to prevent danger to citizens and guarantee the safety of railway traffic. At the same time, all identified cases are forwarded to the Kosovo Police for further treatment, in accordance with the legislation in force."	Continuous monitoring
12	Failure to provide proper signaling at railway level-crossings by local and central institutions	☐In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☐Major ☒Average ☐Minor ☐Negligible	From time to time there are problems with adequate road signaling regarding the proper marking of railway level-crossings on local and regional roads. Inter-institutional coordination is needed to have complete signaling at all railway level-crossings. Every year, Infrakos sends letters to the municipalities where the railway passes, asking them to take care of the signage at the railway crossings.	Article 43, of Law No. 04/L-063 on Kosovo Railways. Article 4, Law No. 08/L-275 on Roads https://gzk.rks-gov.net/ActDetail.aspx?ActID=2790 https://gzk.rks-gov.net/ActDetail.aspx?ActID=2467	N/A

No.	Hazard List 2025	Potential	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
13	Limited human resources (employees) in the railway field and non-renewal of professional staff after their retirement in the absence of sustainable financing of the enterprise.	☒In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☒Major ☐Average ☐Minor ☐Negligible	The average age is over 50 years old; a large number of professional staff have already retired and thus the company has extremely limited capacity for the necessary staff. A policy of maintaining the continuity of professional railway staff is required.	Review of functions and organizational chart so that adequate results can be achieved with the least possible resources.	us

AUDITS REPORT 2025

1. Introduction

This report presents the activities carried out by the Internal Audit Unit for the year 2025. The purpose is:

- Assessing the effectiveness of internal controls
- Identification of high risks
- Providing recommendations for improvement
- Increasing transparency, accountability and trustworthiness

During 2025, the following were achieved:

Description	**Number**
Planned audits	6
Audits carried out	6
Reports on operating expenses	8
Reports on capital projects	3

The audits planned for 2026 are 5 audits, focused on high and medium risk areas, as well as monitoring unimplemented recommendations.

2. Recommendations and Their Monitoring

2.1Recommendations for 2025

- Total recommendations: 40
- Implemented: 10 (25%)
- In the process of implementation: 30 (75%)

2.2 Status of recommendations from 2024

Status	Number	%
Implemented	23	48%
Partially implemented	17	35%
Unimplemented	8	17%

3. Conclusions

Audits conducted during 2025 have contributed to:

- Improving internal controls;
- Reducing the risk of fraud;
- Increasing transparency;
- Improving resource management; and
- Strengthening corporate governance.

However, Internal Audit assesses that an increased and coordinated commitment from management is needed in order to:

- Finalize the implementation of remaining open recommendations;
- Address systemic issues through regulatory, procedural and organizational changes;
- Further strengthen internal control, transparency and accountability; and
- Ensure full compliance with legal requirements, accounting standards and governance principles

4. Annex – Table of Audits Performed

No.	Audit Topic	Recommendations	Type of audit
1	**Audit of the Regularity of Planned Operating Expenditures (**April-November/2025, total 8 reports)	1. Harmonize the timesheet with the standard, in accordance with the practice of the finance office. In cases of shift work or deviations from the average, keep records showing overtime or absences for each employee. 2. An internal administrative rule should be adopted that determines the treatment of justified absences. 3. Ensure that the subsidy request complies with the financial limits set out in the agreement and that any excess is documented and handled according to approved procedures, in order to maintain compliance.	*compliance*
2	**Railway maintenance audit (**Technical and Traffic Department/MLH Sector)	1.1. Develop and approve internal guidelines and documented procedures for all operational and functional processes of railway line maintenance, including the reporting and oversight chain. 1.2. Initiate reforms to update and harmonize technical regulations, moving away from legacy old regulations and adopting contemporary EU and UIC standards. 1.3. To review and approve the regulation for the Project Implementation Unit based on the requirements arising from this regulation, also to incorporate the same into the Regulation on the internal organization and systematization of the enterprise's jobs within the PIU. 2.Filling vacant positions with professional and qualified staff, ensuring continuity of work and knowledge transfer. Redistributing tasks and responsibilities among employees to ensure a balanced workload and focus on key areas. 3.1 The enterprise shall create and keep updated a detailed register of railway infrastructure, including technical characteristics and correlation with interoperability specifications, in accordance with Article 118 of the Law on Railways. 3.2 Improve the Work Plan by including specific and detailed activities for each railway line, ensuring that all work is carried out according to the required rules and standards. 3.3 Implementation of a regular monitoring and reporting system on activities carried out, to ensure compliance with established standards and rules. 4.1 The enterprise must establish and implement a safety management system, in accordance	*compliance*

		with legal requirements, including carrying out the necessary measurements according to regulations to assess the condition of the infrastructure and ensure control of all risks. 4.2 The company should invest in equipment, machinery and work tools, provide personal protective equipment for workers and ensure that there are always sufficient reserves of appropriate and quality materials in stock for the maintenance of the railway infrastructure. The company should consider and aim to provide fair compensation and adequate protection for workers, taking into account the hazardous nature of their work. 4.3 The company should invest in the renovation and improvement of the condition of infrastructure facilities, to ensure adequate and safe conditions. 4.4 Establish a sustainable regular maintenance plan for all active and passive railway lines to prevent further damage. 5.1 Ensure full compliance and implementation of public procurement procedures in the process of selling dismantled materials, including open tenders, competitiveness and proper documentation. 5.2 The enterprise must reflect in the accounting records the disposal of the sold assets and carry out a revaluation of the railway line after dismantling the material. 5.3 Draft separate contracts for each sales process, defining clear terms for price, deadlines, standards and responsibilities of the parties, to ensure a clear and trustworthy relationship. 5.4 Measures should be taken to ensure that all dismantled materials are received and recorded in a regular and documented manner, in accordance with established guidelines and regulations. 5.5 Regularly monitor and verify the process of selling and disposing of assets to avoid abuses, losses and financial discrepancies. 5.6 Develop a clear strategy for using proceeds from the sale of assets for capital investments 6.1 Implement the Board's decision to sell or dispose of obsolete inventory. Develop and implement clear procedures and document all sales or disposal transactions with complete and accurate documentation. 6.2 Apply VNR to value stocks in financial statements. Adjust accounting records to correct anomalies (negative quantities, values without quantities). 6.3 Regular reconciliations between the physical record and the accounting register should be carried out and appropriate actions should be taken for any discrepancies. 6.4 Develop clear procedures and guidelines for warehouse management, including personnel responsibilities, entry-exit procedures, and stock control.	
	Audit on the regularity of the implementation of capital projects financed by the Ministry of	<u>Project: LOT 2 (Supply of spare parts and equipment for Telecommunications and LOT 3 (Supply of spare parts and equipment for energy):</u> 1. The requesting entity must draft neutral specifications, without brand references. 2. The contract manager should ensure full compliance between the contract, invoices and	

3	***Economy****(including reports for 2025)* 3	acceptance-delivery. 3. Strengthen control of market analysis and documentation of product origin to guarantee traceability and authenticity. Verify the authenticity of analog watches. 4. The enterprise should ensure that the tender files are complete and harmonized with legal requirements. 5. Acceptance committees should clearly document the quantities received and check compliance with the contract. 6. Strengthen preliminary market analysis and justification of planned prices. <u>Project: Supply of parts and repair of the Atlas 1404 KZW excavator, Contract no. 760/3, dated 23.07.2025, financial value 12,980.00:</u> 1. Drafting detailed technical specifications and correct categorization of activities (supply/service). 2. Implementation of the division of duties according to the requirements of the regulation. 3. Requesting evidence of technical authorizations and agreements with licensed services. 4. Complete documentation of the execution and acceptance process of the works. <u>Project: LOT 1: Supply of spare parts and equipment for signaling, Contract no. 919/3, dated 04.09.2025, financial value 29,980.00:</u> 1. Technical specifications should be general, define the minimum and maximum requirements of a product, and include the word "or equivalent." 2. The evaluation committee may request additional clarifications for technical ambiguities. 3. Require detailed certificates of origin for products. 4. Strengthen preliminary market analysis and justification of planned prices <u>Project: Ballast supply and distribution Contract no. 738/3, dated 23.07.2025:</u> 1. In future projects, tender documents should include clear requirements for active license, laboratory report and referenced standards (e.g., UIC G011). 2. Verify the authenticity of the contracts submitted; In the future, evaluation committees should request documentary evidence that the relationships between the entities exist before the date of bid submission. Assess the administrative responsibility of the contract manager for failure to verify in the preliminary stages. 3. Require new laboratory tests, carried out in accredited laboratories in the Republic of Kosovo, based on new samples taken from the segments where the material was distributed.	*compliance*

		Rigorously document the sampling process, including the place, time, quantity, responsible person and the relevant minutes. Mandatory implementation of preliminary acceptance at the production site for each future supply, ensuring the participation of the authorized commission. The contract manager shall prepare and implement a quality control plan, which defines the necessary periodic tests during execution. Verify the authenticity of laboratory reports, including confirmation of the issuing laboratory and sample number. Strengthen administrative controls at the stage of acceptance of technical documentation, requiring immediate verification of the compliance of documents with the contract before the start of works. 4. The contracting authority shall request official written confirmation from the economic operator on the origin, use and validity of the contract with the third party submitted in the file, specifying: for which project it was issued; the actual date of the contract; the reason for its presentation in the current project; and whether the document has been used in any financial or technical process. - Independent verification shall be carried out by the contracting authority with the GCF and the third party to clarify: whether the contract presented is authentic; whether it is valid for any project in progress; and whether or not it has been used in an unauthorized manner by the economic operator. - Prepare an internal verification report on the documents submitted incorrectly, so that the case is fully documented for the purposes of official control and archiving. - In case of reasonable suspicion of the use of documents with a special fiscal status, the contracting authority should consult with: TAK (for verification of claimed VAT exemptions), and Kosovo Customs (for verification of any eventual excise duty exemptions). 5. It is recommended that the Procurement Unit ensure the immediate commencement of the bid evaluation process after their opening, in accordance with the requirements of Article 40.3 of the Public Procurement Regulation. 6. The contracting authority should ensure that technical acceptance committees are appointed before the start of contract implementation, so that supervision and documentation of the works is complete and continuous. 7. Strengthen technical monitoring with reports; Any delays should be officially justified. 8. The contracting authority must ensure that for each medium and large contract it officially appoints and documents the supervisor of the contract manager, in accordance with Articles 70.18 and 70.22 and 70.25 of Regulation 01/2022, clearly defining his responsibilities and duties. To establish and implement a mandatory supervision documentation mechanism, which includes: - verification of the acceptance plan and reports; confirmation of progress reports; evidence of technical controls; keeping supervisory records according to legal requirements. 9. The contracting authority and the acceptance committee should prepare a final verification	

		report for each kilometer segment, including the quantity distributed, thickness, width of placement and relevant coordinates. For future projects, a preliminary ballast placement project with clear specifications on thickness, width, length of the layer and quantity for each segment of the line should be required. Technical control and documentation of field works should be strengthened, including daily reports, measurement records and evidence for each part of the line.	
4	**Monitoring the implementation of recommendations given in 2024**	In conclusion, Internal Audit assesses that an increased and coordinated commitment from management is needed, in order to: • finalizing the implementation of the remaining open recommendations; • addressing systemic issues through regulatory, procedural and organizational changes; • strengthening internal control, transparency and accountability; and • ensuring full compliance with legal requirements, accounting standards and principles of good governance.	compliance
5	**Audit of Commercial Accounts Payable Management**	1. Draft and approve an internal regulation or instruction for administering the procurement process and managing expenses, with a clear division of responsibilities and control steps. 2. Implementation of a new form for payment approval (payment certificate) including the final payment amount with the relevant approvals from the requesting entity, CFOT, CEO and the Certifier, to ensure that all payments are properly authorized. 3. Consider the possibility of validating the copy of the request through a written statement from the responsible persons, to enable certification and completion of the payment. Develop a standard form for confirmation of payment processing, with authorizations from the requesting unit, the CFOT, the certifying officer and the CEO. Periodic reconciliation of accounts with suppliers should be carried out, and the register of liabilities should also be reviewed, so that the financial statements present the company's situation as accurately and fairly as possible. 4. Capitalize completed assets, based on technical and financial documentation. 4.1 Depreciation shall begin from the date the level-crossing is put into operation, 4.2 To reconcile accounting records with the real value of the asset, 4.3 Review other projects with a phased structure to ensure that each completed phase is capitalized separately when it becomes usable.	compliance
6	**Audit of the approvals and payment documentation**	1. Establish a formalized traceability system for the submission, review, and approval of disbursements. 1.1. Establish mandatory internal deadlines for each stage of the process. 1.2. Actively monitor contractual deadlines and intervene in a timely manner to avoid delays	compliance

	management process within the RL10 Project	and interest. 2. Ensure that any disbursement of funds is processed after financial approval by the CFOT, in accordance with the PIU Regulation. In case of disagreements or inability to exercise this function, the issue should be addressed officially through the relevant institutional mechanisms and not be bypassed in practice. 3. Drafting and approving written procedures and/or instructions, with clear definition of timelines and responsibilities for each role involved in the process. 4. Integration of the project archive into the enterprise's central archive. Establishment of a unique and centralized logging system for all project documents.	

HIGH RISK ASSESSMENT – ACCORDING TO AUDITS CARRIED OUT (2025)

INTERNAL AUDIT REPORTS								
Department	Findings	Recommendations	Deceipt	Possibility of deceipt	Impact	Risk Level	Possibility of deceipt	Impact
1. Audit of Regularity of Operational Expenditures. Finance Department / Corporate Services Department	3	3	Potential	☐ In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal x Major ☐Average ☐Minor ☐Negligible Main exposure: Financial/Fiscal/Legal	High	☐ In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☒Major ☐Average ☐Minor ☐Negligible
2. Railway Line Maintenance Audit/Technical and Traffic Department	6	6	Potential	☐ In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal x Major ☐Average ☐Minor ☐Negligible Main exposure: Operational / Regulatory/Legal	High	☐ In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☒Major ☐Average ☐Minor ☐Negligible

3. Audit of Capital Projects Financed by the ME/Procurement and Requesting Units	23	23	Potential	☐ In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal x Major ☐Average ☐Minor ☐Negligible Main exposure: Financial / Legal / Reputational	High	☐ In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☒Major ☐Average ☐Minor ☐Negligible
4.Follow-up of the Implementation of Recommendations 2024. Management	48	48	Indirect	☐ In all likelihood ☐Possible ☒Average ☐Hardly. ☒Rarely	☐Serious / Fatal x Major ☐Average ☐Minor ☐Negligible Main exposure: Internal Control	High	☐ In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☒Major ☐Average ☐Minor ☐Negligible
5.Audit of Accounts Payable Management/Finance Department	4	4	Potential	☐ In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal x Major ☐Average ☐Minor ☐Negligible Main exposure: Financial	High	☐ In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☒Major ☐Average ☐Minor ☐Negligible
6. Audit of the approvals management process and payment documentation within the framework of the RLH10/PIU Project	4	4	Potential	☐ In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal x Major ☐Average ☐Minor ☐Negligible Main exposure: Financial / Contractual	High	☐ In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☒Major ☐Average ☐Minor ☐Negligible
7. Governance / Board & KA	Incomplete information for decision-making	Standardization of risk reporting	Indirect	☐ In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal x Major ☐Average ☐Minor ☐Negligible	Medium-High	☐ In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☒Major ☐Average ☐Minor ☐Negligible

					Main exposure: Governance / Strategic			
8. Internal Audit Unit	Violation of the independence and objectivity of Internal Audit	Role clarification and institutional protection	Potential	☐ In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal x Major ☐Average ☐Minor ☐Negligible	High	☐ In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☒Major ☐Average ☐Minor ☐Negligible

Conclusion:

The 2025 risk assessment report focuses on high-risk areas, including deceipt, financial and fiscal impacts, and operational exposures of major importance to the enterprise.

The document contributes to strengthening transparency and accountability, by providing a structured and clear overview of the main risks identified and the need for remedial measures.

FINDINGS FROM THE 2024 EXTERNAL AUDIT REPORT

Foreword

In accordance with the request of the Public Enterprises Monitoring Unit, in its capacity as Shareholder, and based on the provisions of Law No. 03/L-087 on Public Enterprises, the Code of Ethics and Corporate Governance, as well as the legislation on public internal financial control, this report presents the assessment of risks according to external audit data resulting from audits for the year 2025:

EXTERNAL AUDITOR'S REPORT								
Description of findings	Findings	Recommendations	Deceipt	Possibility of deceipt	Impact	High risk	Possibility of deceipt	Impact

1.1. Revaluation of long-term assets. As disclosed in the note "Revaluation Reserve" of the financial statements, the Company has reported an amount of EUR 15 million (2023: EUR 15 million). The Company has not revalued the useful lives of its property, plant and equipment, a practice which is not in accordance with the requirements of International Financial Reporting Standards ("IFRS"). Due to the nature of the Company's transactions and using alternative audit methods, we are unable to determine whether any adjustments were necessary to be made to the reported items of property, plant and equipment, in the statement of financial position and the corresponding amounts in the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows as of and for the year ended December 31, 2024.	1	1		☐ In all likelihood ☐Possible ☐Average ☒Hardly. ☐Rarely	☐Serious / Fatal ☐Major ☒Average ☐Minor ☐Negligible	Financial risk / financial reporting risk	☐ In all likelihood ☐Possible ☐Average ☒Hardly. ☐Rarely	☐Serious / Fatal ☐Major ☒Average ☐Minor ☐Negligible

1.2 Commitments and contingencies As disclosed in the note "Commitments and contingencies" to the financial statements, the Company is sued in several legal matters, such as civil, criminal or employment relations, for which it has not established a provision fund, a practice which is not in accordance with International Financial Reporting Standards. The company has been sued in several legal cases, for which it has not established a provision fund, a practice which is not in accordance with International Financial Reporting Standards.In the legal matters in process, the Company also has lawsuits related to the ownership of tangible fixed assets. The Company has not applied the requirements of IAS 37, according to which, companies should recognize a provision when: a- an entity has a present obligation (legal or constructive) as a result of a past event; b- it is possible that an outflow of resources may be required to settle the obligation;	1	1		☐ In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☐Major ☒Average ☐Minor ☐Negligible	Financial risk / financial reporting risk	☐ In all likelihood ☐Possible ☐Average ☒Hardly. ☐Rarely	☐Serious / Fatal ☐Major ☒Average ☐Minor ☐Negligible

c- a reliable estimate can be made of the amount of the obligation; As a result of this matter, we are unable to determine whether adjustments are necessary regarding the value of the provision accounts, as well as the elements that affect the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows.								
1.3 **Deferred grants** As disclosed in the note "Deferred grants" to the financial statements, the Company reported a value of EUR 47 million as of 31 December 2024 (2023: EUR 40 million). We were unable to obtain confirmations and reconciliations from third parties regarding the completeness and accuracy of these amounts. As a result of this matter, we are unable to determine whether adjustments are necessary in relation to the value of deferred grants, as well as the elements that affect the statement of financial position,	1	1		☐ In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☐Major ☒Average ☐Minor ☐Negligible	Financial Risk / Legal Compliance Risk	☐ In all likelihood ☐Possible ☒Average ☐Hardly. ☒Rarely	☒Serious / Fatal ☐Major ☒Average ☐Minor ☐Negligible

the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows.								

INTERNAL AUDITOR'S SUMMARY REPORT 2025

1. Entry

Safety in Railway Operations – Infrakos J.S.C.

This report summarizes the main findings of the Internal Auditor for 2025 in the field of railway operation safety at **Infrakos J.S.C.**, identified during audits conducted according to the Internal Auditor's Annual Plan.
The purpose of the report is to inform Management (Directorates and relevant sectors) regarding issues that directly affect operational safety, the functioning of the railway infrastructure and the need for priority improvement measures.
Based on written reports on the situation observed at stations, trains and railway infrastructure for 2025, despite the commitment of management and executive service employees, the existing situation requires an all-inclusive approach to all direct participants in the traffic process in order to further improve the existing situation.

2. Recommendations and Their Monitoring

The implementation of the Internal Auditor's Recommendations for 2025 at Infrakos J.S.C., is presented as follows:
For all of us at INFRAKOS, the primary and main priority is safety in railway traffic and safety in general, in the work and services we provide. In relation to our collaborators and clients, we must guarantee safety in our services because it's clear that safe operation is the key to our success. Our permanent commitment is based on establishing and building a culture that includes safety and quality as a fundamental priority.
During the audit throughout 2025, strict application of the regulations in force was required, as they are of particular importance for certain workplaces. Also, during the audit, educational instructions were given and the omissions made were reflected, accompanied by comments on the consequences if the implementation of the relevant regulations is not respected.
The internal security control was carried out in accordance with the 2025 annual plan of supervision and control expressed below.
Railway traffic as a branch of land transport is a special system and with its own specificities requires a high level of safety and maximum responsibility. To achieve the level of safety and the smooth running of railway traffic in the past year, a lot of work has been done, but many tasks have remained undone, which have an impact on time, costs and the safety of railway traffic.

2 Recommendations and Their Monitoring

During 2025, the primary priority at Infrakos J.S.C., has been safety in railway traffic and safety at work in general. Institutional commitment is oriented towards building an organizational culture where safety and quality of services constitute fundamental values.
During the inspections, strict implementation of the regulations in force was required, educational instructions were given, and the estimated omissions were identified, along with the possible consequences in case of non-compliance with safety procedures.

Recommendations implementation status

Out of a total of **10 recommendations** given during the 2025 inspection and controls:

- 1 recommendation (10%) has been fully implemented
- 7 recommendations (70%) have been partially implemented or are in the process of implementation/revision
- 2 recommendations (20%) remain unimplemented

This level of implementation shows initial commitment to addressing the findings, but at the same time emphasizes the need to accelerate concrete managerial actions, especially in areas that have a direct impact on the safety of railway operations.

The inspections and controls that have been carried out have contributed to identifying areas for improvement and providing recommendations for strengthening internal control, effective management of resources and improving the Enterprise's processes.

3. Annex – Table of Audits Performed

During 2025, 10 recommendations were implemented according to the Controller's Annual Plan, while additional weekly reports were prepared on the regularity of safety in railway traffic.

No.	Control Topic	Findings – Security Risk - Recommendations	Type of Audit - and recommendations implementation assessment
1	Active lines infrastructure – **Infrakos J.S.C.**	***Condition found during inspection*** - Segments of lines present depreciat on and problems if the side channels are not cleaned cont nuously to protect them from atmospheric precipitat on. ***Security risk*** - Weakening of the stability of the rail body and operat onal speed limitat ons that are with OLT. ***Recommendations 1*** - Draf ing a priority program for the rehabilitat on of crit cal segments and improving the stormwater drainage system.	With a Plan ○ It was implemented after the recommendatio n.
2	Railway lines out of service – **Infrakos J.S.C.**	***Condition found during inspection*** - Cont nuous degradat on of infrastructure and assets on the passive lines Prist na-Merdare border and Klina-Prizren ***Security risk*** - Increased rehabilitat on costs and risk of further damage. ***Recommendations 2*** - Conduct a technical assessment and draf a plan for minimum maintenance or gradual rehabilitat on of these lines.	With a Plan ○ It remains to be seen what happens next.
3	Railway signaling and marking – **Infrakos J.S.C.**	***Condition found during inspection*** - Signaling equipment and indicator signs are damaged, corroded or missing in many places on the act ve Prist na-Peja line. ***Security risk***	With a Plan ○ It remains to be realized.

		- Reduced level of visual warning and increased dependence on the human factor. ***Recommendations 3*** - Draf ing and implement ng a plan for the replacement and installat on of signaling in priority segments	
4	Level crossings – **Infrakos J.S.C.**	***Condition found during inspection*** - High number of illegal level-crossings and complete failure to implement protect ve measures. ***Security risk*** - Very high risk of accidents with third part es. ***Recommendations 4*** - Implementat on of an inst tut onal program for eliminat ng or securing level-crossings according to the level of risk.	With a Plan ○ It remains to be reviewed.
5	Technical facilities at stations – **Infrakos J.S.C.**	***Condition found during inspection*** - Facilit es and technical blocks out of funct onal condit on; lack of light ng in operat onal areas, at switches. ***Security risk*** - Dif culty in operat ng at night and increased risk of operat onal errors. ***Recommendations 5*** - Investment planning for the rehabilitat on of facilit es and light ng of operat onal areas.	With a Plan ○ Partially implemented
6	Field working conditions – **Infrakos J.S.C.**	***Condition found during inspection*** - Insuf cient support ng infrastructure for safe operat on at some stat ons, poor light ng. ***Security risk*** - Increased risk during night maneuvers and operat ons. ***Recommendations 6*** - Improving technical condit ons and support ng infrastructure at stat ons with intensive operat on where work is carried out at night.	With a Plan ○ It remains to be reviewed.
7	Human factor (staff structure) – **Infrakos J.S.C.**	***Condition found during inspection*** - High average age of execut ve staf and risk of staf shortage. ***Security risk*** - Medium-term risk of loss of experience and impact on operat onal safety. ***Recommendations 7***	With a Plan ○ Partially implemented

		- Draf ing a medium-term plan for staf renewal with new professional staf .	
8	Professional trainings – **Infrakos J.S.C.**	***Condition found during inspection*** - Lack of dedicated instructor and unstructured organizat on of training. ***Security risk*** - Increased risk of human error and inconsistent implementat on of procedures. ***Recommendations 8*** - Filling the instructor posit on and establishing a regular safety training program.	With a Plan ○ Not implemented
9	Implementation of safety regulations – **Infrakos J.S.C.**	***Condition found during inspection*** - Cases of non-full implementat on of security procedures. ***Security risk*** - Increased operat onal risk in certain situat ons ***Recommendations 9*** - Strengthening internal oversight and applying periodic instruct ons to personnel.	With a Plan ○ There is a lack of regulations at the stations.
10	Operating speed of trains – **Infrakos J.S.C.**	***Condition found during inspection*** - The technical condit on of the infrastructure does not allow for a safe increase in speed. ***Security risk*** - Potent al danger in case of increasing speed without technical upgrading. ***Recommendations 10*** - Any increase in speed should be condit onal on technical upgrading and safety checks.	With a Plan ○ This has been worked on.

Conclusion

The audits carried out during 2025 according to the Annual Plan of the Internal Auditor show that the level of safety in railway operations at **Infrakos J.S.C.,** is functional, but influenced by infrastructural, technical and organizational factors that require planned treatment and targeted investments.

High-risk areas are mainly related to:

- the condition of the infrastructure of lines and the drainage system
- railway signaling and marking,
- level-crossings,
- as well as organizing professional training for personnel.

Addressing the above recommendations should be considered a **strategic priority**, with the aim of increasing operational safety, reliability of railway services and long-term protection of infrastructure assets.

The 2025 Risk Assessment Report highlights only high-risk areas, including impact, as well as operational exposures that are of major importance to the enterprise. The document ensures transparency and accountability, providing a clear overview of the key risks identified.

General Conclusions

The 2025 Risk Assessment Report highlights areas of risk, including potential financial and operational impacts, as well as operational exposures that are of major importance to the enterprise. The document ensures transparency and accountability, providing a clear overview of the key risks identified.

The document shows that the company has several segments of financial, operational and technical internal controls that are a practice of the company. These areas of controls will be included in the risk management regulation that will be approved in the first half of 2026.

Internal controls and audits show that the company has a control system in place that guarantees stability and security with a continuous trend of improvements.

Besarta ZUKA

Fushë Kosovë 23.03.2026

Acting Head of the Board of Directors
"Kosovo Railways Infrastructure"

PE

NDËRMARRJA HIDROEKONOMIKE "IBËR - LEPENC" SH.A.
HYDRO - ECONOMIC ENTERPRISE "IBËR - LEPENC" J.S.C.
VODOPRIVREDNO PREDUZEĆE "IBËR - LEPENC" D.D.

5.Risk assessment report for the three-month period October-December (Q4)2025

The Board of Directors, at its regular meeting held on 09.02.2026, after reviewing the Risk Assessment Report for the three-month period October-December (Q4) 2025, decided to approve this report and requested that it be forwarded to the POEPMU.

	Delegated by:	Approved by:
First and Last Name	Chief Executive Officer:	Chairperson of the BoD
Signature	Faruk Mujka	Bajram Mustafa
Date: 09.02.2026	*/Signed*	*/Signed*

/Stamped - Hydro-Economic Enterprise "IBËR-LEPENC" J.S.C.

Risk Management Report for the Year 2025

The Public Enterprise "Ibër Lepenci" J.S.C. offers the sale of electricity, untreated bulk water and irrigation in the market; The Company has regulated the activity of the sale of these products in accordance with applicable legislation and policies in the Republic of Kosovo. Despite defined rules for the provision of these products, during the exercise of its activity, "Ibër Lepenci" J.S.C. faces various types of risks, which represent obstacles in achieving the objectives envisaged in the Business Plan.

Through its Annual Business Plan, "Ibër Lepenci" has defined the mission, vision and objectives, which form the basis for its existence, while at the same time it also reaffirms its commitment to providing quality products in accordance with its capacities, ensuring the protection of employees' health at work and the regular supply of its clients with its products. Given the importance of the aforementioned commitments and the obstacles that may arise and cause risks, "Ibër Lepenci" has undertaken a series of specific actions, the main purpose of which was to prevent and avoid such risks. The actions undertaken are aimed at normal functioning and the advancement of the quality and efficiency of the activity. Taking into consideration the importance of identifying risks and taking appropriate actions in a timely manner, "Ibër Lepenci", among the main actions that it has undertaken, has included the identification and prevention of these risks throughout the entire cycle of the activity conducted.

The following table describes all identified risks, as well as the plan for their management:

List of Risks 2025	
1	Entering into the open electricity purchase market has increased costs, particularly during the irrigation season, when the use of pumps for water distribution is higher;
2	Old technology in the hydropower plant;
3	Natural disasters (heavy rainfall, landslides, earthquakes, floods, etc.) can cause damage to the enterprise's assets;
4	Extreme drought could jeopardize the realization of planned electricity generation and water distribution;
5	High costs in the irrigation sector as a consequence of the aging hydro-system;
6	Damage to irrigation canals, water leakage, and bursting of underground pipes that may cause damage to surrounding properties. The Enterprise is involved in several court proceedings, and in some of them the Court of First Instance has decided in favour of the claimant, however the cases are currently at the Court of Appeals following appeals lodged by the Enterprise;
7	There are several cases in which economic operators have failed to fulfil the contractual obligations, for which we are currently in legal proceedings. Also, there is a court case initiated by the operator for the sale of energy, alleging that the Enterprise has not fulfilled its contractual obligations in terms of the delivery of energy quantities;
8	Inherited problems with the Enterprise's properties which are not recorded in the cadastre pursuant to expropriation decisions; in one case we are even involved in court proceedings;
9	Inherited problems relating to the illegal occupation of Enterprise’s properties, for which, following identifications by the relevant commissions, legal proceedings have been initiated. In some cases, final judgments have been rendered, while other cases remain ongoing;
10	A client with whom we have an agreement for the payment of the overdue debt owed to us is having financial difficulties in implementing the agreement as per the deadlines;
11	The legal dispute with the operator with whom IL had a contract for the sale of electricity could jeopardize liquidity;

RISK MATRIX

No.	List of Risks 2025	Likelihood	Impact	Description of actions undertaken/reason for non-implementation	Supporting evidence (reference documents)	Action plan for further implementation
1	Entering into the open electricity purchase market has increased costs, particularly during the irrigation season, when the use of pumps for water distribution is higher;	X- Very likely -Possible -Medium -Unlikely -Rare	-Serious/Fatal -Major X- Medium -Small -Negligible	Use of pumps at the time when the price of energy is lower.	N/A	Use of pumps at the time when the price of energy is lower.
2	Old technology in the hydropower plant;	- Very likely X-Possible -Medium -Unlikely -Rare	-Serious/Fatal X- Major - Medium -Small -Negligible		N/A	N/A
3	Natural disasters (heavy rainfall, landslides, earthquakes,	-Very likely - Possible X- Medium -Unlikely	-Serious/Fatal X- Major - Medium -Small	External influence with internal risks.	N/A	Drafting Emergency plans with EMA and MIA.

	floods, etc.) can cause damage to the enterprise's assets;	-Rare	-Negligible			
4	Extreme drought could jeopardize the realization of planned electricity generation and water distribution;	-Very likely - Possible X- Medium -Unlikely -Rare	- Serious/Fatal X- Major - Medium -Small -Negligible	External influence with internal risks.		RWC & KEK, with the necessary quantity.
5	High costs in the irrigation sector as a consequence of the aging hydro-system;	- Very likely X Possible X- Medium -Unlikely -Rare	- Serious/Fatal - Major X- Medium -Small -Negligible	We are in the process of drafting a feasibility study for replacing the water network.	N/A	Replacement of the water network.
6	Damage to irrigation canals, water leakage, and bursting of underground pipes that may cause damage to surrounding properties;.	X- Very likely - Possible - Medium -Unlikely -Rare	- Serious/Fatal - Major X- Medium -Small -Negligible	The Enterprise is involved in several court proceedings, and in some of them the Court of First Instance has decided in favour of the claimant, however the cases are currently at the Court of Appeals following appeals lodged by the Enterprise.	N/A	Continue to initiate court proceedings against all abusers.
7	There are several cases in which economic operators have failed to fulfil the contractual obligations, for	- Very likely - Possible X- Medium -Unlikely -Rare	- Serious/Fatal - Major X- Medium -Small -Negligible	Legal services consulting company has been engaged to defend us in the court case in which IL is the respondent.	Signed contract	-Contract management to be carried out in accordance with the rules, legislation and contractual conditions. --Careful monitoring of guarantees,

	which we are currently in legal proceedings. Also, there is a court case initiated by the operator for the sale of energy, alleging that the Enterprise has not fulfilled its contractual obligations in terms of the delivery of energy quantities;					work dynamics, quantity and quality. -Close cooperation of the involved actors with the legal advisors for ensuring effective defense in court proceedings.
8	Inherited problems with the Enterprise's properties which are not recorded in the cadastre pursuant to expropriation decisions; in one case we are even involved in court proceedings;	- Very likely X-Possible - Medium -Unlikely -Rare	- Serious/Fatal - Major X- Medium -Small -Negligible	The Cadastral Agency was paid to carry out the verification of the properties of IL.	N/A	Accurate recording of properties and cooperation with respective municipal cadastral offices and the Cadastral Agency.
9	Inherited problems relating to the illegal occupation of Enterprise’s properties, for	- Very likely X - Possible - Medium	Serious/Fatal - Major X- Medium -Small	Urgent reporting of cases to the relevant municipal inspectorates -Identification of all illegally occupied properties by the	N/A	Urgent reporting of cases to the relevant municipal inspectorates - Identification of all

	which, following identifications by the relevant commissions, legal proceedings have been initiated. In some cases, final judgments have been rendered, while other cases remain ongoing;	-Unlikely -Rare	-Negligible	responsible persons of the enterprise -Request for initiation of procedures for the vacation of already occupied properties.		illegally occupied properties by the responsible persons of the enterprise -Request for initiation of procedures for the vacation of already occupied properties.
10	A client with whom we have an agreement for the payment of the overdue debt owed to us is having financial difficulties in implementing the agreement as per the deadlines;	- Very likely X - Possible - Medium -Unlikely -Rare	Serious/Fatal - Major X- Medium -Small -Negligible	We have signed the agreement	N/A	Continuous monitoring; Initiation of enforcement proceedings in cases of major delays;
11	The legal dispute with the operator with whom IL had a contract for the sale of electricity could jeopardize liquidity;	- Very likely - Possible X- Medium -Unlikely -Rare	- Serious/Fatal X- Major - Medium -Small -Negligible	N/A	N/A	Prudent Financial Management

Actions undertaken

No.	List of Risks 2025	Supporting evidence (reference documents)

INTERNAL AUDITS REPORT 2025

1. Introduction

This annual report presents the activities of the Internal Audit Unit for the year 2025. It summarizes the audits conducted and the recommendations given, as well as contributes to strengthening internal control, risk management and governance systems by increasing transparency and accountability within the Company.

2. Recommendations and their monitoring

• Number of audits planned according to the annual plan: 6 (5 +1 at the request of the Audit Committee)

• Audits conducted at the request of the Audit Committee (AC): 1

• Number of audits conducted: 6

• Audits according to the annual plan and at the request of the Ministry of Economy for verifying the regularity of expenditures: NA

• Audits of Capital Investment projects funded by the Ministry of Economy: NA

• Number of recommendations given: 10

• Percentage of recommendations implemented: 90% of data refer to December 2025, as the implementation of the recommendations was not tested in June, given that the Enterprise should expect longer deadlines for the implementation of the recommendations.

• Recommendations under implementation: There are no recommendations in the process of implementation.

• Percentage of unimplemented recommendations: 10% of data refer to December 2025, as the last audit was conducted in December 2025 and there has been no opportunity to start the implementation.

• Impact: improved management and transparency, increased accountability and reliability, and increased efficiency in policy implementation.

• Audits conducted but not approved including the 2026 annual plan: NA

All audits planned for 2025 have been conducted by the Internal Audit Unit (IAU), and both the six-month and annual reports have been submitted to the MFLT pursuant to the legal deadlines. Furthermore, the "Annual Plan" of the IAU for the HEE: "Ibër Lepenci" J.S.C. for the year 2026 has been approved.

3. Conclusions

The audits conducted have contributed to identifying areas for improvement and providing recommendations for strengthening internal control, effective resource management and improving the Enterprise's processes.

4. Annex-Table of Audits Conducted

During 2025, a total of six (6) audits were planned and conducted in accordance with the Annual Audit Plan, of which five (5) were planned and one was requested by the Audit Committee (also, this one was planned). Reports with the relevant findings and recommendations were prepared for each audit conducted.

No.	Audit topic	Recommendations	Type of audit
1	Accounts receivable from water sales	*1. At least on quarterly basis, reminder letters to be sent as warnings to RWC "Mitrovica" J.S.C. regarding the status of accounts receivable.*	By Plan
2	Personnel files content	- *There are no findings.*	By Plan
3	Buffet expenditures	*1. To harmonize the prices of beverages in the buffet with the prices of supply according to the contract*	By Plan

		2. The end-of- year records of the buffet to be reconciled with the balance of the buffet card received from accounting and the expired goods to be derecognized according to the report of the commission. *3. To comply with Article 16 of the internal regulation no. 01.2024 on non- salary compensations and representation expenses.*	
4	Use of annual leave by employees	*1. The Management should ensure consistency between attendance reports and working hours reports.* *2. The Management should ensure that holidays are in full compliance with applicable legislation by providing formal evidence.*	By Plan
5	Audits conducted at the request of the Audit Committee(AC)	*1. The Procurement Office should prepare the Procurement Plan based on the Business Plan approved by the Board of Directors and the requests unit should not make requests for unplanned investments.* *2. The Management should ensure the coordination of the requests unit with the Procurement Office to harmonize the specifications based on the Law on Public Procurement and with aim to ensure transparency, accountability, and compliance with applicable laws, regulations and guidelines.* *3. To establish and implement a compulsory practice for every official document to contain a date and signature, as well as control mechanisms to be established so that documents lacking these elements be not accepted or used in procurement processes.*	By Plan
6	Electricity sales	*1. The Enterprise Management must draft a comprehensive regulation on the electricity sales process, which will include all process stages, starting from production, billing, and accounting, as well as the respective responsibilities, authorizations and controls.*	By Plan

AUDIT REPORTS 2025

INTRODUCTION

In accordance with the request of the POEPMU, in its capacity as Shareholder, and based on the provisions of Law No. 03/L-087 on Publicly Owned Enterprises, the Code of Ethics and Corporate Governance, as well as the legislation on public internal financial control, this report presents the assessment of high risks for the year 2025. Audit data for the year 2025 on high risks

EXTERNAL AUDITOR'S REPORT								
Description of findings	**Findings**	**Recommendations**	**Fraud**	**Fraud likelihood**	**Impact**	**High risk**	**Fraud likelihood**	**Impact**
Lack of inclusion of assets, respectively land classes, in the property register	1	1	X	- Very likely - Possible X - Medium -Unlikely -Rare	Serious/Fatal X- Major - Medium -Small -Negligible	Financial risk/Financial reporting risk	- Very likely - Possible X - Medium -Unlikely -Rare	Serious/Fatal X- Major - Medium -Small -Negligible
Failure to revalue the enterprise's	1	1	X	- Very likely X- Possible - Medium	Serious/Fatal X- Major - Medium	Financial risk/Financial	- Very likely - Possible X - Medium	Serious/Fatal X- Major - Medium

assets since 2007				-Unlikely -Rare	-Small -Negligible	reporting risk	-Unlikely -Rare	-Small -Negligible
Inaccurate presentation of revaluation reserve	1	1	X	X- Very likely - Possible - Medium -Unlikely -Rare	Serious/Fatal X- Major - Medium -Small -Negligible	Financial risk/Fin-ancial reporting risk	- Very likely X- Possible - Medium -Unlikely X -Rare	Serious/Fatal X- Major - Medium -Small -Negligible
Impairment of assets not in accordance with the requirements of the standards	1	1	X	X- Very likely - Possible - Medium -Unlikely -Rare	Serious/Fatal - Major X- Medium -Small -Negligible	Financial risk/Fin-ancial reporting risk	- Very likely X- Possible - Medium -Unlikely X -Rare	Serious/Fatal - Major -X Medium -Small -Negligible

Internal Audit data on high risks for the year 2025:

INTERNAL AUDITS REPORT								
Description of findings	**Findings**	**Recomm - endations**	**Fraud**	**Fraud likelihood**	**Impact**	**High risk**	**Fraud likelihood**	**Impact**
Finance Department/ Pension Contributions	2	2	X	- Very likely - Possible - Medium -Unlikely -Rare	-Serious/Fatal - Major - Medium -Small -Negligible	Financial	- Very likely - Possible - Medium -Unlikely X-Rare	-Serious/Fatal X- Major - Medium -Small -Negligible

Conclusion:

The 2025 Risk Assessment Report highlights only the areas of high risk, including potential fraud, financial and fiscal impacts, and operational exposures that are of major importance to the enterprise. The document ensures transparency and accountability by providing a clear overview of the key risks identified.

6.2025 RISK MANAGEMENT REPORT

Public Enterprise “Hidromorava” JSC, Gjilan provides drinking water supply and wastewater services across six municipalities in Kosovo: Gjilan, Viti, Kamenica, Novobërda, Ranilug, and Partesh. The Company operates in full compliance with the applicable legislation and regulatory framework of the Republic of Kosovo.

Despite the clearly defined rules governing service provision, the Company encounters various operational and external risks that may hinder the achievement of the objectives set out in its Business Plan.

Through its Annual Business Plan, the Company has clearly defined its Mission, Vision, and Strategic Objectives. In fulfilling these, it remains committed to delivering services within its operational capacities, ensuring the health and safety of its employees, and providing safe, reliable, and continuous services to its customers. Recognizing the importance of these commitments, as well as the potential challenges that may arise, the Company has undertaken a series of targeted measures aimed at preventing and mitigating risks.

These measures are designed to support the uninterrupted functioning of operations, enhance the quality of service delivery, ensure financial sustainability, and maintain a continuous water supply (24/7). Given the importance of timely risk identification and response, the Company has integrated risk management practices throughout all stages of its operational processes.

It is important to note that during 2025, no risks related to fraud or corruption were identified within the Company. Throughout this period, internal processes were carried out in accordance with applicable laws and regulations, while control and oversight mechanisms functioned effectively, contributing to the prevention of any potential misuse.

The table below outlines the identified risks and the corresponding measures for their management:

Register of Risks 2025	
1	Poor condition of existing infrastructure, such as water treatment plants, pumping stations, transmission pipelines, distribution pipelines, old consumer metering units, etc.
2	Lack of sufficient water capacity, especially during recurring drought periods, with a risk of interruption of water supply from the Përlepnicë reservoir, which is the main source supplying 65% of the population of the Municipality of Gjilan
3	Water supply interruptions due to breakdowns, as well as due to water shortages and failure to meet required water quality standards
4	Risk of accidents during fieldwork (slipping, falling, trench collapse)
5	Delays in drafting and implementing a Master Plan for the Hidromorava company
6	Exposure to contaminated water and biological hazards (bacteria, viruses)
7	Lack of adequate actions by state institutions to direct investments toward the Hidromorava region, which is the most at risk for water shortages
8	Lightning strikes affecting electrical equipment and pumps in water treatment plants
9	Need to secure financial resources for necessary investments to increase water capacity and rehabilitate existing infrastructure
10	Continuation of high technical and commercial losses, which is one of the company's main challenges
11	Large number of separate systems supplied by individual wells, increasing maintenance costs and complicating operations
12	Lack of professional staff to implement duties in line with upcoming sector reforms and required obligations
13	Poor technical condition of work equipment and lack of tools such as tankers, excavators, leak detection equipment, etc.
14	Project delays and cost overruns
15	Risk from the use of vehicles and heavy machinery
16	Occupational stress and fatigue due to high workload

17	Lack of adequate training for new technologies and equipment
18	Increase in operational costs (energy, consumables for water treatment, maintenance, salaries due to inflation)
19	Annual depreciation exceeds annual investments
20	Opening of heavy manholes during field operations
21	Non-consumption from the network due to the use of private wells
22	Theft of daily cash during cash handling at counters
23	Malfunction or lack of measuring and monitoring equipment
24	Lack of professional and trained laboratory personnel
25	Incorrect dosing of chemicals
26	Weather conditions and pollution of water sources
27	Lack of institutional succession planning (HR)
28	Inaccuracies in recording leave and absences during transition
29	Delays and mismanagement of archival documentation
30	Failure of employees to use protective equipment
31	Physical risk to field workers
32	Misuse of official vehicles
33	Increase in operational costs due to expansion of the service area

34	Operational delays due to spare parts (heavy machinery)
35	Exposure to legal disputes (Legal Office)

Nr.	Register of risks 2025	Likelihood	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
1	Poor condit on of exist ng infrastructure, such as water treatment plants, pumping stat ons, transmission pipelines, distribut on pipelines, old consumer metering units, etc.	☐ Very likely ☒ Likely ☐ Moderate ☐ Unlikely ☐ Rarely	☐ Serious / Fatal ☒ Major ☐ Moderate ☐ Small ☐ Insignif cant	Lack of investments	N/A	N/A
2	Lack of suf cient water capacity, especially during recurring drought periods, with a risk of interrupt on of water supply from the Përlepnicë reservoir, which is the main source supplying 65% of the populat on	☐ Very likely ☒ Likely ☐ Moderate ☐ Unlikely ☐ Rarely	☐ Serious / Fatal ☒ Major ☐ Moderate ☐ Unlikely ☐ Insignif cant	Lack of investments	Drought Management Plan	N/A

	of the Municipality of Gjilan					
3	Water supply interrupt ons due to breakdowns, as well as due to water shortages and failure to meet required water quality standards	☐ Very likely ☐ Likely ☒ Moderate ☐ Unlikely ☐ Rarely	☐ Serious / Fatal ☐ Major ☒ Moderate ☐ Unlikely ☐ Insignif cant	Lack of investments	N/A	Water Loss Reduct on Act on Plan; Water Safety Plan
4	Risk of accidents during f eldwork (slipping, falling, trench collapse)	☐ Very likely ☐ Likely ☒ Moderate ☐ Unlikely ☐ Rarely	☐ Serious / Fatal ☐ Major ☒ Moderate ☐ Unlikely ☐ Insignif cant	External inf uence with internal risk exposure	N/A	Appropriate work equipment / Proper work equipment
5	Delays in draf ing and implement ng a Master Plan for the Hidromorava company	☐ Very likely ☐ Likely ☒ Moderate ☐ Moderate ☐ Rarely	☐ Serious / Fatal ☐ Major ☒ Moderate ☐ Unlikely ☐ Insignif cant	Lack of investment and consultancy support	N/A	N/A
6	Exposure to contaminated water and biological hazards (bacteria, viruses)	☐ Very likely ☐ Likely ☒ Moderate ☐ Unlikely ☐ Rarely	☐ Serious / Fatal ☐ Major ☒ Moderate ☐ Unlikely ☐ Insignif cant	Implementat on of risk mit gat on measures through the use of protect ve equipment	N/A	Capital investments aimed at risk reduct on
7	Lack of adequate act ons by state	☐ Very likely ☒ Likely	☐ Serious / Fatal ☒ Major	Lack of investments	N/A	Business Plan

	inst tut ons to direct investments toward the Hidromorava region, which is the most at risk for water shortages	☐ Moderate ☐ Unlikely ☐ Rarely	☐ Moderate ☐ Unlikely ☐ Insignif cant			
8	Lightning strikes af ect ng electrical equipment and pumps in water treatment plants	☐ Very likely ☐ Likely ☒ Moderate ☐ Unlikely ☐ Rarely	☐ Serious / Fatal ☐ Major ☒ Moderate ☐ Unlikely ☐ Insignif cant	External factors creat ng internal risk exposure	N/A	N/A
9	Need to secure f nancial resources for necessary investments to increase water capacity and rehabilitate exist ng infrastructure	☐ Very likely ☐ Likely ☐ Moderate ☒ Unlikely ☐ Rarely	☐ Serious / Fatal ☒ Major ☐ Moderate ☐ Unlikely ☐ Insignif cant	Need for government mid-term and long-term capital investment plans	N/A	N/A
10	Cont nuat on of high technical and commercial losses, which is one of the company's main challenges	☐ Very likely ☒ Likely ☐ Moderate ☐ Unlikely ☐ Rarely	☐ Serious / Fatal ☐ Major ☒ Moderate[1] ☐ Unlikely ☐ Insignif cant	Regular inspect ons	N/A	Act on Plan to reduce water losses and ident fy illegal connect ons
11	Large number of separate systems	☐ Very likely	☐ Serious / Fatal	Absence of a large accumulat on reservoir	N/A	N/A

	supplied by individual wells, increasing maintenance costs and complicat ng operat ons	☐ Likely ☒ Moderate ☐ Unlikely ☐ Rarely	☐ Major ☒ Moderate ☐ Unlikely ☐ Insignif cant	(dam) to cover all set lements.		
12	Lack of professional staf to implement dut es in line with upcoming sector reforms and required obligat ons	☐ Very likely ☐ Likely ☒ Moderate ☐ Unlikely ☐ Rarely	☐ Serious / Fatal ☐ Major ☐ Moderate ☒ Unlikely ☐ Insignif cant	Low-level risk impact, as company policies already consider knowledge transfer and succession planning, including coverage of key professional execut ve posit ons essent al for operat ons.	Cont nuous recruitments	Employment of qualif ed execut ve staf . Internal educat on and training of exist ng staf . The risk to cont nuity in key posit ons, even with new hiring, mainly stems from the low at ract veness of these roles to new employees due to low salary levels.
13	Poor technical condit on of work equipment and lack of tools such as tankers, excavators, leak detect on equipment, etc.	☐ Very likely ☐ Likely ☒ Moderate ☐ Unlikely ☐ Rarely	☐ Serious / Fatal ☒ Major ☐ Moderate ☐ Unlikely ☐ Insignif cant	Moderate risk level, due to insuf cient operat onal assets. Exist ng equipment is relat vely old, largely depreciated, and only moderately repairable, which directly af ects company operat ons in cases of failure or lack of investment.	N/A	Capital investments / repair of equipment and spare parts
14	Project delays and cost overruns	☐ Very likely ☐ Likely ☒ Moderate	☐ Serious / Fatal ☐ Major ☒ Moderate	Delays caused by procurement procedures and the unknown	N/A	Improvement in the preparat on of technical specif cat ons and

		☐ Unlikely ☐ Rarely	☐ Unlikely ☐ Insignif cant	condit on of underground infrastructure installed many years ago.		coordinat on with other inst tut ons.
15	Risk from the use of vehicles and heavy machinery	☐ Very likely ☐ Likely ☒ Moderate ☐ Unlikely ☐ Rarely	☐ Serious / Fatal ☐ Major ☒ Moderate ☐ Unlikely ☐ Insignif cant	Cont nuous provision of new and safe work vehicles.	N/A	Provision of appropriate work equipment
16	Occupat onal stress and fat gue due to high workload	☐ Very likely ☐ Likely ☒ Moderate ☐ Unlikely ☐ Rarely	☐ Serious / Fatal ☐ Major ☒ Moderate ☐ Unlikely ☐ Insignif cant	Assignment of ad-hoc (immediate) tasks.	Emails	N/A
17	Lack of adequate training for new technologies and equipment	☐ Very likely ☐ Likely ☒ Moderate ☐ Unlikely ☐ Rarely	☐ Serious / Fatal ☐ Major ☒ Moderate ☐ Unlikely ☐ Insignif cant	Budget constraints.	N/A	Business Plan
18	Increase in operat onal costs (energy, consumables for water treatment, maintenance, salaries due to inf at on)	High	High	Market price increases have led to higher costs for electricity, water treatment materials, maintenance, and salaries, thereby	Electricity bills Supply contracts Payroll records Monthly f nancial reports	Energy consumpt on opt mizat on; review of supply contracts; and budget planning aligned with inf at on trends

				increasing the company's overall operat onal costs.		
19	Annual depreciat on exceeds annual investments	Moderate	High	Asset depreciat on exceeds replacement through investment, increasing maintenance needs and reducing operat onal ef ciency.	N/A	N/A
20	Opening of heavy manholes during f eld operat ons	Moderate	High	Opening heavy manholes during meter reading or disconnect on operat ons poses a physical injury risk to f eld staf .	Fieldwork reports / Field act vity records	Provision of protect ve equipment to staf ; Occupat onal safety training
21	Non-consumpt on from the network due to the use of private wells	Moderate	High	Customers using alternat ve water sources (private wells) reduce network consumpt on and negat vely af ect company revenues.	Customer registry, Consumpt on analyses	N/A
22	Thef of daily cash during cash handling at counters	Rarely	Moderate	Cash handling presents a risk of thef or f nancial loss.	N/A	Increase in electronic payments; Enhancement of security through surveillance cameras at company cash desks
23	Malfunct on or lack of measuring and monitoring equipment	Moderate	High	Malfunct oning or lack of water measurement and monitoring equipment	Equipment registers,	Regular maintenance and periodic calibrat on; Provision of

				(meters, laboratory devices, online monitoring tools) may af ect monitoring accuracy and water treatment quality.	Maintenance reports, Calibrat on cert f cates	backup equipment; Immediate report ng of technical faults
24	Lack of professional and trained laboratory personnel	Moderate	High	Lack of qualif ed staf may lead to errors in chemical dosing and interpretat on of analyt cal results.	Staf list, Training plans	Cont nuous professional training; Development of replacement/succession plans in case of staf absence
25	Incorrect dosing of chemicals	Low – Moderate	High	Inadequate chemical dosing may compromise water quality and consumer health safety.	Laboratory reports	Strict implementat on of procedures; Cont nuous monitoring of parameters; Dual control in manual operat ons
26	Weather conditions and pollution of water sources	Moderate	High	Heavy rainfall, turbidity, and pollut on of water sources negat vely impact raw water quality.	Laboratory analyses	Increased monitoring frequency; Professional isolat on/protect on of wells; Coordinat on with relevant sectors
27	Lack of inst tut onal succession planning (HR)	☒ Likely	☒ Major	Monitoring staf age structure and gradual workforce planning (succession planning).	Organizat onal structure, staf list by age	Development of a mid-term knowledge transfer plan.

28	Inaccuracies in recording leave and absences during transit on	☒ Likely	☒ Moderate	Manual verif cat on of records and periodic reviews.	Leave and absence records	Implementat on of a digital Human Resources (HR) system
29	Delays and mismanagement of archival documentat on	☒ Likely	☒ Major	Reorganizat on and disposal in accordance with legal procedures.	Disposal decisions, commit ee minutes	Creat on of a digital archive register
30	Failure of employees to use protect ve equipment	☒ Likely	☒ Major	Regular supply and awareness communicat on.	Procurement procedures and distribut on records	Increased supervisory control
31	Physical risk to f eld workers	☒ Likely	☒ Major	Provision of protect ve equipment and priorit zat on of act vit es.	Operat onal reports and f eld records	Periodic review of risk assessments
32	Misuse of of cial vehicles	☒ Likely	☒ Major	Internal guidelines and disciplinary measures.	Regulat on on the use of vehicles / Vehicle usage policy	Implementat on of a GPS system
33	Increase in operat onal costs due to expansion of the service area	☒ Likely	☒ Moderate	Budget planning and expenditure monitoring.	Business plan and f nancial reports	Opt mizat on of vehicle usage
34	Operat onal delays due to spare parts (heavy machinery)	☒ Likely	☒ Moderate	Prevent ve maintenance planning.	Service contracts and maintenance records.	Establishment of a minimum stock of crit cal spare parts

35	Exposure to legal disputes (Legal Of ce)	☒ Likely	☒ Major	Monitoring legal deadlines and ensuring proper representat on.	Court case f les and case records.	Cont nuous alignment of internal acts with legislat on

Chief Executive Officer

Acting Chairperson of Boa**r**d of Directors

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7.REGIONAL WATER COMPANY HIDRODRINI J.S.C. - PEJA

RISK MANAGEMENT REPORT FOR 2025

The Regional Water Company “Hidrodrini” J.S.C., Pejë provides drinking water supply and wastewater management services to consumers within its service area, in accordance with the applicable legislation and standards in force in the Republic of Kosovo. During the exercise of its activity, the company faces various risks that may affect the achievement of the objectives defined in the development and operational plans. Through the Annual Business Plan, the company has defined its mission, vision, and strategic objectives, for the achievement of which the management and staff of the enterprise are engaged. In this context, the identification and assessment of potential risks that may affect the performance and overall functioning of the enterprise have been carried out. The company has implemented a structured approach to risk management, including the identification, analysis, and treatment of risks in a systematic manner. This approach aims to minimize the negative impact of risks and ensure the continuity of services for consumers. Taking into account the importance of effective risk management, the enterprise continuously undertakes measures to improve internal processes, increase operational efficiency, and strengthen internal control. Activities are carried out in accordance with legal acts and relevant regulations, aiming for transparency and accountability at all levels of the organization. This report presents the main risks identified within the scope of the activities of R.W.C. “Hidrodrini” J.S.C., as well as the measures undertaken and planned for their management and mitigation.

	List of Risks 2025
1	• Poor condit on of exist ng infrastructure, such as water treatment plants, pumping stat ons, transmission pipelines, distribut on pipelines, as well as old consumer water meters, etc.
2	• Water losses in the network due to deteriorated infrastructure and lack of adequate maintenance.
3	• Water supply interrupt ons due to failures, as well as due to water shortages and water quality not meet ng prescribed standards.
4	• Accidental risk during f eldwork (physical injuries, accidents, etc.).
5	• Delays in the preparat on and implementat on of the Master Plan for Hidrodrini.
6	• Exposure to wastewater and biological risks (bacteria, viruses).
7	• Lack of adequate act ons by state inst tut ons to direct investments in the service area.
8	• Lightning strikes af ect ng electrical equipment and pumps in water treatment plants.

9	• Need to secure f nancial resources for investments to increase water capacity and rehabilitate exist ng infrastructure.
10	• Cont nuity of high technical and commercial losses, which is one of the main challenges of the company.
11	• Unauthorized intervent ons in the network.
12	• Lack of professional staf in certain sectors of the enterprise.
13	• Technical condit on of work equipment and operat onal assets.
14	• Exceeding project deadlines and costs.
15	• Risk from the use of vehicles and heavy machinery.
16	• Occupat onal stress and fat gue due to high workload.
17	• Lack of adequate training for new technologies and equipment.
18	• Increase in operat onal costs (energy, consumable materials for water treatment, maintenance, salaries as a result of inf at on).
19	• Annual depreciat on exceeds annual investments.
20	• Opening of heavy manholes during f eld operat ons.
21	• Non-consumpt on of network water due to the use of private wells.
22	• Thef of assets and daily cash during cash handling at collect on points.
23	• Failure or absence of measuring and monitoring equipment.
24	• Lack of professional and trained laboratory personnel.
25	• Incorrect dosing of chemicals.
26	• Weather condit ons and pollut on of water sources.
27	• Lack of inst tut onal succession planning (HR).
28	• Inaccuracies in leave and absence records during transit on periods.
29	• Delays and mismanagement of archival documentat on.
30	• Failure of employees to use protect ve equipment.
31	• Physical risk to employees during f eldwork.
32	• Misuse of company resources and assets.
33	• Increase in operat onal costs due to expansion of the service area.
34	• Operat onal delays due to spare parts (heavy machinery).
35	• Exposure to legal disputes (legal of ce).

Nr.	List of Risks 2025	Likelihood	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
1	Poor condition of existing infrastructure (plants, pumping stations, pipelines, old meters)	Medium	Major	Investments according to Business Plan	N/A	N/A
2	Water losses due to deteriorated infrastructure	Possible	Major	Requires major investments	N/A	N/A
3	Water supply interruptions due to failures and shortages	Medium	Medium	Occurs during summer drought	N/A	N/A
4	Accidental risks during fieldwork	Possible	Medium	Occurs during field works	N/A	N/A
5	Delays in Master Plan implementation	Medium	Medium	Lack of external funding	N/A	N/A
6	Exposure to wastewater and biological risks	Medium	Medium	Necessary measures taken	N/A	Protected zones

7	Lack of institutional investment actions	Rare	Major	Investment in WWTP and Klinë plant	N/A	Business Plan
8	Lightning impact on equipment	Rare	Minor	Protection systems exist	N/A	N/A
9	Need for financial resources	Possible	Major	Investments via donors	N/A	N/A
10	High technical and commercial losses	Possible	Major	Regular inspections	N/A	Internal plans
11	Unauthorized network interventions	Medium	Medium	Inspections and penalties	N/A	N/A
12	Lack of professional staff	Medium	Minor	Recruitment process ongoing	Recruitment	Training plan
13	Condition of equipment	Medium	Major	Old and insufficient equipment	N/A	Capital investments
14	Project delays and overruns	Rare	Minor	Weather conditions	N/A	N/A
15	Heavy machinery risks	Rare	Medium	Safe equipment provided	N/A	Proper equipment
16	Work stress	Possible	Minor	Ad-hoc tasks	Emails	N/A
17	Lack of training	Medium	Major	Training available	N/A	Business Plan
18	Increase in operational costs	Almost certain	Major	Inflation impacts costs	Invoices	Optimization plan
19	Depreciation exceeds investments	Medium	Major	Assets aging faster	N/A	N/A

20	Opening heavy manholes	Rare	Minor	Risk during fieldwork	N/A	Safety training
21	Private wells reduce consumption	Rare	Medium	Affects revenue	Registry	N/A
22	Cash handling theft risk	Rare	Minor	Risk of loss	N/A	Business Plan
23	Monitoring equipment failure	Rare	Major	Affects accuracy	Reports	Maintenance plan
24	Lack of lab staff	Rare	Negligible	Business Plan	Lab reports	Business Plan
25	Incorrect chemical dosing	Rare	Major	Business Plan	Lab reports	Business Plan
26	Weather and pollution	Rare	Medium	Affects raw water quality	Analysis	Monitoring plan
27	Lack of HR succession planning	Possible	Medium	Business Plan	HR data	Business Plan
28	HR record inaccuracies	Possible	Medium	Manual verification	Records	Digital system
29	Archive mismanagement	Rare	Negligible	Reorganization	Decisions	Digital archive
30	Failure to use PPE	Medium	Major	Awareness and supply	Records	Supervision
31	Physical risks in fieldwork	Rare	Major	PPE provided	Reports	Risk review
32	Misuse of resources	Rare	Medium	Internal regulations	Vehicle rules	GPS tracking

33	Costs from expansion	Medium	Minor	Budget planning	Reports	N/A
34	Spare parts delays	Possible	Medium	Maintenance planning	N/A	N/A
35	Legal disputes exposure	Possible	Major	Legal monitoring	Case files	Compliance

R.W.C. ”Hidrodrini” Sh.A. - Pejë

Chief Executive Officer:

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Mr. Dri Cena

8.REGIONAL WATER COMPANY "MITROVICA" J.S.C.

Risk Management Report for 2025

INTRODUCTION

The Regional Water Company "Mitrovica" J.S.C. (KRU Mitrovica J.S.C.) provides services for the supply of drinking water and the management of wastewater. Its operations are regulated in accordance with the applicable legislation and policies in the Republic of Kosovo, including Law No. 06/L-021 on Public Internal Financial Control, MF Regulation No. 01/2019 on Financial Management and Control, Law No. 03/L-087 on Public Enterprises, and the Code of Ethics and Corporate Governance.

Despite the established regulatory framework for service provision, during the course of its operations, KRU Mitrovica J.S.C. is exposed to various types of risks that may hinder the achievement of the objectives set out in the Business Plan 2026–2028, as well as the company's vision and mission of delivering sustainable and efficient services. The company's vision is to become a regional leader in providing water services in line with European standards, while its mission focuses on financial sustainability, environmental protection, and customer satisfaction.

Through its Business Plan, KRU Mitrovica J.S.C. has defined its Mission, Vision, and Strategic Objectives, focusing on financial sustainability, reducing water losses (NRW) below 45%, expanding services in the northern areas, and improving operational efficiency. Risk identification and management have been integrated into all strategic processes, including periodic monitoring, corrective actions, and continuous reporting at the management and Board of Directors level. This report reflects a direct linkage with the Business Plan, addressing how risks impact budget priorities, capital investments (such as the Wastewater Treatment Plant Mitrovica–Vushtrri), and key objectives such as achieving operational coverage above 120%.

The measures undertaken aim to ensure the normal functioning and continuous improvement of service quality and performance. Considering the importance of timely risk identification and response, the Board of Directors oversees the identification of operational, fiscal, and legal risks, while Management is responsible for implementing mitigation measures and reporting on a quarterly basis.

It is important to emphasize that during 2025, no elements of fraud or corruption risk have been identified within the Company. During this period, internal processes have been conducted in compliance with applicable laws and regulations, while control and oversight mechanisms have functioned effectively, contributing to the prevention of any potential misuse, as confirmed by internal and external audit reports.

The table below outlines all identified risks and the corresponding mitigation plan, based on the Business Plan 2026–2028, audit reports, and the assessment of probability and impact. Risks are categorized by level (high, medium, low), with defined timelines, responsibilities, and key performance indicators (KPIs). This formal risk register is integrated into annual planning and governance processes, directly linked to strategic objectives such as reducing NRW, improving collection in the northern region, and achieving financial sustainability.

Risks:

- Aging Infrastructure Risk
- Fiscal Risk
- Political and Security Risk in Northern Kosovo
- Technology and IT Systems Risk
- Human Resources Risk
- Economic and Inflation Risk
- Natural Disasters and Emergency Risk
- Reputational and Legal Compliance Risk
- Information Security Risk
- Environmental Risk

Risk List 2025

No.	Risk List 2025	Likelihood	Inpact	Risk Level	Description of Actions Taken / Reason for Non-Implementation	Supporting Evidence (Document References)	Action Plan for Further Implementation (if applicable)	Responsible Person	Timeline
1	Aging Infrastructure Risk (obsolete network, technical losses >45%)	According to all likelihood	Severe / Critical	High	Implementation of preventive maintenance plans and rehabilitation of critical segments	Business Plan 2026–2028, Section 8 (Capital Investments); Technical Report 2025; Asset Management Plan	Prioritization of investments in high-loss areas; SCADA installation	Technical Department & Management	Q1–Q4 2026
2	Fiscal Risk (insufficient cost recovery through tariffs approved by the regulator, low collection rates in the northern region, potential fiscal burden on the government)	Possible	Major	High	Integration into financial planning; tariff impact analysis.	Business Plan 2026–2028; Action Plan for the Integration of Northern Municipalities	Proposal for tariff revision to the Water Services Regulatory Authority (ARRU); securing funding through grants, donations, and subsidies	Finance Department & Board of Directors	Q2 2026
3	Political and Security Risk in Northern Kosovo (collection challenges, infrastructure access constraints)	Almost Certain	Major	High	Coordination with central and local institutions.	Action Plan for the Integration of Northern Municipalities	Alternative operational plans; quarterly reporting.	Executive Management & Board of Directors	Ongoing

4	Technology and IT Systems Risk (outdated systems, lack of automation)	Moderate	Moderate	Moderate	Initiation of IT modernization, including both hardware and software upgrades.	Business Plan 2026–2028	Enhancement of data security.	IT Department	Q3 2026
5	Human Resources Risk (aging workforce, professional competencies)	Possible	Moderate	Moderate	Training programs; initiation of recruitment procedures.	Business Plan 2026–2028	Implementation of HRIS; targeted training programs where needed.	Implementation of HRIS; targeted training programs where needed.	Q4 2026
6	Economic and Inflation Risk (increase in operating costs, consumers' ability to pay)	Moderate	Moderate	Moderate	Cost optimization	Business Plan 2026–2028	Business Plan 2026–2028	Finance Department	Ongoing
7	Natural Disaster Risk (droughts, floods)	Unlikely	Major	Moderate	Development of emergency plans; alternative resource sources.	Emergency Plan	Emergency response training.	Technical Department	Q1 2026
8	Reputational and Legal Compliance Risk (complaints, non-compliance with standards)	Moderate	Low	Low	Improved communication; quality monitoring..	N/A	Alignment of regulations; initiation of legal procedures.	Legal Office & Board of Directors	Q2 2026
9	Information Security Risk (cybersecurity risks)	Possible	Moderate	Moderate	Strengthening cybersecurity measures; data backup	N/A	Staff training; investment in equipment.	IT Department	Q3 2026
10	Environmental Risk (source pollution, climate change)	Moderate	Major	Moderate	Water quality monitoring; cooperation with the Ministry of Environment.	N/A	Development of treatment plants.	Technical Department	Q4 2026

Conclusion

The Risk Assessment Report for 2025 highlights the key high-risk areas, including potent al fraud, f nancial and f scal impacts, as well as operat onal exposures of signif cant importance to the Company. The document ensures transparency and accountability by providing a clear overview of the main ident f ed risks and is integrated with the Business Plan, ref ect ng the role of the Board in oversight and Management in implementat on. Processes have been further strengthened through the integrat on of KPIs and structured report ng, addressing the Chairman’s comments regarding document alignment and the need for a clear and coherent act on plan.

9.RIC RADONIQI-DUKAGJINI J.S.C

Risk Management Report for 2025

The Public Enterprise Radoniqi-Dukagjini Sh.A. provides services for the irrigation of agricultural lands within the perimeter of the irrigation system (as a primary business activity) in the municipalities of Gjakova, Rahovec and Prizren. Despite the defined rules for the provision of the service, during the exercise of the activity, the enterprise faces risks of various natures, which represent an obstacle to achieving the objectives foreseen in the Business Plan.

With the Annual Business Plan, Radoniqi-Dukagjini has defined its Mission, Vision and Objectives, for which it exists, but at the same time it also makes its commitment to provide the best possible service to its customers. Given the importance of the aforementioned commitments and the obstacles that may arise and cause risks, the company has undertaken a series of specific actions, the main purpose of which was to prevent and avoid them. The actions taken are aimed at normal functioning and the advancement of the quality and standard of the activity. Given the importance of identifying risks and the importance of taking timely and appropriate actions, among the main actions it has undertaken, it has included the identification and prevention of these risks throughout the entire cycle of activity development.

It is important to note that no elements of fraud and corruption risk were identified in the Company during 2025. During this period, internal processes were developed in accordance with applicable legal acts and regulations, while control and supervision mechanisms functioned effectively, contributing to the prevention of any possible form of abuse.

The following table describes all identified risks, as well as the plan for their management:

Hazard List 2025	
1	Disruptions caused during operation due to pipeline repair workø1800 in Rezina, which supplies the irrigation system in the Dukagjini region. This risk could lead to system disruption, technical losses, increased maintenance and emergency repair costs, and a negative impact on the company's performance.
2	Human resource risk, high age of staff and lack of professional staff.
3	Environmental risk - in addition to natural disasters, there is also the risk due to uncontrolled urbanization of the conversion of land into urban areas;
4	The risk of misuse through unauthorized connections is present and poses a constant risk to the enterprise, resulting in financial losses, unauthorized loading of the irrigation system, and weakening of internal control.
5	The re-registration of land parcels and their integration into the irrigation system in the Prizren area presents a financial risk, although it affects the revenue base, carrying an increased risk for timely collection;

No.	Hazard List 2025	poTenTial	iMPACT	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
1	Disruptions caused during operation due to pipeline repair workø1800 in Rezina, which supplies the irrigation system in the Dukagjini region. This risk could lead to system disruption, technical losses, increased maintenance and emergency repair costs, and a negative impact on the company's performance.	☐In all likelihood ☒Possible ☐Average ☐Hardly. ☐Rarely	☐ Serious / Fatal ☒ Major ☐Average ☐ Small ☐ Negligible	Monitoring water pressure and flow to identify early deviations Drafting an emergency plan for rapid intervention	N/A	N/A
2	Human resources risk, high age of staff and lack of professional staff;	☐In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐ Serious / Fatal ☒ Major ☐Average ☐ Small ☐ Negligible	Documentation of procedures and processes to reduce dependence on key people Planning for recruiting new staff to replace cadres	N/A	N/A
3	Environmental risk - in addition to natural disasters, there is also the risk due to uncontrolled urbanization of the conversion of land into urban areas;	☐In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐ Serious / Fatal ☒ Major ☐Average ☐ Small ☐ Negligible	External influence with internal risk	N/A	N/A
4	The risk of misuse through unauthorized connections is present and poses a constant risk to the enterprise, resulting in financial losses, unauthorized loading of the	☐In all likelihood ☒Possible ☐Average ☐Hardly. ☐Rarely	☐ Serious / Fatal ☒ Major ☐Average ☐ Small ☐ Negligible	External influence with internal risk	N/A	N/A

No.	Hazard List 2025	poTenTial	iMPACT	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
	irrigation system, and weakening of internal control.					
5	The re-registration of land parcels and their integration into the irrigation system in the Prizren area presents a financial risk, although it affects the revenue base, carrying an increased risk for timely collection;	☐In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐ Serious / Fatal ☐ Major ☒Average ☐ Small ☐ Negligible	Clear establishment of payment deadlines and periodic notifications Monthly monitoring of collection levels	N/A	N/A
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AUDIT REPORT 2025

1. Introduction

This annual report presents the activities of the Internal Audit Unit for 2025. The report summarizes the audits performed and the recommendations given, and contributes to strengthening the internal control, risk management and governance systems, increasing transparency and accountability within the Enterprise.

2. Recommendations and Their Monitoring

• Number of audits planned according to the annual plan: 10

• Additional audits performed at the request of management: 0

• Number of audits performed: 10

• Audits according to the annual plan: 4 reports (for: Q1, Q2, Q3 and Q4) which contain the audits reported above.

• Number of recommendations given: 12

• Percentage of recommendations implemented: 12.50% data refers to September 2025.

• Recommendations in the process of implementation: 37.5% data refers to September 2025, the assessment of the implementation of the recommendations will be made in June 2026.

• Percentage of unimplemented recommendations: 50% data refers to September 2025.

• Impact: improved management and transparency, increased accountability and credibility, increased efficiency in policy implementation.

The first 3 reports have been completed by the Internal Audit Office as planned, the Annual Plan for 2026 has been approved, and the report for the end of October-December 2025 was presented and approved in January 2026.

However, these audits are conducted, completed and finalized within 2025.

3. Conclusions

The audits conducted have contributed to identifying areas for improvement and providing recommendations for strengthening internal control, effective resource management and improving the Enterprise's processes.

4. Annex – Table of Audits Performed

During 2025, 11 audits were conducted according to the Annual Audit Plan, resulting in a total of 4 audit reports:

No.	Audit Topic	RECOMMENDATIONS	Type of audit
1	The Finance Department report includes: - Expenditure Management Audit for 2024 - Audit of the Derivatives Management system for 2024 - Audit of the Asset Management system - Accounts Receivable Management LL/A	*1I recommend that procurement rules be applied according to legal requirements and that all procurement units make appropriate annual planning based on the expenses incurred in the previous year.* 2. Management must take the necessary actions to utilize all legal opportunities and actions towards collecting these funds. 3. Management should ensure that responsible persons take care, carefully fill out the travel documents for the use of vehicles and machinery, and make weekly/monthly reports. The responsible person should create a database on the proper management of fuels with the relevant documentation. The process of approving the internal regulation for vehicles should be initiated, and in the future, the installation of digital GPS devices in vehicles should be initiated to monitor their use.	With a Plan

2	Procurement Department: -Audit related to the management of the tender procurement process (formation of the evaluation committee, completion of tender documentation, contracting, reporting and contract management).	1. That all services and works subject to public procurement be carried out through regular procurement procedures. 2. The enterprise should improve the procurement planning process by including more realistic assessments, identifying the needs of all requesting units for supplies, services or works planned for the fiscal year. 3. The enterprise must ensure that all procurement activities are planned accurately and segregated according to their nature. Any deviation from the plan must be justified and documented through a change in the procurement plan.	With a Plan
3	Legal Service Department: -Audit of staff recruitment processes -Audit of legal-executive procedures	1. Review budget and staffing plans, with the aim of replacing positions vacated by retirements and resignations with new staff, in line with the needs of the enterprise. Also ensure that changes in personnel are reflected in budget planning in a timely manner to avoid impacts on the achievement of the enterprise's objectives. 2. To form an internal team composed of representatives of the Legal and Financial departments, which will be tasked with analyzing and continuously following up on issues related to old debts, assessing the possibility of their collection and taking the necessary actions to deal with these debts.	With a Plan

4	Technical Department: -Process for managing the issuance of consents, -Audit regarding customer complaints/requests and connections -Audit regarding inspection of disconnections -Audit regarding the defect realization process during the season	1. Management should take measures to fill vacant positions of unit heads through recruitment, as well as ensure a clear division of roles and responsibilities. Develop an internal plan for the transfer of knowledge from retired staff to new staff. 2. Management should ensure that in the future all operator contracts are reviewed and officially sealed. An internal control should also be established so that no contract enters into force without being signed and sealed by the competent authority, in order to guarantee legal validity and the protection of the interests of the enterprise. 3. That every request/complaint from consumers be responded to in writing, respecting the deadlines according to the internal regulation that has been approved. 4. That the company draft a clear procedure for on-site verifications, form official committees to control consumers if they have been connected without authorization, ensure that every on-site visit is documented with minutes, an annual report is made regarding inspections, and that legal requirements are monitored and acted upon.	With a Plan
5	Review of recommendations by the IAU and the External Auditor	Percentage of recommendations implemented: 12.50% data refers to September 2025. Recommendations in the process of implementation: 37.50% data refers to September 2025. Percentage of unimplemented recommendations: 50% data refers to September 2025.	With a Plan

AUDIT REPORTS 2025

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In accordance with the request of the Public Enterprises Unit, in its capacity as Shareholder, and based on the provisions of Law No. 03/L-087 on Public Enterprises, the Code of Ethics and Corporate Governance, as well as the legislation on public internal financial control, this report presents the assessment of high risks for 2025. External audit data for 2025 on high risks:

EXTERNAL AUDITOR'S REPORT								
Description of findings	discovery	RECOMMENDATIONS	deceit	Possibility of fraud	iMPACT	High risk	Possibility of fraud	iMPACT
Property, Equipment and Machinery/ We recommend that management revalue assets based on the requirements for revaluation according to international accounting standards, reviewing the value of assets evaluated annually to see if there are factors that have caused the assets to decline in value.We recommend that you appropriate disclosures are made in the financial statements as	1	1	X	☐ In all likelihood ☐Possible ☐Average ☐Hardly. ☐Rarely	☐ Serious / Fatal ☐ Major ☐Average ☐ Small ☐ Negligible	Financial risk / financial reporting risk	☐ In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐ Serious / Fatal ☒ Major ☐Average ☐ Small ☐ Negligible

required by IAS 16 and IFRS 13.								
Finance Department / Accounts Receivable Aging Analysis / We recommend that the Company take the necessary steps to develop and adopt a methodology that meets the requirements of IFRS 9 and enables the aging of accounts receivable to be reported.	1	1	X	☐ In all likelihood ☐Possible ☐Average ☐Hardly. ☐Rarely	☐ Serious / Fatal ☐ Major ☐Average ☐ Small ☐ Negligible	Financial risk / financial reporting risk	☐ In all likelihood ☐Possible ☒Average ☐Hardly. ☐Rarely	☐ Serious / Fatal ☒ Major ☐Average ☐ Small ☐ Negligible

Internal audit data for 2025 on high risks:

INTERNAL AUDIT REPORTS								
Department	discovery	RECOMMENDATIONS	deceit	Possibility of fraud	iMPACT	High risk	Possibility of fraud	iMPACT
Finance Department /During the audit, it was noted that the total gross accounts receivableuntil 31.12.2024 is in the amount of €3,269,504.00, of this amount, provisions until 31.12.2024 are €1,997,376.00 and the total net receivables are €1,272,128.00 at the end of 2024. Over the years, there has been a continuous	1	1	X	☐ In all likelihood ☐Possible ☐Average ☐Hardly. ☐ Rarely	☐ Serious / Fatal ☐Major ☐Average ☐ Small ☐ Negligible	financial	☐ In all likelihood ☐Possible ☐Average ☐Hardly. ☐ Rarely	☐ Serious / Fatal ☐ Major ☐Average ☐ Small ☐ Negligible

accumulation of receivables, no comprehensive analyses have been conducted regarding the ability to pay debts by customers, lawsuits have been sent over the years but not sufficiently permanently for their collection.								
During the review of the company's documentation and procedures regarding the verification of consumers connected to the irrigation system, it was found that there is no official document, minutes or report proving that any inspections have been carried out, that they have	1	1	1	☒ In all likelihood ☐Possible ☐Average ☐Hardly. ☐Rarely	☐ Serious / Fatal ☒ Major ☐Average ☐ Small ☐ Negligible	Financial risk / financial reporting risk	☐ In all likelihood ☒Possible ☐Average ☐Hardly. ☐Rarely	☐ Serious / Fatal ☒ Major ☐Average ☐ Small ☐ Negligible

gone to the field to verify whether there are unauthorized connections by consumers regarding water use. The absence of this evidence indicates that the field control process has not been formalized and has not been monitored regularly.								

Conclusion:

The 2025 Risk Assessment Report highlights only high-risk areas, including potential fraud, financial and fiscal impacts, and operational exposures that are of major importance to the enterprise. The document ensures transparency and accountability, providing a clear overview of the key risks identified.

Gjakova

30.01.2026

Chairman of the Board of Directors

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Ilir Dula

10. K.R.U. DRINI I BARDHË J.S.C.

Risk Management Report for the Year 2025

The Management Report on operational risks, financial risks, fraud risk, and fiscal risks that may affect the achievement of objectives. This report is prepared in accordance with the requirements of Law No. 03/L-087 on Public Enterprises, the Code of Ethics and Corporate Governance for Public Enterprises, Law No. 06/L-021 on Public Internal Financial Control, as well as MF Regulation No. 01/2019 on Financial Management and Control, and within the responsibilities of the Board of Directors towards the Shareholder. Risk management is a requirement defined in Law No. 06/L-021 on Public Financial Control and it is the responsibility of the Board of Directors to approve this report. According to the legal framework and applicable rules, through risk assessment it is intended that "to a reasonably practical extent, stakeholders/affected parties are ensured that they are not at risk of being negatively affected by the organization's activities, or even if they are affected by the work carried out by the organization, it ensures through a preventive approach protection from adverse incidents, or reduces their exposure to potential losses, and mitigates and controls the risk of loss if they are unavoidable."

The year 2025 has been characterized by an increase in price levels in Kosovo, which has negatively affected our Company, as due to high dependence on economic operators from a financial aspect, we were not able to fully realize the business plan, as there was also an increase in expenses accompanied by a general rise in prices, causing serious effects on people's welfare and a decrease in purchasing power. This has led to an increase in delays in the payment of regular invoices to K.R.U. Drini i Bardhë J.S.C.

With the Annual Business Plan, K.R.U. Drini i Bardhë J.S.C. has defined its Mission, Vision, and Objectives, for which it exists, while at the same time it is committed to providing adequate services within its capacities, ensuring the protection of employees' health at work and providing safe services. Considering the importance of these commitments and the obstacles that may arise and cause risks, K.R.U. Drini i Bardhë J.S.C. has undertaken a series of actions aimed primarily at preventing and avoiding them. The actions taken aim at normal functioning and advancement of the quality and standard of operations.

It is important to emphasize that during 2025, no elements of fraud and corruption risk were identified within the Enterprise. During this period, internal processes were carried out in accordance with applicable laws and regulations, while control and supervision mechanisms functioned effectively, contributing to the prevention of any potential misuse.

The table below describes all identified risks, as well as the plan for their management:

List of Risks 2025

1. Operational cost risks
2. Frequent interventions in irrigation channels by unauthorized persons
3. Lack of internal control in project implementation
4. Delays in drafting and implementing a Master Plan
5. Illegal connections to irrigation systems
6. Lack of adequate actions by state institutions
7. Possible property disputes
8. Deficiencies in safeguarding financial/operational data
9. Financial instability and lack of long-term liquidity
10. Lack of service functionalization
11. Need to secure financial resources
12. Political and regulatory risks
13. Inflation reducing purchasing power

Risk Assessment Table 2025

No.	Risk	Likelihood	Impact
1	Operational cost risks	Medium	Major
2	Unauthorized interventions	Possible	Medium
3	Lack of internal control	Possible	Major
4	Master Plan delays	Possible	Medium
5	Illegal connections	Possible	Major
6	Lack of institutional action	Possible	Serious
7	Property disputes	Possible	Major
8	Data safeguarding issues	Possible	Major
9	Financial instability	Medium	Major
10	Service functionalization gaps	Medium	Medium
11	Financial resource needs	Possible	Major
12	Political/regulatory risks	Medium	Major
13	Inflation impact	Medium	Medium

Conclusion

The report highlights key risk areas and ensures transparency and accountability.

Pejë

31.12.2025

Chairperson of the Board of Directors

Arjeta Zeka

Risk Management Report for 2025

The Regional Water Company Bifurkacioni J.S.C. is a public enterprise providing drinking water supply services and wastewater collection. The company holds a valid license to carry out its activities, issued by the Water Services Regulatory Authority (ARRU), and operates in compliance with the applicable legislation of the Republic of Kosovo. During the course of its operations, KRU Bifurkacioni faces various types of risks, which may hinder the achievement of the objectives set out in the Business Plan.

Through the Annual Business Plan, KRU Bifurkacioni has clearly defined its Mission, Vision, and Objectives. One of the main and most important objectives remains the provision of high-quality drinking water across the entire service area, in accordance with the standards set by the National Institute of Public Health (IKShPK). The company's Vision is focused on increasing customer satisfaction through the provision of high-quality and sustainable water supply and sewerage services. Its Mission is to ensure sufficient and safe drinking water for all consumers, without distinction of race, gender, or religion, guaranteeing equal access and high service standards.

- **Operational Risk:**
  - Insufficient water resources due to lack of precipitation (drought), which may directly impact supply capacity
- **Financial Risk:**
  - Lack of willingness from potential donors to finance investment projects;
  - Financial instability resulting from economic crises, affecting the implementation of development plans.
- **Socio-economic Risk:**
  - Social and economic crises at local or national level that may affect customers' ability to pay and the company's operational stability.
- **Natural Disaster Risk:**
  - Floods, earthquakes, landslides, or other natural events that may damage infrastructure and disrupt services

It is important to emphasize that during 2025, no elements of fraud or corruption risk were identified within the enterprise. During this period, internal processes were carried out in compliance with applicable laws and regulations, while control and oversight mechanisms functioned effectively, contributing to the prevention of any potential form of misuse.

The table below presents all identified risks, as well as the plan for their management:

List of Risks 2025	
1	Drought
2	Flooding – Great River and Small River
3	Supply pipeline from the Small River to WTP – Pleshinë
4	Distribution pipeline from WTP – Pleshinë to the City
5	Lack of water supply
6	Limited water treatment capacity at WTP – Pleshinë
7	Aging distribution network
8	Lack of WTP in Kaçanik
9	Lack of WTP in Shtërpc
10	Inefficient pumping stations in rural areas
11	Service contracts
12	Inherited legal disputes
13	Accounts receivable
14	Financial management software
15	Lack of professional staff

Nr.	List of Risks 2025	Opportunity	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
1	Drought	☐ Most likely ☐ Likely ☒ Medium ☐ Unlikely ☐ Rare	☒ Serious / Fatal ☒ Major ☐ Medium ☐ Minor ☐ Negligible	**Description of actions taken** 1. Continuous monitoring of water sources 2. Implementation of restricted / scheduled water supply in certain areas 3. Informing consumers **Reason for non-implementation** 1. Limited capacity of natural water resources 2. Seasonal increase in water demand	 Plani i menaxhimit ne situata emergjen	N/A
2	Flooding – Great River and Small River	Most likely ☒ Likely ☐ Medium ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☒ Major ☐ Medium ☐ Minor ☐ Negligible	**Description of actions taken** 1. Monitoring of hydrological conditions during heavy rainfall events 2. Emergency response interventions and temporary protective measures **Reason for non-implementation** 1. Climate change and unpredictable intense rainfall 2. Impact of human activities on riverbeds		N/A

Nr.	List of Risks 2025	Opportunity	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
3	Supply pipeline from the Small River to WTP – Pleshinë	Most likely ☒ Likely ☐ Medium ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☒ Major ☐ Medium ☐ Minor ☐ Negligible	**Description of actions taken** 1. Continuous operational monitoring of the transmission pipeline 2. Interventions for repair of defects **Reason for non-implementation** 1. Unfavorable route alignment 2. Lack of financial capacity for full replacement	PMA 2026-2028.pdf	N/A
4	Distribution pipeline from WTP – Pleshinë to the City	☒ Most likely ☐ Likely ☒ Medium ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☒ Major ☐ Medium ☐ Minor ☐ Negligible	**Description of actions taken** 1. Continuous monitoring of the distribution pipeline operation 2. Rapid interventions in reported faults **Reason for non-implementation**		N/A
5	Lack of water supply	☐ Most likely ☐ Likely ☒ Medium ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☒ Major ☐ Medium ☐ Minor ☐ Negligible	**Description of actions taken** 1. Continuous monitoring of water sources and the supply system 2. Operational management of network pressure		N/A

Nr.	List of Risks 2025	Opportunity	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
				3. Intensification of repair of network faults **Reason for non-implementation** 1. Prolonged drought and reduction in natural water flow 2.Insufficient production and storage capacity		
6	Limited water treatment capacity at WTP – Pleshinë	☐ Most likely ☒ Likely ☐ Medium ☐ Unlikely ☐ Rare	☒ Serious / Fatal ☐ Major ☐ Medium ☐ Minor ☐ Negligible	**Description of actions taken** 1. The construction of a WTP in Pleshinë with a capacity of 250 l/s has been planned. **Reason for non-implementation** 1. Designed capacity lower than current demand 2. Lengthy design and procurement procedures		N/A
7	Aging distribution network	☐ Most likely ☐ Likely ☒ Medium ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☐ Major ☒ Medium ☐ Minor ☐ Negligible	**Description of actions taken** 1. Identification and mapping of critical network segments 2. During 2025, replacement of the water supply network was carried out		N/A

Nr.	List of Risks 2025	Opportunity	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
				in several streets within the service area, and further investments in this direction are also planned for this year **Reason for non-implementation** 1.Unavoidable interruptions during works		
8	Lack of WTP in Kaçanik	☐ Most likely ☒ Likely ☐ Medium ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☐ Major ☒ Medium ☐ Minor ☐ Negligible	**Description of actions taken** 1. Continuous monitoring of water quality, including regular water disinfection 2. Planning and preliminary analyses for the construction of a WTP (Water Treatment Plant) **Reason for non-implementation** 1.Limited existing infrastructure capacity		N/A
9	Lack of WTP in Shtërpc	☐ Most likely ☒ Likely ☐ Medium ☐ Unlikely ☐ Rare	☒ Serious / Fatal ☐ Major ☐ Medium ☐ Minor ☐ Negligible	**Description of actions taken** 1.Continuous monitoring of water quality, including regular water disinfection		

Nr.	List of Risks 2025	Opportunity	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
				2. Planning and preliminary analyses for the construction of a WTP (Water Treatment Plant) **Reason for non-implementation** 1.Procedural constraints		
10	Inefficient pumping stations in rural areas	☒ Most likely ☐ Likely ☐ Medium ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☒ Major ☐ Medium ☐ Minor ☐ Negligible	**Description of actions taken** 1. Maintenance and operational interventions 2. Operational optimization of pumping schedules 3. Monitoring of performance and energy consumption **Reason for non-implementation** 1. Outdated electromechanical equipment 2. Lack of automation and SCADA system		N/A
11	Service contracts	☐ Most likely ☐ Likely ☒ Medium ☐ Unlikely ☐ Rare	☐ Serioz / Fatal ☐ Madhor ☒ Mesatar ☐ I vogël ☐ I papërfillshëm	Visits to consumers for signing contracts		Creation of contracts through mobile billing and collection points
12	Inherited legal disputes	☐ Most likely ☒ Likely ☐ Medium	☐ Serious / Fatal ☐ Major ☒ Medium	Representation in civil court hearings, submission of responses to lawsuits at		

Nr.	List of Risks 2025	Opportunity	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
		☐ Unlikely ☐ Rare	☐ Minor ☐ Negligible	first instance, appeals at second instance, and the Supreme Court.		
13	Accounts receivable	☐ Most likely ☒ Likely ☐ Medium ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☒ Major ☐ Medium ☐ Minor ☐ Negligible	Establishment of a unit for accounts receivable management		Debt treatment in accordance with procedures
14	Financial management software	☐ Most likely ☐ Likely ☒ Medium ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☐ Major ☒ Medium ☐ Minor ☐ Negligible	Regular maintenance and updates		Software update
15	Lack of professional staff	☐ Most likely ☐ Likely ☒ Medium ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☐ Major ☒ Medium ☐ Minor ☐ Negligible	Training sessions		Employees who will retire will be replaced with qualified professional staff.

Measures taken

Within the framework of risk management measures, work is initially being carried out on the Risk Management Plan and the Risk Management Regulation.

Nr.	List of Risks 2025	Supporting evidence (document references)
1	Risk Management Regulation in progress.	N/A
2	Emergency Management Plan	Plani i menaxhimit ne situata emergjen
3	Water Safety Plan	PSU- december 2025
4	Operation and Maintenance Manual – Operational Plan	In process

AUDIT REPORT 2025

1. *Introduction*

This annual report presents the activities of the Internal Audit Unit for the year 2025. The report summarizes the audits conducted and the recommendations provided, and contributes to strengthening internal control systems, risk management, and governance, while enhancing transparency and accountability within the Enterprise.

2. Recommendations and Their Monitoring

* Number of audits planned according to the annual plan: 10
• Additional audits carried out at the request of management: 1
• Number of audits completed: 8

• Audits conducted based on the annual plan and at the request of the Ministry of Economy for verification of expenditure regularity: 7 reports
• Audits of Capital Investment projects financed by the Ministry of Economy: 1 report
• Number of recommendations issued: 25
• Percentage of recommendations implemented: 22% (data refers up to June 2025)
• Recommendations in the process of implementation: 78% (data refers up to June 2025; according to the Annual Plan, evaluation of implementation will be carried out in June 2026)
• Impact: improved management and transparency, increased accountability and credibility, enhanced efficiency in policy implementation

Due to the internal audit officer’s maternity leave, it was not possible to complete all planned audit processes, as the Internal Audit Unit was operational only until July 2025. Subsequently, the annual plan was reviewed by the Audit Committee, and a decision was made to complete only 7 audit reports. In addition, one extra report was carried out for the audit of a project that was a capital investment financed by the Ministry of Economy.

3. Conclusions

The audits carried out have contributed to identifying areas for improvement and providing recommendations for strengthening internal control, effective resource management, and improving the Enterprise's processes.

4. Annex – Table of Completed Audits

During 2025, 7 audits were carried out according to the Annual Audit Plan, while an additional report was prepared for Capital Investment projects, resulting in a total of 8 audit reports overall.:

Nr.	Audit Topic	Recomandations	Type of audit
1	Audit of year-end inventory recording and monitoring of f xed assets registrat on No. 01/2025	*1.* We recommend that the Company's management pay greater and appropriate attention to asset management. The introduction of an asset and inventory management planning system and procedures will require a complete change in asset maintenance practices, as it is necessary to ensure the flow of information between departments in order to analyze the asset base and support cost-effective investment decisions regarding assets. *2.* We recommend that management include only relevant information related to the assets owned by the Company, and ensure that, prior to the preparation of financial statements, the inventory report is reconciled with the asset register. Furthermore, each acquired asset should be assigned a fixed asset number (barcode) in order to facilitate easier identification of assets during year-end reconciliation or any movements that may occur during the year. *3. We recommend that management ensure the repair or replacement of the equipment, and that the supply of oils is properly managed in order to minimize losses arising from procurement and usage.*	As planned
2	Audit of Financial Statements 02/2025	1. We recommend that management influence the Finance Department to take the necessary actions to verify the loss ledger and other related balances. 2. We recommend that management ensure the updating of the system/software so that the required documents can be generated in a timely manner. 3. We recommend that management ensure that the necessary actions are taken to secure source documentation for LLA and LLP obligations.	As planned
3		1. We recommend that management instruct the responsible persons of the vehicle fleet (autopark) to strengthen internal controls, monitor and supervise travel orders, report accordingly, and ensure that all departments are reminded that their staff (officials) comply with procedures.	

	Audit of Automechanizat on/O perat ons	2. It is recommended that the operational department influence the vehicle fleet sector to create individual records for all serviced vehicles, ensuring that each vehicle has a file with the relevant detailed information. 3. The Internal Audit Unit (ZAB) recommends that management, in addition to strengthening systematic internal controls, take the necessary actions to standardize the recording of automechanization expenses between accounting records and the records maintained in the vehicle fleet sector. 4. The rules of the company regarding the use of official vehicles must be respected. Compliance with these rules will ensure a clear and accurate overview of all expenses related to vehicles.	As planned
4	GIS Audit	1.We recommend that management ensure the GIS information system is continuously updated with water supply and sewerage system data, asset inventory, and management information on water supply interruptions, locations subject to different pressure levels, maintenance of the water supply and sewerage network, identification of fault locations, etc. 2. We recommend that management ensure every completed fault is submitted to GIS with complete data for recording, and that all faults are registered in the GIS system. 3. We recommend that management ensure the GIS information system is continuously updated with additional data, including household water meters and any other changes occurring in the network or pumping stations. All capital investments should be recorded and continuously updated in the GIS system, along with asset-related and other relevant information.	As planned
5	Human Resources Audit / Payroll Calculat on Audit	1. We recommend that Human Resources management update data (daily work attendance records), re-check registrations, strengthen internal control procedures, ensure careful recording of sick leave days, report accurately as they occur in reality, and avoid any potential errors. 2. We recommend that internal regulations regarding employee attendance be strictly respected, and that disciplinary measures be applied in accordance with the applicable regulations and decisions. 3. We recommend that management strengthen internal controls regarding payroll calculation. Such cases should be properly addressed, ensuring compliance with Law No. 05/L-028 on Personal Income Tax, as well as Article 14 of Administrative Instruction No. 01/2016, where gross employment income includes salaries paid by the employer, bonuses,	As planned

		commissions, and other forms of employee compensation. Coordination between the HR department and the payroll officer should be ensured.	
6	Billing/Sales Process Audit	1. It is recommended that company management take all necessary measures to strengthen and improve internal controls regarding differences in billing, collection, and reversals, which are continuously identified between the billing module and the accounting module. Management should ensure coordination between the relevant departments in order to guarantee that data across all systems (modules) is unified and harmonized. 2. We recommend that management ensure all cases of customers billed under a flat tariff are identified, reviewed, and, depending on the nature of the issues identified above, handled in accordance with applicable legislation. 3. We recommend that management ensure that all identified issues are eliminated, and that every defect or misuse is immediately reported, particularly in cases involving customers who do not comply with company rules. 4. We recommend that management strengthen internal controls and accountability, including for failure to act or timely reporting of cases, and ensure compliance with the Law on Regulation of Water Services by registering customers in a timely manner and completing customer requests for connection to the water supply network within the legal deadline. 5. Complaint review deadlines must be respected in accordance with the Regulation on Minimum Services and Article 4 of Regulation No. 01/2017 on the Resolution of Customer Complaints, as well as Regulation 10/2019 on the Minimum Standards of Water Services in Kosovo, Article 33, paragraph 1.	As planned
7	Accounts Receivable Audit	1. We recommend that management strengthen internal controls and ensure better coordination between the relevant departments. Measures should be taken against all customers who fail to fulfill their obligations on time. Accordingly, warning letters should be issued in line with the applicable regulations, followed by the implementation of all other enforcement procedures. 2. The Internal Audit Unit (ZAB) recommends that management further enhance internal controls regarding the management of rescheduling processes. 3. We recommend that management identify cases of employees billed under a fixed tariff and determine the reasons for such billing.	As planned

		4. The Internal Audit Unit (ZAB) recommends that management further strengthen internal controls and exercise increased caution during the execution of decisions, ensuring that customer records are not mixed up, as this can significantly affect their status. We also recommend increased oversight of meter readers to prevent issues after corrections are made, ensuring that meter readings are carried out in accordance with applicable regulations.	

AUDIT REPORTS 2025

INTRODUCTION

In accordance with the request of NJPMNP, in its capacity as Shareholder, and based on the provisions of Law No. 03/L-087 on Publicly Owned Enterprises, the Code of Ethics and Corporate Governance, as well as the legislation on internal public financial control, this report presents the assessment of high risks for the year 2025. External audit data for 2025 on high risks

EXTERNAL AUDITOR'S REPORT								
Description of findings	Findings	Recomandations	Fraud	Risk of fraud / Fraud risk potential	Impact	High risk	Fraud likelihood	Impact
Finance Department / Revaluation of properties, equipment, and plants older than 11 years, as assets are reported at significantly low historical cost.	1	1	X	☐ Most likely ☐ Likely ☐ Medium ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☐ Major ☐ Medium ☐ Minor ☐ Negligible	Financial risk / financial reporting risk	☐ Most likely ☐ Likely ☐ Medium ☒ Unlikely ☐ Rare	☐ Serious / Fatal ☒ Major ☐ Medium ☐ Minor ☐ Negligible

Internal audit data for 2025 on high risks:

INTERNAL AUDIT REPORTS								
Departament	Findings	Recomandations	Fraud	Risk of fraud / Fraud risk potential	Impact	High risk	Fraud likelihood	Impact
Sales Department / High level of accounts receivable and their management	1	2	X	☐ Most likely ☐ Likely ☐ Medium ☐ Unlikely ☐ Rare	☐ Serious / Fatal ☐ Major ☐ Medium ☐ Minor ☐ Negligible	Financial	☐ Most likely ☐ Likely ☐ Medium ☐Unlikely ☒ Rare	☐ Serious / Fatal ☒ Major ☐ Medium ☐ Minor ☐ Negligible

Conclusion:

The 2025 risk assessment report highlights only high-risk areas, including potential fraud, financial and fiscal impacts, as well as operational exposures of major importance to the enterprise. The document ensures transparency and accountability, providing a clear overview of the main risks identified.

Ferizaj **Chairman of the Board of Directors**

23.02.2026

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Naim Rexhaj

12.Regional Water Company “Prishtina” J.S.C.

Financial Risk Management Report for 2025

The Regional Water Supply Company “Prishtina” JSC is a central public enterprise. It carries out its activities based on the provisions of the Laws approved by the Assembly of the Republic of Kosovo.
RWC “Prishtina” JSC, provides drinking water supply and wastewater disposal in the central Kosovo region, which extends across 8 municipalities: Prishtina, Fushe Kosova, Obiliq, Gracanica, Shtime, Lipjan, Podujeva and Drenas (as well as a small part of the municipality of Vushtrri).

The Public Enterprise RWC “Prishtina” JSC has regulated its activity according to the legislation and policies applicable in the Republic of Kosovo. Despite the defined rules for the provision of services, during the exercise of its activity, RWC Prishtina JSC faces risks of various natures, which represent an obstacle to achieving the objectives foreseen in the Business Plan.

With the Annual Business Plan, RWC "Prishtina" JSC, in addition to defining its mission and vision, has also presented key objectives on where it aims to reach within the planned period and the provision of safe service.

The Business Plan for 2025 also includes a Risk Statement, which lists the risks that were seen as potentially threatening to the RWC Prishtina in its efforts to achieve the set objectives.

It is important to note that no elements of fraud and corruption risk were identified in the Company during 2025. During this period, internal processes were developed in accordance with applicable legal acts and regulations, while control and supervision mechanisms functioned effectively, contributing to the prevention of any possible form of abuse. The following table describes all identified risks, as well as the plan for their management:

Risk List 2025	
1	Failure of water supply infrastructure
2	Technical and commercial water losses
3	Non-collection of invoices from customers
4	Manipulation of billing and financial records
5	Misuse of public procurement
6	Failure to comply with tax obligations
7	Inefficient liquidity management

No.	Risk List 2025	Risk likelihood	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
1	Failure of water supply infrastructure	☐Most likely ☒Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☒Major ☐Average ☐Small ☐Negligible	Preventive technical maintenance Capital investments in infrastructure, Emergency plans in cases of severe shortages	N/A	Implementation of the Asset Management Plan Identifying opportunities for financing major projects related to water supply infrastructure

2	Technical and commercial water losses	☐Most likely ☒Possible ☐Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☒Major ☐Average ☐Small ☐Negligible	Network monitoring to identify leaks Customer inspections for illegal connections	N/A	Implementation of the project financed by KfW for Accompanying Measures with the main goal to reduce

No.	Risk List 2025	Risk likelihood	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
				Improving consumption measurement through regular reading and replacement of water meters where there is no accuracy.		technical and commercial losses. Supply of loss detection vehicles, expected in 2026.
3	Non-collection of invoices from customers	☐Most likely ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☒Major ☐Average ☐Small ☐Negligible	Strengthening collection through notifications/warnings and inspections Debt programming agreements Sending to enforcement for potential customers Other legal measures	N/A	Separate inspection teams should be allocated only for cases of accumulated debts. Conduct ongoing debt programming campaigns.

4	Manipulation of billing and financial records	☐Most likely ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☒Major ☐Average ☐Small ☐Negligible	Division of duties within the commercial and financial departments Continuous monitoring by direct supervisors	N/A	Continuous harmonization between the two directorates

No.	Risk List 2025	Risk likelihood	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
				Evidence through photographs of water meters Process automation through technological advancement		

5	Misuse of public procurement	☐Most likely ☐Possible ☒Average ☐Hardly. ☐Rarely	☐Serious / Fatal ☒Major ☒Average ☐Small ☐Negligible	Transparency in procurement with special emphasis through the E-procurement system Independent commissions in accordance with the PPL and UPP Audits from both internal and external auditors.	N/A	Continuous implementation of the legal/regulatory framework
6	Failure to comply with tax obligations	☐Most likely ☐Possible ☐Average ☒Hardly. ☐Rarely	☐Serious / Fatal ☐Major ☒Average ☐Small ☐Negligible	Monitoring legislation and updating requirements Continuous training/education of staff in finance	N/A	Attendance of EVP sessions by accounting staff, including supervisors.
No.	**Risk List 2025**	**Risk likelihood**	**Impact**	**Description of actions taken / Reason for non-implementation**	**Supporting evidence (document references)**	**Action plan for further implementation (if applicable)**

7	Inefficient liquidity management	☐Most likely ☐Possible ☐Average ☒Hardly. ☐Rarely	☐Serious / Fatal ☐Major ☒Average ☐Small ☐Negligible	Better cash flow planning Continuous monitoring of liquidity and initiation of any activity in accordance with monthly financial liquidity opportunities.	N/A	Continuous monitoring of cash position.

Measures taken

Within the framework of risk management measures, the main risks are initially presented in the 2025 Business Plan:

No.	Risk List 2025	Supporting evidence (document references)
1	Business Plan for 2025 presenting the main risks in the Risk Statement	Published and submitted BP

AUDIT REPORT 2025

Introduction

This annual report presents the activities of the Internal Audit Unit for 2025. The report summarizes the audits performed and the recommendations given, as well as contributes to strengthening the internal control, risk management and governance systems, increasing transparency and accountability within the Enterprise.

Recommendations and Monitoring

- Number of audits planned according to the annual plan: 7
- Number of follow-up audits according to the annual plan: 1
- Additional audits performed at the request of management: None
- Number of audits performed: 8
- Audits according to the annual plan and the request of the Ministry of Economy to verify the regularity of expenditures: 19 audit reports
- Audits of Capital Investment projects financed by the Ministry of Economy: 11 reports
- Number of recommendations given: 41
- Percentage of implemented recommendations: 12 or 29.26%, the data refers to recommendations that had an implementation deadline of December 2025.
- Recommendations in the process of implementation: 29 or 70.74% (of which 18 recommendations that were given in the 2025 reports, but with an implementation deadline of 2026, have not yet been followed up and the level of their implementation will be assessed, according to the Annual Plan in June
2026)
- Percentage of unimplemented recommendations: Currently none because in the Action Plans, some of the recommendations have implementation deadlines beyond this reporting period.
- Impact: improved management and transparency, increased accountability and credibility, increased efficiency in policy implementation.

• Audits carried out but not approved including the 2026 annual plan: none

During 2025, the Internal Audit Unit (IAU) has carried out all 7 audits planned according to the Annual Audit Plan. In addition, 1 follow-up audit was conducted to assess the implementation of recommendations, as well as 11 other audits (audits upon request) in accordance with the agreement between the Ministry of Economy and RWC Prishtina JSC.

Audits were conducted in accordance with applicable legal requirements and the company's needs.

The IAU has also carried out other planned activities within its function, including reviewing the Statute, drafting the Annual Audit Plan for 2026 and reviewing the Strategic Plan 2026–2028, which were approved by the Audit Committee, semi-annual and annual reporting to the CHU, and attending Continuing Professional Education (CPE) seminars.

Conclusions

The audits conducted have contributed to identifying areas for improvement and providing recommendations for strengthening internal control, effective resource management and improving the Enterprise's processes.

Annex – Table of Audits Performed

During 2025, 7 audits were conducted according to the Annual Audit Plan, 1 follow-up audit for the implementation of recommendations, while 11 audits were also conducted upon request for situations/invoices realized from capital projects (financed by the Ministry of Economy), resulting in a total of 19 audit reports in total:

No.	Audit Topic	RECOMMENDATIONS	Type of audit
1	Cash Audit: January 2023 December 2024	1. Recommendation 1- Correct all problematic transactions and ensure that finance staff follows correct accounting procedures to avoid similar errors in the future; 2. Recommendation 2 - Improve internal control mechanisms to ensure the recording of official travel expenses and the closing of advances within the deadlines set out in the regulations;	With a Plan
		3. Recommendation 3 - Request meetings with the Treasury and financial institutions to explore options for identifying payments. If agreement is reached, form a committee to identify undischarged payments and provide detailed information on the discharge process; 4. Recommendation 4 - To define in a regulation or decision the maximum time for keeping cash in cash points, the minimum and maximum limits of the amounts that can be kept, as well as the procedures that must be followed for depositing cash in the bank. Also, to increase the level of security in cash points by equipping safes and cash points with hight turnover with cameras; 5. Recommendation 5 - Complete reconciliation with IFJB Finser and improve internal control mechanisms for monitoring payments and periodic reconciliations with all other financial institutions; 6. Recommendation 6 - Management should take immediate measures to prevent the use of the cashier's username by unauthorized persons to make payments; 7. Recommendation 7 - Implement a regular cash reconciliation system and ensure that financial reporting is accurate and reflects the real financial situation of the company.	

2	Procurement Audit: year 2024	1. Recommendation 1 - To draft the preliminary procurement plan for the following years, on time and as required by Article 8 of the Public Procurement Law. Also, to increase the cooperation of the requesting units with the responsible procurement officer during the drafting of the preliminary procurement plan; 2. Recommendation 2 - Management should ensure that projects are clearly identified during procurement planning and initiated on time, avoiding delays and the need for emergency purchases. Better planning and continuous monitoring will help in more efficient implementation of planned projects; 3. Recommendation 3 - It is recommended that management make timely planning of all company requirements and priorities, where procurement planning should also be done based on these requirements and priorities. It is recommended that the procurement plan be made based on priorities and on projects that are necessary; 4. Recommendation 4 - Management should ensure that for each signed contract, the management plan is signed within 5 days by authorized persons and uploaded to the eprocurement platform. Also, all requirements from the law and regulations and the public procurement guide regarding contract management are fully respected.	With a Plan

3	Audit of accounts receivable and billing/sales process: April 2023 - May 2025	1. Recommendation B1 - Management should strengthen internal controls through regular monitoring and inspection of the water meter reading process. All corrections in the system should be supported by complete and verifiable evidence (e.g. photo of the water meter, serial number, actual reading status by the commission). Furthermore, in cooperation with the IT department, clear user levels and separate roles should be defined for requesting and approving corrections, in order to increase the security and integrity of the system; 2. Recommendation B2 - Management should ensure that no new customer is registered without first signing the relevant service contract. Meanwhile, for existing customers who do not yet have a contract, efforts should be intensified to sign agreements, in order to reduce risk and improve control over service provision; 3. Recommendation B3 - Management should develop a concrete plan for debt collection, including identification, categorization and taking legal and administrative measures for collection. Uncollectible debts due to objective reasons should be treated according to the VAT Law, to enable tax deduction and improve financial presentation; 4. Recommendation B4 - Management should conduct a full verification of the list of customers with debts, undertake legal procedures for their collection and ensure that no customer is deactivated without making the appropriate payment of the disconnection fee, in accordance with the decisions of the Water Regulatory Authority (WARA); 5. Recommendation A1 - Management should take concrete measures to verify and complete customer identification data, ensuring that each customer has a registered personal number and a signed contract, in accordance with regulatory requirements; 6. Recommendation B5 - Management should develop or improve the billing module so that all types of sales (taxes, network connections, other services) are issued through the system, eliminating the manual issuance of invoices in Excel; 7. Recommendation B6 - Management should develop a clear and implementable plan for the timely handling of complaints and commercial requests, as well as ensure the strict implementation of Regulation No. 01/2017, guaranteeing the return of responses within the legal deadline of 20 working days for each complaint received; 8. Recommendation A2 - Management should take measures to appoint a new member of the commission, thus ensuring its full composition and in accordance with Regulation No. 01/2017 on the resolution of consumer complaints;	With a Plan

		9. Recommendation B7 - Management should conduct a full verification of the list of customers under enforcement, with a focus on recording and completing all necessary data for legal proceedings. Also, the data in the billing system should be reviewed and updated by the responsible teams, in cooperation with the legal and commercial sectors; 10. Recommendation B8 - Management should initiate a field verification process for customers with imaginary water meters and harmonize the data in the system with the actual situation. Also, take measures to correct the records and strengthen internal controls to prevent such records in the future. 11. Recommendation B9 - Management should strengthen internal control mechanisms and ensure that cases reported by readers are handled by competent personnel. Also, ensure the implementation of ARRU Regulation No. 10/2019, in order to harmonize operational practices with the regulatory framework; 12. Recommendation A3 - Management should establish a dedicated committee to identify and analyze all billings to controlling water meters. Based on the results, determine the method of handling these cases in accordance with the ARRU Regulation, in order to avoid undetermined debts and without an address of responsibility.	

4	Capital investment audit: June 2023 – June 2025	1. Recommendation B1 - It is recommended that management strengthen internal control mechanisms in contract management, ensuring full implementation of contractual terms. In cases of delays by economic operators, the penalties specified in the contract should be applied without exception. Also, for projects that require consents or permits from relevant institutions, these should be obtained in advance, in order to avoid delays or obstacles in the implementation of projects and the use of funds. 2. Recommendation A1 - Management should strengthen internal controls and site supervision. Any additional work should be identified in a timely manner, technically and financially justified, and supported by appropriate documentation. Official approvals should be obtained before work begins, including management approval, a statement of funds availability, and the signing of an annex contract. 3. Recommendation A2 - Management should strengthen internal controls through systematic monitoring and regular inspections at the construction site. It should be ensured that information boards are installed before the start of each project, in accordance with the requirements of the contract and the Construction Law. Also, internal mechanisms should be established to document, follow up and address any non-compliance related to the fulfillment of the obligations of economic operators, in order to prevent the recurrence of similar cases. 4. Recommendation B2 - Management should ensure that project managers comply with their obligations in electronic contract management. For each new contract, upon appointment	With a Plan
		of the project manager, immediate access to the e-procurement system should be ensured, a written request should be made for the project manager to upload and maintain all relevant documentation throughout the contract implementation period, and regular training should be provided on the use of the e-procurement system and on the importance of accurate and timely documentation of each phase of the contract. 5. Recommendation A3 - Management is recommended to clearly specify the duties and responsibilities of the committee in every decision to establish a technical acceptance committee, and to organize training for the responsible staff on the obligations arising from the applicable regulation regarding technical acceptance committees.	

5	Auto-park Audit: July 2023 – July 2025	1. Recommendation A1 - It is recommended that management draft and approve as soon as possible the basic operating documents for the NRW department, such as standard operating procedures, work plan and loss reduction strategy, and define measurable performance indicators with monitoring and reporting mechanisms, to ensure standardization, clear responsibilities and effective control functioning; 2. Recommendation C1 - It is recommended that management ensure the installation of zonal water meters at all entry points of the distribution network and repair or replace nonfunctional water meters. Also, water meters available in the warehouse for the relevant DMAs should be used in order to increase monitoring coverage, identify areas with higher losses and improve loss management; 3. Recommendation B1 - It is recommended that management enhance internal control by improving coordination between responsible departments and ensuring that decisions on applications are made within the deadlines set out in the regulation. Continuous monitoring of compliance with deadlines should also be established and it should be ensured that the regulation on customer connection procedures is fully implemented in all cases; 4. Recommendation B2 - It is recommended that management draft and approve an internal procedure that defines the steps, responsibilities and documentation necessary for the process of inspection and legalization of water meters and ensure full implementation of the CEO decision, requiring that the Commission prepares signed and standardized reports for each case and that these reports are submitted to the Planning and Development Department and the Operations Department, as required by the decision; 5. Recommendation A2 - Management should draft an internal procedure for the category of consumers who do not meet the conditions for legalization, defining clear	With a Plan

		measures and establishing regular monitoring and reporting mechanisms for unresolved cases, in order to minimize the impact on water losses during the coming period; 6. Recommendation B3 - It is recommended that management increase internal control and establish continuous monitoring of water leaks, in order to prevent defects in a timely manner. It should also ensure strict compliance with Regulation 01/2017, ensuring that all complaints and technical requests are resolved within the established deadlines.	

6	Production and Loss Audit: August 2024 – August 2025	1. Recommendation A1 - It is recommended that management draft and approve as soon as possible the basic operating documents for the NRW department, such as standard operating procedures, work plan and loss reduction strategy, and define measurable performance indicators with monitoring and reporting mechanisms, to ensure standardization, clear responsibilities and effective control functioning; 2. Recommendation C1 - It is recommended that management ensure the installation of zonal water meters at all entry points of the distribution network and repair or replace nonfunctional water meters. Also, water meters available in the warehouse for the relevant DMAs should be used in order to increase monitoring coverage, identify areas with higher losses and improve loss management; 3. Recommendation B1 - It is recommended that management enhance internal control by improving coordination between responsible departments and ensuring that decisions on applications are made within the deadlines set out in the regulation. Continuous monitoring of compliance with deadlines should also be established and it should be ensured that the regulation on customer connection procedures is fully implemented in all cases; 4. Recommendation B2 - It is recommended that management draft and approve an internal procedure that defines the steps, responsibilities and documentation necessary for the process of inspection and legalization of water meters and ensure full implementation of the CEO decision, requiring that the Commission prepares signed and standardized reports for each case and that these reports are submitted to the Planning and Development Department and the Operations Department, as required by the decision; 5. Recommendation A2 - Management should draft an internal procedure for the category of consumers who do not meet the conditions for legalization, defining clear measures and establishing regular monitoring and reporting mechanisms for unresolved cases, in order to minimize the impact on water losses during the coming period;	With a Plan
		6. Recommendation B3 - It is recommended that management increase internal control and establish continuous monitoring of water leaks, in order to prevent defects in a timely manner. It should also ensure strict compliance with Regulation 01/2017, ensuring that all complaints and technical requests are resolved within the established deadlines.	

7	Audit of the Inventorization of Fixed Assets, Inventory and Cash for the year 2025	1. Recommendation A1-It is recommended that management identify the causes of the lack of reported assets and, for other obsolete assets that have accumulated over the years, undertake their further treatment as a priority, in order to reduce storage costs and minimize the risk of loss. 2. Recommendation B1 - It is recommended that management ensure the full and continuous implementation of the reversal procedure for each case of movement of fixed assets and inventory. To this end, internal control mechanisms should be strengthened and systematic monitoring should be established on the updating of records in the assets and inventory module. Any changes identified during the inventory process should be reflected accurately and in a timely manner in the system, in accordance with the requirements of the relevant regulation. 3. Recommendation B2 - It is recommended that management ensure the inclusion in the inventory register of all non-capital assets purchased during 2025, in accordance with the procedures in force. Also, the process of codifying assets should be implemented continuously and in a timely manner, especially for new assets immediately after their commissioning, as well as for existing assets in cases where the identification code has been damaged or lost, in order to improve the control, verification and management of assets. 4. Recommendation B3 - It is recommended that management strengthen control and supervision over the work of the inventory committees, in order to respect the deadlines and obligations set out in the CEO decisions and work plans. Also, ensure that the relevant committees, throughout the development of the inventory process in the field, operate in full composition, in accordance with the rules and procedures in force.	With a Plan
8	Follow-up of recommendations given in the 2024	According to the deadlines set in the Action Plan, the follow-up audit included 5 audit reports with the aim of verifying the level of implementation of the recommendations given.	With a Plan

	audit reports - second part	Out of a total of 30 recommendations: • 5 recommendations (20%) have been implemented, with data up to March 2025; • 14 recommendations (46.67%) are in the process of implementation, with data up to March 2025; • 11 recommendations (33.33%) have not been implemented, with data up to March 2025. In general, most recommendations remain pending or unimplemented, which requires greater commitment from Management and further follow-up by the IAU to ensure their full implementation.	
9	Project "Rehabilitation of the water supply network in the village of Graboc" – Situation/Invoice I	Based on the review of the documentation we received from the contract manager and the commission for technical acceptance of the works, as well as the verification of a sample in the field, we have concluded that the works carried out in the first situation (I) were carried out in accordance with the terms of the contract. We have not identified any inconsistencies or deficiencies in work processes or in the functioning of internal control systems at this stage of the project.	Upon Request (Agreement with ME)
10	Project "Rehabilitation of the water supply network in the village of Graboc" – Situation/Invoice II;	Based on the review of the documentation we received from the contract manager and the commission for technical acceptance of the works, as well as the verification of a sample on the ground, we have concluded that the works carried out in the second situation (II) were carried out in accordance with the terms of the contract. We have not identified any inconsistencies or deficiencies in work processes or in the functioning of internal control systems at this stage of the project.	Upon Request (Agreement with ME)

11	Project "Rehabilitation of the water supply network in the village of Graboc"	Based on the review of the documentation we received from the contract manager and the commission for technical acceptance of the works, as well as the verification of a sample on the ground, we have concluded that the works carried out in the third situation (III) were carried out in accordance with the terms of the contract.	Upon Request (Agreement with ME)

	– Situation/Invoice III;	We have not identified any inconsistencies or deficiencies in work processes or in the functioning of internal control systems at this stage of the project.	
12	Project "Construction of the water supply network in the village of Herticë (Phase I)" – Situation/Invoice I	Based on the review of the documentation we received from the contract manager and the commission for technical acceptance of the works, as well as the verification of a sample in the field, we have concluded that the works carried out in the first situation (I) were carried out in accordance with the terms of the contract. We have not identified any inconsistencies or deficiencies in work processes or in the functioning of internal control systems at this stage of the project.	Upon Request (Agreement with ME)
13	Project "Construction of the water supply network in the village of Hërticë (Phase I)" – Situation/Invoice II	Based on the review of the documentation we received from the contract manager and the commission for technical acceptance of the works, as well as the verification of a sample on the ground, we have concluded that the works carried out in the second situation (II) were carried out in accordance with the terms of the contract. We have not identified any inconsistencies or deficiencies in work processes or in the functioning of internal control systems at this stage of the project.	Upon Request (Agreement with ME)
14	Project "Construction of the water supply network in the village of Hërticë (Phase I)" – Situation/Invoice III	Based on the review of the documentation we received from the contract manager and the commission for technical acceptance of the works, as well as the verification of a sample on the ground, we have concluded that the works carried out in the third situation (III) were carried out in accordance with the terms of the contract. We have not identified any inconsistencies or deficiencies in work processes or in the functioning of internal control systems at this stage of the project.	Upon Request (Agreement with ME)

15	Project "Rehabilitation and replacement of water pipes on 'Afrim Zhitia' and 'Ilir Konushevci' streets in Podujeva – Lot 3" – Situation/Invoice I	Based on the review of the documentation we received from the contract manager and the commission for technical acceptance of the works, as well as the verification of a sample in the field, we have concluded that the works carried out in the first situation (I) were carried out in accordance with the terms of the contract. We have not identified any inconsistencies or deficiencies in work processes or in the functioning of internal control systems at this stage of the project.	Upon Request (Agreement with ME)

16	Project "Rehabilitation and replacement of water pipes on 'Afrim Zhitia' and 'Ilir Konushevci' streets in Podujeva – Lot 3" – Situation/Invoice I I	Based on the review of the documentation we received from the contract manager and the commission for technical acceptance of the works, as well as the verification of a sample on the ground, we have concluded that the works carried out in the second situation (II) were carried out in accordance with the terms of the contract. We have not identified any inconsistencies or deficiencies in work processes or in the functioning of internal control systems at this stage of the project.	Upon Request (Agreement with ME)
17	Project "Rehabilitation and replacement of water pipes on 'Afrim Zhitia' and 'Ilir Konushevci' streets in Podujeva – Lot 3" – Situation/Invoice III	Based on the review of the documentation we received from the contract manager and the commission for technical acceptance of the works, as well as the verification of a sample on the ground, we have concluded that the works carried out in the third situation (III) were carried out in accordance with the terms of the contract. We have not identified any inconsistencies or deficiencies in work processes or in the functioning of internal control systems at this stage of the project.	Upon Request (Agreement with ME)

18	Project "Rehabilitation and replacement of water pipes on 'Afrim Zhitia' and 'Ilir Konushevci' streets in Podujeva – Lot 3" – Situation/invoice IV	Based on the review of the documentation we received from the contract manager and the commission for technical acceptance of the works, as well as the verification of a sample in the field, we have concluded that the works carried out in the fourth (IV) situation were carried out in accordance with the terms of the contract. We have not identified any inconsistencies or deficiencies in work processes or in the functioning of internal control systems at this stage of the project.	Upon Request (Agreement with ME)
19	Project "Rehabilitation and replacement of the main pipe on the 'Brigadat' road in Podujeva – Lot 1" – Situation/Invoice I	Based on the review of the documentation we received from the contract manager and the commission for technical acceptance of the works, as well as the verification of a sample in the field, we have concluded that the works carried out in the first situation (I) were carried out in accordance with the terms of the contract. We have not identified any inconsistencies or deficiencies in the work processes or in the functioning of the internal control systems, at this stage of the project	Upon Request (Agreement with ME)

AUDIT REPORTS 2025

INTRODUCTION

In accordance with the request of the Public Enterprises Unit, in its capacity as Shareholder, and based on the provisions of Law No. 03/L-087 on Public Enterprises, the Code of Ethics and Corporate Governance, as well as the legislation on public internal financial control, this report presents the assessment of high risks for 2025. External audit data for 2025 on high risks:

EXTERNAL AUDITOR'S REPORT								
Description of findings	Findings	Recommendation	Fraud	Possibility of fraud	Impact	High risk	Possibility of fraud	Impact
Issue B6 - Accumulation of old debts and lack of effective collection actions According to Article 360, paragraph 1 of the Law on Obligations	1	1	X	☐ Most likely ☐Possible ☐Average ☐Hardly. ☐Rarely	☐ Serious / Fatal ☐ Major ☐Average ☐ Small ☐ Negligible	Liquidity risk	☐ Most likely ☐Possible ☒Average ☐Hardly. ☐Rarely	☐ Serious / Fatal ☒ Major ☐Average ☐ Small ☐ Negligible
Issue A3 - Setting criteria tender dossiers not in compliance with the Public	1	1	X	☐ Most likely ☐Possible ☐Average ☐Hardly. ☐Rarely	☐ Serious / Fatal ☐ Major ☐Average ☐ Small ☐ Negligible	Legal Compliance Risk	☐ Most likely ☐Possible ☒Average ☐Hardly. ☒Rarely	☒ Serious / Fatal ☐ Major ☒Average ☐ Small ☐ Negligible

Procurement Law Finding According to Article 68 of law on Public Procurement								

Internal audit data for 2025 on high risks:

INTERNAL AUDIT REPORTS								
Department	Findings	Recommendations	Fraud	Possibility of fraud	Impact	High risk	Possibility of fraud	Impact
Commercial Directorate	1. Lack of effective actions against customers with long-term debts (over 12 months);	1. Management should draft a concrete plan for debt collection, including identification, categorization and taking legal and administrative measures for collection. Debts that are uncollectible for objective reasons should be treated according to the VAT Law, to enable tax deduction and improve financial presentation;	X	☐ Most likely ☐Possible ☒Average ☐Hardly. ☐ Rarely	☐ Serious / Fatal ☐X Major ☐Average ☐ Small ☐ Negligible	financial	☐ Most likely ☐Possible ☒Average ☐Hardly. ☐ Rarely	☐ Serious / Fatal ☒ Major ☐Average ☐ Small ☐ Negligible

Commercial Directory	2. Failure to read water meters regularly and deficiency in debt correction process;	Management should strengthen internal controls through regular monitoring and inspection of the water meter reading process. All corrections to the system should be supported by complete and verifiable evidence (e.g. photo of the water meter, serial number, actual reading status by the commission). Furthermore, in cooperation with the IT department, clear user levels and separate roles should be defined for requesting and approving corrections, in order to increase the security and integrity of the system;	X	☐ Most likely ☐Possible ☒Average ☐Hardly. ☐ Rarely	☐ Serious / Fatal ☐X Major ☐Average ☐ Small ☐ Negligible	financial	☐ Most likely ☐Possible ☒Average ☐Hardly. ☐ Rarely	☐ Serious / Fatal ☒ Major ☐Average ☐ Small ☐ Negligible

Tech Directory	3. Lack of basic documentation for the functioning of the NRW department	1. Recommendation A1 - It is recommended that management draft and approve as soon as possible the basic operating documents for the NRW (NonRevenue Water) department, such as standard operating	X	☐ Most likely ☐Possible ☒Average ☐Hardly. ☐ Rarely	☐ Serious / Fatal ☐X Major ☐Average ☐ Small ☐ Negligible	financial	☐ Most likely ☐Possible ☒Average ☐Hardly. ☐ Rarely	☐ Serious / Fatal ☒ Major ☐Average ☐ Small ☐ Negligible
		procedures, work plan and loss reduction strategy, and define measurable performance indicators with monitoring and reporting mechanisms, to ensure standardization, clear responsibilities and effective control functioning;						

Conclusion:

The 2025 Risk Assessment Report highlights only high-risk areas, including potential fraud, financial and fiscal impacts, and operational exposures that are of major importance to the enterprise. The document ensures transparency and accountability, providing a clear overview of the key risks identified.

Prishtina,

Date: 2.3.2026 _____

Chairman of the Board of Directors

Bashkim Pllana

13.Risk Management Report 2025

This report has been compiled in the framework of strengthening internal control, transparency and accountability mechanisms in RWC Hidroregjioni Jugor JSC, and in accordance with Law No. 03/L-087 on Public Enterprises, Law No. 06/L-021 on Public Internal Financial Control, Code of Ethics and Corporate Governance for Public Enterprises, as well as MoF Regulation No. 01/2019 on Financial Management and Control.

The report refers to 2025 and presents the state of risk management, including fraud risk and fiscal risk, as part of the Board of Directors' supervisory responsibilities to the Shareholder.

Risk management and internal control system

RWC Southern Hydroregion has established a functional internal control and risk management system, built according to the principles of financial management and control (MFK). The system aims to identify, assess, treat and monitor risks that may affect the achievement of the company's strategic, operational and financial objectives.

The risk assessment is documented through internal reports and is integrated into the processes of annual planning, budgeting and periodic reporting to the Board of Directors.

The following table describes all the identified risks, as well as the plan for their management:

2025 Hazard List	
1	***Operational risks –*** Operational risks have been identified in the areas of uninterrupted water supply, infrastructure maintenance, technical and commercial losses, human and technical capacities, as well as water shortages as a result of droughts and lower water levels in supply sources.

4	***Fiscal risk –*** Fiscal risk relates to financial sustainability, the flow of financial resources, and the level of collections.
2	***Financial risks –*** Financial risks relate to revenue collection, liquidity management, operating and investment expenses, as well as the management of financial liabilities.
3	***Fraud risk –*** The risk of fraud is addressed through the implementation of the Code of Ethics, the separation of key functions, internal procedures, and regular internal audits.

No.	**2025 Hazard List**	**Opportunity**	**Impact**	**Description of the actions taken / Reason for nonimplementation**	**Supporting evidence (document references)**	**Action plan for further implementation (if applicable)**
1	Operational risks have been identified in the areas of uninterrupted water supply, infrastructure maintenance, technical and commercial losses, human and technical capacities, as well as water shortages as a result of droughts and reduced water levels in supply sources.	☒ In all likelihood, Possible ☐ Average ☐ Hardly ☐ Rarely ☐	☐ Serious / Fatal ☒ Major ☐ Average ☐ Small ☐ Negligible	During 2025, prolonged periods of drought have directly affected the reduction of water capacities, posing a risk to the stable supply of consumers.		Management measures include continuous monitoring of water resources, application of measures for rational use of water, operational planning for periods of increased risk, through notifications on electronic platforms, inspection of water misuse through the company's inspection teams, regular maintenance of the network to reduce technical losses, as well as periodic reporting to the management and the Board of Directors.

2	Financial risks relate to revenue collection, liquidity management, operating and investment expenses, as well as management of financial liabilities.	☐ In all likelihood, Possible ☒ Average ☐ Hardly ☐ Rarely ☐	☐ Serious / Fatal ☐ Major ☒ Average ☐ Small ☐ Negligible	During 2025, a particular challenge in the framework of operating expenses has been electricity costs, which have increased significantly, as a result of the company's entry into the free energy market. Price fluctuations and uncertainty in supply have affected the increase in operating expenses.		Management measures include continuous monitoring of energy expenditures, inclusion of this risk in budget planning, monitoring of other expenditures such as network maintenance and vehicle maintenance, through the purchase of new machinery and strengthening of internal financial control.
3	The risk of fraud is addressed through the implementation of the Code of Ethics, the allocation of key functions, internal procedures, and regular internal audits.	☐ In all likelihood, Possible ☐ Average ☒ Hardly ☐ Rarely ☐	☐ Serious / Fatal ☐ Major ☐ Average ☒ Small ☐ Negligible	During 2025, no confirmed cases of fraud have been identified, however areas with increased risk are subject to continuous monitoring and are included in internal audit plans.		
4	Fiscal risk is related to financial stability, the flow of financial resources and the level of collections.	☒ In all likelihood, Possible ☐ Average ☐ Hardly ☐ Rarely ☐	☐ Serious / Fatal ☐ Major ☒ Average ☐ Small ☐ Negligible	During 2025, the financial sustainability of RWC Hidroregjioni Jugor has been good. However, fiscal risk has been identified stemming from non-		Management measures undertaken: - systematic monitoring of

				payment or delays in payments of receivables from some public institutions, namely from schools, hospitals, the Municipality of Prizren and the Municipality of Malisheva, as well as from the existence of old household debts. Also during 2025, as a result of the tax audits for the periods 2020-2024 by AKT, we have been charged with additional taxation, which will affect the 2026 budget as a burden.		institutional receivables; - Continuous communication and coordination with debtor institutions and consumers; -Commitment of the enterprise through the Inspectorate; - sending cases to the enforcement procedure for the collection of old debts; periodic reporting of the debt situation to the management and the Board of Directors; - Active follow-up and management of liabilities to TAK

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Nr. Prot.
Br. Prot
Prot.No: 136
Data:
Datum:
Date: 30.01.26.
PRISHTINË/A NO.1

»HIDROREGJIONI JUGOR« SH.A.D.D.
Nr. 1030
Dt. 29.01.2026
PRIZREN

KRU **Hidroregjioni Jugor** sh.a. Prizren

Adresa: Wesly Clark p.n., 20000 Prizren
email: sh.a-hidroregjionijugor-prizren@hotmail.com

Bordi i Drejtorëve në Kompaninë Rajonale të Ujësjellësit "Hidroregjioni Jugor" SH.A me seli në Prizren, bazuar në Ligjin Nr.03/L-087 për Ndërmarrjet Publike, Ligjin Nr.06/L-021 për Kontrollin e Brendshëm Financiar Publik, Kodin e Etikës dhe Qeverisjen Korporative për Ndërmarrjet Publike si dhe Rregulloren e MF NR.01/2019 për Menaxhimin dhe Kontrollin Financiar, në mbledhjen e mbajtur me datë 29.01.2026, mori këtë:

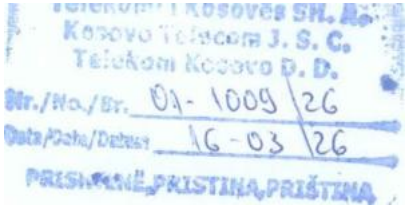
VENDIM

1. **Miratohet me plotësim ndryshimet e propozuara Raporti mbi vlerësimin e rrezikut, rrezikun e mashtrimit dhe rrezikun fiskal për vitin raportues 2025.**

2. **Ky Vendim hyn në fuqi menjëherë.**

Arsyetim

Pas shqyrtimit të Raportit mbi vlerësimin e rrezikut, rrezikun e mashtrimit dhe rrezikun fiskal për vitin raportues 2025, Bordi i Drejtorëve në Kompaninë Rajonale të Ujësjellësit "Hidroregjioni Jugor" SH.A bëri plotësim ndryshime të këtij Raporti, dhe vendosi si në dispozitiv të këtij Vendimi



14.Report On the Risk Assessment for Kosovo Telecom (2025)

To: Ministry of Economy, Public Enterprises Monitoring Unit

Date: 16.032026

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1. Introduction

Purpose of the Report: This report is submitted as per the request of the PEMU and provides a comprehensive analysis of the main operational risks, fraud risks, and fiscal risks for Kosovo Telecom for the year 2025.

Methodology: For the requested period, the report is primarily based on challenges identified as potential risks in the quarterly reports throughout 2025 and findings from the Internal Auditor's reports.

2. Background and Need

Risk management assists the enterprise in preventing identified risks, protecting assets, achieving strategic and operational objectives, and maintaining the reputation of Kosovo Telecom. To this purpose, the "Risk Management Guide" No. 03-7345/25 was approved on 12.11.2025.

Following the approval of this Guide, a need arose for a dedicated team to coordinate, monitor, and implement the principles and processes defined therein.

The decision to form the Risk Management Team (RMT) was approved on 22.12.2025. The RMT held its initial meeting on 12.01.2026/ where an action plan was agreed upon; currently, the team is in the phase of identifying and assessing risks at strategic, operational/ financial, and legal compliance levels. Subsequently, a central Risk Register will be developed and maintained for the entire Kosovo Telecom.

Furthermore, it is the duty and responsibility of the Team to propose and recommend strategies and mitigation measures for managing the identified risks, to monitor the effectiveness of those measures, and to oversee the status of the risks.

In addition, the Team shall prepare periodic reports on risk management for Senior Management and the Board of Directors, and at the same time periodically review the "Risk Management Guide" and propose updates based on internal and external changes.

3. Description and Assessment of Challenges/Risks

As that the enterprise is currently in the phase of identifying risks across the respective departments, with the aim of compiling the Risk Register for the year 2026 and implementing the Action Plan, as an integral part of the Risk Management Guide, the following table presents only the challenges identified as potential risks from the quarterly reports during the previous year (2025).

List of Challenges/Risks for 2025	
1.	Account freezes from enforcement rocedures and •udicial dis utes, includin the "Dardafon.net LLC" case.
2.	Le al dis utes based on em lo ment relationshi s and dis utes initiated based on the Collective A reement.
3.	The technological/infrastructure condition of the fixed network and the financial condition of Kosovo Telecom remain challen in .
4.	Outdated latform for the Human Resources and a roll s stem.
5.	Ille al use of Kosovo Telecom's fixed network infrastructure
6.	Obsolescence of fixed network infrastructure, buildings, power grid, heating/cooling systems, and lack of maintenance arts.
	Lo istical difficulties due to the shorta e and a e of vehicles, and increased vehicle maintenance costs.
8.	Hi h avera e a e of ersonnel.
9.	Non-realization of requests/DNDFs due to deadlines, non-compliance of bids, complaints, lack of contracts, or supply from Economic O erators (EO).
10.	Lack of contracts to su ort marketin activities (ad creation and brandin materials).
11.	The Advantech case, case No. KE.Nr.1708/22.
12.	Litigation case where the plaintiff is IPKO and the defendant is Kosovo Telecom, regarding case KP.nr. 150/22, a 2012 lawsuit.
13.	Difficulties in maintaining facilities rented from Kosovo Post, especially: outdated power grid, outdated internal and external infrastructure, and dama ed sanita units due to a e.
14.	Significant shortage of staff within the Logistics Dept., hindering operations and security (Hygiene, Transport, Security, Ph sical Securi Firefi htin , and Maintenance).
15.	Various works for projects of institutions and/or private investors, as well as interruptions or damages caused by EOS (contractors) on main road routes where o tical network infrastructure is laid.

No.	Risk List 2025	Likelihood	Impact	Description of Actions Taken/ Reason for NonCompliance	Supporting Evidence (Document References)	Action Plan for Further Implementation (if applicable)
	Account blockages due to enforcement procedures and	E] Almost Certain C] Possible	Critical / Fatal C] Major			

1	legal disputes, including the case of "Dardafon.net LLC"	O Moderate O Unlikely O Rare	C] Moderate Minor O Negligible	N/A	N/A
	Legal disputes arising from Employment Relations and	Almost Certain C) Possible	C] Critical / Fatal Major		
2	disputes initiated based on the Collective Agreement	C] Moderate O Unlikely O Rare	O Moderate O Minor O Negligible	N/A	N/A
	The technological/infrastructure status of the fixed network and	(8 Almost Certain O Possible	Cl Critical / Fatal Major		
3	financial system of Kosovo Telecom continues to remain challenging	C] Moderate O Unlikely O Rare	O Moderate O Minor O Negligible	N/A	N/A
	The outdated Human Resources and Payroll system platform	E) Almost Certain O Possible	C) Critical / Fatal O Major		
4		O Moderate C] Unlikely O Rare	E) Moderate O Minor O Negligible		N/A
	Unauthorized use of Kosovo Telecom's fixed network	Almost Certain O Possible	O Critical / Fatal O Major		
5	infrastructure	C) Moderate O Unlikely O Rare	(8 Moderate O Minor O Negligible	N/A	N/A
	Aging infrastructure in the fixed network, facilities, power	(8 Almost Certain C] Possible	Critical / Fatal O Major		
6	network, heating/airconditioning system, and the lack of maintenance parts	O Moderate Unlikely C] Rare	Moderate O Minor C) Negligible	N/A	N/A
	Logistical difficulties due to the shortage and aging of vehicles,	Almost Certain C] Possible	C) Critical / Fatal O Major		

7	and increased vehicle maintenance costs	C] Moderate Unlikely O Rare	Moderate Minor C] Negligible		N/A	N/A
	High average age of personnel	Almost Certain O Possible	Cl Critical / Fatal O Major			
8		O Moderate Unlikely C] Rare	Moderate O Minor Negligible		N/A	N/A
	Non-fulfillment of requests/DNDFs due to	Almost Certain O Possible	O Critical / Fatal Major			
9	deadlines, mismatched offers, complaints, lack of contracts, or supply from Operational Units	Moderate C] Unlikely C] Rare	C] Moderate Minor O Negligible		N/A	N/A
	Lack of contracts to support marketing activities (creation of	Almost Certain Possible	C] Critical / Fatal Major			
10	advertisements and supply of branding materials)	C] Moderate a Unlikely O Rare	O Moderate O Minor O Negligible		N/A	N/A

No.	Risk List 2025	Likelihood	Impact	Description of Actions Taken/ Reason for NonCompliance	Evidence (Document References)	Further Implementation (if applicable)
11	The case with Advantech, case KE.No.1708/22.	C] Almost Certain Possible O Moderate O Unlikely O Rare	8) Critical / Fatal O Major C] Moderate O Minor O Negligible			
	The dispute/case, where the plaintiff is IPKO and the	O Almost Certain (8 Possible	Critical / Fatal O Major			

12	defendant is Kosovo Telecom, concerns case KP.no. 150/22, a lawsuit from 2012.	C] Moderate Unlikely O Rare	O Moderate O Minor O Negligible	N/A	N/A	Supporting Action Plan for
	Difficulties in maintaining premises leased from Posta e Kosovés, particularly in: the	E) Almost Certain C) Possible	O Critical / Fatal Major			
13	aging power grid/network, outdated internal and external infrastructure, and damaged sanitary facilities resulting from aging.	O Moderate C) Unlikely O Rare	O Moderate Cl Minor O Negligible	N/A	N/A	
	Significant staff shortage within the Logistics department, which	C] Almost Certain Possible	O Critical / Fatal Major			
14	complicates operations and security (Hygiene, Transport, Security, Physical Protection, Fire Safety, and Maintenance).	O Moderate O Unlikely O Rare	C] Moderate O Minor C] Negligible	N/A	N/A	
	Various works for the implementation of institutional and/or private investor projects, as well as interruptions or	Almost Certain Possible O Moderate	C] Critical / Fatal Major C] Moderate			
15	damages caused by Operationala Units (different contractors	Unlikely C] Rare	O Minor O Negligible	N/A		

engaged) along the main road routes where the optical network infrastructure is deployed.

4. Findings from Internal Auditor Reports

In the Internal Audit reports for 2025, there are NO findings related to fraud risk.

AUDIT REPORT 2025

4.1 Introduction

This annual report presents the activities of the Internal Audit Unit for the year 2025. The report summarizes the audits conducted, the findings and recommendations provided, and contributes to strengthening internal control systems, risk management, and governance, thereby enhancing transparency and accountability within the Enterprise.

4.2 Recommendations and their monitoring

- Number of audits planned according to the annual plan: 10
  - Additional audits performed at the request of management: 1
  - Total audits performed: 12

Among the 12 audits, one audit was planned for 2024, but its completion and the issuance of recommendations took place in 2025.

- Recommendations provided until June 2025: 18

The assessment of the implementation of the recommendations provided by the Internal Audit Unit up to June 2025 was conducted in November 2025.

- Percentage of implemented recommendations for 2025 (data refers to up to June 2025): 66.67%
- Recommendations in process: 16.67% , data refers to up to June 2025.
- Percentage of unimplemented recommendations: 16.67%, data refers to up to June 2025.
- Impact: improvement of management and transparency, increased accountability and credibility, and enhanced efficiency in the implementation of policies.

The recommendations provided throughout the entire year 2025 (a total of 41 recommendations) are mostly in the process of being implemented, due to the fact that the timeframes for implementing the recommendations outlined in the Management Action Plans extend beyond the reporting period.

All audits planned in the Internal Audit Plan for 2025 were carried out within the scheduled timeframe, that is, within the year 2025.

4.3 Table of Conducted Audits and Recommendations Provided

During 2025, 12 audits were carried out according to the 2025 Annual Audit Plan (including one ad-hoc audit requested by the Audit Committee). Additionally, in February 2025, an audit planned in 2024 was also conducted.

No.	Audit Sub•ect	Recommendations	T e of Audit

1	"Procurement Processes for High-Value Projects" Audit planned in 2024 Started on October 2, 2024, and completed on February 28, 2025	Recommendation 1: During evaluations, there must be equal and consistent treatment for all bidders, ensuring transparency and impartiality in the evaluation process. Recommendation 2: In the tender dossier, under the Requirements for Suitability and Technical Capacities, the division between works and supplies should be clearly specified, clarifying what percentage of the total contract value should consist of works and what percentage of supplies. This can be done by setting a clear proportion (e.g., 50% works and 50% supplies, or another division more suitable for the nature of the contract). Evidence requested from bidders to meet the technical requirements must be specific and clear. Recommendation 3: Measures should be implemented for monitoring and managing procurement deadlines to avoid delays in future processes. The Procurement Office must ensure that the evaluation process and announcement of decisions are carried out within the deadlines set in the regulations. Recommendation 4: The Procurement Office should ensure that any such errors are corrected and that all dates and documents correspond to the actual tender process. Additionally, mechanisms for document control and verification should be implemented to prevent similar errors in the future. Recommendation 5: The Procurement Office must rigorously apply the public procurement law, relevant regulations, and the requirements specified in the tender dossier to ensure a fair, transparent, and impartial process. This is necessary to guarantee that only economic operators who meet the requirements specified in the tender dossier are qualified and selected. Recommendation 6: Members of the Bid Evaluation Committee should be selected in accordance with the regulations, ensuring that they have not been involved in preparing the specifications or terms of reference.	As per the 2024 plan

2	"Procurement Processes for Medium-Value Purchases/Supplies"	Recommendations: Recommendation I: During the preparation of documents related to procurement procedures, care must be taken to ensure that all data (preparation date) as well as other information are presented accurately. Recommendation 2: For each procurement process, all documents on the E-Procurement platform must include the required information, including details regarding the Manager, Contract Supervisor, and the Contract Management Report. Recommendation 3: For each procurement process, the E-Procurement platform must be updated. In cases where a contract is terminated, the platform must reflect this information.	As per the plan

3	"Maintenance of Office Buildings and Equipment"	Recommendation 1: Efforts should be made to complete the organizational structure and assign tasks and responsibilities to the sectors and teams outlined in the current organizational structure. Recommendation 2: The document regulating Standard Operating Procedures (SOP) must be drafted and approved. Its content should align with the current organizational structure, including the tasks, res onsibilities, and rocesses relevant to each sector.	As per the plan

4	"Maintenance of Vehicles"	Recommendation 1: An inventory management system should be implemented, where each item has a unique code. Each item should have a record card showing detailed information about its specifications and warehouse status. Items should be organized by groups, with a clear order and system for their location. A color-coded or numbered labeling system can be used to aid organization. Recommendation 2: A digital system should be implemented for recording and managing vehicle/motor equipment records, where all information regarding services, repairs, and vehicle status is accessible and updated in real time to ensure accuracy and efficiency in managing vehicle records. Recommendation 3: The Transport Subsector at Kosovo Telecom JSC should establish a system for recording all inspections carried out by auto mechanics, ensuring that every service and check is properly documented and accuratel stored.	At the request

5	" "Rent Expenses and Electricity Supplies for BTS"	Recommendation 1: A standard format should be developed for periodic analytical reporting, approved by the management of the Technical Directorate. The report should include in-depth analyses of power outages, their causes, impacts, and recommendations. Recommendation 2: Responsible TK officials from the Technical Directorate should prepare daily and monthly reports on BTS service interruptions due to power outages. Based on the data in these reports, financial penalties (stoppages) should be applied to lessors in accordance with the contract terms. Using historical data (monthly reports) on BTS service interruptions caused by power outages, financial penalties (stoppages) should be applied to lessors in line with contract terms. The contractual penalty mechanism should be applied regularly. Responsible TK officials from the Technical Directorate should be assigned to monitor, verify, and calculate financial penalties (stoppages). Recommendation 3: A clear policy or guideline should be drafted and approved for calculating and compensating losses caused by landlords. Compensation for losses should be applied in cases of equipment service interruptions when it is verified that the interruption occurred due to intentional actions or negligence by the landlord or the electricity supply service provider. Recommendation 4: It is recommended that TK draft, approve, and implement a detailed internal regulation to ensure transparency, consistency, and proper control in the site contracting process, which should clearly define: The technical, economic, and legal criteria for selecting locations for BTS deployment; The procedures and steps to be followed by responsible officials, including planning, evaluation, consultations, and necessar a rovals;	As per the plan

		The roles and responsibilities of each sector involved in the process; and Mechanisms for documenting, approving, and archiving decisions for each location.	
6	"Treasu — Pa ments"	No recommendations, as there were no findin s.	As er the Ian
7	"Contract Implementation Process: Construction Works, BTS Deployment"	Recommendation 1: To ensure informed and accurate decision-making, future "DNDF" documents should include clear, detailed, and measurable specifications for works, supplies, and maintenance. This will enable Management to make an objective assessment of the value and significance of each project before its approval. Recommendation 2: The requesting unit, in coordination with the specification drafters, should improve the needs assessment and quantity planning process. For future contracts, a more in-depth analysis of past expenditures and operational needs should be conducted to ensure that technical specifications are realistic and meet the company's long-term requirements. Recommendation 3: For all contracts involving works, including framework contracts when used for this purpose, it is essential to develop and monitor a detailed dynamic work plan that also includes timelines. Recommendation 4: Management should take immediate actions to manage/expedite work orders according to the technical specifications of the contract to ensure that the contract is fulfilled within the required timeframe and value. A system of regular monitoring with periodic reporting should be established to ensure the contract is completed at the required value within the deadline.	As per the plan

8	"Sales through the 'Vala Jone' Application"	Recommendation 1: All procedures applied to sensitive processes where company or customer data could be compromised, where money could be lost, or where any type of damage could occur, must be approved by the company's senior management.	As per the plan
9	"Management of Products and Services"	Recommendation I: Standard Operating Procedures (SOPs) should be reviewed and updated to include a detailed process for product deactivation. This process should specify the necessary steps, impact analysis (including the final effect on customers), departmental responsibilities, standard documentation format, and senior management approval levels. Recommendation 2: A dedicated file/register should be created for each product/package deactivation. This file should include the rationale, evidence of active/inactive customer analysis, proof of contacting and transferring remaining customers, and necessary approvals (e.g., from the Marketin /Products Director and the Technical Director).	As per the plan
10	"Management and Maintenance of IT Systems"	Recommendation 1: A risk assessment should be conducted every year, and measures should be taken to manage risks according to the approved guidelines. Recommendation 2: Cooling capacities in the NGN spaces should be reinforced.	As per the plan

		Recommendation 3: Procedures regulating the procurement, management, maintenance, and decommissioning of applications must be approved. Recommendation 4: The possibility of avoiding these interventions should be explored. Recommendation 5: Options for creating an alternative geographic solution for these services should be considered. Recommendation 6: All materials that should not remain in these spaces must be removed. Recommendation 7: A risk assessment should be conducted every year, and measures should be taken to manage risks according to the approved guidelines. Recommendation 8: Areas of special importance and protective measures for those areas must be defined. Recommendation 9: Immediate measures should be taken to protect high-priority areas from fire, as well as protective measures to safeguard the lives of personnel intervening in such cases. Recommendation 10: Cameras should be installed in all spaces where critical equipment is located. Recommendation 11: Measures must be implemented to protect against unauthorized access in all areas where equipment essential to the operation of TK services is located.	

11	"Fulfillment of Customer Requests for New Installations"	Recommendation 1: (Finding 1) The Technical Directorate should urgently develop and approve a Standard Operating Procedure (SOP) for the New Installations Process. The SOP should clearly define roles, steps, installation timelines, quality checks for installations, and reporting requirements. Recommendation 2: (Finding 1) Maximum installation deadlines should be specified for each installation/product category. These deadlines should serve as key performance indicators (KPls) for field teams. The implementation of this procedure should be accompanied by an automatic monitoring system in the CRM, which alerts management of any deadline breaches, enabling intervention before requests reach critical delays. Recommendation 3: (Finding 2) The Technical Directorate should take immediate actions to address delays and exceeded deadlines for new installations by implementing a real-time monitoring system that flags pending activation requests and sets automatic alarms for any request that exceeds a 5-day deadline without completion. A detailed analysis is recommended to identify whether 30-day delays are caused by infrastructure shortages, lack of end devices, or overload of technical teams, and based on this, technical and human ca acities or third-	As per the plan

		party contracts should be revised, applying penalties for deadline breaches in accordance with contract terms. Recommendation 4: (Finding 2) Reports from the Technical Directorate should also include reporting on "Unfulfilled Requests." Each such request must be accompanied by a technical justification (e.g., lack of ports, network limitations, distance beyond norms, etc.). This detailed reporting will serve as a basis for a monthly analysis of delays exceeding 30 days, allowing the directorate to differentiate responsibility between infrastructure shortcomings and human performance, as well as to plan network investments based on real data. Recommendation 5: (Finding 3) The Technical and Human Resources Directorates are recommended to review the personnel allocation model, based on the principle of proportionality between workload (KPI of total tasks) and the number of technicians. It is also recommended that staff planning be a dynamic process reviewed periodically, taking into account trends in increasing new requests and the level of obstacles in the field, with the aim of standardizing the average completion time across all regions and reducing it below the critical threshold identified in the audit.	
12	"Monitoring the Implementation of Recommendations"	Recommendation I: Internal audit recommendations should be implemented by TK management, as they arise from weaknesses identified in the application of laws, internal procedures, or deficiencies in internal controls that could expose the company to various risks. Therefore, fulfilling these recommendations increases the effectiveness of internal control, improves processes, and ensures compliance with laws. Note: The Internal Audit (IA) does not record this summary recommendation (it is only presented), as recommendations are provided specifically in each audited task.	As per the plan

5. Findings from External Auditor Reports

5.1 INTRODUCTION

In accordance with the request of PEMU, in its capacity as Shareholder, and based on the provisions of Law No. 03/L087 on Public Enterprises, the Code of Ethics and Corporate Governance, as well as legislation on public financial internal control, this report presents the risk assessment for the year 2025.
The external audit data for 2025 regarding risks are not included in this report, as the external audit report for Kosovo Telecom is expected to be completed by the end of Q2-2026.

6. ANNEX

The designated format to be used for reporting high-risk data from audits.

EXTERNAL AUDITOR REPORT								
Description of Findings	Findings	Recommendations	Fraud	Likelihood of fraud	Impact	High risk	Likelihood of fraud	Impact
				☐Almost Certain ☐ Possible ☐ Moderate ☐ Unlikely ☐ Rare	☐ Critical / Fatal ☐ Major ☐ Moderate ☐ Minor ☐ Negligible	Financial Risk / Financial Reporting Risk	☐ Almost Certain ☐ Possible ☐ Moderate ☐ Unlikely ☐ Rare	☐ Critical / Fatal ☐ Major ☐ Moderate ☐ Minor ☐ Negligible

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Republika e Kosovës
Republika Kosova - Republic of Kosovo
Qeveria –Vlada - Government

Trepça Shoqëri Aksionare
Trepça Deoničarsko Društvo / Trepça Joint Stock Company

TREPÇA

15.Risk Management Report for the Year 2025

Trepça Enterprise J.S.C.

Mitrovicë, 2026

Introduction

The Public Enterprise Trepça J.S.C. produces and places on the market lead and zinc concentrate, aluminum sulfate, trailers, and various mechanical services. The primary objective of the enterprise is to increase mineral exploitation, explore exploitable reserves, and activate other assets within its units. The company's activity is mainly related to the production of lead and zinc concentrate, aiming at the sustainable development of the mining industry in Kosovo.

Trepça J.S.C. is a prosperous corporation and a regional leader in ore exploitation and the production of Pb-Zn concentrate, in compliance with environmental standards to ensure sustainable economic development.

The main goal of Trepça J.S.C. is sustainable development and the expansion of production capacities over the long term, while maintaining safety, product quality, and respect for ethical and professional principles.

Despite the defined rules for service provision, during the course of its operations Trepça J.S.C. faces risks of various natures, which pose obstacles to achieving the objectives set out in the Business Plan.

Through the annual Business Plan, Trepça has defined its mission, vision, and objectives—the very reason for its existence—while at the same time committing to providing services to the best of its abilities, ensuring the protection of workers' health and delivering high-quality products. Considering the importance of these commitments and the obstacles that may arise and create risks, Trepça J.S.C. has undertaken a series of specific actions aimed primarily at their prevention and mitigation. These actions are intended to ensure normal operations and improve the quality and performance of its activities.

During the annual period of 2025, internal processes were carried out in accordance with applicable laws and regulations, while control and supervision mechanisms functioned effectively, contributing to the prevention of any potential form of misuse.

The main objective of Trepça J.S.C. is to increase productivity and production through:

- Increasing processing capacities and the efficiency of mineral utilization;
- Further geological exploration and identification of new reserves;

- Modernization of mines and flotation plants to improve performance and market competitiveness.

The assessment of the competitive position of companies in the metals and mining industry is conducted by taking into account key business risk factors such as:

- Market position,
- Product diversification,
- Cost and reserve position,
- Profitability and operational efficiency.

In general, strong competition in the mining industry is seen as an advantage, as it provides:

- Benefits from economies of scale,
- Greater flexibility to adjust production and capacity to fluctuations in supply and demand,
- Higher security in the supply chain,
- Greater opportunities for investment in research and development.

For the products of Trepça J.S.C., competition is relatively low, as the quality of our products meets international market standards. The mines of Trepça J.S.C. mainly produce Lead (Pb) and Zinc (Zn) concentrates, with small amounts of Silver (Ag), Gold, and other precious metals.

The strategic objective of the Enterprise is to produce high-quality Pb and Zn concentrate, aiming to penetrate global markets and create a competitive advantage over other producers. The main advantages of Trepça compared to competitors include:

- Significant high-quality ore reserves,
- Minimization of substitution possibilities for Pb and Zn concentrate products,
- Many years of experience in the mining industry.

The table below lists the potential risks.

Risk List 2025	
1.	Poor condition of the existing infrastructure in working galleries in the operating mines
2.	Frequent operational interruptions due to numerous mechanical failures, as most equipment dates back to the 1960s
3.	Financial instability and inability to ապահով stable long-term liquidity
4.	The need to secure financial resources for the metal processing industry
5.	Long-standing inherited legal disputes
6.	Inability to invest in technology in a timely manner, including new technical and technological developments that impact business growth and sustainability
7.	Untreated industrial and technological waste; outdated technologies; lack of treatment of industrial and mining waters
8.	Difficult financial condition and accumulated debts, enforcement claims related to accumulated obligations
9.	Aging workforce
10.	Inability to complete the final technological processing chain of ore treatment
11.	Fluctuations in metal prices on international exchanges – LME and LBMA
12.	Increase in the prices of raw material supplies and essential equipment for the mining industry
13.	Increase in the price of electricity

Nr.	Risk List 2025	Likelihood	Impact	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if appli
1.	Poor condition of existing infrastructure in operational mining galleries	☒ Highly likely ☒ Likely ☐ Moderate ☐ Unlikely ☐ Rare	☒ Severe / Critical ☒ Major ☐ Moderate ☐ Minor ☐ Negligible	External impact with internal risk	N/A	N/A
2.	Frequent operational interruptions due to multiple mechanical failures, as most equipment dates back to the 1960s	☐ Highly likely ☒ Likely ☐ Moderate ☐ Unlikely ☐ Rare	☐ Severe / Critical ☒ Major ☐ Moderate ☐ Minor ☐ Negligible	External impact with internal risk	N/A	Capital investments / repa equipment and spare parts digitalization of work
3.	Financial instability and inability to ensure sustainable long-term liquidity	☐ Highly likely ☒ Likely ☐ Moderate ☐ Unlikely ☐ Rare	☐ Severe / Critical ☒ Major ☐ Moderate ☐ Minor ☐ Negligible	Measures have been taken to continuously monitor the financial situation, plan expenditures, prioritize payments, and follow legal procedures to protect institutional interests.	N/A	There is a risk of liquidity impairment due to accumu financial obligations and ongoing enforcement procedures.
4.	Need to secure financial resources for the metal processing industry	☐ Highly likely ☒ Likely ☐ Moderate ☐ Unlikely ☐ Rare	☐ Severe / Critical ☒ Major ☐ Moderate ☐ Minor ☐ Negligible	External impact with internal risk	N/A	N/A
5.	Long-standing inherited legal disputes	☐ Highly likely ☒ Likely ☐ Moderate ☐ Unlikely ☐ Rare	☐ Severe / Critical ☒ Major ☐ Moderate ☐ Minor ☐ Negligible	High risk arising from inherited legal disputes, which seriously threaten financial stability in the event of enforcement (depending on the severity and amount of the claim).	N/A	Continuous monitoring
6.	Inability to invest in technology in a timely manner, including new technical and technological developments that affect business growth and sustainability	☐ Highly likely ☒ Likely ☐ Moderate ☐ Unlikely ☐ Rare	☐ Severe / Critical ☒ Major ☐ Moderate ☐ Minor ☐ Negligible	External impact with internal risk	N/A	N/A

7.	Untreated industrial and technological waste; outdated technologies; lack of treatment of industrial and mining water	☐ Highly likely ☒ Likely ☐ Moderate ☐ Unlikely ☐ Rare	☐ Severe / Critical ☒ Major ☐ Moderate ☐ Minor ☐ Negligible	External impact with internal risk	N/A	N/A
8.	Severe financial condition and accumulated debts, enforcement claims related to accumulated obligations	☐ Highly likely ☒ Likely ☐ Moderate ☐ Unlikely ☐ Rare	☐ Severe / Critical ☒ Major ☐ Moderate ☐ Minor ☐ Negligible	External impact with internal risk	N/A	N/A
9.	Aging workforce	☐ Highly likely ☒ Likely ☐ Moderate ☐ Unlikely ☐ Rare	☐ Severe / Critical ☒ Major ☐ Moderate ☐ Minor ☐ Negligible	External impact with internal risk	N/A	N/A
10.	Lack of a complete technological chain for ore processing	☐ Highly likely ☒ Likely ☐ Moderate ☐ Unlikely ☐ Rare	☐ Severe / Critical ☒ Major ☐ Moderate ☐ Minor ☐ Negligible	External impact with internal risk	N/A	N/A
11.	Fluctuations in metal prices on international exchanges – LME and LBMA	☐ Highly likely ☒ Likely ☐ Moderate ☐ Unlikely ☐ Rare	☐ Severe / Critical ☒ Major ☐ Moderate ☐ Minor ☐ Negligible	External impact with internal risk	N/A	N/A
12.	Increase in prices of raw materials and essential supplies for the mining industry	☐ Highly likely ☒ Likely ☐ Moderate ☐ Unlikely ☐ Rare	☐ Severe / Critical ☒ Major ☐ Moderate ☐ Minor ☐ Negligible	External impact with internal risk	N/A	N/A
13.	Increase in electricity prices	☐ Highly likely ☒ Likely ☐ Moderate ☐ Unlikely ☐ Rare	☐ Severe / Critical ☒ Major ☐ Moderate ☐ Minor ☐ Negligible	External impact with internal risk	N/A	N/A

Conclusion

The Risk Assessment Report for the year 2025 highlights only high-risk areas, including financial and fiscal impacts, as well as operational exposures that are of major importance to the enterprise. The document ensures transparency and accountability by providing a clear overview of the main identified risks.

Risk Management Report for the Year 2025

AUDIT REPORTS 2025

1. Introduction

This annual report presents the activities of the Internal Audit Unit for the year 2025. The report summarizes the audits conducted and the recommendations provided, and contributes to strengthening internal control systems, risk management, and governance, while increasing transparency and accountability within the Enterprise.

2. Recommendations and Their Monitoring

- Number of audits planned according to the annual plan: 6
- Audits carried out at the request of management: 1
- Total number of audits conducted: 9
- Audits conducted at the request of the Ministry of Economy for verification of expenditure regularity: 5 reports
- Number of recommendations issued: 47
- Percentage of recommendations implemented: Data will be reported after October 2026
- According to the Annual Plan for 2026, the evaluation of the implementation of recommendations will begin in July 2026

Due to delays in responses to internal audit requests from the Human Resources Department, during the last months of 2025 the audit activity “Salary Expenditures,” included in the annual plan for 2025, was not completed.

3. Conclusions

The audits conducted have contributed to identifying areas for improvement and providing recommendations for strengthening internal control, effective resource management, and improving the Enterprise's processes.

4. Annex – Table of Conducted Audits

During 2025, 3 audits were conducted according to the Annual Audit Plan, while 5 additional reports were prepared regarding the regularity of expenditures from subsidies, and 1 audit was conducted at the request of Management, resulting in a total of 9 audit reports.

Nr.	Audit Topic	Recommendations	Type of Audit
1	Revenues from the Terminal	***Management should prepare and submit for approval to the Supervisory Board a Standard Operating Procedure/Policy for the management of revenues from the Customs Terminal, which must clearly define the steps and responsibilities for revenue generation, accounting recording, and reporting.*** ***The management of the enterprise must immediately implement the review and correction of VAT declarations and ensure accurate reporting of revenues from the Customs Terminal in accordance with legal deadlines. Internal controls should also be strengthened through:*** ***Establishing a double verification and signature process for tax reporting.*** ***Periodic monitoring by senior management to ensure correct implementation of procedures.*** ***The management of Trepça J.S.C., in order to avoid penalties from the Tax Administration of Kosovo for tax evasion as provided under Article 25 of the Criminal Code and the Law on Liability of Legal Persons, according to which a commercial company may be fined up to €500,000 for tax evasion, must take the necessary measures and:*** ***Immediately correct tax declarations for the period January–December 2023, including revenues from the Customs Terminal and VAT;*** ***Issue a tax document for every collected payment, in accordance with tax legislation requirements;*** ***Strengthen internal controls in the process of revenue recording and reporting, ensuring that every transaction is included in the Sales Ledger and monthly VAT declarations.***	**At the Request**

		The management of Trepça J.S.C. should strengthen the internal control system in the process of generating and reporting revenues from the Customs Terminal by implementing the following measures: ***Verify the consistency of revenues between the fiscal cash register, accounting records, and declarations submitted to the Tax Administration of Kosovo (TAK) from the moment the customs terminal becomes operational;*** ***Ensure uninterrupted operation of the fiscal cash register;*** ***Ensure that every payment is accompanied by a fiscal receipt (tax document) at the moment of collection;*** ***Develop a daily control procedure to compare fiscal turnover with accounting records and ensure regular reporting to management.***	
2	**Direct exploitation costs of ore and production of concentrates**	***The Finance and Treasury Department should establish and implement regular and effective controls over warehouse operations, including periodic stock checks and verification of related records and documentation. Clear procedures must be developed for cooperation and information exchange between Finance and Warehouses, and responsibilities for monitoring and accurate reporting of materials must be defined to ensure the integrity and transparency of stock management.*** ***Management should take steps to harmonize and integrate warehouse management systems across all locations by implementing a unified software solution that ensures data consistency and transparency. If the use of a single software system is not possible, strong control mechanisms must be established between existing systems to prevent discrepancies and reporting errors.*** ***Management should establish and implement a detailed system for payroll expense allocation, clearly distinguishing employees directly involved in production from those with indirect roles. This system should include payroll categorization by unit and employee role to enable accurate calculation of production costs and improve operational and financial performance analysis.*** ***Management should establish a detailed and standardized system for recording and reporting fuel expenses, ensuring that for each machine or equipment, the exact quantity consumed and the relevant time period (monthly, quarterly, yearly) is recorded. This system must provide full traceability of fuel consumption from procurement to final use and must include internal controls for data verification and consumption analysis in relation to work performed.*** ***Management should ensure proper classification of all expenses in accordance with accounting standards, clearly distinguishing capital investments from operational expenses. The Finance and Treasury Department should develop and implement internal guidelines/procedures for expense categorization, supported by internal controls that verify the nature of each expense prior to recording. Staff should also be trained to ensure proper application of these guidelines in order to improve accuracy and integrity of financial reporting.*** ***Management should develop and implement detailed policies for planning direct production expenses, defining:*** ***permitted expense categories;*** ***budget limits by category and unit;***	**According to the Plan**

		approval levels for each role or department; ***periodic monitoring and comparison of actual expenses against the approved budget to identify deviations in a timely manner.*** ***Flotation plants should improve the planning and monitoring of direct production expenses by preparing realistic monthly plans based on historical data and current performance analysis, and ensuring accurate and regular reporting of actual expenses.*** ***Management should strengthen control mechanisms and ensure continuous monthly supervision. The Kopaonik – Leposavić Mining and Flotation Unit must submit monthly reports on electricity expenses to enable comparison with the plan and improve cost control.*** ***The Kopaonik – Leposavić Mining and Flotation Unit must be required to present both planned and actual electricity consumption data, ensuring full verifiability of the production process and clear calculation of operational efficiency.***	
3	**Regularity Report on Expenditures – Compensation for Electricity Costs**	**1. The management of the enterprise must take the necessary measures to develop and submit for approval to the Supervisory Board a clear and standardized policy/procedure for the distribution, compensation, and invoicing of electricity, including:** **• Rules for measuring and recording electricity consumption;** **• Definition of responsibilities for technical and accounting staff;** **• Ensuring compliance with legislation and internal control standards.** **2. The management of Trepça J.S.C. must take measures to remove secondary meters, as they no longer contribute to the measurement process. The removal of meters must be carried out by responsible technical staff, in compliance with safety standards, and the entire process must be properly documented. It must be ensured that only functional meters remain in the measurement system for each operator, in order to avoid misunderstandings and ensure more efficient maintenance.** **3. The management of the enterprise must take immediate measures to install certified meters for all economic operators who are currently being billed based on installed capacity. This includes:**	**At the Request**

		• Repair and/or replacement of damaged meters; **• Installation of new meters for operators who do not yet have a meter installed;** **• Elimination of the practice of billing based on installed capacity, except in temporary and technically justified cases;** **• Documentation and standardization of the measurement process to ensure transparency, fairness, and efficiency in energy management.** **4. The management must take measures to install a new electricity meter in the Industrial Park in order to ensure accurate measurement, reporting, and allocation of electricity costs. Until the new meter is installed, alternative measurement and allocation methods must be developed based on clear and documented criteria.** **5. The Finance Department must establish clear mechanisms for separating collections from rent and electricity compensation payments, ensuring that they are recorded separately in the financial software. This separation will enable:** **• Accurate and reliable revenue reporting;** **• Easier verification by the Internal Audit Unit;** **• Increased transparency;** **• Strengthened internal financial control.** **6. The Finance Department must implement a separate classification of collections according to the nature of revenues (rent and electricity compensation) within the financial system. An internal mechanism must be developed for monthly monitoring of accounts receivable, and control and collection measures must be strengthened to ensure recovery of accumulated debts from tenants.**	

4	**Accounts Payable**	**1. A manual of accounting policies should be developed and approved, which includes the relevant principles and procedures for the recognition, measurement, valuation, recording, and reporting of accounts payable, in accordance with applicable accounting standards and regulatory frameworks.** **2. The Finance and Treasury Department must apply the classification of liabilities according to maturity, in accordance with International Financial Reporting Standards (IFRS). This includes the separation of liabilities into:** **• Short-term liabilities (maturing within 12 months);** **• Long-term liabilities (maturing over 12 months).** **3. The management of the enterprise must prepare and submit for approval to the Supervisory Board a liquidity plan, which should include:** **• Forecasting of cash inflows and outflows;** **• Identification of potential financing sources to cover liquidity gaps;** **• Continuous monitoring of plan execution and updates based on changes in the enterprise's activities.** **4. The Finance and Treasury Department must strengthen controls over revenue reporting, ensuring that all revenues are accurately and timely reported to the Tax Administration of Kosovo (TAK). The enterprise should improve internal procedures and train responsible staff to ensure proper fulfillment of tax obligations in accordance with applicable legislation.** **5. The management of the enterprise should review and update contracts with economic operators to include clear clauses on the compensation of expenses for drinking water and waste services. A regular monitoring and billing mechanism should also be established to ensure that the enterprise does not bear the cost of services used by third parties.**	**According to the Plan**

		6. The Finance Department must stop the practice of recording prepayments as negative balances in accounts payable. The enterprise should open a separate account for prepayments to economic operators and record them in accordance with financial reporting standards, ensuring accurate and transparent financial statements. **7. The management of the enterprise must take appropriate actions to adjust the accounting software so that refunded overpayments are correctly reflected in accounts payable reports. Periodic reconciliations should also be performed to identify similar discrepancies.** **8. The management of the enterprise must take measures to fully integrate financial systems or ensure proper data linkage between them, enabling reporting and verification of accounts payable by business units. Full access must also be granted to the Internal Audit Unit for both software systems, including the ability to view and download documents for all units.**	
5	**Revenues**	**1. Management must approve and implement a standard policy for sales and revenue management, including all processes: sales, invoicing, recording, and reporting of revenues from concentrate. In addition, an internal regulation defining clear responsibilities and procedures for revenue management must be prepared and submitted to the Supervisory Board for approval.** **2. Management must verify and correct accounting records and ensure that all collected amounts are properly recorded in the accounting system, guaranteeing that the financial statements fully and accurately reflect revenues from concentrate sales.** **3. Management must strengthen internal controls and ensure segregation of duties in all procurement phases by establishing separate committees for drafting Terms of Reference (ToR) and for evaluating bids. Contract managers who did not participate in the evaluation committees must also be appointed, in accordance with legal requirements and Public Procurement Regulatory Commission (PPRC) guidelines.** **4. Management must ensure that, during the drafting of Terms of Reference and sales documentation, qualification criteria are clear, reasonable, and applicable to all economic operators, including foreign operators. The bid evaluation process must be strengthened to ensure that contracts are awarded only to operators who fully meet the defined criteria and provide valid or equivalent evidence, in line with procurement regulations and best practices.**	**According to the Plan**

		5. Management must plan and implement the timely initiation of concentrate sales procedures to ensure contract continuity and favorable commercial conditions. In addition, a detailed financial and legal analysis must be conducted prior to contract signing to ensure that contractual terms, including processing costs and penalties, are in the best interest of the enterprise and aligned with good management practices. **6. Management must strengthen control mechanisms and ensure realistic planning of concentrate sales and proper alignment with production and revenue realization. It must also ensure that all conditions arising from concentrate sales contracts are fully met.** **7. Management must ensure that all revenues from property sales and expropriations are recorded in a timely and accurate manner in the relevant accounting accounts and sales ledgers. In addition, it is recommended to prepare and maintain a complete and updated list of all properties sold, those in the process of sale, and those planned for sale, as well as to establish adequate internal controls for monitoring and managing the enterprise's assets.**	
6	**Regularity Report on Expenditures** **Payroll Expenses – May**	**The Finance and Human Resources Department should develop an action plan for situations when financial funds from the Ministry of Economy are delayed, in order to ensure equal and timely payments to all employees.** **The management of Trepça J.S.C. should define decision-making procedures for cases requiring partial salary payments, based on clear, transparent, and documented criteria, in order to avoid any ambiguity or unequal treatment.** **The management of Trepça J.S.C. should strengthen internal control mechanisms and improve reporting to the Ministry of Economy, in order to ensure better coordination for the planning and transfer of subsidies.**	**At the Request**
7	**Regularity Report on Expenditures** **Electricity Payments to KEK – October**	**1. Based on the evidence collected and the documentation reviewed by the Audit Unit, the management of the enterprise should:** **• Strengthen internal controls over electricity consumption;** **• Establish a Meter Verification Committee, which will document the initial and final reading status for each Trepça unit. This process must be implemented before each billing cycle and accompanied by official minutes;** **• Develop a comprehensive risk management plan for subsidies and expenditures, identifying key risks such as: incomplete documentation risk, informal approval risk, unverified consumption risk, and calculation errors risk;**	**At the Request**

		✓ • Prior to executing electricity payments, conduct a detailed verification of the documentation submitted by the supplier, including: invoices, measurement reports, contracts, and the invoiced period.	
8	Regularity Report on Expenditures Payments from Subsidies – January 2024 to April 2025	1. The management of Trepça J.S.C. must urgently prepare and submit for approval to the Supervisory Board of Trepça J.S.C. a Standard Operating Policy/Procedure that includes: budget planning, verification and approval of expenditures, and execution of payments. 2. To ensure accuracy and consistency in financial reporting, the Human Resources Department and the Finance Department must calculate salaries, allowances, and deductions within the same monthly period. 3. The enterprise must refrain from conducting internal transactions without clear financial and functional justification. Furthermore, it is recommended to develop financial management practices that minimize unnecessary costs and ensure efficient use of subsidized funds. 4. It is recommended that Trepça J.S.C. ensure full compliance with the conditions of subsidy agreements and strengthen internal control over the payment process.	At the Request
9	Regularity Report on Expenditures Electricity Payments to KEK – April	The Finance and Treasury Department must urgently prepare and submit for approval to the Supervisory Board of Trepça J.S.A. a Standard Operating Procedure for Accounts Payable.	At the Request

Internal Audit Data for 2025 on High Risks:

Departments	Findings	Recommendations	Fraud	Possibility of fraud	Impact	High risk

Finance Department	**23**	**23**	**X**	**☐ Likely (Probable)** **☐ Likely** **☐ Moderate** **☒ Unlikely** **☐ Rare**	**☐ Severe / Critical** **☐ Major** **☒ Moderate** **☐ Minor** **☐ Negligible**	**Operational / Fiscal / Legal**
Sales Office	**8**	**8**	**X**	**☐ Highly likely** **☐ Likely** **☐ Moderate** **☒ Unlikely** **☐ Rare**	**☐ Severe / Critical** **☐ Major** **☒ Moderate** **☐ Minor** **☐ Negligible**	**Operational / Fiscal / Legal**
Business Operational Units	**5**	**5**	**X**	**☐ Highly likely** **☐ Likely** **☐ Moderate** **☒ Unlikely** **☐ Rare**	**☐ Severe / Critical** **☐ Major** **☒ Moderate** **☐ Minor** **☐ Negligible**	**Operational**

Conclusion:

The Risk Assessment Report for the year 2025 highlights only high-risk areas, including potential fraud, financial and fiscal impacts, as well as operational exposures that are of major importance to the enterprise. The document ensures transparency and accountability by providing a clear overview of the main identified risks.

Chairman of the Board of Trepça J.S.C.
01.04.2026

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KRU."GJAKOVA" SHA. Gjakovë
Marrë në datën: 26.02.2026
Njësia org. | Numri | Shtojca | Vlera
1338

Kompania Rajonale e Ujësjellësit
Regional Water Supply Company
Regionalna vodovodna kompanija

REPUBLIKA E KOSOVES / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
QEVERIA - VLADA - GOVERMENT
MINISTRIA E EKONOMISE
MINISTARSTVO EKONOMIJE
MINISTRY OF ECONOMY
Njesia Org. 013 Nr. Prot. 547
Org. Jedin Br. Prot.
Org Unit Prot.No.
Nr. i faqeve Data:
Broj stranica Datum: 01/04/26
No. pages 1 Date:
PRISHTINE A NO.1

Risk Management Report for 2025

The mission of KRU "Gjakova" JSC is to provide uninterrupted water supply and wastewater services that meet WHO standards, maintain public safety, demonstrate responsibility in our social and environmental commitments, act fairly and courteously towards the communities we serve by providing services to their satisfaction at affordable costs. Our services to citizens will be a regional reference point in the provision of water and wastewater treatment services, meeting the highest international standards in quality, service levels and customer satisfaction.

The Regional Water Supply Company "Gjakova" JSC, in its Annual Business Plan, has defined its Mission, Vision and Strategic Objectives, which constitute the basis for the functioning and development of its activity. In accordance with these definitions, the company is committed to providing sustainable, quality and safe services to customers, guaranteeing the continuous supply of drinking water, as well as the efficient management of sewage services, in accordance with the legislation in force and relevant standards.

Given the importance of fulfilling these obligations, as well as the existence of various factors that may pose obstacles or risks during the exercise of the activity, the Regional Water Supply Company "Gjakova" JSC has undertaken planned measures and actions in order to identify, prevent and minimize potential risks. These measures aim to ensure the normal and sustainable functioning of the water supply and sewage systems, the protection of health and safety at work for all employees, as well as the continuous increase in the quality and reliability of the services provided.

By appreciating the importance of early identification of risks and undertaking timely preventive measures, the company has integrated the process of identification, assessment and management of risks in all phases of the development of its activity, with the aim of fulfilling strategic objectives, improving operational performance and ensuring continuous compliance with legal requirements arising from the Law.

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on Public Enterprises, Law No. 06/L-021 on Internal Control of Public Finances and Regulation MF No. 01/2019 on Financial Management and Control. Its purpose is to provide a structured overview of the risks that may affect the achievement of the strategic, operational and financial objectives of the enterprise, as well as the measures taken to manage them.

In the Regional Water Supply Company "Gjakova" JSC, it is important to note that during 2025 no elements or cases related to the risk of fraud and corruption were identified. During this reporting period, all internal processes of the company were developed in full compliance with the legislation in force, by-laws and internal regulations. Also, the internal control and supervision mechanisms have functioned effectively and continuously, contributing to the prevention, detection and timely addressing of any possible form of misuse or irregularity. These mechanisms have enabled the preservation of institutional integrity and transparency in the exercise of the company's activities.

The following table describes all identified risks, as well as the plan for their management:

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Technical Department - *Risk Management in the Service Area*

The Technical Department has planned possible risks that could cause problems with water supply in the service area and possible scenarios for measures that need to be taken to remediate or alleviate these measures to ensure a stable situation on the ground, such as supply, maintenance, security at key points and others.

Hazard List 2025 – Technical Department	
1	Water supply risk management
2	Drought risk management
3	Loss management, technical
4	Risk management in the transmission /distribution system
5	Managing sewer overflows

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No.	Hazard List 2025	poTenTial	iMPACT	Description of actions taken / Reason for non-implementation	Testimonies SUPPORT (reference documents)	Implementation action plan further (if applies)
1	Management of risk for water supply	ÿ According to all probably ÿ Possible ÿ Average ÿ Hardly ÿ Rarely	ÿ Serious / Fatal ÿ Major ÿ Average ÿ Small ÿ Negligible	Identification of new resources in the service area. At least 5-7 workers should be trained to be able to manage emergency water supply situations. Description of how to obtain water from alternative sources if the need arises. Description of notification methods for the Water Safety Plan - KRU Gjakova 26.12.2025.pdf consumers about emergency situations and for advising them on actions to take in these situations.	*Water Safety Plan water (PMA)*	*N/A*
2	Management of risk from droughts	ÿ According to all probably ÿ Possible ÿ Average ÿ Hardly	ÿ Serious / Fatal ÿ Major ÿ Average ÿ Small ÿ Negligible	Preliminary assessment of drought risk and drought vulnerability. Determining the amount of water available for use, during normal operation as well as during periods of increased drought intensity;	*The plan Management of aridity* Drought Management Plan for KRU-GJAKOVA 2022.pdf	N/A

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No.	Hazard List 2025	poTenTial	iMPACT	Description of actions taken / Reason for non-implementation	Testimonies SUPPORT (reference documents)	Implementation action plan further (if applies)
		ÿ Rarely		Continuous monitoring of rainfall and water levels in order to determine whether hydrological drought is expected; Taking rapid action to preserve water resources based on predetermined indicators in the event that the drought phase is reached, respecting the stages according to the PME. Identifying the chain of command that includes responsible personnel and defining their responsibilities in emergency situations is of key importance for managing emergency situations.		
3	Management of losses, TECHNICAL	ÿ According to all probably ÿ Possible ÿ Average ÿ Hardly ÿ Rarely	ÿ Serious / Fatal ÿ Major ÿ Average ÿ Small ÿ Negligible	The rate of water loss is an indicator in correlation with other indicators such as financial efficiency and operational efficiency. This is due to the fact that water losses have a natural tendency to increase if adequate measures are not taken. Water Loss Reduction Plan for 2025.pdf stopping/reducing them: leaks from pipes are constantly increasing, the number of water meters that do not measure accurately is increasing, consumer data is becoming outdated, etc.		N/A

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No.	Hazard List 2025	poTenTial	iMPACT	Description of actions taken / Reason for non-implementation	Testimonies SUPPORT (reference documents)	Implementation action plan further (if applies)
				KRUGJ aims to reduce water losses. In 2025, losses are reduced by 49%. Reducing losses also depends on how much will be financed in replacing asbestos pipes that have been in place for over 40 years, and by taking measures such as: 1. Establish an effective system for the rapid identification and repair of visible (surface) leaks; 2. Systematic investigation, detection and repair of invisible (underground) leaks; 3. Rehabilitation (replacement) of outdated water supply infrastructure (household connections and network); 4. Creation of designated areas (DMAs) for effective management of UPF;		

No.	Hazard List 2025	poTenTial	iMPACT	Description of actions taken / Reason for non-implementation	Testimonies SUPPORT (reference documents)	Implementation action plan further (if applies)
4	Management of the risk in the system of transmission /distribution/	ÿ According to all probably ÿ Possible ÿ Average ÿ Hardly ÿ Rarely	ÿ Serious / Fatal ÿ Major ÿ Average ÿ Small ÿ Negligible	The destruction of the main reservoirs in Qerim is one of the important scenarios for the area covered by the Gjakova RWC, and has medium-term consequences, where over 70% of the population is at risk of not being supplied with drinking water, and its restoration will take up to 30 days. Actions that KRU "Gjakova" JSC will take to remedy the situation: In the event of the destruction of the Qerimi reservoirs alternative supply is easier at the Gjakova RWC. This is thanks to the technical solution that has been in place since the construction of these reservoirs. ÿ In case of destruction of the reservoirs, there is a solution of direct supply (without water entering the reservoir) with a bay-pas connection with ÿ 1100, where this will supply all consumers behind the reservoirs, which are over 70%. ÿ This is achieved only by opening a valve in the Ø1100mm main pipe, located at the entrance to the tanks.	*The plan Management of emergency* PDF Management Plan of Emergencies 26.12.2025.pdf	N/A

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No.	Hazard List 2025	poTenTial	iMPACT	Description of actions taken / Reason for non-implementation	Testimonies SUPPORT (reference documents)	Implementation action plan further (if applies)
				ÿ After opening this valve, the water does not enter the tank but continues straight through the same pipe to the consumers. ÿ We call it direct supply from the Filtration Station. ÿ The company must always have spare parts to repair problems that arise in the system,		
5	Management of floods in SANITATION	ÿ According to all probably ÿ Possible ÿ Average ÿ Hardly ÿ Rarely	ÿ Serious / Fatal ÿ Major ÿ Average ÿ Small ÿ Negligible	The company should consider providing professional staff for crisis management in this sector, as we currently have staff that is not well prepared for these situations. They need to be trained and develop skills for manage such situations, The company should always have spare parts to repair problems that arise in the system, In case of need and escalation of the situation, other personnel who manage the maintenance of the water supply system should also be involved. Assistance is also requested from the fire department in the respective municipalities.	Manual of Operation and Maintenance to SEWAGE Sewerage Operation and Maintenance Manual 10.2018.pdf	N/A

Risk List 2025 – Administration
Judicial disputes
cupational Safety Management of Workers and Facilities
nployee Risk/Lawsuit Management
sk Management – Administration and Organizational Structure Planning

Description of actions taken / Reason for non-implementation	Testimonies SUPPORT (reference documents)	Implementation action plan further (if applies)
Preliminary risk assessment for cases represented in civil proceedings (compensation for damage , CrEdiT , labor disputes) , how much risk is there to be decided by Judicial authorities and Prosecutors to the detriment of the Company;		

O	
III	

	Hazard List 2025	poTenTial	iMPACT
	Judicial disputes;	ÿ According to all probably ÿ Possible ÿ Average ÿ Hardly ÿ Rarely	ÿ Serious / Fatal ÿ Major ÿ Average ÿ Small ÿ Negligible

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No.	Hazard List 2025	poTenTial	iMPACT	Description of actions taken / Reason for non-implementation	Testimonies SUPPORT (reference documents)	Implementation action plan further (if applies)
2	*MANAGEMENT Security workers and FACILITIES*	ÿ According to all probably ÿ Possible ÿ Average ÿ Hardly ÿ Rarely	ÿ Serious / Fatal ÿ Major ÿ Average ÿ Small ÿ Negligible	Securing the Company's facilities and surrounding areas, whether BY KRU "Gjakova" or from private insurance companies; Health insurance of employees from private insurance companies; insurance of company vehicles to prevent their breakage, damage, theft, etc.;	N/A	N/A
3	Management I risk /Sue from workers' side	ÿ According to all probably ÿ Possible ÿ Average ÿ Hardly ÿ Rarely	ÿ Serious / Fatal ÿ Major ÿ Average ÿ Small ÿ Negligible	Actions will be in accordance with the legislation in power, so as not to result in loss of labor disputes or incorrect certification of the factual situation	N/A	N/A
4	Management of risk level – Administration	ÿ According to all probably	ÿ Serious / Fatal ÿ Major	• Actions should be cautious when it comes to completely changing the organizational structure.	N/A	N/A

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No.	Hazard List 2025	poTenTial	iMPACT	Description of actions taken / Reason for non-implementation	Testimonies SUPPORT (reference documents)	Implementation action plan further (if applies)
	and Planning Structure orGAnizAtionAl	ÿ Possible ÿ Average ÿ Hardly ÿ Rarely	ÿ Average ÿ Small ÿ Negligible	• The roles and responsibilities of the HR manager in a company are to build an effective organizational structure (for approval from the Board and Director Company executive). • HR roles and responsibilities help lay the foundation of the company. They participate in creating the various pillars in an organization that are responsible for its development.		

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Commercial Department - *Risk Management in the Service Area*

The Commercial Department has planned possible risks that could cause problems in the collection of obligations and the accurate billing of service consumption by Kru Gjakova sh.a. throughout the service area and possible scenarios for measures to be taken to facilitate these measures to ensure a stable situation in the field, both in supply, billing and collection.

Risk List 2025 – Commercial Department	
1	Inaccuracy in measurements from old water meters
2	The risk of not receiving invoices
3	Commercial losses from illegal connections
4	Risk from legal and tariff changes
5	Customer data security
6	Lack of trained staff

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No.	Hazard List 2025	poTenTial	iMPACT	Description of actions taken / Reason for non-implementation	Testimonies SUPPORT (reference documents)	Implementation action plan further (if applies)
1	Measurement inaccuracy from the water meters old	ÿ According to all probably ÿ Possible ÿ Average ÿ Hardly ÿ Rarely	ÿ Serious / Fatal ÿ Major ÿ Average ÿ Small ÿ Negligible	Identification of water meters that have been in use for more than 5 years, there is a 99.99% chance that these water meters will no longer be accurate in their measurements. As a result, we have a very high cost of unbilled water losses.		*N/A*
2	The risk of non-receipt of INVOICES	ÿ According to all probably ÿ Possible ÿ Average ÿ Hardly ÿ Rarely	ÿ Serious / Fatal ÿ Major ÿ Average ÿ Small	Failure to collect invoices from customers with economic difficulties leads to the risk that the company's liquidity will drop significantly. When the company is not liquid, it cannot function at full capacity ÿ Negligible mine.		N/A

(reference)

risk from
al changes

No.	Hazard List 2025	poTenTial	iMPACT	Description of actions taken / Reason for non-implementation	Testimonies SUPPORT (reference documents)	Implementation action plan further (if applies)
5	The safety of data of CLIENT	ÿ According to all probably ÿ Possible ÿ Average ÿ Hardly ÿ Rarely	ÿ Serious / Fatal ÿ Major ÿ Average ÿ Small ÿ Negligible	The sending of bills is done through readers, but homes do not have mailboxes, and when they do, the distribution of data is easily accessible.		
6	Lack of staff trained	ÿ According to all probably ÿ Possible ÿ Average ÿ Hardly ÿ Rarely	ÿ Serious / Fatal ÿ Major ÿ Average ÿ Small	The commercial department has several types of professions, ranging from managerial to professional. The lack of "Practice" type training is very those necessary for the department, starting from reading water meters, identifying their size, changing water meters, using ÿ Negligible programs, filling out of minutes, management methods, and staff motivation.		

(1) Compliance with financial laws
(2) Reliable financial statements and management reports
(3) Safeguarding the Company's assets

ÿ According to all probably ÿ Possible ÿ Average ÿ Hardly ÿ Rarely	ÿ Serious / Fatal ÿ Major ÿ Average ÿ Small ÿ Negligible	These cases may be possible if the deadlines for contracts with ME are exceeded. and the Municipal Council, while the RWC acts as the Contracting Authority with the Economic Operators. Procurement procedures are often prolonged due to complaints from EOs, which lead to changes in the dynamic work plan and the end of legal contract deadlines. ME and KK have the calendar year as their fiscal year, and in these cases the procedures are prolonged and often the obligations towards EO remain as a burden on the CA in this case KRU GJAKOVA SHA, which is what reduces the company's liquidity.
ÿ According to all probably ÿ Possible ÿ Average	ÿ Serious / Fatal ÿ Major ÿ Average	The chances of this happening are slim as we as a department are constantly in touch with the tax authorities and financial supervisors.

1. Profitability and Liquidity – Contracts with Joint Investors KOMUNA and ME, Contract implementation deadlines.

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2. Compliance
with the laws
FINANCIAL

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	ÿ Hardly ÿ Rarely	ÿ Small ÿ Negligible			
3. Mirrors financial and reports MANAGERIAL reliable	ÿ According to all probably ÿ Possible ÿ Average ÿ Hardly ÿ Rarely	ÿ Serious / Fatal ÿ Major ÿ Average ÿ Small ÿ Negligible	The financial statements and management reports are reliable and accurate as they are prepared by our department and there are continuous controls by both the internal and external auditors.	N/A	N/A

Measures taken

As part of risk management measures, we have prepared the Draft Regulation on Risk Management and the same will be addressed at the February meeting

No.		Supporting evidence (document references)
1	Draft Regulation on Risk Management	*It is expected to be approved at the Board meeting in February 2026*

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AUDIT REPORT 2025

1. Introduction

This annual report presents the activities of the Internal Audit Unit carried out during 2025, the main findings and recommendations given, as well as their level of implementation. Through these activities, the Internal Audit Unit has contributed to strengthening internal control systems, risk management and governance, contributing to the improvement of transparency, accountability and efficiency of the operation of the Enterprise, as well as supporting the achievement of the objectives set out in the Business Plan.

2. Recommendations and their monitoring

During 2025, the activities of the Internal Audit Unit were carried out in accordance with the Annual Audit Plan for 2025, as well as based on additional requirements from management and co-financing institutions of capital projects.

- Number of audits planned according to the Annual Audit Plan: **7 audits**
- Additional audits conducted at the request of the EC: **3 audits,** of which **one audit is in progress** due to amendments to the required by the CA
- Total number of audits conducted: **9 audits (6 according to the annual plan – audit no. 7 was not finalized during 2025 due to audits upon request and other additional engagements + 3 upon request of the EC)**
- Audit reports on regularity during the implementation of capital projects co-financed by the Ministry of Economy, Municipality of Rahovec, Prizren Municipalities and Kosovo Police: 13 reports
- Total number of recommendations given: **35 recommendations**
- Percentage of recommendations implemented: 22.86%, based on data up to **January 2026**

ions in the process of implementation: **77.14%,** according to data up to January 2026. The final assessment of implementation will be carried out during dits and in accordance with the Annual Plan

ommendations: improving management processes and increasing transparency, increasing accountability and institutional credibility, ncreasing efficiency in the implementation of internal policies and procedures.

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ave contributed to identifying areas for improvement and providing recommendations for strengthening internal control, effective resource management and improving

udits Performed

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s were carried out according to the Annual Audit Plan and 3 audits at the request of the EC, and 13 additional regularity reports were prepared.

tation of capital projects co-financed by the Ministry of Economy, the Municipality of Rahovec, the Municipalities of Prizren and the Police

	RECOMMENDATIONS	
1. Lack of request for add **on regarding certificates and documents**	We recommend that competent officials seek additional clarifications about contracts and documents that they have brought with them rding to the LPP, Article 72, the Contracting Authority must invite Economic Operator to complete or clarify the cates or documents submitted in accordance with	Upon request

	Process for Management three procurement cases with the same activity and their comparison "Maintenance and		

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According to the Plan

Annual 2025

that responsible persons pay special attention to the term of the contract, to require that the term of the EO's lessor be at least as long as the term of the EO's contract with the company (as has been requested in other contract not be concluded before the publication of the contract notice) because otherwise, upon termination of the the EO is legally unable to continue it.

company due to the expiration of the contract with the tenant, despite the possibility of contract (as stated in the contract) with the same or different conditions, because this does not ensure us be satisfied with be assured with the new conditions offered by the lessor, therefore we as the CA, in order to be sure, must request from the EO that the validity of the EO's contract with the lessee be at least as long as the duration of our contract with the EO, otherwise we risk facing interruption of the company's activities, which causes us financial loss.

6. The decision of the PRB is not considered as a decision judged by RES JUDICATA.

We recommend to procurement offices that decisions issued by the PRB judged as RES JUDICATA be taken into consideration and be executed immediately, since the decisions taken with RES JUDICATA show that the matter has been dealt with previously and cannot be reopened for a new examination.

1. The situation on the ground differs from that in the billing system based on the tests carried out in cooperation with the Control Team

We recommend that responsible officials carry out water meter readings on a monthly basis, in accordance with paragraph 4 of Article 27 of Regulation No. 10/2019 on Minimum Standards of Water Services in Kosovo, as well as paragraph 3 of article 20 of Internal Regulation No. 05/2017 on Water Consumption Metering. This practice would enable a more accurate and realistic picture of water consumption by consumers who receive services from KRU "Gjakova" JSC. Regular billing of consumers should be based on the water meter, which will be achieved through: routine checks by water meter readers, strengthening of field inspection teams, implementation of planned and ad-hoc checks. Also,

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	Management System Billing Procedures

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		We recommend sealing water meters as an effective measure to reduce water losses and further improve the company's performance. **2. Lack of setting tariffs according to consumer category** We recommend that officials from the Billing Unit and the Control Unit continue with the identification and investigating cases where water consumption is registered as household, while the consumer is in reality carries out business activities. In cases where 22procedure procedure for changing the tariff from household to business, the deadline set for the implementation of this change must be awaited and then a verification check must be carried out on site. This check aims to ascertain whether a special connection has been made for the business activity, or whether the consumer has been carrying out a business while paying with the household tariff. In all cases, it must be verified in the system whether the correct tariff has been applied, in accordance with with real water use. **(High priority)** **3. Failure to use the device to photograph the watch at the moment the receipt is issued by the reader** We recommend that the responsible officials of the Billing Unit oblige water meter readers to immediately of reading the meter and issuing the bill, to also take a photo of the water meter status. This photo will serve as evidence of the accuracy and truthfulness of the reading of the current hourly bill. This action will to assist in: verifying billing based on actual consumption, avoiding lump-sum billing practices and ensuring that readings are carried out on a monthly basis, as required by applicable regulations. **4. Water meter replacements without photo evidence of the condition of the old water meter and the condition of the water meter new** We recommend that responsible officials, in addition to the form "Work Order for Water Meter Installation" during each replacement of water meters, in accordance with the requirements of Internal Regulation No. 05/2017 on Metering	

		of Water Consumption, this form must be accompanied by photographs proving the condition before and after the change, in order to increase the reliability and authenticity of the documentation. **5. There continue to be customers who are billed only at a fixed rate** It is recommended that both cashiers and readers be more careful when performing their duties. for identifying customers who are billed only at a fixed rate. Cashiers must check the card of the consumer at the time of payment and if they notice a lack of calculation of costs for services of water and sewage, to immediately notify the relevant superior. Also, readers, during the process of reading meters, have the opportunity to identify cases when the bill does not reflect the costs for real consumption, but only the fixed tariff. Identification and reporting of these cases by both parties will help in their full treatment and will contribute to a more transparent and fair billing system for all consumers.	
3.	**Management System Procurement Procedures**	**Failure to implement all activities foreseen in the Procurement Plan for 2024** We recommend that all officials from all requesting units, in order to eliminate the need for emergency procurements or exceptions and to increase value for money, in the planning phase, conduct a detailed analysis to identify all the needs of the enterprise for supplies, services or works that they plan to procure during the fiscal year, as well as to conduct research on the financial value in the market in order to fairly assess the budgeted amount that should be allocated to carry them out so that the amounts planned not to undergo changes during the development of the procurement process. Therefore, part of the Plan The final Procurement decisions will be the projects that will be given priority for implementation throughout the fiscal year, in order to have a higher percentage of implementation of the activities planned through this plan, and for any change in the financial value of contracts for supplies, services or works, as well as for any activities through procurement that are carried out and are not part of the Procurement Plan and Business Plan, in addition to submitting them to the CPA for approval, the Business Plan and Procurement Plan should also be reviewed, including such financial changes and the harmonization of these plans.	According to the Plan Annual 2025

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		2. The contracting authority has not requested clarification from the economic operator regarding the error in the description. of the price offered in the tender, as required by the Public Procurement Law No. 04/L-042, Article 59 We recommend that the responsible staff, in accordance with the Law on Public Procurement (No. 04/L-042), especially Articles 59.2, 59.3, 59.4 and 59.5, in cases where the errors are of an arithmetical nature and have no impact material, to be requested to obtain information through the "standard letter for clarification of the tender - incorrect calculation" additional information regarding the calculation of prices, in order to ensure a fair and transparent process. This will contribute to maintaining trust in the public procurement system and the efficient use of public funds. **3. Purchases with a minimum value exceeding €100 for the same type of supplies or services during the year, as well as the continuation of service agreements without conducting 24 procedures procurement** We recommend that the responsible officials of the demand units make a more detailed planning of the needs for goods and services that are required continuously or repeatedly over a certain period of time, and not accept multiple invoices from one economic operator, to reduce the amount of invoices individual in less than €100 for the purpose of making a payment, or by different economic operators for the receipt of the same supplies and services. Purchases from petty cash to be made for goods or services, where their total value with the same economic operator or different economic operators throughout the year does not exceed the amount of €100 for the same type of supply of goods or services. All goods or services for which the enterprise has a continuous need to purchase them must be part of the Procurement Plan, and for such cases a procurement procedure must be developed by respecting the requirements set out in the Law on Public Procurement so that its own funds and public funds are used are used efficiently and transparently. Also, any expenditure of money for receiving services according to cooperation agreements with economic operators where the total amount of payments made during the year for those economic operators exceeding the value of €100 during the year, to be part of the Procurement Plan and to be made	

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		selection of the economic operator through the procurement process, respecting all the requirements set out in the Law on Public Procurement.	
4.	**Half-year report -I- related to audits of internal work done and audit activities INTERNAL**	Of the fourteen recommendations issued during the first six months, there are three recommendations implemented, eleven recommendations that are in the process of implementation, and no recommendations outstanding. unimplemented based on the deadlines set in the action plans	According to the Plan Annual 2025
5.	**Management System Basic Resources (from own resources and forms other financing)**	**1. Failure to record invoices for basic assets financed by donations in real time** We recommend to the responsible officials that every invoice that is received and is part of the company's protocol book, be submitted for registration to the Asset Manager, so that the registration and value of the presentation of assets and liabilities for the value of the donated fixed assets is done every time in real time, so that the financial statements also provide an accurate presentation of assets and liabilities based on in the appropriate accounting treatments by responding to invoices and other supporting evidence that affect the the correct presentation of ongoing investments and the correct presentation of the deferred revenue liability from donations. **2. Underestimation of deferred revenues and revenues earned from donations due to several calculation errors, as well as the reduction of deferred revenues and the recognition of revenues earned from donations based on the annual depreciation value of fixed assets financed by donations according to depreciation rates for TAK purposes.** We recommend that the responsible officials make the appropriate corrections regarding the identified difference in depreciation expenses of fixed assets financed by the donation, as well as make the appropriate records. accounting for this difference. Given that the recording of annual depreciation expenses of assets	According to the Plan Annual 2025

		The assessment of basic assets financed by donations in the system and in the financial statements was made based on the asset register according to independent appraisers and the requirements of the standards, we recommend that the Asset Manager conduct a detailed assessment of all basic assets financed by donations throughout the entire period period, comparing and harmonizing such categories of fixed assets between the asset register according to independent valuers and the property registry for TAK purposes. Such analyses should be done with for the purpose of harmonization and accuracy of reported data, and for the purpose of accurate treatment of depreciation expenses for these assets which have a direct impact on the reduction of deferred income and the recognition of income earned from donations. We recommend that the calculation of the annual depreciation of fixed assets financed by donations made according to the standards, be the base amount for the reduction of the liability for deferred income and the recognition of income earned from donations, and not that according to the requirements of the Tax Administration of Kosovo. In the absence of the identification of all fixed assets financed by donations for the period until the revaluation, and in the absence of additional records for calculated their exact value, we recommend that the annual depreciation expenses of fixed assets for the period after the revaluation and the annual depreciation expenses relating to the period up to the revaluation and that are identifiable during data harmonization through the asset register according to standards and according to TAK to be deducted from the total annual depreciation expenses of fixed assets financed by donations for TAK purposes, and the remaining difference to be added to the amount of annual depreciation expenses for standards purposes until their value becomes zero. Such accounting treatment affects the presentation the accuracy of these items in the financial statements and their reliability. **3. Incorrect accounting treatment of servicing and adjusting heat pumps, servicing air conditioners (their refilling), as well as some positions when servicing pumps and rewinding motors**	

		We recommend responsible officials in order to have accurate records of assets and expenditures. presented in the financial statements, as well as to have accuracy and for reporting purposes to make the appropriate accounting recording, by recording in the expense category the servicing and adjustments of heat pumps, servicing (recharging) of air conditioners, as well as consumables related to in the case of servicing pumps and rewinding motors.	
6.	**Process for Management Tender Procedures "Supply by Boat" and "Supply with two "Truck"**	**1. Failure to fulfill the customs obligation by the economic operator in the case of supply by boat** In accordance with the audit findings and conclusions regarding the tender "Supply by Boat", it is recommended that the responsible persons undertake the following actions to address the violations and improve the effectiveness of contract implementation: To request the EO "LINDI FIX" SH.PK to immediately carry out customs clearance of the boat and submit the relevant documentation for customs duties within a specified deadline. determined, in accordance with the obligation provided for in Article 12 of the general conditions of the tender dossier and the signed contract. The procurement office should improve the verification process by requiring the official document proving the completion of customs clearance before receiving the goods, clearly defining and communicating the roles and responsibilities between the procurement office and the receiving committee, so that each party knows its duties and avoids institutional confusion where no one accepts responsibility. To ensure that such obligations are implemented in future contracts, it is recommended that the Legal Office be consulted in each case, or that the Legal Office appoint a legal officer to monitor them. fulfillment of these obligations in future contracts. This approach will ensure compliance with the law, will increase transparency and prevent potential violations in the future. **2. Failure to identify in a timely manner the instability of technical requirements in relation to market offers for the supply of two pickup trucks** In the future, we recommend that the requesting units conduct a preliminary market analysis with experts in the field before drafting the technical specifications, in order to ensure that the technical specifications are	Upon request of the EC

		accessible and non-restrictive, to enable a successful and legally sustainable procurement process and in full compliance with best public management practices.	
7.	**Management System** warehouses	**1. Discrepancy between the physical condition of stocks in the warehouse and their condition in the accounting records (material balance)** We recommend that the responsible officers of the Filtration Station, in cooperation with the responsible officers, of the Financial Department, to classify the laboratory equipment with which the warehouse is loaded in Filtration Station from stocks which are used as consumables. All laboratory equipment that has useful life of more than one year and intended to be used continuously, are treated as assets and are depreciated according to the depreciation rates determined by IAS and SKK, as well as the internal policies of the written, while all items that are in the warehouse and used on a daily or monthly basis, only such items should be a charged part of the warehouse and recognized as consumables after their use. Yes Therefore, we recommend that the necessary corrections be made and that part of the ITUN warehouse stock list be also the items that were physically found during the verification and counting of the stocks of this warehouse, as well as equipment that is in use and is still part of the stock list should be removed from the warehouse and transferred in the relevant asset category and apply the depreciation rates that belong to these categories. We also recommend that officials responsible for the stock situation in warehouses under their management to codify all items based on codes that are identifiable in the system, as well as All items in the warehouse are systematized to facilitate efficient stock control and storage. **2. Supply of electrical equipment recorded directly as a maintenance and repair expense without going through the process of identification through deposit** In order to have control over the status of each supply and the use of materials that respond to the different needs of the enterprise, we recommend that all purchases of supplies with material that	According to the Plan Annual 2025

		meet the criteria for stock, initially be registered as goods in the warehouse and after leaving the warehouse through the relevant documentation (the exit slip by attaching the request for withdrawal of material from the warehouse, approved and signed by the responsible officials) be recognized as expenses only at the moment of their use. **3. Incorrect accounting treatment for some items after leaving the warehouse** In order to have accurate records of assets and expenses presented in the financial statements, as and to have accuracy also for reporting purposes, we recommend the responsible officials of the Department Financial (material accounting officer and warehouse officer) that, in relation to the cases identified during this audit, the correct accounting categorization of these items after leaving the warehouse, based on their use and function, be made. Materials such as gaskets, seals and flax threads should be recorded as expendable materials, while parts related to water meters should be recorded as investments in the water meter category. **4. Shortcomings in the process related to the sale of material and the engagement of the workforce in the field for the performance of works and their accounting treatment** We recommend that the responsible officials involved in this process, at the moment the material leaves the warehouse, responding to consumer demand and the commitment of the enterprise's workforce, the amount of items withdrawn and presented on the sales slip shall be submitted for registration first in the material accounting in order to determine the final price of the items in the system and this price may be used as a basis for preparing the preliminary measure and preliminary account and for the purpose of fair accounting treatment in the event of the sale of these materials, then a copy of the departure slip and documentation after registration by the material accounting officer shall be taken by the officials of the Technical Department for the preparation of the preliminary measure and preliminary account for the work performed and the material spent, by assigning an equal percentage to all consumers above the purchase price and thus eliminating the company's damage through the exit of the material below the purchase price, as well as eliminating the setting of different prices for the same items	

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		to consumers. We also recommend to all consumers who carry out these works that all services provided are invoiced, including the engagement of the workforce. All three of these documents, signed by the responsible officials, should be sent to the Billing Unit, and in accordance with them, The invoice is prepared. This signed and recorded invoice should be forwarded to the Finance Department (officials responsible for financial accounting and material accounting), Technical Department and the customer. As well as, for work performed on customers whose debts are still uncollectible, to be undertaken the necessary actions for collecting funds by responding to the sales invoice.	
8.	**Management System** **Relationship Sector** **with Customers**	**1. Unrealizable of some objectives set in the Business Plan for the Relationship Sector with Customer** We recommend that the responsible officials of the Customer Relations Sector, in addition to the remarks in which the possibility of debt rescheduling is shallow, and they should also make continuous announcements about the possibility of rescheduling of debts in order to achieve the number of debt rescheduling agreements according to the thresholds set by the Business Plan and increase collection through the reduction of their accumulated debt to the enterprise. The provision of services should be carried out in accordance with legal requirements and data accuracy in order to improve the performance and quality of services and reduce customer complaints. We also recommend to fill the position of Customer File Manager, in cooperation with programmers, to create the possibility of uploading the relevant documents of each customer into the existing system and then begin the process of digitizing the file for more efficient access and increased data security of consumers. **2. Inconsistency of reported data and lack of signing of the service contract from all customers** We recommend that the accuracy of data integration in the system be continuously improved, to ensure consistency between reporting and the real number of service contracts signed. Also,	According to the Plan Annual 2025

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		We recommend that responsible officials make continuous efforts to achieve the signing of service contracts with all customers of KRU "Gjakova" JSC, which defines the rights and obligations of both parties involved in the contract, and which is the basic document for representations in judicial bodies. Based on experience to date, not all consumers are part of the visits the enterprise, therefore we recommend analyzing and identifying customers who do not have a signed service contract, and be given to field employees who cover those areas, in order to achieve signing of service contracts in full. **3. Failure to comply with deadlines for procedures for connecting consumers to water supply services** In order to eliminate unauthorized connections and customer complaints as a result of failure to respond within the legal deadlines to their connection requests, we recommend that responsible officials respect these deadlines from the moment of receiving the connection application and until the decision is made to approve or reject the connection, based on the requirements of Internal Regulation No. 02/2017 on Connection Procedures. Consumers in Water Services. We also recommend that programmers create the opportunity to upon receipt of the connection request, connection requests are recorded in the system on the date of receipt, then the closure should be made according to the date of the decision to approve or reject the connection, for the purpose of monitoring of delays and process improvement. **4. Inconsistency of reported data and repetition of technical complaints from the same customers** We recommend that the reporting of technical complaints be in line with the data generated by the system after the integration of all complaints into the system, and that the Technical Department be enabled to access the new advanced system (CRM), so that the closure of complaints is done by the responsible staff of this department after completion of field interventions, with the aim of increasing operational accountability and accuracy. Also, It is recommended that repeated cases of complaints be analyzed and monitored more closely, in order to	

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		to identify the causes and ensure a final solution to technical problems, reducing the number of complaints and improve customer satisfaction. **5. Failure to comply with legal deadlines for reviewing consumer complaints and receiving some decisions in an irregular manner** We recommend to the members of the consumer complaints committee that every complaint received be is reviewed within the deadline set by Internal Regulation No. 01/2017 on the Resolution of Complaints of Consumers, as well as any complaint to be reviewed fairly and the decision to be made fairly, without harming the consumer, or the company. Any debt adjustment to consumers should be made by accurately analyzing the supporting evidence, and decisions should not be made on consumer complaints without attaching control processes that assess the exact situation of consumers in the field. Also, for debt adjustments for overbilling, the situation should be compensated for the difference at the time of receipt debt adjustment decision. **6. Failure to meet documentary requirements for in-principle consents** We recommend that responsible officials, upon receipt of a request for issuing in-principle consents, to oblige the requesting party to attach a property certificate for each parcel that is part of the request, in order to accurately identify the owner and possible verification of existing connections; to oblige the requesting party to also pay for the orthophoto at the time of submitting the request in order to prevent delays or non-payment; to oblige the requesting party or the owners of the parcels for which in-principle consents have been requested and on those parcels there are existing connections, to fully fulfill their obligations towards the enterprise before a in-principle consent is issued; and we recommend that the control teams, for each parcel that is part of the request for issuing in-principle consents, after verification on the ground, specify in detail in the minutes the existence or non-existence of customers or prior connections.	

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		7. Inconsistency of reported data and deficiencies in the debt management process **CONSUMER** We recommend that the Officer Responsible for Debtors Management harmonize the reporting. monthly with the data generated by the system. Also, as long as there are no physical copies in the files of consumers of notices for non-payment of debt and disconnection decisions due to a number of Given their large number that is released on a monthly basis, we recommend that programmers make the correct connection between documents in the system, through the integration of data from the summary report with individual documents, so that every notice, disconnection decision or other document is individually verifiable. Based on the frequent court decisions taken in favor of consumers as a result of debt statute of limitations, we recommend that consumers who have not made payments during the last year and previous periods be continuously verified, and that procedures for managing debtors' debts be fully and timely implemented, in order to minimize the risk of non-payment, statute of limitations debts and financial losses for the enterprise, as well as contribute to increasing the collection rate for long-term periods. We also recommend continuing with the process of updating data to all consumers, in order to facilitate the follow-up of procedures for managing their debts debtors and the reduction of the possibilities of debt prescription as a result of their age.	
9.	**Strategic Plan for 2026 – 2028 and the Annual Plan for 2026**		According to the Plan Annual 2025
10.	**Process for Management Procurement Procedures for the Tender "Supply**	Drafting the Report on the Ad-hoc Audit of the Process for the Management of Procurement Procedures for the Tender "Supply of Valve Seals and Blockers" is in process due to additional – changes to requested by the Audit Committee	Upon request of the EC

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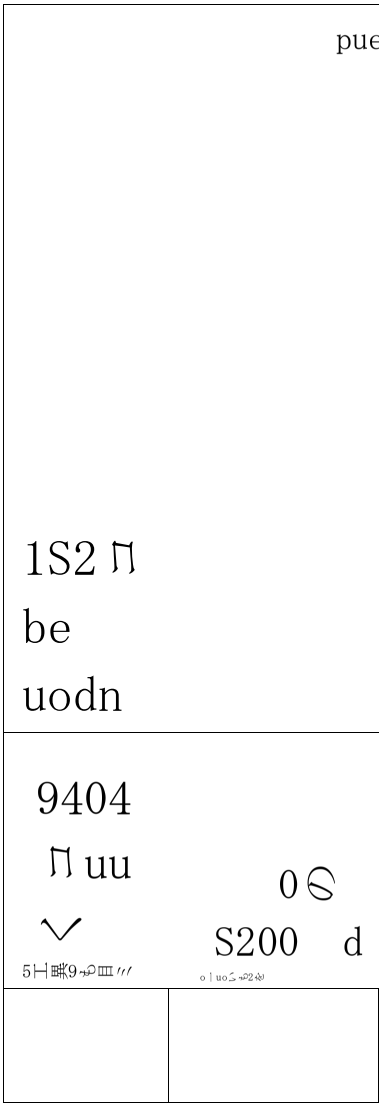
	with Seals and Blockers "Valves"		
11.	**Cash and Revenue Management System Bank**	**1. Difference between reported data and those generated by the system regarding revenues collected from water and other services** To ensure accuracy and consistency between accounting records and data generated by the billing system, as well as with the data reported for the collection of revenues through the cash register and the bank, we recommend that during the recording of revenues collected through the cash register and the bank, cash is also recorded in the financial accounting system in the relevant accounts according to the type of revenue, in order to that every collection is fully and accurately reflected in the accounting at all times, eliminating the need for manual calculations to determine the recorded values and in order to prevent discrepancy between reported data and financial records. **2. Discrepancy of the values of collected revenues between different reports generated by billing system** We recommend that the officials responsible for the billing system, in cooperation with the programmers involved, analyze and identify the causes of discrepancies between different reports generated by the billing system for the same types of payments and reporting periods, as well as harmonize these. reports with the aim of increasing the reliability, accuracy and transparency of reported data. **3. Overestimation of revenues collected from water and underestimation of revenues collected from submissions new** We recommend that the responsible officials of the Sales Department, in collaboration with the programmers engaged in the development of the new billing system, identify on a monthly basis the payments deducted from the invoices. monthly of all new customers, in order to divide the revenues collected from the submissions	According to the Plan Annual 2025

		new ones which were made through the monthly water bill and the revenues collected from water, taking into account that To receive services from KRU "Gjakova" Sh.A., you must first fulfill the obligation of registration as new consumer, then fulfilling obligations based on the expenses they make, and this data on a monthly to be submitted to the responsible officers of the Finance Department for correct accounting records and accurate presentation of water collections and other billing collections in accounting records and data reported. **4. Unidentified consumer payments made through banking institutions** We recommend that the responsible officials of the Sales Department continue to identify unidentified payments for the current period on a monthly basis, as well as to continuously and in detail monitor and analyze unidentified payments received in previous years to prevent their accumulation, so that each payment through the bank is identified and deducted in real time to reduce customer debts to the company. We also recommend that the Department Sales and Finance Department, in collaboration with programmers engaged in the development of the system financial institution, create a special option in the system that enables automatic identification of the total unidentified payments, **with the aim of eliminating monthly manual analysis of bank statements to identify their exact value, reconcile these payments between the two departments, and facilitate further actions to identify customers and deduct debts from the relevant cards.** **5. Failure to attach the cashier's order as supporting evidence for the delivery of daily purchases from the cashiers mobile of the Gjakova Operational Unit and the cash registers of the Rahovec Operational Unit** We recommend that all cashiers implement a standardized procedure, according to which a copy of the The cashier's order for each delivery of daily groceries should be attached to the relevant cashiers' files as evidence.	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		6. Drafting of two reports by the IAU for the Ministry of Economy for the financial support of the project "Installation of the Gjakova III water supply for the villages of Lugbunar, Osek Hilë and Skivjan of the Municipality of Gjakova".	
12.	**Half-year report -ll- regarding audits of internal work done and audit activities INTERNAL**	Of the twenty-one recommendations issued during the second semester, there are five implemented recommendations, sixteen recommendations that are in the process of implementation, and no recommendations outstanding. unimplemented based on the deadlines set in the action plans	According to the Plan Annual 2025
13.	**Annual Report regarding internal audits of carried out and the activities of internal audit**	Of the thirty-five recommendations issued throughout 2025, there are eight implemented recommendations, twenty-seven recommendations that are in the process of implementation, and there are no unimplemented recommendations based on the timelines set out in the action plans.	According to the Plan Annual 2025

In accordance with the request of the Public Enterprises Unit, in its capacity as Shareholder, and based on the provisions of Law No. 03/L-087 on Public Enterprises, the Code of Ethics and Corporate Governance, as well as legislation on public internal financial control, this report presents the assessment of high risks for the year 2025. External audit data for 2025 on high risks:

EXTERNAL AUDITOR'S REPORT								
Description of findings	discovery	RECOMMENDATIONS	deceit	The possibility of of fraud	The impact	High risk	Possibility of fraud	IMPACT
Trade accounts receivable	1	To have better control of claims, we recommend that the Company make proper accounting records and perform regular reconciliations with customers so that the value of trade receivables with is accurately presented at the reporting date We also recommend The company should conduct regular analyses of		ÿ In all likelihood ÿ Possible ÿ Average ÿ Hardly ÿ Rarely	ÿ Serious / Fatal ÿ Major ÿ Average ÿ Small ÿ I inconsiderable	Financial risk / financial reporting risk	ÿ In all likelihood ÿ Possible ÿ Average ÿ Hardly ÿ Rarely	ÿ Serious / Fatal ÿ Major ÿ Average ÿ Small ÿ I inconsiderable

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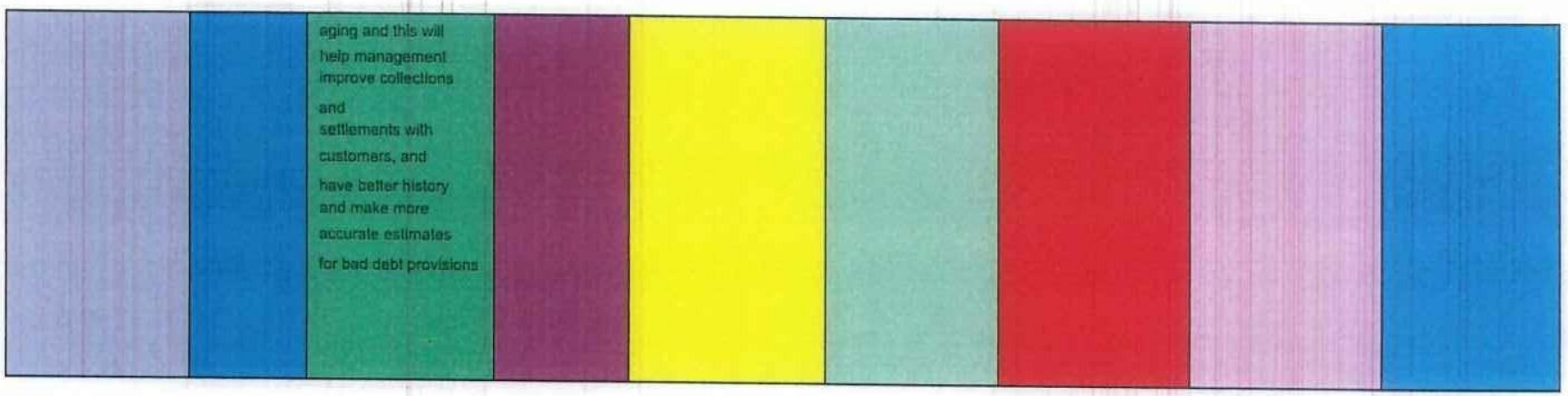

Internal audit data for 2025 on high risks:

INTERNAL AUDIT REPORTS								
Department Findings		RECOMMENDATIONS	Fraud Opportunity of Fraud		IMPACT	High risk	Possibility of fraud	IMPACT
The process for Management of three cases of procurement with activity of same and comparison of THEIR "Maintenance" and Servicing of all	1. Lack of request for additional clarification regarding certificates and documents 2. The requirements for Technical and Professional Capacity are not the same even though the procurement activity is the same 3. No invitation was sent to economic operators who had good performance.	1. Competent officials should request additional clarifications for the documentation according to LPP Article 72, to avoid delaying the processes. 2. Requirements development teams should focus on standardizing requirements for similar activities.	1. 2. 3. 4. 5. 6.	ÿ Possible ÿ Possible ÿ Possible ÿ Possible ÿ Possible ÿ Possible	ÿ Major ÿ Major ÿ Major ÿ Average ÿ Average ÿ Major	1 Procedural / legal 2 Financial procedure 3 Procedural / legal 4 Operational procedure 5 Operational finance 6 Legal / operational	ÿ In all likelihood ÿ Possible ÿ Average ÿ Hardly ÿ Rarely	ÿ Serious / Fatal ÿ Major ÿ Average ÿ Small ÿ inconsiderable

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vehicles" of the RWC "Gjakova" JSC	by us as the contracting authority, for contracts concluded with us for the same procurement activity 4. Initiation of the negotiated procedure for the two procurement cases 5. The date of termination of the contract for the lease of the facility by the EO is 4 days shorter than the deadline for the fulfillment of the contract (with the possibility of extension under the same or other conditions) 6. The decision of the PRB is not considered as a decision judged by RES JUDICATA.	to avoid inequality and abuse. 3. Officials should also invite operators who have been previous contractors with good references, as the PPL does not limit the number of bidders. 4. Emergency procedures should not be delayed, but should be acted upon immediately according to the LPP to avoid room for misuse. 5. The responsible persons should ensure that the term of the EO's contract with the tenant is at least as long as the term of the CA's contract with the EO. 6. PRB decisions judged as RES JUDICATA should be executed immediately and not reopened for review.						

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The system for Management of PROCEDURES Billing	1. The situation on the ground differs from that in the billing system based on tests conducted in collaboration with the Control Team with 2. Lack of of setting tariffs according to consumer category 3. Lack of use of of the device for photographing the clock at the moment of issuing the bill by the reader 4. Water meter replacements without photo evidence of the condition of the old water meter and the condition of the new water meter 5. There continue to be customers who are billed only at a fixed rate	1. of Conducting monthly readings, strengthening control teams, and sealing water meters to reduce losses. 2. Identification and verification of customers continues, tariff change from household to business, verification checks on terrain. 3. Readers should take a photo of the water meter at the moment of reading and and in issuing the bill to ensure verification and transparency. 4. The "Water Meter of ABOUT installation of Work Order" form should be accompanied by photographs before and after the replacement to increase the reliability of the documentation.	1. 2. 3. 4. 5.	ý Possible ý Possible ý Possible ý Possible ý Possible	ȳ Major ȳ Major ȳ Major ȳ Major ȳ Major	1 Financial / Operational 2. Legal / Financial 3 Financial / Operations 4 Financial / Operations 5 Financial / Operations	ȳ In all likelihood ý possible ȳ Average ȳ Hardly ý Rarely	ý Serious / Fatal ȳ Major ý Average ȳ Small ȳ inconsiderable

		5. Cashiers and readers to identify cases, check cards and report actual consumption to ensure a fair and transparent billing system.						
The system for Management of PROCEDURES Procurement	1. Unfeasibility of all activities foreseen by the Plan Procurement for the year 2024 2. authority contractor does not have requested clarification from economic operator for the error in price description offered in the tender, as required by Law I Public Procurement No. 04/L -042, article 59 3. Valuable purchases minimum exceed the amount of €100 for the same type of supplies or services during the year, as well as the continuation of agreements for undeveloped services procurement procedure	1. All officials should conduct a detailed analysis of the needs, financial value and priority of projects to include them in the Final Procurement Plan; any changes should also be reflected in the Business Plan. of 2. The responsible staff shall request written explanations for any arithmetical errors that do not affect the total bid, ensuring a fair and transparent procedure. to give 3. Detailed planning of	1. 2. 3.	ÿ Possible ÿ Possible ÿ Possible	ÿ Average ÿ Major ÿ Major	1 Financial / Operational 2 Legal / Financial 3 Financial / Operational	ÿ In all likelihood ÿ possible ÿ Average ÿ Hardly ÿ Rarely	ÿ Serious / Fatal ÿ Major ÿ Average ÿ Small ÿ inconsiderable

		recurring needs for goods and services; purchases from petty cash should not exceed €100 in total for the same type of supply; any expenditure over €100 should be included in the Procurement Plan and a procurement procedure should be developed according to the law.						
The system for Management of means fundamental (from the means own and other forms of financing)	1. Failure to record in real time invoices for basic assets financed by donations 2. Underestimation of deferred revenues and revenues earned from donations due to some calculation errors, as well as the reduction of deferred revenues and the recognition of revenues earned from donations based on the annual depreciation value of fixed assets financed by donations according to NORMS	1. Each invoice received is immediately submitted to the Asset Manager for recording, to ensure accurate presentation of assets and liabilities in the financial statements. 2. Make appropriate corrections to of depreciation expenses; harmonize records according to standards and TAK;	1. 2.	ÿ Possible ÿ Possible	ÿ Major ÿ Major	' Financial / Operational 2. Financial / Reporting	ÿ In all likelihood ÿ possible ÿ Average ÿ Hardly ÿ Rarely	ÿ Serious / Fatal ÿ Major ÿ Average ÿ Small ÿ inconsiderable

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	depreciation for TAK purposes	The depreciation of calculation is used according to the standards for recognizing income from donations.						
The process for Management of PROCEDURES for Tenders "Supply with "Bark" and "Supply with two "Truck"	1. Failure to fulfill the customs obligation by the economic operator in the case of supply by boat	1. To be requested by EO "LINDI FIX" LLC to complete customs clearance of the boat and submit the relevant documentation; The Procurement Office to improve the verification process by requesting the document official ABOUT completion of of customs clearance before receiving goods; clearly define roles and responsibilities between the procurement office, the receiving committee and the Legal Office for monitoring contracts. of	1.	ÿ In all likelihood	ÿ Serious / Fatal	1. Legal / Financial y Most likely	ÿ Possible ÿ Average ÿ Hardly ÿ Rarely	ÿ Serious / Fatal ÿ Major ÿ Average ÿ Small ÿ inconsiderable

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The system for Management of warehouses	2. Supply of electrical material recorded directly as maintenance and repair expenses without going through the process of recording through the warehouse 4. Deficiencies in the process related to the sale of material and the engagement of field workforce to carry out the works and their accounting treatment	2. All purchases of supplies of materials should be initially recorded as goods in the warehouse and recognized as expenses only after their issuance and use according to the relevant documentation. 4. We recommend that the of outputs for AND material and labor engagement be submitted first to material accounting for recording the final price and then to financial accounting; that full billing be made for all services and that uncollected debts be followed up for collection.	2. 4.	ÿ In all likelihood ÿ In all likelihood	ÿ Major ÿ Serious / Fatal	2 Financial / Operational Financial 4 OPERATIONAL	ÿ In all likelihood ÿ possible ÿ Average ÿ Hardly ÿ Rarely	ÿ Serious / Fatal ÿ Major ÿ Average ÿ Small ÿ inconsiderable
The system for Management of Sector of	1. Unrealizable of some objectives set in the Business Plan for the Sector of	1.Filling the position of of the File all Digitization and File Referent; of	1. 2. 4. 5.	ÿ In all likelihood ÿ Possible ÿ Possible	ÿ Major ÿ Major ÿ Average	1 Financial/operational 2 Legal / financial 4 Operational 5 Legal / financial	ÿ In all likelihood ÿ possible ÿ Average	ÿ Serious / Fatal ÿ Major ÿ Average ÿ Small

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Relationship with customers	Customer Relations 2. Data inconsistency and reported lack of signing of service contracts by all customers 4. Data inconsistencies and reported repetition of technical complaints from the same customers 5. Failure to comply with legal deadlines for reviewing consumer complaints and making some decisions irregularly 6. Failure to meet documentary requirements for in-principle consents 7. Data inconsistencies and reported deficiencies in the consumer debt management process	continuous notifications about the possibility of debt rescheduling 2. Improving the accuracy of data integration and ensuring the signing of contracts by all customers 4. Harmonization of reports with system data and access for the Technical Department in CRM; monitoring of repeated complaints 5. Reviewing complaints within deadlines and based on accurate evidence; settling consumer debts accurately 6. Ensuring complete documentation for each parcel, payment of orthophotos and verification of	6. 7.	ŷ In all likelihood ŷ Possible ŷ In all likelihood	ŷ Serious / Fatal ŷ Major ŷ Serious / Fatal	ŷ Financial / legal ŷ Hardly	ŷ Rarely	ŷ inconsiderable

Machine Translated by Google

		existing connections 7. Harmonization of monthly reports with system data; integration of notice and disconnection documents; monitoring of customers who have not paid						
The system for Management of of Revenue in Cash and in Bank	1. Difference between reported data and those generated by the system regarding revenues collected from water and other services 4. Unidentified consumer payments made through banking institutions	1. Recording of revenues collected through the cash register and bank in accounts the relevant accounts according to the type of revenue; eliminating manual calculations 4. Monitoring and identification on a monthly basis of unidentified payments; creation of a special option in the system for automatic identification	1. 4.	ÿ In all likelihood ÿ In all likelihood	ÿ Major ÿ Serious / Fatal	1.Financial Operational 4. Financial Operational	ÿ In all likelihood ÿ Possible ÿ Average ÿ Hardly ÿ Rarely	ÿ Serious / Fatal ÿ Major ÿ Average ÿ Small ÿ Inconsiderable

Conclusion:

The 2025 risk assessment report highlights only high-risk areas, including potential fraud, financial impacts and fiscal, as well as operational exposures that are of major importance to the enterprise. The document ensures transparency and acc a clear overview of the main risks identified.

Gjakova

09.02.2026

Chairman of the Board of Dire

Urim Gashi

KORPORATA ENERGJETIKE E KOSOVËS Sh.a.
KOSOVO ENERGY CORPORATION J.S.C.
ENERGETSKA KORPORACIJA KOSOVA D.D.

RISK REPORT
2025

MARCH 2026

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LIST OF ABBREVIATIONS*

ATK – Tax Administration of Kosovo
ALPEX – Albanian Power Exchange
ASK – Kosovo Agency of Statistics
BKK – Consolidated Budget of Kosovo
BQK – Central Bank of Kosovo
BQE – European Central Bank
De-NOx – Process for the Reduction of Nitrogen Oxides
EE – Electrical Energy
FMF – Supplier of Last Resort
FSHU – Universal Service Supplier
IPA – Instrument for Pre-Accession Assistance – European Union Funds
KEDS – Kosovo Electricity Distribution Company
KESCO – Kosovo Electricity Supply Company
KESH – Albanian Power Corporation
KfW – German Development Bank
LPP – Law on Public Procurement
SSP – Public Sector Entity
MF – Ministry of Finance
MMPH – Ministry of Environment and Spatial Planning
NPQ – Central Public Enterprise
OE – Economic Operator
OECD – Organisation for Economic Co-operation and Development
OSHP – Procurement Review Body
PVF – Finalized Action Plan
PVZH – Development Action Plan
WEF – World Economic Forum
ZRRE – Energy Regulatory Office

The abbreviations are listed in alphabetical order and those not related to the activities/organization of KEK are included.

ENTRY

Risk management is a requirement defined under the applicable legislation: Law No. 06/L-021 on Public Internal Financial Control, Ministry of Finance Regulation No. 01/2019 on Financial Management and Control, as well as KEK's internal Regulation on Risk Management. Through the applicable legal framework, risk assessment aims to ensure that stakeholders/affected parties

are not exposed to adverse impacts from the organization's activities, or, if they are affected by the organization's operations, that through a preventive approach, protection from unfavorable incidents is ensured, or their exposure to potential losses is reduced, and the risk of loss is mitigated and controlled should it occur.

The Energy Corporation of Kosovo J.S.C. (hereinafter referred to in this report as "KEK" or "the Corporation") faces various uncertainties in its activities in order to ensure the achievement of its objectives. For this purpose, in accordance with the applicable legislation, the head of the Public Sector Entity (PSE) or the Board of Directors is responsible for establishing the risk management system and implementing actions to mitigate risks so as to achieve the organization's objectives.

Interested parties should pay attention to these risk indicators identified from internal assessment sources, and based on this information and historical data, they may influence their opinion regarding KEK's future performance, as well as the efforts KEK is undertaking to maintain continuity in increasing shareholder value, taking into account the existence of risks that carry uncertainties and may affect the achievement of objectives.

The gradual decline in prices and the adaptation of businesses to uncertainties created a new state of economic equilibrium, accompanied by an increase in the overall price level even during Q4 2025, although at a lower level compared to the beginning of the energy crisis. According to data from the Central Bank of Kosovo (CBK) and the Kosovo Agency of Statistics (KAS), overall inflation stood at 5.3% in December 2025, and this inflationary increase began in September 2024, when it was 0.2%. This represents a negative trend for purchasing power and has an impact on citizens' welfare. In this regard, KEK has been mainly affected through the supply chain and in the execution of its long-term contracts.

It should also be noted that during 2025, KEK successfully managed the energy crisis in the country by supporting end consumers and not proposing another increase in electricity prices for 2025, despite the 16.1% electricity price increase approved by the Energy Regulatory Office (ERO) in Q2 2025. This was achieved despite the need to cover consumption through electricity imports, where demand for electricity was higher than domestic production, as well as occasional unplanned shutdowns of generating units and those during scheduled maintenance outages.

A continuous challenge for KEK remains the implementation of environmental activities and the safety of its equipment, as the investment plan foreseen under the medium-term budget has not been fully implemented. This has posed a challenge to maintaining production stability due to the aging of equipment in the generation units, as well as the continuous monitoring of gas emissions and their maintenance within permitted levels. Their management and maintenance at the required level can only be achieved through the implementation of capital investments planned for the current and subsequent years, thereby increasing equipment stability and ensuring that environmental pollution remains within the permitted standards.

BUSINESS CONTEX

KEK already implements a risk management process that relates to the legal requirement for continuous monitoring of the numerous uncertainties it faces. These have been discussed in most reports and become more evident and increasingly significant, particularly during periods of crisis such as market fluctuations, energy crises, etc. This risk management process began several years ago, or since the establishment of a risk management culture within the Corporation, and is regulated by the applicable legislation.

The risk management process in the quarterly report is also important for the potential inclusion of assessed avoidable risks in KEK's annual budget. In accordance with the applicable legislation, KEK as a whole is responsible for risk management; however, risk owners are the responsible persons within departments who are directly involved in day-to-day operations.

Corporate risks are defined as either internal or external, as they originate from sources within or outside the organization.

In the business context, we are dealing with a dynamic market undergoing continuous reshaping, taking into account energy crises, the COVID-19 pandemic, etc., which have contributed to a global slowdown in the energy transition process and have also affected the economy of Kosovo. The shortage of electricity in markets has also led to an increase in import prices, affecting planning and investment in long-term domestic energy sources, thereby emphasizing the need to accelerate the energy transition process.

The energy transition, among other things, is related to the production and consumption of energy from renewable sources, as well as the reduction of overall consumption levels through increased efficiency in the domestic energy market and the reduction of dependence on imports (Vasquez et al.).

KEK is a joint-stock company and a provider of public goods—the generation of electricity—regulated as a Public Enterprise, employing 3,991 workers in December 2025; 3,961 workers in September 2025; 3,550 workers in June 2025; and 3,617 workers in March 2025. The organization's objective is the stable supply of electricity. For this purpose, this policy aims to manage the factors that affect the achievement of this objective and business continuity.

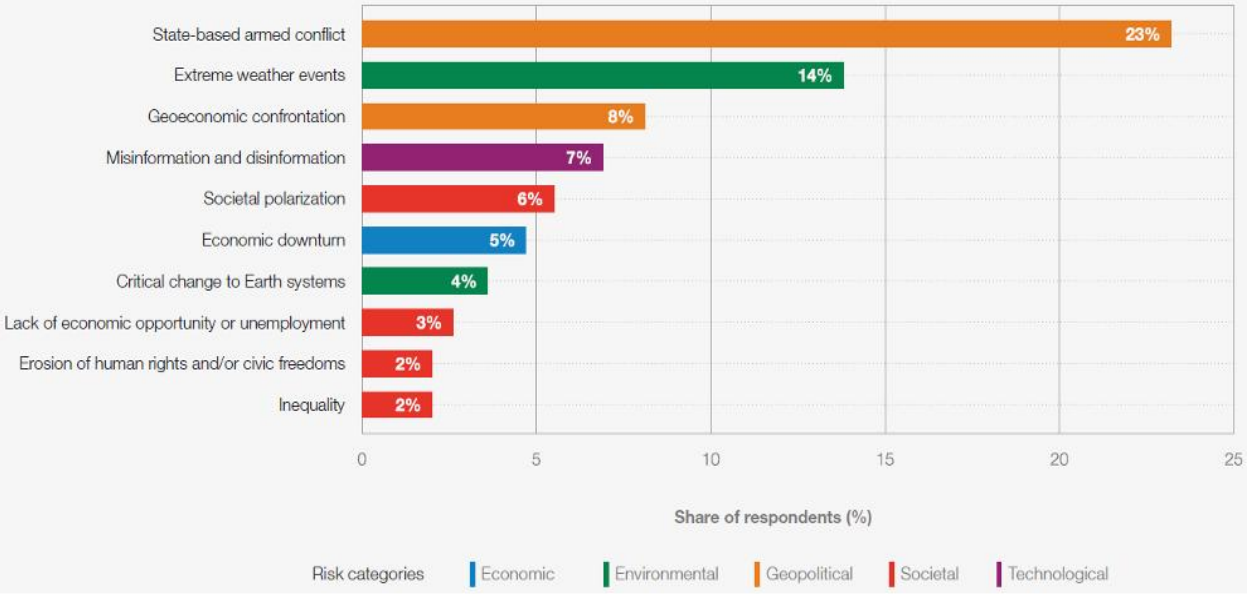
The Corporation's primary activities are coal production and electricity generation. To fulfill these two functions, KEK is organized into two core divisions: the Mining Division and the Generation Division. The Corporation operates lignite surface mining, specifically the Southwest Sibovc Mine, and two thermal power plants, TPP "Kosova A" and "Kosova B".

Below are presented the impacts in the business context in both external and internal aspects, namely external risks (first at the global level and then those affecting KEK) and internal risks, which may have an impact and pose challenges to achieving the Corporation's objectives.

EXTERNAL CONTEXT IN THE GLOBAL PERSPECTIVE

In the global context, risks are increasingly receiving greater attention and are assessed annually by the World Economic Forum, where the annual Global Risks Report is also presented. According to the survey conducted by this forum, the main identified risks (Top 10 ranking) for 2025, as presented in the WEF Global Risks Report 2025, also categorized by risk type, are shown in the figure below:

Figure 1: Global Risks for 2025



Source: WEF – Global Risks Report 2025

According to this World Economic Forum survey, the main external risks are ranked as follows:

1. State-based armed conflict
2. Climate change or extreme weather events
3. Geoeconomic confrontation
4. Misinformation and disinformation
5. Societal polarization

Other risks with a medium likelihood of occurrence, regardless of their impact, include cyber insecurity, debt crises, pollution, concentration of strategic resources and technologies, pandemics, etc. This provides an overview of the potential for external/global risks to affect and be reflected in small economies and their businesses. According to the same survey, it is also important to analyze how these global external risks are expected to evolve over the next two years, and over the next ten years.

Figure 2: Global Risks Ranked by Severity in the Short and Long Term

Source: WEF – Global Risks 2025

According to the figure above, misinformation, climate change, and state-based armed conflict are among the main risks in the short-term horizon of two years. However, in the long-term horizon of ten years, the four most significant risks belong to the environmental category. Thus, environmental risks dominate the 10-year outlook.

The external global risks presented above for 2025, their ranking, and the expected changes over the 2-year and 10-year periods should be given particular attention going forward.

EXTERNAL CONTEX AFFECTING KEK

The external context, or external risks affecting KEK, are presented below:

Interest Rates

KEK, through the Ministry of Finance – Consolidated Budget of Kosovo (CBK), has a single outstanding loan currently used for financing capital projects for the South-West Sibovc Mine. The borrowing of loans represents a significant support for the Corporation, both in improving operational and financial performance, as the loan structure and repayment terms are favorable, long-term, and affordable for KEK, with the sole purpose of rehabilitating mining equipment and expanding mining operations.

Changes in interest rates, as a result of adjustments in the European Central Bank (ECB) and Central Bank of Kosovo (CBK) rates, have affected the increase in KEK's costs for the repayment of existing loans with the Ministry of Finance. The loan interest rate of 2.50% has been in effect since October 2023 and remained unchanged throughout 2025. According to the latest notification from the Ministry, the current interest rate of 2.50% will continue further.

In June 2025, the ECB carried out its eighth consecutive reduction in key interest rates, lowering the deposit facility rate to 2.0%, the main refinancing rate to 2.15%, and the marginal lending rate to 2.4%.

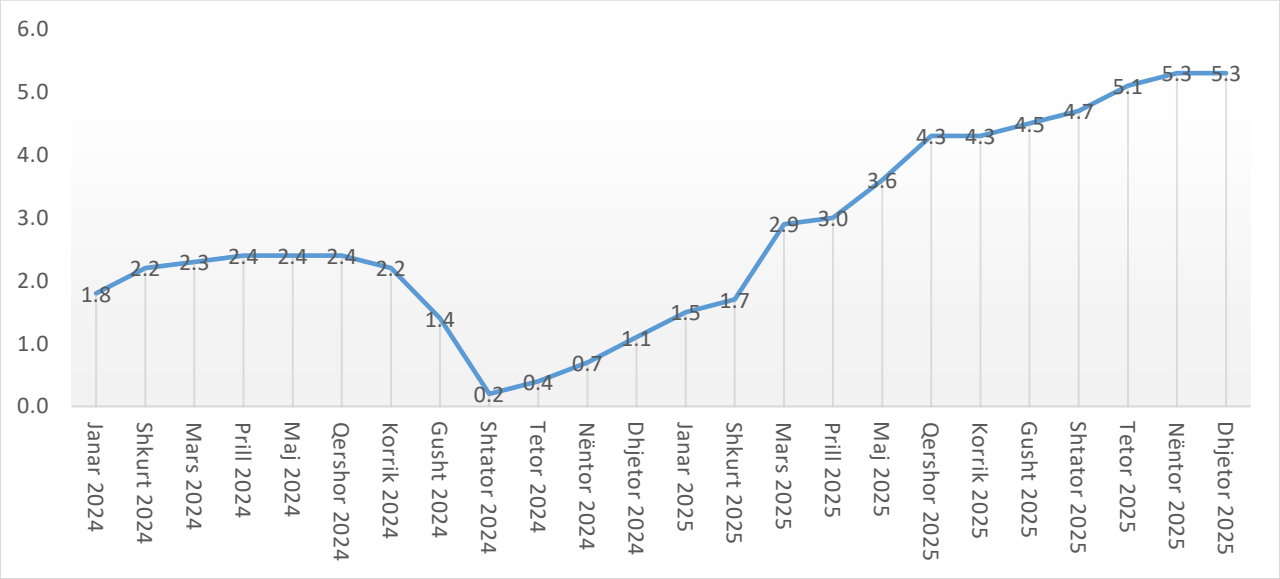
Inflation Rate

Inflation affects the costs of doing business at all levels of the supply chain. KEK is impacted by external supplies, including expenses directly related to the production process. According to the ECB report, inflation in the Eurozone showed a slight downward trend from 2.50% in January

2025 to 2.2% in September 2025 and 1.9% in December 2025. ECB projections in June 2025 also indicated a slowdown in inflation to 2.0% by the end of 2025 and 1.6% for 2026. Similarly, a slight downward trend in inflation is observed in OECD countries, from 3.2% in Q3 2025 to 3.1% in Q4 2025.

Inflation in Kosovo increased to 5.3% in December 2025. This rise began in September 2024, when inflation stood at 0.2%. Policies are increasingly aimed at containing inflation; however, their effectiveness is influenced mainly by external risks such as geopolitical and trade tensions and climatic conditions, which may affect inflation dynamics. The movements of the annual general inflation rate from 2024 are presented in the figure below.

Figure 3: Overall Inflation Rate in Kosovo (in percent)



Source: Inflation rate (%) from 2024 based on calculations by the Central Bank of Kosovo (CBK) and the Kosovo Agency of Statistics (KAS).

Armed Conflicts and Political Uncertainties

State-based armed conflict is currently considered the most significant global risk in the short-term horizon, according to the World Economic Forum's Global Risks Report 2025. This perception is driven by a combination of factors, including heightened geopolitical tensions, regional conflicts, and the potential for these conflicts to escalate and destabilize the global order.

International armed conflicts (over 110 worldwide), such as the war in Ukraine, tensions in the Middle East, or any emerging hotspots, affect the energy supply chain, leading to higher prices for imported goods (such as oils, spare parts for turbines and machinery, etc.), difficulties in implementing new projects (delays or cancellation of investments), increased production costs, shortages of suppliers or delays in the delivery of certain equipment, and disruptions in energy imports during crises. They also contribute to instability in the energy market and limit long-term planning capabilities, thereby representing both financial and strategic risks to a stable energy supply.

In summary, armed conflicts and political uncertainties create a challenging environment for electricity production, affecting infrastructure, investments, raw material supply, policies, and security. These factors collectively reduce a country's ability to produce and supply electricity in a stable and reliable manner. KEK, along with the entire energy sector, experiences the consequences of these global changes in its operations, including an increased level of uncertainty regarding potential future developments.

Climate Change

Climate change or extreme weather events (according to the WEF) remain a persistent concern from year to year. According to the WEF Global Risks Report 2025, climate change once again ranks second among the top global risks for the second consecutive year. The risk of climate change or extreme weather events is expected to become even more concerning than it is today, and it is projected to rank as the number one risk over the next ten years. The burden of climate change is becoming increasingly evident each year, as pollution from the continued use of fossil fuels such as coal leads to more frequent and severe extreme weather events.

These climate changes result in an increased frequency and intensity of extreme weather events (floods, droughts, extreme temperatures), which can directly affect KEK's operations and energy infrastructure in general. Rising temperatures, droughts, floods, or storms may reduce the efficiency of coal-fired power plants, disrupt supply chains, damage transmission and distribution networks, and lead to electricity outages and higher operating costs. Adapting to and mitigating these impacts requires sustainable policies and investment in new technologies.

Climate instability is one of the long-term factors that will influence the way all businesses operate, particularly in the energy sector. These impacts will be reflected through the

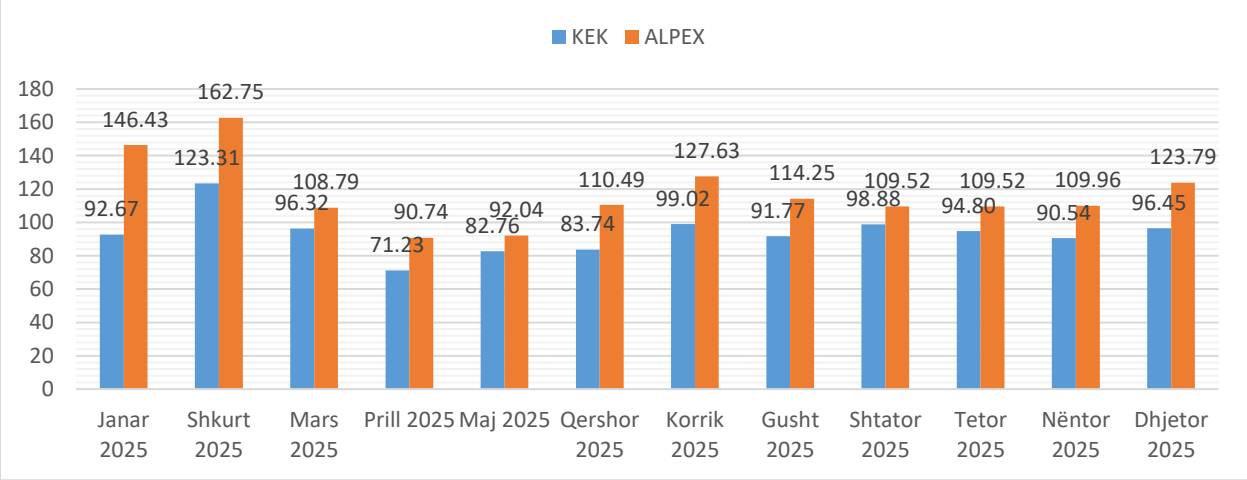
implementation of globally adopted net-zero emission policies. In this context, the enforcement of environmental regulations and carbon pricing is expected to increase operating costs for carbon-intensive enterprises, while electricity generation from coal is expected to be gradually phased out.

Risks from Market Price Movements on the Stock Exchange

Price movements in energy exchanges pose a range of risks for market participants, affecting both their financial and operational stability. Based on the decision of the Board of Directors, KEK's participation in the Albanian Power Exchange (ALPEX) for electricity trading has been approved. Membership in ALPEX increases KEK's opportunities and flexibility in electricity trading.

According to the figure below, during 2025, the average electricity trading price in ALPEX's Day-Ahead Market was higher than the average trading price achieved by KEK.

Figure 4: KEK and ALPEX Average Energy Trading Price (in €/MWh)



Source: ALPEX and KEK Department for Tariffs and Regulatory Affairs

Movements in prices on exchange markets for fuel supplies, oils, and chemicals are influenced by a range of factors that cause significant market fluctuations. Some of the key factors include economic factors (global supply and demand and economic conditions); geopolitical factors (international conflicts and tensions and economic sanctions); technological and environmental

factors (technological developments and natural events); as well as regulatory factors (environmental policies and tariffs/taxes).

To manage risks related to price fluctuations in these markets, companies often use strategies such as long-term contracts, diversification of supply sources, and the use of financial instruments to hedge against price volatility. Continuous market monitoring and adaptation to regulatory changes are also essential to ensure stability and sustainability in the respective sectors.

Regarding KEK's supply of fuel (diesel, fuel oil), as well as oils and chemicals used primarily in the production process, the Corporation has established annual and three-year framework contracts with external economic operators through procurement procedures, where pricing is based on agreed exchange markets as defined in the contracts. The table and figure below present data on the types of oils and chemicals from 2024 on a quarterly basis, showing price movements as a basis for comparison in determining the optimal timing for supply requests to maintain appropriate inventory levels.

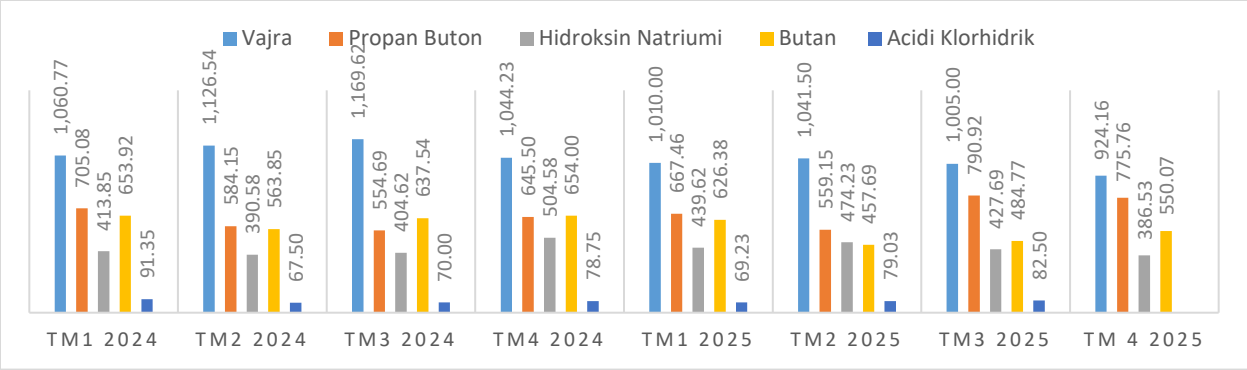
Compared to Q3 2025 prices, Q4 2025 shows an increase in the price of butane, while a decrease is observed for oils, propane-butane, and sodium hydroxide, as a result of the factors described above:

Table 1: Oil and Chemicals Exchange – 2024/2025

Tre-mujorët (Çmimi për ton në USD)	TM1 2024	TM2 2024	TM3 2024	TM4 2024	TM1 2025	TM2 2025	TM3 2025	TM 4 2025
Vajra	1,060.77	1,126.54	1,169.62	1,044.23	1,010.00	1,041.50	1,005.00	924.16
Propan Buton	705.08	584.15	554.69	645.50	667.46	559.15	790.92	775.76
Hidroksin Natriumi	413.85	390.58	404.62	504.58	439.62	474.23	427.69	386.53
Butan	653.92	563.85	637.54	654.00	626.38	457.69	484.77	550.07
Acidi Klorhidrik	91.35	67.50	70.00	78.75	69.23	79.03	82.50	

Source: ICIS Dashboard Price History

Figure 5: Oil and Chemicals Exchange – 2024/2025



Source: ICIS Dashboard Price History

Fuel prices such as industrial oil and fuel oil (mazut) have experienced significant fluctuations since 2022, driven by various global factors. During Q2 2025, industrial oil prices recorded a slight increase, particularly in June 2025, which may also have been influenced by the Israel–Iran armed conflict. The development of oil prices continues to remain exposed to potential risks such as the escalation of geopolitical tensions, particularly in the Middle East, as well as trade tensions. However, the slowdown in global economic activity is expected to exert dominant downward pressure on prices.

KEK uses these fuels in large quantities throughout the year for its production processes; therefore, a downward trend in supply prices is considered positive, as it directly contributes to reducing operational costs for electricity generation.

Risks from Changes in Regulations and Fees

Changes in ERO (Energy Regulatory Office) regulations regarding the application of taxes and tariffs for access to the transmission network represent additional and unjustified costs and lead to an increase in KEK's operational expenses. These changes are outside KEK's decision-making authority; however, the associated risk arises if KEK seeks to incorporate these changes into electricity prices for counterparties, which could ultimately be reflected in the final price for domestic consumers.

KEK has continuously faced such changes, with these tariffs increasing from 0.9 €/MWh in 2022 to 1.6 €/MWh in 2023, while remaining unchanged in 2024/2025. According to ERO Decision v_2701_2025 dated 16 April 2025, effective from 1 May 2025, transmission tariffs for KEK are

set at 5.6 €/MWh. This increase in tariffs has a financial impact on KEK for 2025, amounting to €8.85 million.

INTERNAL CONTEX

The challenges faced by KEK and the energy sector in general are significant, as electricity supply security depends on thermal power plants that are 4 to 6 decades old, largely due to the fact that they have never undergone full rehabilitation. These unrealized investments represent important delays in the energy transition process.

KEK is the main electricity producer in the Republic of Kosovo, covering approximately 90% of domestic consumption through the "Kosova A" and "Kosova B" thermal power plants. These capacities, which have been in operation for decades, have maintained energy stability even in challenging times. However, KEK operates under increased risks related to maintaining, sustaining, and expanding its capacities in order to ensure stable electricity production.

In this context, the following factors have had an impact:

- The modernization and rehabilitation of Unit A3, which aims to improve electricity generation capacity from 120–140 MW/h to 215 MW/h.
- The rehabilitation and modernization of the turbine at "Kosova B" TPP, which is expected to increase output by 14 to 17 MW/h per unit for both generating units, B1 and B2.
- The environmental electrofilter project planned for 2026, funded by the EU Office, is one of the main causes of delays in improving production stability, postponing several investments related to the lifetime extension of TPP "Kosova B" and the overall stability of production.
- In the direction of diversifying electricity generation through renewable energy development, the 100 MW photovoltaic solar park project is also underway.
- During 2025, aging equipment and unplanned shutdowns of generating units have affected the instability of domestic production, making it uncertain to maintain planned electricity generation levels required to fully cover domestic demand.

Compared to previous years' reports, the Corporation's risks remain broadly the same, according to the assessments of the risk-owning units (divisions or departments of the Corporation). Among the corporate risks that originate internally and have persisted over the years are: delays/non-implementation of capital investments, staff shortages and an aging workforce, occupational safety

risks (hazardous and difficult working conditions), environmental pollution impacts, issues in the functioning of internal controls, increases in credit interest rates as well as growth in accounts receivable, legal disputes, and expropriation-related issues, among others.

CORPORATE RISK MANAGEMENT

Risk management has a forward-looking nature and includes subjective terms and expressions such as “may” and “will.” The risk management technique applied at KEK is qualitative and is based on standard risk identification forms, a range of documents, and other materials that provide a more detailed overview of how the Corporation manages the risks it faces.

In accordance with legal requirements, risk management is required to be carried out at least once a year; however, KEK reviews its risks on a quarterly basis. The quarterly review aims to identify any new events (new risks) with a negative impact on the achievement of the Corporation’s objectives, as well as to assess the actions/measures undertaken to mitigate existing risks and to monitor residual risk in order to achieve corporate objectives. Monitoring of current risks is intended to highlight their status and identify whether risks are increasing or decreasing. As a stage in the risk management process, monitoring is the responsibility of all levels of Corporate Management (Articles 45 and 46 of Regulation MF 01/2019).

KEK’s risk management report aims to ensure transparency and provide sufficient and timely relevant information regarding risk assessment and management, including the identification of events that may affect the achievement of objectives, the assessment of risk in terms of likelihood and impact, as well as risk responses aimed at avoidance, transfer, acceptance, sharing, or mitigation.

The risk management process consists of several key activities which depend on the business context, while the collection of information for the risk management process is carried out in the format provided in Annex 1 of this Report. This process includes four stages of risk management: risk identification, risk analysis, risk assessment, and risk treatment, monitoring, and reporting. The risk management process for Q4 2025 commenced on 06.01.2026 and is finalized upon review/approval of the report by the Board of Directors.

Through the implementation of the risk management policy, KEK aims to continuously strengthen its capacity to fulfill its mission and long-term objectives in creating and preserving value, while keeping risk-related costs for KEK and its shareholder to a minimum.

RISK IDENTIFICATION

The first step in the risk management process is risk identification. In accordance with Law 06/L-021 on Public Internal Financial Control, Article 8 stipulates that risk identification is the responsibility of risk owners, i.e., managers/heads of organizational units. KEK carries this out through questionnaires/forms adapted in line with the requirements of Regulation MF 01/2019 (see Annex 1 at the end of this Report). Through these tools, potential events that may threaten the achievement of the Corporation's objectives are identified at different levels of decision-making, in accordance with the existing organizational structure.

To facilitate the process, the questionnaire forms also include guiding questions and situational analysis on what may happen, where, when, and how it may occur, as well as who is the responsible person/risk owner. Risk owners are individuals at different levels who manage assets and/or operations, and they are approved by the Directors of Divisions or Departments.

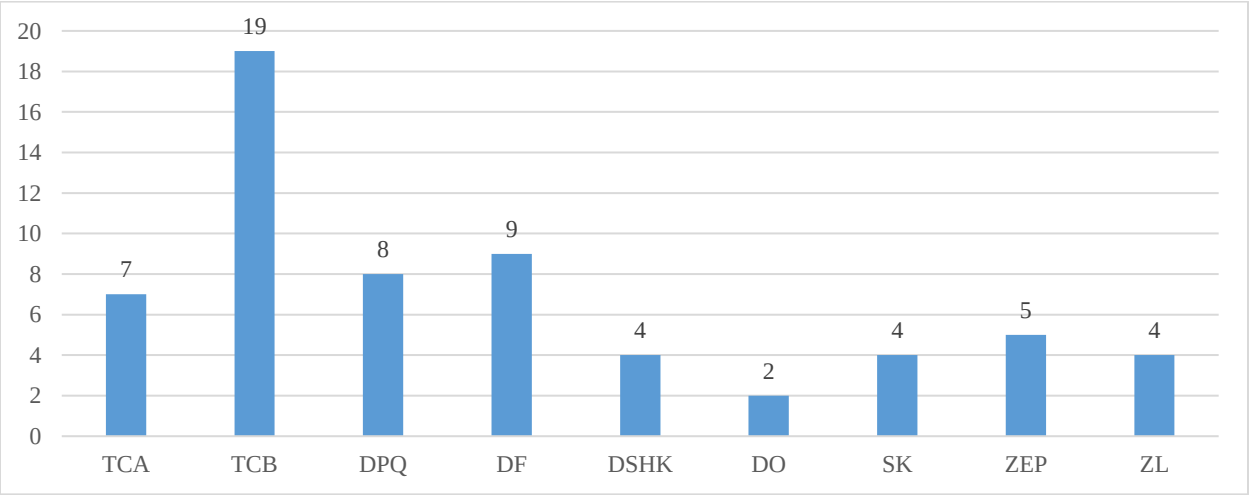
The number of risks identified by KEK divisions/departments up to the end of 2025 is 62, while during Q4 2025 no new risks were identified. As shown in the figure below, more than half of the identified risks are related to the Corporation's core activities or directly linked to production (TPPA, TPPB, CPD), while by division/department the highest number of identified risks is in "Kosova B" TPP with 19 risks, followed by the Finance Division with 9 risks, the Coal Production Division with 8 risks, and TPP "Kosova A" with 7 identified risks, and so on.

Regarding the number of risks by quarters in 2025, the distribution is as follows: 59 risks in Q1 2025; 60 risks in Q2 2025; 62 risks in Q3 2025; and 62 risks in Q4 2025.

In TPP "Kosova B", not only is the number of risks the highest (19 in total), but the average impact and likelihood of occurrence of risks at KEK level is also highest in this division (average risk impact in TCB is 4.21, while likelihood is 3.63). This may be due to the higher electricity generation capacity (over 500 MW), delayed initiation of requests, slower investment processes, and the nature of risks which, if materialized, may lead to the shutdown of electricity generation units.

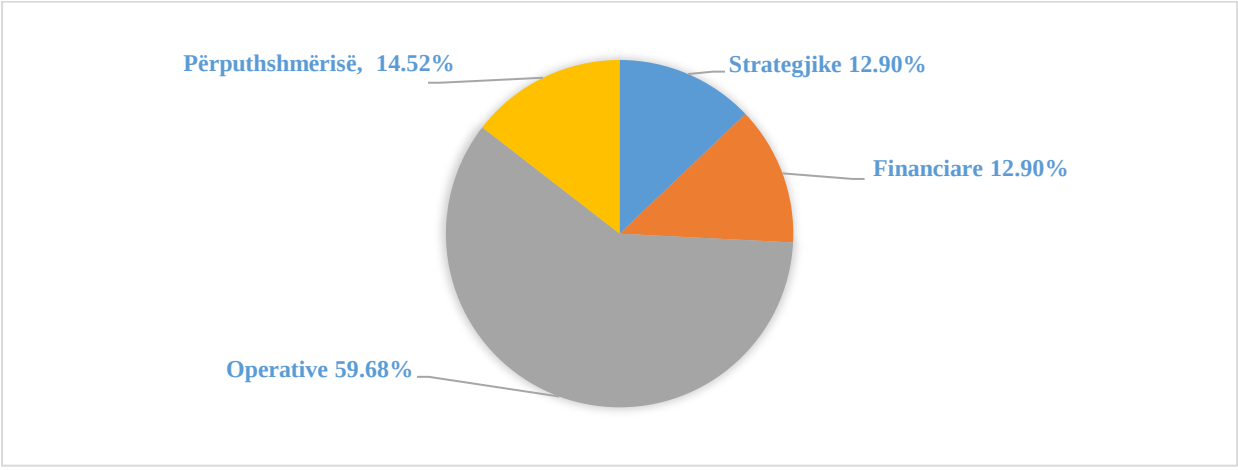
The chart below presents the identified risks by KEK divisions/departments:

Figure 6: Risks by Divisions/Departments for 2025



Corporate risks are grouped according to the level of decision-making and, in accordance with the applicable legislation and literature, into strategic, financial, operational, and compliance risks. In terms of their share of the total risk register, the categorized risks are presented in the figure below:

Figure 7: Risk Categorization for 2025



The application of the risk management procedure is not intended solely to meet legal requirements; rather, through risk management, it aims to enhance managerial efficiency and quality as a means of ensuring the achievement of financial and operational plans. It also encourages critical thinking and a protective approach in the implementation of the company's long-term and strategic objectives.

STRATEGIC RISKS

Strategic risks threaten the Corporation's ability to achieve its core objectives and to implement its chosen strategy. They are associated with high-level decision-making processes, as they directly affect the fundamental direction of the organization, and include various aspects such as corporate culture and governance, deficiencies in budgetary and strategic planning, pricing policy adjustments, transparency towards shareholders and stakeholders, corporate social responsibility obligations, and the promotion of effective internal communication, among others. Strategic risk management is a continuous process and requires ongoing adaptation to changes in the external and internal environment in order to achieve long-term objectives.

According to Article 30, paragraph 5 of Regulation MF 01/2019, to ensure the achievement of strategic objectives, managers are required to identify strategic risks and consider the likelihood of their impact. Regarding strategic risks, KEK has developed the KEK Development Strategy 2024–2028, which has been approved. The main purpose of the development strategy is to define KEK's strategic objectives based on the Energy Strategy of the Republic of Kosovo 2022–2031, the development and investment plans of KEK divisions defined through feasibility studies (TPP "Kosova B" and Mining), the World Bank study on land reuse in mining areas, the development of new renewable energy generation capacities, and the rehabilitation and modernization of at least one unit of TPP "Kosova A". Their implementation will enable KEK to continue electricity production from "Kosova A" and "Kosova B" thermal power plants for a period of 20 to 25 years.

One of the critical strategic events affecting the future of TPP "Kosova A" is the rehabilitation and modernization of Unit A3. This capital project aims to improve generation capacity, environmental performance, and efficiency of the unit, thereby contributing to strengthening energy security and sustainable development of the energy sector in Kosovo.

This project represents the largest investment in KEK's generation capacities since the construction of our thermal power plants. All these measures enable electricity production with

lower coal consumption and reduced emissions. The investment aims to extend the operational lifetime of Unit A3 by at least 20 years and to increase its generation capacity from the current 120–140 MW to 215 MW. Decisions regarding the other two units will be made later, taking into account decarbonization developments, which will also influence the competitive cost of electricity generation.

Another highly important project for the energy system is the rehabilitation and modernization of the turbines in Units B1 and B2. This project will be fully financed from KEK's own budget, and most of the works will be implemented by the Corporation's internal staff. This self-implementation approach is expected to improve efficiency and significantly reduce costs. The rehabilitation is expected to increase output by 14 to 17 MW per unit.

The implementation of the turbine modernization project in B2 has proven to be successful and profitable. The maximum generator output (gross), during performance testing, reached up to 348 MW. During this project, the economizer in B2 was replaced, which now represents a declining risk. However, it is the responsibility of TCB management to identify any potential operational risk in Unit B2 after the successful completion of the project, in order to maintain operation according to plan with an average generator output of 305 to 315 MW. Meanwhile, the modernization of the turbine in B1 (including the replacement of the economizer in B1) and the environmental electrofilter project are expected to commence in April 2026. Therefore, the risk status in B1 remains active until the successful completion of the project, after which it will require monitoring.

During this year, KEK has also advanced the diversification of electricity generation through the development of renewable energy projects, including the 100 MW solar power plant project. This activity is being coordinated with international financial institutions, with expected funding from IPA grants, KfW loans, and KEK's own budget. This is the first project of its kind and will further strengthen energy supply security, with an expected annual production of approximately 162 GWh. The construction of the 100 MW photovoltaic solar park represents a step toward advancing renewable energy sources and environmental protection, aiming to produce clean and sustainable energy, thereby contributing to reduced carbon emissions, improved air quality, and reduced dependence on imports. Significant progress has been made during this quarter, while completion of the solar park is expected in July 2028.

Also of key importance is the environmental project funded by the EU Office in Prishtina, which includes the Electrostatic Precipitators (ESP), the Ash Handling System (AHS), and the De-NOx system. Although this project was originally planned for implementation in 2021, it has been postponed until now for various reasons.

Despite its ongoing efforts, KEK has successfully completed the necessary preparatory works, including the boiler dilation project, which was a prerequisite for the implementation of the electrofilters and De-NOx systems, thereby paving the way for the start of this strategic project. The project “Measures for Dust Reduction and De-NOx at Kosova B Thermal Power Plant, Units B1 and B2” has reached the pre-implementation phase, while implementation is expected to begin in April 2026 in Unit B1.

The implementation of this project will enable Kosova B Thermal Power Plant to operate in full compliance with the European Union Industrial Emissions Directive for dust and NOx, thereby reducing air pollution. However, this delay not only has an immediate impact on operational capabilities but also poses long-term strategic risks by postponing essential environmental compliance and operational efficiency improvements.

The turbine modernization project, the installation of filters at TPP “Kosova B”, and a series of accompanying investments in cooling towers and other systems are expected to increase capacity by 80 MW and significantly reduce pollution once completed.

Regarding the existing Sibovc South-West Mine and its expansion as another strategic point, based on current coal reserves, the mine is expected to supply coal until 2027 in line with the existing generation capacities of TPP “Kosova A” and TPP “Kosova B”. The mine expansion is being implemented based on the approved Development and Spatial Planning Plan (PVZH) by the Ministry of Environment, Spatial Planning and Infrastructure (MESP), involving the economic and physical relocation (expropriation) of part of the villages covering 72.4 ha and 28.3 ha. Procedures for agreements and compensation payments through expropriation packages have already commenced.

As an important process in risk mitigation, the management and implementation of the planned mine expansion schedule is essential to ensure normal conditions for mining activities, investment in existing and new equipment, sufficient coal supply for generation units, as well as compliance with legal obligations related to the environment and the community.

A strategic risk is the liberalisation of the electricity market, which started on 1 June 2025. Under this process, all consumers with an annual turnover above 10 million euros or more than 50 employees are required to choose their own electricity supplier. Consumers who, for various reasons, remain without a supplier will be supplied by KEK as the Supplier of Last Resort (SoLR). KEK is legally obliged to comply with the decision of the Energy Regulatory Office (ERO) regarding its designation as SoLR and to ensure electricity supply for customers who are left without a supplier. However, this role may also create financial risk exposure for KEK. In particular, opposition to market liberalisation from certain business associations may increase the risk that groups of business customers supplied by KEK as SoLR for a defined period may delay or refuse to pay their electricity bills, thereby creating potential liquidity and credit risk.

Corporate culture and governance represent the framework that ensures the organisation is directed and managed in a fair and efficient manner, in compliance with applicable laws and good corporate governance practices. In this regard, the Board of Directors has strengthened corporate governance culture through continuous oversight and monitoring.

The organisation's corporate social responsibility (CSR) is an ongoing commitment by KEK to contribute to the communities in which it operates, reduce environmental impact, and thereby improve the Corporation's reputation. During 2025, KEK continued its CSR engagement through direct support to local communities and implementation of initiatives with social and environmental impact, particularly in projects within the Municipality of Obiliq. In 2026, these activities are planned to expand to include projects in the Municipality of Fushë Kosovë.

A newly identified strategic risk during 2025 is the revision of policies, regulations, and procedures in order to align operational activities with applicable legislation. This involves the review of the legal and regulatory framework, with the process expected to be completed by 30.06.2026. The associated risk is that secondary corporate legislation may not be fully aligned with primary laws and corporate standards, which could negatively affect corporate functioning.

The above-mentioned capital investments represent significant steps in the energy transition and are strategic decisions that enable the definition of a range of processes previously identified as necessary for further revision and development. The absence of a formal KEK Strategy increases risk levels by creating uncertainty in the organisation's strategic direction and in defining long-term plans and priorities.

The status of strategic risks following the implementation of measures by KEK Management in 2025 is presented in the table below:

Table 2: Status of Strategic Risks in 2025

No.	Risk naming	Impact	Probability	Division/Unit	Risk status
R3	Overhaul of Unit A5 Boiler Section;	5	3	TPPA	Equal
R17	Exterior facade of buildings	4	3	TPPB	Equal
R27	Implementation of Laws by OSH, IFPT and ICMM	3	3	CPD	Equal
R35	Inadequate planning/budget overrun	3	3	DF	In decline
R46	Corporate culture and governance	2	4	SK	In decline
R47	Corporate social responsibility	3	3	SK	In decline
R48	Implementation of the Functional Review Project (Organizational Functioning)	3	4	SK	In decline
R49	Review of Policies, Regulations, Procedures to respond to operational activities and their harmonization with applicable legislation	3	4	SK	In decline

RISKS FROM THIRD PARTIES

KEK is exposed to potential risks arising from third parties failing to fulfill their obligations, not only in the execution of KEK's sales obligations but also in purchases. This is a risk factor that impacted the year 2025 and is expected to remain a possibility in the period ahead:

- The post-crisis period following the pandemic and the energy crisis has increased the likelihood of delays and failures in contract execution, as a result of issues caused by factory shutdowns, fire incidents, reductions in production due to staff cuts, closures, and restrictions on movement, etc. This type of contractual risk was covered through risk transfer, and revisions were possible.

- Problems with third parties are also linked to global issues and the increasing number of conflict zones, which raise risks related to price predictability. This has caused disruptions in the supply chain and increases in prices for KEK's supplies.
- During 2025, there were also issues and delays in the execution of several contracts due to various factors. KEK cannot effectively manage this type of risk—despite contractual needs—except through termination in accordance with the requirements of the LPP. One solution applied by KEK is the use of framework contracts with longer durations.
- Lack of analysis of third-party risks. For example, KEK does not have information and does not seek such information regarding cases where economic operators may have failed to fulfill their obligations toward others. Maintaining a registry at the national level would benefit all contracting authorities, including KEK, by reducing the risk of engaging with irresponsible economic operators..
- KEK continues to face numerous court disputes, which are mainly based on legal interpretations and the practical application of labor law, as well as various disputes in its implementation. These cases also include KEK employees, with lawsuits of a labor-related nature such as compensation for wages, annulment of decisions, weekend work, hazard allowances, and working conditions. In some cases, KEK has lost and compensated the parties; however, new lawsuits continue to be filed for similar cases.
- There are delays by the PRB in handling cases and complaints from parties against decisions of the Procurement Executive Office, which cause delays in the implementation of KEK projects. There is also a lack of sufficient and adequate training in procurement processes and contract management. During 2025 alone, a total of 75 procurement cases were submitted to the PRB, with a total value of €48.7 million. Additionally, there are issues related to the drafting of technical specifications and other problems in setting priorities for initiated procurements, as identified by the PEO.

FINANCIAL RISKS

Financial risks include threats to an organization's financial position, performance, and liquidity. These risks go beyond monetary losses to include instability in financial results, the inability to meet obligations, and the erosion of financial value. While all risks ultimately have financial

impacts, financial risks specifically threaten the monetary resources and financial flexibility that organizations need to operate and grow. These risks arise from energy price volatility, regulatory changes, demands for large investments, and other economic and political factors.

The status of financial risks after the measures taken by KEK management during 2025 is presented in the table below:

Table 3: Status of Financial Risks in 2025

No.	Risk Name	Impact	Probability	Division/Unit	Risk Status
R36	Revenue management	4	4	DF	Decreasing
R37	Liquidity/cash	3	3	DF	Decreasing
R38	Financial reporting and control	2	2	DF	Equal
R39	Changes in KOSTT interest rates and/or tariffs	3	3	DF	Equal
R41	Failure to reflect production costs in the price of EE	3	3	DF	Equal
R42	Non-payment of energy bills by TREPÇA	4	4	DF	Rising
R43	Energy Market Liberalization	4	4	DF	Rising
R50	Price movements on stock exchanges	2	2	ZEP	Equal

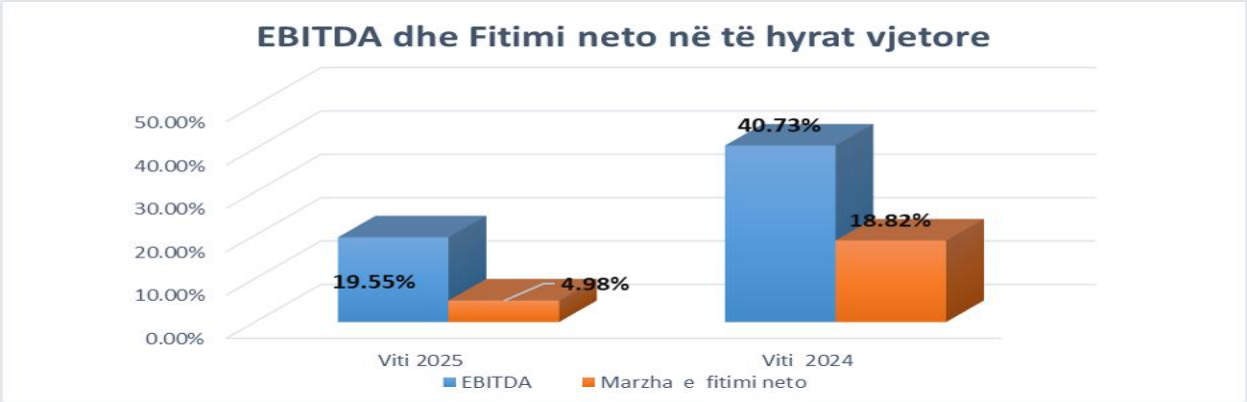
LIQUIDITY RISKS

Liquidity risks occur when organizations are unable to meet their short-term obligations despite overall solvency. The energy sector faces significant financial risks that affect its long-term stability and sustainability. These risks are mainly related to energy price volatility, regulatory changes, the need for large capital investments, as well as other economic and political factors that directly impact the performance of energy companies.

Regarding the Kosovo Energy Corporation (KEK), financial performance indicators up to 31 December 2025 are not positive, mainly due to lower revenues from energy sales and increased production costs. EBITDA for this period is €39.94 million, which reflects the company's financial capacity to invest. However, compared to the previous year 2024, this value represents a decrease of 53.92%, mainly influenced by capital investments in the Kosovo B Power Plant (shutdown of unit B2 for 4.5 months) and lower electricity production, which consequently led to reduced revenues.

Meanwhile, operating expenses increased by 15.77% or €27.52 million compared to the same period in 2024. For this reason, KEK should pay close attention to expense management and focus on implementing capital investments aimed at replacing existing equipment and increasing generation capacity in order to generate future profits.

Figure 8: Financial Liquidity Ratios 2024/2025



Source: KEK Draft Financial Statements for 2024/2025

Based on the statement of financial position as of 31 December 2025, the Kosovo Energy Corporation (KEK) maintains a good level of liquidity, although with a noticeable decline compared to 2024. The cash position at the end of the period is €43.97 million, including the effects of the placement of funds in long-term and short-term deposits, as well as investments in securities. A positive factor in maintaining liquidity has been the increase in current assets, which have remained higher than current liabilities. This has resulted in a current ratio of 8.52, indicating a stable liquidity position for the Corporation in 2025. The increase in current assets has been mainly influenced by: higher term deposits and an increase in accounts receivable.

This structure of assets indicates that KEK is optimizing its financial investment opportunities, with the aim of increasing shareholder value. However, the Corporation must exercise caution in managing investment risk, focusing on instruments with secure and sustainable returns.

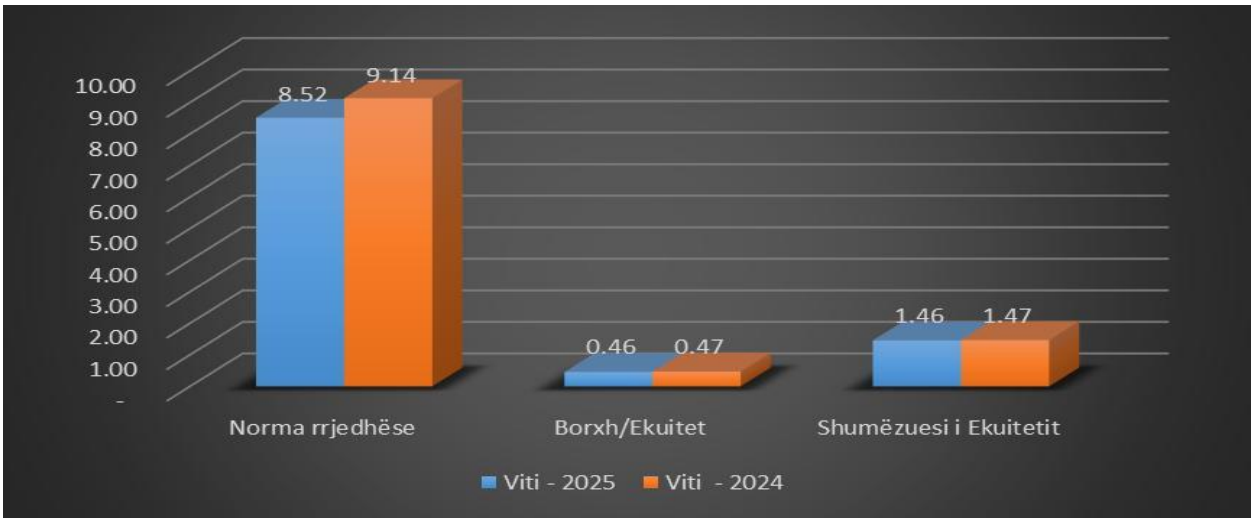
For this purpose, KEK operates under a procedure approved by the Board of Directors for investments in deposits and securities, which aims to maintain a balance between safety, liquidity, and an acceptable return on investments.

Table 4: Comparison of KEK in investment activities for 2024/2025

(në EUR'000)	31 Dhjetor 2025	31 Dhjetor 2024
Depozitat në banka -pjesa afatgjatë	0	48,000
Investimet në letra me vlerë	0	-
Depozitat në banka -pjesa afatshkurtë	132,600	169,005
Investimet në letra me vlerë	0	26,063
Gjithsej investimet financiare	**132,600**	**243,068**
Gjithsej Asetet	**625,054**	**615,553**
% e inv.financiare ndaj gjithsej aseteve	**21%**	**39%**

Meanwhile, the figure below summarizes the Corporation's liquidity and solvency indicators:

Figure 9: Liquidity and solvency indicators of the Corporation



Source: KEK Draft Financial Statements for 2024/2025

During 2025, KEK increased shareholder capital, reducing the debt/equity ratio from 0.47 (2024) to 0.46 (2025). The equity multiplier also decreased from 1.47 to 1.46, reflecting a reduction in debt financing and strengthening long-term sustainability.

CREDIT RISK

The corporation's main exposure to financial risks is related to credit risk and the corporation's inability to collect invoiced sales. At the end of the reporting period, accounts receivable amounted to €126.90 million, compared to €82.19 million a year earlier. This increase reflects the long delays

in payments by KESCO, the main customer, whose debt has reached €102.11 million for the period April-December 2025, while the arbitration process for late payment interest has been successfully concluded and is in the phase of judicial implementation of the Tribunal's decision.

Table 5: KESCO's debt to KEK for 2025

Saldo 31.12.2024	Janar	Shkurt	Mars	Prill	Maj	Qershor	Korrik	Gusht	Shtator	Tetor	Nentor	Dhjetor	Total
0	€ -	€ -	€ 4,161,694.78	€ 8,036,302.68	€ 8,091,006.30	€ 7,178,918.22	€ 8,949,633.30	€ 8,413,174.62	€ 7,570,828.08	€ 10,012,546.62	€ 10,700,627.04	€ 15,202,699.92	**€ 88,317,431.56**
€ 8,407,682.65	€ 226,347.06	€ 295,603.09	€ 424,966.00	€ 487,828.31	€ 567,965.03	€ 577,368.29	€ 610,431.71	€ 612,531.27	€ 539,144.54	€ 551,657.21	€ 488,037.76	€ 484,752.23	**€ 14,274,315.15**

MEASURES: KEK has undertaken a series of measures to manage credit risk, including:

Initiating enforcement procedures for non-compliance with electricity invoice payment deadlines, in accordance with contractual agreements for electricity sale and purchase;
Initiating arbitration proceedings related to payment delays and accumulated interest for the period 2020 – December 2024, a process that is still ongoing;
Implementing stricter procedures for the control and monitoring of collections;
Reviewing customer assessment policies in order to reduce the risk of non-payment and improve the management of credit exposure.

Another worrying factor remains the non-payment of debts by Trepça, which by December 31, 2025 amounts to €1.17 million.

Table 6: Trepça's debt to KEK for 2025

Saldo 31.12.2024	Janar	Shkurt	Mars	Prill	Maj	Qershor	Korrik	Gusht	Shtator	Tetor	Nentor	Dhjetor	Total
€ 477,430.36											€ 255,261.71	€ 317,357.26	**€ 1,050,049.33**
€ 94,197.68	€ 17,537.64	€ 18,264.33	€ 23,060.25	€ 24,408.19	€ 26,754.76	€ 27,306.37	€ 26,664.66	€ 24,499.43	€ 25,575.94	€ 29,840.19	€ 23,529.69	€ 23,697.90	**€ 385,337.03**

The high concentration of sales to a single client (KESCO) significantly increases the Corporation's exposure to credit risk, limiting financial flexibility and the ability to generate liquidity in a timely manner.

FISCAL RISK

Fiscal risks represent all uncertainties related to taxes, levies, and obligations toward tax and regulatory authorities, whose legislation may impact a company's finances and even its reputation if defined legal requirements are not properly applied. For KEK, they include several key categories:

Impact of domestic tax legislation on KEK: Currently applicable tax laws affecting KEK include Law No. 06/L-105 on Corporate Income Tax, Law No. 05/L-028 on Personal Income Tax, and Law No. 05/L-037 on Value Added Tax. Potential changes in domestic tax legislation (tax rates or fiscal rules) may have a financial impact on KEK by creating pressure on the company's cash flow and financial planning. Additionally, changes/decisions regarding the minimum wage effective from 01.01.2026 and 01.07.2026 respectively will increase personnel expenses and related tax obligations influenced by the rise in the minimum wage.

Risk of compliance and accurate tax reporting: KEK submits monthly, quarterly, and annual tax declarations, ensuring compliance with legal requirements and deadlines for corporate income tax, personal income tax (for staff), and VAT. Until 2024, the Corporation engaged consulting companies to review tax declarations to enhance assurance and compliance in reporting to the relevant authority. KEK has been subject to tax audits up to the 2018 tax year, while for the period 2019–2025 it may be subject to future audits by the tax authorities.

Risk of interpretation of laws: In cases of ambiguity regarding the interpretation of applicable domestic tax laws, the Corporation first reviews them internally within the relevant department, and in certain cases requests clarification from the Tax Administration of Kosovo (TAK), receiving specific interpretations or explanatory rulings on the issues addressed.

Risks from the introduction or increase of taxes and fees: KEK may be affected by increases in taxes and fees imposed by relevant local authorities or indirectly by external directives related to its core activities.

Carbon tax: From January 2026, the EU Carbon Border Adjustment Mechanism (CBAM) will enter into force, which may significantly impact the Corporation by making it more difficult to place surplus electricity on foreign markets, directly affecting electricity selling prices and reducing revenue from this segment.

Annual electricity generation tax: Any future increase of this tax by the Energy Regulatory Office may directly impact the company's liquidity.

Annual mining royalty tax for coal extraction and production: Any future increase of this tax by the Independent Commission for Mines and Minerals may directly affect the Corporation's liquidity. Currently, production costs are already significantly affected by the existing tax of €3/ton.

REPORTING

Regarding reporting risks, KEK should intensify training of finance, procurement and other staff on the use of ERP, as well as complete the process of data entry in all its modules. The introduction into use in all modules (including inventory) will reduce the risk of errors in reporting as well as in the more accurate identification and financial assessment of requests from units and the identification of slow-moving materials from stocks, reducing the value of the stock held and which affect the reduction of maintenance costs of production equipment in KEK.

PRICE RISK

Although KEK has a simple sales structure in terms of energy, the dependence of its products on global situations is high, dictated by quantitative limitations as exhaustible energy sources. Although 2025 was accompanied by an increase in the average price of 21.85 €/MWh in energy exports by KEK, it is the amount of energy exported compared to 2024 that was significantly lower, which has negatively affected KEK's performance, but this also depends on the amount of energy surplus that KEK can have available for export.

Table 7: Average export price (in €/MWh) and amount of energy exported (in MW)

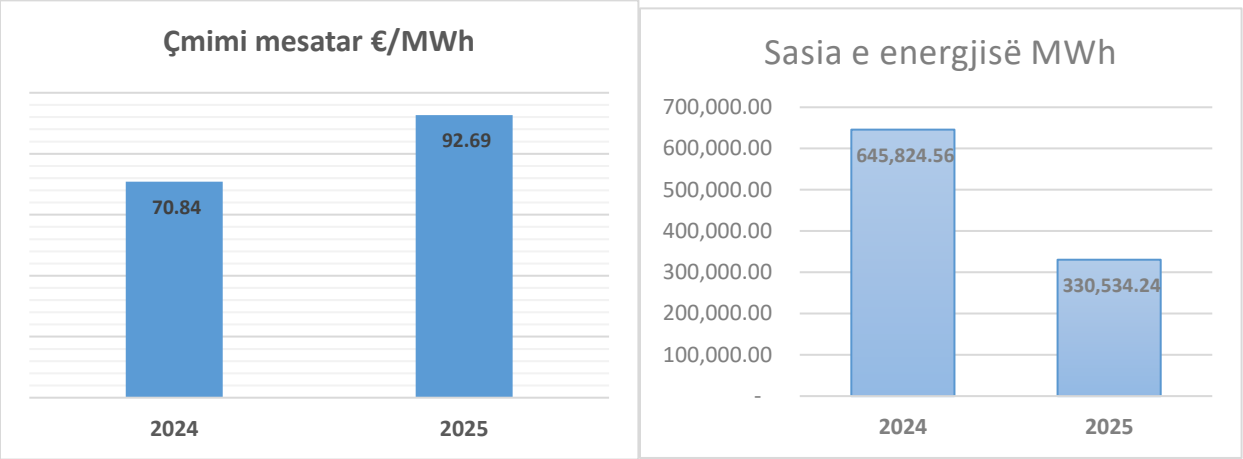
Eksporti & ALPEX	2024	2025	Ndryshimi në vlerë 2024/2025
Çmimi mesatar €/MWh	70.84	92.69	21.85
Sasia e energjisë MWh	645,824.56	330,534.24	(315,290.32)
Vlera	45,747,305.50	30,636,933.46	(15,110,372.04)

Source: Department for Tariffs and Regulatory Affairs – KEK

Since May 2013, KEK has not imported electricity to cover the deficit in Kosovo's energy balance, therefore, the exposure to commodity risk is limited only to energy export prices. Also, during 2025, KEK has not changed the price for domestic buyers, with the sole purpose of alleviating the

price burden on end-users of electricity. Respectively, the prices for FShU remain the same and are 29.5 €/MWh, while for covering losses they are 36 €/MWh. KEK does not export energy to the detriment of domestic consumers. Exports are made only when energy surpluses are created, after the full fulfillment of the requirements of the Universal Service Provider (FSHU), and usually during night hours, when consumption is minimal at the national and regional levels. It is not expected that KEK will change this approach in the future.

Figure 10: Average export price (in €/MWh) and amount of energy exported (in MWh))



Source: Department for Tariffs and Regulatory Affairs – KEK

NEGOTIATING SKILLS

KEK continues to maintain the same structure of partners, and sales are predominantly oriented toward a small number of buyers. In line with its role as a corporation, KEK aims to offer low prices to its buyers so that these low prices are transferred to end consumers in the country, while the majority of production is allocated to universal service supply (FSHU). As is already known, contractual relations with the main electricity buyers in the country are regulated through wholesale electricity supply agreements between KEDS and KESCO.

These agreements oblige KEK to nominate the produced electricity volumes to these two operators, while the remaining portion (mainly night-time production) is exported. This limits or eliminates KEK's flexibility in negotiating more favorable sales prices, which would otherwise enable the Corporation to secure sufficient internal resources for the implementation of long-term planned investments. The lack of adjustment in wholesale electricity prices by KEK despite rising production costs exposes the Corporation to the risk of not covering costs in cases where electricity exports are not realized.

KEK aims at a minimum to cover the effects of inflation over the period, in order to support the long-term interest of consumers in maintaining stable access to affordable and essential electricity, as well as to enable investments in environmental protection and diversification of energy production in favor of green energy.

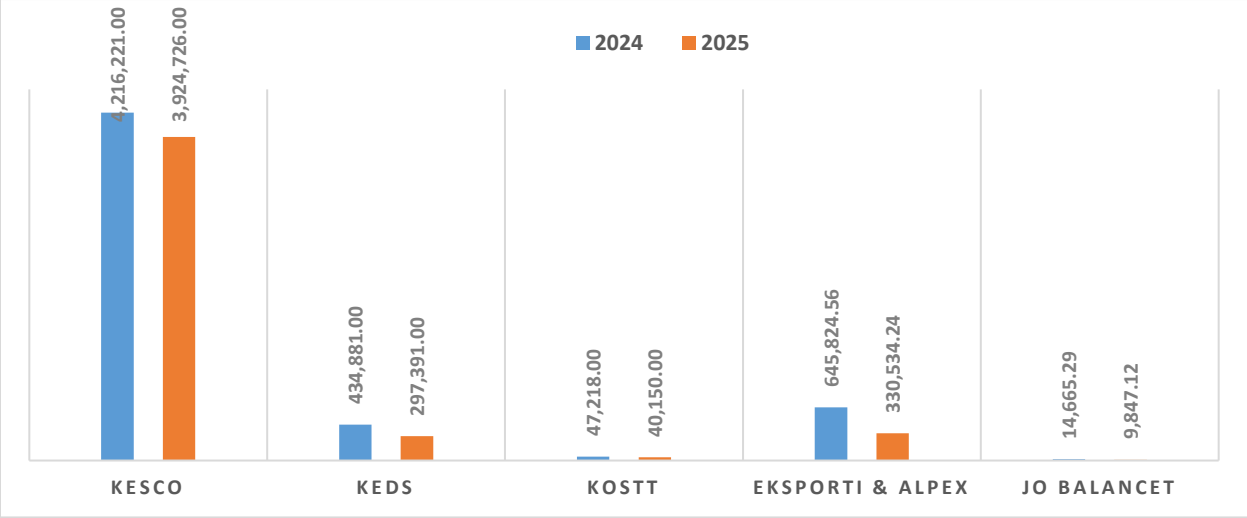
The tables and figures below provide a negative overview of KEK's situation in the energy market, showing dependence on electricity volumes by destination and the impact of this on electricity price negotiations under conditions of a small number of buyers and the Corporation's specific characteristics in electricity sales:

Table 8: Billed energy – 2024/2025 (in MWh)

Energjia - MWh	2024	2025	Diferenca
KESCO	4,216,221.00	3,924,726.00	(291,495.00)
KEDS	434,881.00	297,391.00	(137,490.00)
KOSTT	47,218.00	40,150.00	(7,068.00)
Eksporti & ALPEX	645,824.56	330,534.24	(315,290.32)
Jo balancet	14,665.29	9,847.12	(4,818.17)
Total	**5,358,809.84**	**4,602,648.36**	**(756,161.49)**

Source: Department for Tariffs and Regulatory Affairs – KEK

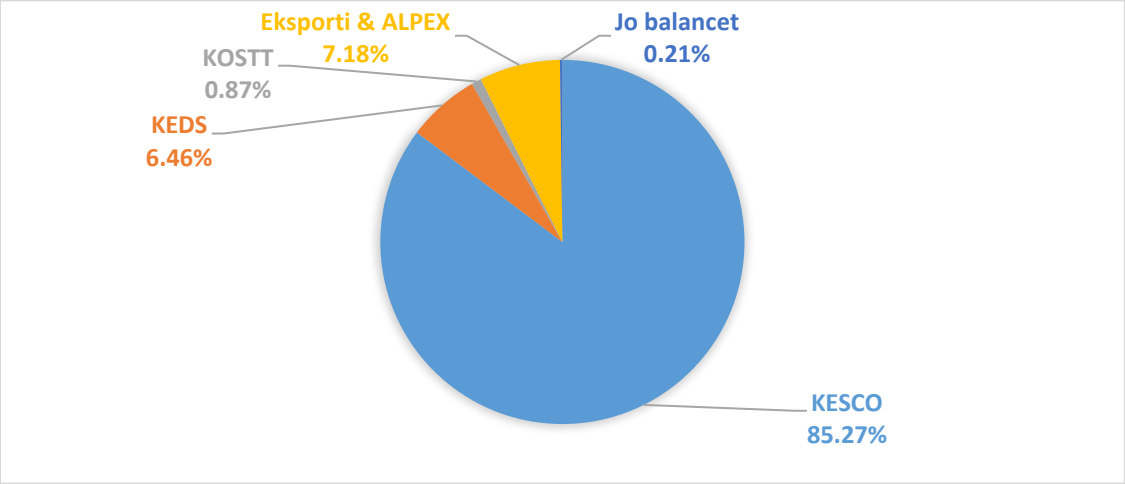
Figure 11: Billed energy – 2024/2025



Source: Department for Tariffs and Regulatory Affairs – KEK

Sales risks remain linked to the sales structure (linked to the market structure in Kosovo) which continues to be high and concentrated in a few buyers (see table below) with energy destined for the FSHU taking up 85.27% of KEK's total energy available for this six-month period. However, the percentage of exports in total sales as a result of export energy prices has changed depending on the price.

Figure 12: Electricity by destination for 2025



Source: Department for Tariffs and Regulatory Affairs – KEK

OPERATIONAL RISKS

Operational risks threaten the efficiency and effectiveness of the Corporation's daily activities. Unlike strategic risks, operational risks affect the way work is done every day. Operational risks in KEK constitute the largest group of risks of about 60% that KEK faces during 2025 and are risks related to the production process. They are risks with a medium operational level of decision-making. They are related to various problems related to - the lack of human resources and the high average age of employees, problems in the supply network, failures in the implementation of contracts, malfunctioning of key equipment, operator errors/accidental damage, theft and fraud, etc.

The status of operational risks after measures taken by KEK Management during 2025 is given in the table below:

Table 9: Status of operational risks in 2025

Nr.	Risk naming	Impact	Probability	Division/Unit	Risk status
R1	Rehabilitimi dhe modernizimi i njësisë A3	3	3	TPPA	Decreasing
R2	A4 unit repair	5	2	TCA	Equal
R4	Compressor supply and installation	3	2	TPPA	Equal
R5	Repair and supply of integral boards for the cooling tower	3	3	TPPA	Equal
R6	Training of personnel for operation with A3/A4/A5 units	3	3	TPPA	Decreasing
R7	Generator-sparking electrical installations A5	3	3	TPPA	Equal
R8	Economizer B1&B2	4	3	TPPB	Decreasing
R9	Medium temperature superheater - B1	4	4	TPPB	Decreasing
R10	Low temperature superheater 1 - B2	4	1	TPPB	Equal
R11	Suction fan No.1 - B1 (1NR07D002)	4	4	TPPB	Equal
R12	Suction fan No. 2 - B1 (1NR06D002)	5	4	TPPB	Equal
R13	Suction fan No.1- B2 (2NR07D002)	4	3	TPPB	In decline
R14	Suction fan No.2 - B2 (2NR07D002)	4	4	TPPB	Equal
R15	Double bearing mills	4	3	TPPB	Equal
R16	Mills B1 and B2	4	3	TPPB	In decline
R18	Employment of essential staff for prevention and maintenance at TPP "KOSOVA B"	4	4	TPPB	Decreasing
R19	Rehabilitation of the cooling tower at TPP B	3	4	TPPB	Increasing
R20	Purchase of hydrogen coolers at TPP B	3	4	TPPB	Decreasing
R21	Facilities 0.4(kV)	5	4	TPPB	Increasing
R22	Facilities 6.3(kV)	5	3	TPPB	Increasing
R23	Unit transformer 1AT (24/400 kV)	4	3	TPPB	Increasing
R24	Facilities 0.4(kV) and 6.3(kV) - Hinization system	5	5	TPPB	Increasing
R25	Emergency Supply of Kosovo B Power Plant with Raw Water	5	5	TPPB	Increasing
R26	Boiler feed pumps B	5	5	TPPB	Increasing
R28	Land Acquisition (M-C-1 Expropriation Process)	2	5	CPD	Decreasing
R29	Slope stability in CPD	3	3	CPD	Equal

R30	Repairs of Major Mining Equipment Excavators, mobile and self-propelled belts and conveyors	5	4	CPD	Equal
R31	Condition of buildings in DPQ	3	3	CPD	Equal
R32	Lack of workers	3	3	CPD	Decreasing
R33	Maintenance of automatic fire extinguishing devices on the conveyor	4	5	CPD	Pasiv
R34	Lack of Machinery Inspectors	5	4	CPD	Equal
R51	Procurement process including technical specifications and tendering	2	3	PO	Equal
R52	Failures in the implementation of contracts	3	3	PO	Equal
R54	Operator errors/accidental damage	4	2	PO	Equal
R59	Problems with staff shortages	3	4	CSD	Decreasing
R60	IT system failure	3	4	CSD	Equal
R62	High average age of workers	3	4	CSD	Decreasing

Operational risks are mainly related to the functioning of equipment and the implementation of internal processes to ensure the continuity of the production process based on the BVE planning, as well as attention to impacts on people, assets, and the environment. During quarterly periods, risk monitoring and assessment have been carried out by the executive managers of KEK divisions, with the aim of integrating them into the budget review process and planning for the 2025–2027 period.

The most impactful activities during this quarter include the completion of the capital overhaul of Unit B2. Other key activities include the follow-up of compensation packages for expropriation related to mine expansion, the continuation of capital maintenance of operational equipment, other investments in key mining equipment, investments in TCA, as well as the completion of the procurement activity related to the project “rehabilitation and modernization of Unit A3.”

During the overhauls of units B1 and B2 in 2025, the contracts for the installation of the AT transformer in B1 and the replacement of 6.3 kV and 0.4 kV switchgear in B2 have not been implemented. Their poor technical condition continues to represent a high risk, as do the feed pumps in terms of operation (especially those in unit B2). The cooling tower is also a challenge and is currently in the process of contract signing for rehabilitation, although delays are caused by complaints from operators to the Procurement Review Body (OSHP). Additionally, operational

challenges arise from issues with induced draft fans, which lead to unplanned shutdowns of TPP units.

Failure to implement planned investments and the aging of key production assets are the main factors exposing the corporation to operational risks. For example, unplanned unit outages, reduced production capacity, and the modernization of TPPs are factors that increase these risks. Furthermore, rising prices of key supplies such as fuel and chemicals further intensify these challenges.

The high average age of employees is another operational risk. In recent quarters it has been: Q4 2024 – 50.6 years; Q1 2025 – 50.6 years; Q2 2025 – 50.7 years; Q3 2025 – 49.92 years; Q4 2025 – 49.75 years. From Q3 2025 onwards there has been an improvement, influenced by the recruitment of new staff (a total of 466 employees). It should also be noted that during Q3 2025 (01.08.2025), the Physical Security Department was established and 272 new employees were recruited into this department, where the average age is 47.92 years. This department has returned to KEK after more than 20 years and, in addition to other benefits, has contributed to improving the overall average employee age in KEK, which is now at its lowest level ever. However, the high average age of employees will remain a risk in the future. The table below presents the average age of employees by KEK divisions/units:

Table 10: Average Age of Employees by KEK Divisions/Units in 2025

Division/Unit	Average age by Divisions	Average age of employees across KEK
KEK DIRECTORATE	44.62	49.75
FINANCE DIVISION	48.35	
EXECUTIVE PROCUREMENT OFFICE	44.50	
KOSOVA-B THERMAL POWER PLANT DIVISION	48.78	
CORPORATE SECRETARIAT	43.52	
COAL PRODUCTION DIVISION	51.05	
OPERATIONS	53.07	
CORPORATE SERVICES DIVISION	48.81	
RENEWABLE ENERGY SOURCES DIVISION	43.00	
KOSOVA POWER PLANT DIVISION	46.94	

* Source: DBNJ – Department of Personnel Administration

Similarly, staff shortages are also a decreasing operational risk, and this shortage has been partially addressed through the recruitment of personnel (a total of 466 employees) via public competition announcements during Q3 2025. As with the average employee age, the staffing shortage is more pronounced in operational staff directly involved in production, while the overall staffing gap at KEK level, according to the organizational macrostructure dated 26.05.2025, amounts to 1,653 employees.

However, for a fully functional structure, it is necessary to continue implementing the organizational functional review project (organizational restructuring). Expectations are that in the future, the filling of staff shortages through public recruitment processes will be significantly lower in scale (unlike Q3 2025, when a total of 466 employees were recruited).

Table 11: Staff shortage by KEK Divisions/Units in 2025

Division/Unit	Personnel according to the Macroscheme dt. 26.05.2025	Current number of employees	Lack of personnel
FINANCE DIVISION	82	40	42
EXECUTIVE PROCUREMENT OFFICE	32	30	2
KOSOVA-B THERMAL POWER PLANT DIVISION	650	490	160
CORPORATE SECRETARIAT	30	21	9
COAL PRODUCTION DIVISION	3184	2314	870
OPERATIONS	99	52	47
CORPORATE SERVICES DIVISION	492	353	139
RENEWABLE ENERGY SOURCES DIVISION	26	3	23
KOSOVA-A THERMAL POWER PLANT DIVISION	965	653	312
OTHER	84	35	49
Total	**5644**	**3991**	**1653**

* Source: DBNJ – Department for Recruitment and Personnel Development

Although KEK increased its workforce by a total of 466 employees from various professions during Q3 2025, this may still not be sufficient for important strategic investments such as the modernization and rehabilitation of Unit A3, the turbine modernization in B1, and the 100 MW solar park. All these projects are expected to increase KEK's production capacity.

To reduce KEK's uncertainty in achieving its objectives, several measures have been undertaken, including: the implementation of investments during 2025 and those contracted in previous years, which are monitored through monthly and periodic reporting; continuous inspection and maintenance of production equipment; cooperation with KESH to ensure energy exchange in emergency situations and the fulfillment of nomination plans; the establishment of a structured market research process and realistic budgeting of key supply costs and quantities; and improved planning of procurement needs, with purchases planned at least six months before the expiry of existing contracts. Additional attention is given to the preparation of technical specifications through professional committees based on industry standards before publication.

During this quarter of 2025, a positive development in electricity trading in the Day-Ahead Market has been KEK's continued participation in the ALPEX exchange, increasing supply security and price harmonization between the markets of Albania and Kosovo, as well as supporting integration into regional and eventually European electricity markets. Effective management of these risks is

essential to ensure that the Corporation's operations continue in a sustainable and profitable manner.

RISK OF BUDGET UNDER-IMPLEMENTATION

The implementation of capital investments is particularly linked to the stability of electricity and coal production; as a result, it affects the corporation's revenues and reduces unplanned costs. Measures that depend on KEK to minimize the risk of non-achievement of the budget include, among others:

- Timely initiation of procurement requests, enhanced and professional handling of technical specifications and administrative requirements, intensive market research, and training for staff involved in procurement and contract management, etc.
- Strict implementation of operational work standards and technical requirements, etc.
- Initiation of recruitment processes and careful management of public calls for the engagement of personnel in a timely manner to meet urgent requirements for professional staff, etc.

COMPLIANCE RISKS

Compliance risks arise from failures to adhere to laws, regulations, policies, and procedures that govern organizational activities. These risks have become more widespread as regulatory environments grow more complex and enforcement actions become stricter. Beyond direct penalties, compliance failures also lead to additional consequences, including operational restrictions, reputational damage, and management distraction.

These risks include the responsibilities of the corporation's directors and senior officers to ensure compliance with applicable regulations and laws, as well as the proper functioning of internal controls, which contribute to reducing critical risks during 2025, such as: regulatory reporting obligations and compliance with legal requirements; obligations related to the protection against air, soil, and water pollution; occupational health and safety requirements; legal obligations toward third parties, including disputes arising from contractual relationships and arbitration cases; legal

disputes involving employees; obligations related to asbestos handling; and risks of natural disasters.

Compliance risks relate to the possibility that a company may fail to meet regulatory requirements and industry standards. Compliance is a critical aspect in this sector, as energy companies are exposed to a wide range of laws and regulations affecting their operations, safety, environment, and energy market activities. Non-compliance can lead to legal sanctions, financial losses, reputational damage, and the risk of losing operating licenses.

According to Law No. 06/L-021 on Public Internal Financial Control, internal control and compliance with applicable laws and regulations are not the responsibility of a single individual but of everyone in the organization according to the hierarchy. During this quarter, KEK has carried out activities in drafting regulations and standard operating procedures, strengthening internal controls, and improving internal control mechanisms in order to maintain financial and operational stability as well as to preserve and enhance the status of the corporation's assets.

The status of compliance risks after the measures taken by KEK management during 2025 is presented in the table below:

Table 12: Status of compliance risks in 2025

No.	Risk naming	Impact	probability	Division/Unit	Risk status
R40	Regulatory Reporting	2	2	FD	Equal
R44	Protection of health and safety of workers	3	3	DO	Equal
R45	Risk Assessment for KEK Jobs	4	4	DO	Equal
R53	Lack of implementation according to priority	2	3	PO	Equal
R55	Dispute in Arbitration Kosovo	4	4	LO	Pasiv
R56	Obligations for legal disputes regarding employee claims	4	4	LO	Increasing
R57	Obligations for legal disputes against third parties	4	4	LO	Decreasing
R58	Obligations for legal disputes for additional claims for expropriated properties for the 129ha project.	4	4	LO	Equal
R61	Atmospheric pollution of air, water and soil	3	4	CSD	Equal

KEK faces legal disputes that are already valued in annual provisions at €14.7 million. The arbitration dispute in Kosovo with an economic operator is considered a risk that has been concluded with a final and binding court decision. The total amount of legal costs that KEK was

obliged to pay in this dispute is €235,930.14, executed on 15.09.2025. Therefore, the status of the arbitration dispute risk is now classified as passive.

Legal obligations related to employee claims represent an increasing risk, with the current number of active cases at 1,038. These lawsuits are mainly of a labor nature, including claims for salary compensation, annulment of decisions, weekend work, hazard pay, working conditions, and during this quarter also include claims for break-time compensation. During Q4 2025, 14 cases were executed in the amount of €526,531.00 in favor of claimants, while 1 case was ruled in favor of KEK in the amount of €3,164.06. The increase of 66 new lawsuits during Q4 2025 has also led to an increase in the estimated risk, now assessed at €12.51 million.

Legal obligations related to third-party claims are a decreasing risk, due to a reduction in the number of lawsuits from third parties concerning damages from the electricity network, electricity debt, injury compensation, damages from non-use of property, and commercial contract disputes. The current number of third-party lawsuits is 243. During Q4 2025, 12 cases were executed in the amount of €515,993.05 in favor of third parties, while 1 case was won by KEK in the amount of €841,326.00. This decrease in third-party claims has also reduced the estimated risk to €6.71 million.

Legal obligations regarding additional claims for expropriated properties for the 129ha project were identified as a risk in Q2 2025, and their status remained unchanged in Q4 2025. During Q4 2025, €20,010.93 was executed, while other cases are awaiting court decisions or are in the initial review phase, with the risk estimated at €4.91 million.

Occupational health and safety obligations are a legal requirement for employers under Law No. 04/L-161, which defines the employer’s obligations to implement health and safety measures at work, including prevention of occupational risks, provision of information and training for employees on safe work practices, proper instructions for the use and maintenance of machinery, instruments, equipment, and work tools, as well as measures for organizing and ensuring smooth work processes. This risk maintained the same status during Q4 2025.

The risk assessment of workplaces in KEK as a procedure is an employer obligation under Law No. 04/L-161, which clarifies the employer’s responsibilities regarding risk assessment in workplaces, with the aim of preventing risks, including exposure of employees to harmful and hazardous elements affecting health and safety at work during the work process. During Q3 2025,

the procedure for evaluating bids for the selection of an economic operator for this process was initiated; however, this remains a permanent risk for KEK.

Compliance is a key element for the sustainable and successful operation of the Corporation. Failure to comply with laws and regulations may cause significant financial losses, affect the Corporation's reputation, and have major consequences for operations. Therefore, effective management of compliance risks is essential to ensure that the Corporation operates in accordance with various legal and regulatory requirements.

FRAUD RISKS

Fraud risks represent a unique organizational risk because they involve deliberate deception by individuals who understand the control environment and actively work to bypass it. Unlike errors that arise from misunderstandings or negligence, fraud requires intent—the conscious decision to gain unfair advantage through dishonest means. This fundamental characteristic distinguishes fraud from other organizational risks. The three main categories of fraud risks—corruption, asset misappropriation, and financial statement fraud—pose different risks and impacts for the Corporation. In KEK, fraud risks for 2025 have been identified and reported by the Internal Audit Office, the Legal Office, and the Whistleblower function..

Internal Audit Office: During 2025, the Internal Audit Office of KEK conducted audits in accordance with the Annual Audit Plan and at the request of Management. The Internal Audit Office is organized into three units: Financial, Operational, and Compliance, which covered various areas of the company's operations. During this period, 38 audits were finalized, identifying key issues requiring improvement, including strengthening financial controls, improving operational processes, and enforcing compliance policies more rigorously. Concrete recommendations were issued, which are expected to positively impact efficiency and transparency.

A total of 8 cases are currently in the audit process and are expected to be finalized in the first quarter of 2026. From the 38 audits completed during 2025, a total of 158 recommendations were issued, of which 13 recommendations included initiation of disciplinary procedures.

The fraud risk report from the Internal Audit Office (IAO) was prepared through the analysis of findings and risks identified in internal audit reports and focused only on cases that present potential exposure to fraud risk.

The main areas with potential fraud risk for 2025 are: audit of the expropriation process, audit of the repair of Excavator E-9B, audit of capital investments in CPD, audit of contracts concluded through negotiated procedures without publication of a contract notice, and audit of contracts for the transportation of KEK employees.

Legal Office: During 2024–2025, the two departments of the Legal Office identified and handled several cases related to security issues, institutional pressures, as well as suspicions of economic irregularities, and these cases were referred to the competent authorities. During 2024, institutional actions were undertaken to protect property and address cases of occupation or unauthorized interference, while during 2025 cooperation with municipal inspectorates and police stations was intensified. During this period, 4 security and threat cases, 2 cases related to economic crimes/audits, 9 property-related cases, and 2 criminal complaints were identified. Throughout 2024–2025, continuous legal and administrative actions were taken to address institutional, financial, and property-related risks.

Signaller: During 2025, 20 reports received through whistleblowing channels were reviewed for investigation, resulting in a total of 77 recommendations for improving work processes and initiating disciplinary procedures. From these 20 cases, the whistleblowing function identified and isolated 3 reports considered as fraud risks: Report No. 12/2025 related to the "Fuel oil supply" contract; Report No. 13/2025 related to the contract "Spare parts for MRRK – speed sensor, SITRANS FM 911, level transmitter, electromagnetic valve, converter, screw probe at TPPA"; and Report No. 18/2025 related to the contract for the "Purchase of protection relays P343 at TPPB."

REPUTATIONAL RISKS

Reputational risk differs fundamentally from other risk categories. While operational risks affect what organizations do and financial risks affect their resources, reputational risk affects how organizations are perceived by stakeholders. This perception-based nature makes reputational risk particularly difficult to manage—reality matters less than perception, and perceptions can change rapidly based on partial information. Reputational risks typically emerge as secondary effects of other risk events.

The year 2025 for KEK is characterized by a mixed reputational profile, typical for strategic public enterprises: 45% positive, 30% neutral, and 25% negative, based on overall media coverage assessment.

During 2025, KEK JSC has benefited from extensive positive media coverage, mainly related to strategic investments in production capacities, improved operational performance, stability of the energy system, human resource development, institutional and international cooperation, and strengthening of asset security. These represent the strengths of KEK's reputational profile. In total, approximately 80–100 positive reports were identified, reflecting a strong institutional media presence throughout the year and contributing to the perception of KEK as a key actor in the country's energy stability and security.

ADDITIONAL SHAREHOLDER REPORTS

CORPORATE GOVERNANCE

Corporate governance represents the framework through which the Corporation is directed, controlled, and held accountable. This governance defines clear responsibilities and authorities to ensure that the Corporation achieves its objectives by managing risks and acting ethically.

The Board of Directors, as the highest decision-making body of the Corporation, stands at the top of the governance structure, holding ultimate responsibility for the direction and oversight of the Corporation. As representatives of shareholders and other stakeholders, board members must balance multiple interests while ensuring the long-term success of the organization.

The responsibilities of corporate governance rest with this body and are regulated by the Law on Public Enterprises and other secondary legislation. The KEK Board of Directors is an independent and professional body, elected through legal and transparent procedures by the shareholder. It operates in full composition and governs the enterprise, which operates in the energy market as a provider of a public good under corporate governance rules in accordance with applicable laws and regulations.

The Board's key responsibilities include strategy approval, risk oversight, performance monitoring, ensuring compliance, and accountability to stakeholders. In its supervisory role, the Board ensures integrity, leadership, and transparency in governance, carried out through various mechanisms. For this purpose, the Corporation has established an Audit Committee, which operates under the Board of Directors in accordance with the Law on Public Enterprises and best corporate governance practices.

During 2025, the Board of Directors made a series of decisions for KEK, including approval of: the 2024 Annual Report of KEK, the External Auditor's Report on the 2024 Financial Statements,

amendments to the Statute of KEK JSC, quarterly performance reports, the revised 2025 budget, the Environmental Provisions Report for 2024, the Risk Management Report for 2024, the Risk Identification Report for 2025, provisions for accounts receivable for 2024, the Action Plan related to the Audit Office of Kosovo (NAO) audit report on the 2024 financial statements, the management proposal for electricity prices for the tariff year 01 April 2025 – 31 March 2026, and the asset register report, among others. It also approved the establishment of the Physical Security Department, the Electricity Trading Unit, and the Central Electricity Supply Unit.

Furthermore, during 2025 the Board, aiming to strengthen internal controls and employee accountability, approved several regulations and procedures, including the Labour Code, the Regulation on Electricity Trading and Exchange, and the Regulation on Disciplinary and Material Responsibility, while others are still in the drafting process in line with legal requirements and process improvements.

The Board also made additional decisions in line with its governance responsibilities, such as engaging the National Audit Office for 2025, approving salary increases, employee bonuses, and the allocation of free coal for KEK employees. These actions reinforce the Corporation's commitment to good governance, increased shareholder value, and effective risk management.

RISK MANAGEMENT CULTURE

Enterprise Risk Management (ERM) Culture is an important component of proactive risk management awareness at all levels of the organization and a vital part of a comprehensive risk management strategy. It fosters an environment where employees are not only encouraged but also expected to identify, assess, and manage risks within their areas of responsibility. This culture is built on a foundation of open communication, where discussion of risks and potential impacts is part of daily workflow, ensuring that risk management is not isolated but integrated into decision-making processes. An effective ERM culture promotes accountability and continuous improvement, enabling organizations to anticipate and mitigate risks more effectively, thereby protecting assets, reputation, and stakeholders' interests.

The key elements of the risk management culture in the Corporation are:

Senior Management Commitment: Senior leaders must model and promote a risk-aware culture, and risk management policies must be an integral part of the Corporation's strategy.

Proactive Approach to Risks: Risk identification and assessment must be carried out continuously, with real-time monitoring systems implemented to prevent and minimize negative impacts.

Employee Involvement: Creating an environment where employees feel encouraged to report risks without fear of punishment, along with continuous training to raise awareness of risk management.

Compliance with Regulations and Standards: Ensuring that all operations comply with local/international regulations and certifications such as ISO 31000 for risk management.

The benefits of a strong risk management culture include: reduction of operational incidents and accidents; improved financial stability and prevention of losses; enhanced reputation and credibility; and support for strategic decision-making based on accurate data.

OPERATION OF INTERNAL CONTROLS

Internal controls form the backbone of risk management within an organization. They are mechanisms and processes designed to ensure that the Corporation's operations are efficient, safe, and compliant with internal and external regulations and policies. These controls help prevent fraud, improve performance, and manage risks.

The benefits of internal controls include increased efficiency and transparency in operations, prevention of financial losses and fraud, improved corporate reputation, and the assurance of a stable and secure working environment for employees.

KEK has implemented internal regulations and procedures that establish systems and processes enabling the achievement of internal control objectives. These systems include, but are not limited to: risk management, control environment and control activities, information and communication, conflict of interest avoidance, segregation of duties and monitoring, physical and digital security, compliance with laws and regulatory reporting, detection of fraud and misuse risks, etc.

Segregation of duties is a key principle in internal control systems aimed at reducing the risks of fraud, errors, or abuse by dividing responsibilities among different individuals. Segregation of duties is important because it prevents fraud and conflicts of interest, ensures that no single person has full control over a specific process, creates a supervisory mechanism that helps detect and correct errors, and increases compliance with regulatory standards and legal requirements. KEK

has clearly defined duties and responsibilities in accordance with legal compliance and regulations, including financial, operational, and internal control functions.

FINANCIAL MANAGEMENT AND CONTROL

Financial management includes planning, organizing, directing, and controlling financial resources to achieve its strategic and operational objectives. The main objectives of financial management are:

- Ensuring financial stability by managing liquidity and cash flow.
- Efficient use of capital and investments to maximize returns.
- Managing financial risks to minimize exposure to market fluctuations.
- Compliance with legal and accounting standards to avoid sanctions and penalties.

The main components of financial management are:

- **Financial planning and budgeting** – preparation of annual and long-term budgets to ensure proper use of funds.
- **Liquidity management** – ensuring that the company has sufficient funds to cover daily operations.
- **Cost management and expenditure optimization** – controlling expenses to maximize profit.
- **Investment analysis** – evaluating new projects in terms of return on investment (ROI) and potential risks.
- **Accounting and financial reporting** – accurate recording of transactions and preparation of financial statements.

Financial control ensures that the objectives and components of financial management are properly implemented in a lawful and secure manner. It also ensures the accuracy of financial transactions, minimizes fraud and errors, increases financial transparency for shareholders and stakeholders, improves efficiency by eliminating unsustainable financial practices, and ensures compliance with international accounting standards.

In recent years, KEK has increased its financial activities and control mechanisms, including the development of procedures for financial investments and related activities, regulations on the labour code and ethics, budgeting approval and expenditure control regulations, risk management

regulations, and other operational rules implemented in compliance with applicable local laws and international financial standards.

Challenges in financial management and control during 2025 include the need to review and improve internal processes in order to better achieve financial management and control objectives within KEK, while respecting legal requirements and professional and ethical standards.

Another ongoing challenge is the implementation of the Inventory module within the ERP system, aimed at improving accounting accuracy and enabling faster reporting of stock levels and material receipts in KEK. This includes access to a unified system (identification of slow-moving stock that can be utilized by other units), as well as a three-way linkage between Procurement/Stock/Inventory. Although efforts have been made, it is expected that implementation may begin during 2026. However, challenges remain, including a shortage of younger staff, lack of training, and insufficient ERP maintenance.

Furthermore, the functional review of KEK's organizational structure has caused delays in the successful implementation of the full ERP system across all modules. This is necessary for improving financial management and control and enhancing performance, as highlighted in the draft report of the independent consultant for the organizational review, which also recommends further IT improvements and modernization. These advancements aim to reduce processing errors and increase transparency by providing accurate, real-time information that enables effective and comprehensive control of financial recording and reporting.

AVOIDANCE OF CONFLICT OF INTEREST

Avoiding conflicts of interest is an important role in any company or institution, aimed at preventing situations where an individual's personal interests may influence their decision-making and actions in public duty.

Within the activities for preventing conflicts of interest, during 2025, based on received information or initiatives from competent officials, procedures were conducted to verify the existence of potential conflict of interest cases. Four cases were identified during 2025 as potential conflicts of interest, of which two were related to public competitions; as a preventive measure, contract termination and an oral warning were applied in one case, while the other two cases were

clarifications and originate from the past. Since 2022, KEK has appointed an officer to carry out activities in accordance with the Law on the Prevention of Conflict of Interest in the Exercise of Public Functions.

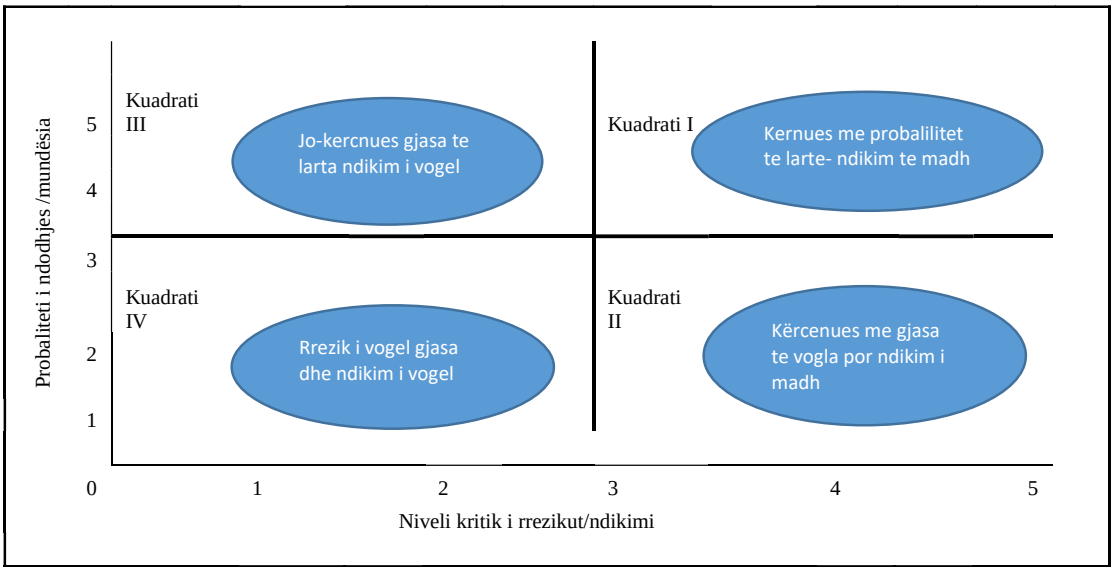
Overall, the role of the conflict of interest officer is important in ensuring that processes and decision-making are impartial, fair, and transparent.

MEASURES ACCORDING TO THE RISK MAP

Based on the Risk Management Regulation in KEK JSC, adequate quantitative assessments are required, as well as the creation of a database for risk-related activities. The core concept of risk management is based on the principle that, regardless of the nature and level of risk, management has the obligation to develop methods to eliminate or reduce the consequences to an acceptable level or to a minimal impact on the organization's operations.

Risk assessment in KEK is carried out through the risk map. Some of the identified risks in this quarter maintain the same risk level/status based on the implemented risk mitigation measures. The figure below illustrates the ranking of risks according to likelihood and impact in specific positions on the risk map, providing guidance for prioritization and classification based on risk severity.

Figure 11: Risk assessment according to likelihood of occurrence and impact



Quadrant I: Prevention at the Source

Risks included in this red quadrant or its shades are classified as primary risks and involve those assessed with high likelihood and high impact. These are critical risks which, if they occur, may seriously threaten the achievement of the Corporation's objectives. They must be reduced or eliminated through specific activities and periodic monitoring of implementation.

R1 to R34 (as risks directly related to the production process: TPPA, TPPB, CPD) are recognized as risks and have also been assessed in the feasibility study on the lifetime of TPPB and the rehabilitation of TPp A3, as well as by management. In all cases where possible, KEK has conducted assessments and included them in its medium-term budget planning through budgeting procedures. The number of high-impact risks in this quadrant totals 31 activities.

For R1, the procurement procedure is ongoing, and following the PRB decision rejecting the complaint of the economic operator, the process has opened the way for the official submission phase of applications by economic operators. Risks in this quadrant were budgeted during 2024 and have also been monitored during 2025. Where possible, KEK aims to transfer these risks through insurance companies, which cover the possibility of eventual failure in contract execution.

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Quadrant II: Detection and monitoring

Risks in this quadrant are significant in terms of their consequences but have a lower probability of occurring. To ensure that the risk remains at a low likelihood level and that these risks are properly managed by the responsible departments/units, they are monitored according to a defined cycle. Detecting controls should be established to ensure that these high-impact risks are identified before they occur. These risks are secondary in priority, following primary risks, with a total of 10 activities identified. In all cases where possible, KEK has conducted assessments and, through budgeting procedures, included them in its medium-term budget plan.

Quadrant III: Monitoring

Risks in this quadrant have a lower impact but a high likelihood of occurrence. These risks should be continuously monitored to ensure that they are being properly managed and that the level of their consequences has not changed due to changes in business conditions.

Risks such as R28 and R45 in the risk register are those that require continuous monitoring and reporting on related activities. Their management is carried out at the operational level. KEK currently has established procedures and regulations whose implementation helps prevent risks, and in these cases, the role of Internal Audit is important in mitigating the impact or reducing the likelihood of their occurrence.

Quadrant IV: Small Controls

Risks in this quadrant do not have severe consequences and have a low likelihood of occurrence. They require minimal monitoring and control, until periodic risk assessments indicate significant changes in the methodology, which may result in the risk being reclassified into another category. These risks, such as R37, R39, and R48, are mainly managed within KEK's operational activities. Currently, KEK has established procedures in place, and in these cases, the role of Internal Audit is important in minimizing the impact or reducing the likelihood of occurrence, based on the established regulations and procedures that help prevent the emergence of such risks.

CONCLUSION

Risk management represents the systematic approach that the Corporation uses to deal with uncertainty in pursuit of its objectives. For effective risk management, it is necessary that responsibilities are fulfilled by everyone in accordance with the "Three Lines Model," which emphasizes cooperation and communication, recognizing that all parties work together toward achieving the Corporation's common goals.

Some of the proposals arising from the 2025 Risk Report are:

- Strengthening Divisions/Units in the risk management process – enhancing the risk management culture
- Continuous risk management training for Corporation staff (managers and persons responsible for risk within the Corporation)
- Strengthening organizational culture and internal control systems
- Establishing a Risk Management Committee (a permanent committee aligned with best corporate governance standards and practices)
- Real-time risk identification by Divisions/Units management
- Creating an electronic risk management system
- Continuing the restructuring process and ongoing review of each organizational human resources structure
- Cooperation with universities to reduce staff shortages in the labor market for rare professions – transfer of professional knowledge
- Engagement of a legal consultant to strengthen the Legal Office in reducing litigation costs for lost court cases
- Completing the legal framework with corporate legislation to reduce risks arising from court disputes
- Renewal with new and younger professional staff, with special focus on production
- Continuous training of staff directly involved in the production process
- Agreements with universities for student internships (including the possibility of employment after completion) and encouraging recent graduates/talented young individuals to apply in public competitions for filling vacant positions.

ANNEX 1: STANDARD FORM FOR RISK ASSESSMENT

Vlerësimi i Rrezikut 2025

Forma standarde për departamentin

Përpiluesi:

Emiri i projektit, kodi i punës, data :

Përshkrimi i aktivitetit (identifikimi i rrezikut):

Palët e ndikuara :

☐	Personeli	☐	Publiku
☐	Organizata	☐	Infrastruktura
☐	Kontraktorët	☐	Të tjerët :

Përshkrimi i rrezikut	Mundësia (1-5)	Ndikimi (1-5)	Koeficienti (G+S)	Vlerësimi i rrezikut para marrjes së masave

Masat e rekomanduara :

Përshkrimi i rrezikut	Mundësia (1-5)	Ndikimi (1-5)	Koeficienti (G+S)	Vlerësimi i rrezikut pas marrjes së masave

AFATI I PLANIFIKUAR PER TRAJTIMIN E RREZIKUT	

Mundësia : Rrallë (1); Vështirë se (2); Mesatar (3); I mundshëm (4); Sipas të gjitha gjasave (5)

Ndikimi : Serioz /Fatal (5); Madhor (4); Mesatar (3); I vogël (2) ; I pa përfillshëm (1)

Aprovimi nga drejtori I Divizionit _____ Data_____

ANNEX 2: RISK REGISTER BY DIVISION/DEPARTMENT FOR 2025

R [illegible] D [illegible] /D [illegible] 2025

Regjistri i rreziqeve sipas Divizioneve/Depepartamenteve 2025

Njësia përgjegjëse	NR.	Identifikimi i rrezikut	Referenca në Hartë	Ndikimi	Probabiliteti	Niveli i rrezikut	Masat per zvoglimin e rrezikut		Plani I veprimit
							Pershkrimi I aktivitetit dhe masat	Statusi më 31.12.2025	
TCA	1	Rehabilitimi dhe modernizimi I njesise A3 ; GE-25-A-C-111	R1	3.00	3.00	9.00	Rehabilitimi dhe modernizimi i një njësie, si për shembull njësia A3, është një proces që përfshin disa hapa për ta përmirësuar infrastrukturën, funksionalitetin dhe efikasitetin e saj. Ky proces mund të përfshijë aspekte të ndryshme, duke përfshirë rinovimin e ndërtimit, modernizimin e pajisjeve dhe përmirësimin e kushteve të punës.	Tenderi fazen e parë eshte perfunduara ,pritet perfundimi I konsulences dhe te vazhdohet me procedurat e fazës se dytë.	prokurimi I A3, është ne fazën e shpalljes se rezultatit te fazës se parakulaifikimit. Pas kësaj fillon faza e dyte e negocimit te specifikimit teknik e më pas faza e trete e negocimit te kontratës.
	2	Remonti I njesi A4	R2	5.00	2.00	10.00	Remonti i fundit në njësinë A4 u përfundua në vitin 2020, dhe deri tani ka arritur më shumë se 22,000 orë pune. Duke u bazuar në dinamikën e punës, blloku A4 deri në fund të vitit pritet të arrijë e punes nga remonti i fundit qe duhet te shkoje ne remontin e ardhshem, sipas planifikimeve për remontin e ardhshëm. Kjo bëhet edhe më e vështirë kur kemi parasysh se njësia A3 nuk është planifikuar të përfundojë deri në vitin 2027. Si rezultat, do të përballemi me shumë probleme dhe mund të mos arrijmë prodhimin e planifikuar.	Janë marr disa masa te cilat kanë bere nje zgjidhje emergjente, planifikohet te tenderohet pjesa e furnizimit me hoja te plastikes. Pjesa e remonti pritet te diskutohet ne te ardhmen. Statusi "ne gjendje te njëjtë"	pritet te aprovimi I buxhetit te 2026 dhe te iniciohet kërkesa per blerje te hojeve.
	3	Remonti Kapital I Bllokut A5 Pjesa e kaldajes ; GE-25-A-C-42	R3	5.00	3.00	15.00	Pjesa e kaldajes per arsye te disa problemeve ne pjese e brendeshme duhet te behet remont sa me shpejt qe eshte e mundur.	Është përfunduar specifikimi dhe është dërguar per aprovim tek Menaxhmenti. Tenderi eshte shpallur eshte ne fazen e vleresimit te ofertave.	Pritet aprovimi I tij dhe shpallja e tenderit. Duhet te kemi kontrate para fundit te vitit 2025, përndryshe do te duhet te shtyhet ndalja e njesise A5 pas muajit shkurt te 2026, sepse nuk mund te arrihet me kohe.
	4	Furnizimi dhe instalimi me kompresor ;GE-25-A-C-90	R4	3.00	2.00	6.00	Ne TC.Kosova ka gjithsej 5 kompresor qe furnizon me ajer paisjet energjitike,nje nga keta komperesor eshte jasht punes per arsye te problemeve teknik.Duhet ne form urgjente te furnizohemi me kompresor qe te arrihet siguria e operimit.	Tani pritet aprovimi I buxhetit dhe planifikohet te iniciohet. statusi "I njëjte"	Planifikojmë qe gjate rishikimi te buxheti te propozojmë rritje te buxhetit. Kete e kemi bere ne draft buxhetin e viti 2026.
	5	Riparimi dhe furnizimi me drrasa të integrume per kullën ftohese ,GE-25-A-C-70	R5	3.00	3.00	9.00	Riparimi dhe furnizimi me dru të integruar për kullën ftohëse A5 Për të siguruar operimin e qëndrueshëm dhe efikas të kullës ftohëse A5, riparimi dhe furnizimi me dru të integruar është një masë e domosdoshme.	Planifikohet te iniciohet sa me shpejt, pas përfundimit te specifikimit. (statusi "i njëjte")	Kemi marr masa shtesë qe per arsye te specifikimit mos te ketë arsye per ankesa dhe vonesa te pajustifikuar.
	6	Trajnimi I kuadrave per operimi me njesit A3/A4/A5	R6	3.00	3.00	9.00	Per arsye se mosha shume e shtyer e personelit te operimit dhe mirmbajtjes kerkohet te fillohet me trajnimi e personelit.	Eshte perfunduar rekrutimi I stafiti inxhinjerik te makineris.	Kërkesa te vazhdueshme. Trajnimi është proces kontinual dhe është ne vend te punës. Po ashtu presim te kemi edhe prurje te reja dhe përmirësim e pasjeve edhe nga ana
	7	Stabilimentet elektrike gjenerator -zgjues A5 GE-25-A-C-49	R7	3.00	3.00	9.00	Zgjimi aktual eshte ne formen mekanike dhe kerkohet te zevendsohet ne formen e modernizuar.	Planifikohet te iniciohet sa me shpejt, pas aprovimit të buxhetit.	Përfundimi I specifikimit teknik dhe inicimi me kohe.
	1	Ekonomajzeri B1&B2	R8	4.00	3.00	12.00	Eko në B1&B2 duhet të ndërrohen komplet gypat duke përfshirë edhe gypat bartes në zonen e ekonomajzerit, të bëhet puthitja në kolektorin hyrës dhe dalës si dhe ndërrimi i gypave deri një meter jashtë kaldajës. këta këmbyes nuk janë ndërruar asnjëherë, ka rrjedhje të shpeshta	Ndikimi: 3 (mesatar); Mundesia: 3 (mestarë)	2025-2026. Ne muajin Janar 2025 është bërë amandamentimi i kontratës per ndërrim të EKO-s ne B1 dhe B2. Implementimi i EKO ne kaldajën B2 është realizuar ne ketë vit gjate remontit te planifikuar 4.5 mujor te njësisë B2 ne periudhën kohore Qershor – Shtator 2025. Ne kaldajën B1 kontrata do te implementohet ne vitin 2026 ne periudhën kohore kur do te implementohet projekti i DeNOx dhe Elektrofiltrave.
	2	TEJNXEMSI I TEMPERATURËS SË MESME - B1	R9	4.00	4.00	16.00	TTM në B1 duhet të ndërrohen komplet gypat duke përfshirë edhe gypat bartes në zonen e tejnxemsi, të bëhet puthitja në kolektorin hyrës dhe dalës si dhe ndërrimi i gypave deri një meter jashtë kaldajës. Në këtë këmbyes ka rrjedhje të shpeshta duke e nxjerr njësinë B1 nga operimi shumë shpesh dhe në kohëzgjatje min 50h, Ndërrimi i këtij këmbyesi në B1 është edhe sipas studimit të fizibilitetit.	Ndikimi: 4 (madhor); Mundësia: 4 (I mundshëm)	2025-2026. Ne muajin Janar 2025 është bërë amandamentimi i kontratës per ndërrim këmbyesit të tejnxemësit te trusnisë se ulet (TTM) në kaldajën B1. Ndërrimi i këmbyesit te TTM ne kaldajën B1 është i përfshirë ne kontratën e ndërrimit te EKO në B1&B2. Implementimi i pjesës se kontratës për ndërrim te TTM në kaldajën B1 do te realizohet ne vitin 2026 ne periudhën kohore kur do te implementohet projekti i DeNOx-it dhe Elektrofiltri.

	3	TEJNXEMSI I TEMPERATURËS SË ULËT 1 - B2	R10	4.00	1.00	4.00	TTU1 në B2 duhet të ndërrohen komplet gypat duke përfshirë edhe gypat bartes në zonen e tejnxemsi, të bëhet puthitja në kolektorin hyrës dhe dalës si dhe ndërrimi i gypave deri një meter jashtë kaldajës.	Ndikimi: 3 (mesatar); Mundësia: 2 (i vogël)	2025-2026. Ne muajin Janar 2025 është bërë amandamentimi i kontratës per ndërrim të tejnxemësit te trusnisë se ulet 1 (TTU1) në kaldajën B2. Ndërrimi i këmbyesit TTU1 ne kaldajën B2 është i përfshirë ne kontratën e ndërrimit te Ekonomajzerit (EKO) në B1&B2. Implementimi i pjesës se kontratës për ndërrim te TTU1 në kaldajën B2 per kundër përpjekjeve qe te realizohet ne ketë vit 2025 ne periudhën kohore 4.5 muajsh Maj - Shtator 2025 gjasat janë te vogla qe te realizohet ketë vit. Prandaj mbetet qe ky këmbyes te kaloi komplet ne vitin 2026 per implementim. Pjesa e kontratës per ndërrimit te TTU1 planifikohet te realizohet ne vend ne vitin 2027 per shkak se ky këmbyes kërkon një periudhe kohore te gjate qe njësia B2 te jete jashtë funksioni si rezultat e vëllimit te madh te punëve ne demontim dhe demontimit te sistemit te ri gypor te këtij këmbyesi.
	4	VENTILATORI THITHËS NR.1 - B1 (1NR07D002)	R11	4.00	4.00	16.00	Rekomandimet afat shkurta veç se janë marr por rekomandimet afat gjata janë që mundësisht rotori dhe statori furnizohen nga prodhuesi origjinal KKK (Kühnle, Kopp & Kausch) - OEM	Ndikimi: 3 (mesatar); Mundësia: 4 (I mundshëm)	2026. Ndërrimi rotorit te ventilatorit eshte bere gjate revizionit te njësisë B1 ne periudhën Mars – Prill 2025. Lopatat e rotorit janë punuar ne Palaj. **Përformimi** i dobët i elektrofiltrave mund te ndikoj ne punën e ventilatorit thithës me saktësisht ne shfaqjen e konsumit te materialit te rotorit per shkak te prezencës se grimcave te pluhurit te cilat e shkaktojnë erozionin. Me ndërrimin e elektrofiltrave puna e ventilatorit thithës pa dyshim qe do te përmirësohet per shkak se prezenca e grimcave te pluhurit ne gazrat ee tymit do te jete shume e vogël (≤ 20mg/Nm^3).
	5	VENTILATORI THITHËS NR.2 - B1 (1NR06D002)	R12	5.00	4.00	20.00	Ventilatori thithes 2 në B2 është duke operuar me rotor të punuar në palaj me formë dhe material të lopatave sipas dizajnit, por bandashi i rotorit është i vjetri.	Ndikimi: 4 (madhor); Mundësia: 4 (I mundshëm)	2026. Ne muajin Shkurt 2025 është nderruar rotori i ventilatorit thithës nr.2. Ne projekt buxhetin 2026 kemi propozuar linje buxhetore per blerjen e nje statori dhe rotori te ri. **Përformimi** i dobët i elektrofiltrave mund te ndikoj ne punën e ventilatorit thithës me saktësisht ne shfaqjen e konsumit te materialit te rotorit per shkak te prezencës se grimcave te pluhurit te cilat e shkaktojnë erozionin. Me ndërrimin e elektrofiltrave puna e ventilatorit thithës pa dyshim qe do te përmirësohet per shkak se prezenca e grimcave te pluhurit ne gazrat ee tymit do te jete shume e vogël (≤ 20mg/Nm^3).
	6	VENTILATORI THITHËS NR.1- B2 (2NR07D002)	R13	4.00	3.00	12.00	Ventilatori thithes 2 në B2 është duke operuar me rotor të punuar në palaj me formë dhe material të lopatave sipas dizajnit, por bandashi i rotorit është i vjetri.	Ndikimi: 4 (madhor); Mundësia: 3 (mesatar)	Kemi kontrate per liferim te një rotori dhe stator te ri. Liferimi do te ndodhe gjate vitit 2025. Instalimi planifikohet te behet ne vitin 2026. **Përformimi** i dobët i elektrofiltrave mund te ndikoj ne punën e ventilatorit thithës me saktësisht ne shfaqjen e konsumit te materialit te rotorit per shkak te prezencës se grimcave te pluhurit te cilat e shkaktojnë erozionin. Me ndërrimin e elektrofiltrave puna e ventilatorit thithës pa dyshim qe do te përmirësohet per shkak se prezenca e grimcave te pluhurit ne gazrat ee tymit do te jete shume e vogël (≤ 20mg/Nm^3)
	7	VENTILATORI THITHËS NR.2 - B2 (2NR07D002)	R14	4.00	4.00	16.00	Ventilatori thithes 2 në B2 është duke operuar me rotor të punuar në palaj me formë dhe material të lopatave sipas dizajnit, por bandashi i rotorit është i vjetri.	Ndikimi: 4 (madhor); Mundësia: 4 (I mundshëm)	Kemi kontrate per liferimin e një rotor dhe stator te ri. Liferimi do te ndodhe gjate vitit 2025. Instalimi planifikohet te behet ne vitin 2026. **Përformimi** i dobët i elektrofiltrave mund te ndikoj ne punën e ventilatorit thithës me saktësisht ne shfaqjen e konsumit te materialit te rotorit per shkak te prezencës se grimcave te pluhurit te cilat e shkaktojnë erozionin. Me ndërrimin e elektrofiltrave puna e ventilatorit thithës pa dyshim qe do te përmirësohet per shkak se prezenca e grimcave te pluhurit ne gazrat ee tymit do te jete shume e vogël (≤ 20mg/Nm^3)

TCB	8	KUSHINETA E DYFISHTË E MULLINJVE	R15	4.00	3.00	12.00	Munges e kushinetës së dyfishtë komplet me shtepizë të vajit dhe dy kushineta të boshtit, furnizimi me kushineta te boshtit nga prodhues jo cilësorë, betoni dhe bulonat e bazamentit të dëmtuar.	Ndikimi: 4 (madhor); Mundësia: 3 (mesatar)	Kemi kontrate per riparim te 4 kushinetave te dyfishta te mullinjve e cila aktualisht është ne implementim e sipër. Fillimisht kemi filluar me riparimin e 4 kushinetave te dyfishta. Ne vitin 2026, 2027 dhe 2028 planifikojmë ta përmbyllim riparimin edhe te 12 kushineta ve tjera te dyfishta. Per këtë janë planifikuar alokime te buxheteve neper vitet 2026, 2027 dhe 2028. Ne te dy njësit e TC Kosova B janë 16 mullinj të thëngjillit dhe secili e posedon kushinetën e vete.
	9	MULLINJTË B1 DHE B2	R16	4.00	3.00	12.00	Dalja nga gjeometria dizajnuese e pjeses statorike të mullinjve M1 - M8 në B1 dhe B2, për shakk të mungesës së punëtorëve, ralizimi i remonteve të mullinjve bëhet nga kontraktues të jashtem dhe deri diku në mënyrë jo adekuate dhe jo profesionale (ku shumica e pozicioneve të pllakave te ndërruara saldohen e nuk ngjiten me bulona, kjo si pasojë e daljes së mullirit nga gjeometria dizajnuese).	Ndikimi: 4 (madhor); Mundësia: 3 (mesatar)	2025-2026. Kontrata per riparim te mullinjëve eshte duke u implementuar. Synojmë qe te kemi kontrate kornize per vitet 2026-2028 per riparimin e mullinjve.
	10	FASADA E JASHTME E OBJEKTEVE	R17	4.00	3.00	12.00	Dëmtimi dhe mungesa e fasadës së jashtme nga llamarina në të gjitha objektet e TC B sidomos tek kaldaja B1 dhe B2 nga kuota 51[m] e sipër.	Ndikimi: 4 (madhor); Mundësia: 3 (mesatar)	Është planifikuar një investim më I gjerë dhe afatë gjatë në vitet 2026 dhe 2027
	11	PUNËSIMI I STAFIT ESENCIL PËR PREVENTIVA DHE MIRËMBAJTJE NË TC "KOSOVA B"	R18	4.00	4.00	16.00	Me mungesen e stafit esencial për preventiva dhe mirëmbajtje shkaktohet renia më e shpeshtë e njësive nga operimi si pasojë e personelit të mirëmbajtjes, koha e kthimit të njësive në operim zgjatet. Shkakton edhe ngarkesë te stafi I mbetur e kjo për pasojë ka edhe paraqitjen e sëmundjeve provesionale e nganjëherë edhe vdekjen e parakohëshme stafit.	Ndikimi: 3 (mesatar); Mundësia: 3 (mesatar)	2025-2027. Nevojat per staf jane derguar me herët ne DBNJ dhe do të dërgohën në ndërkohe për rekrutim të stafit te ri.
	12	Rehabilitimi i kullës ftohëse në TCB	R19	3.00	4.00	12.00	Ky projekt është i lidhur ngushtë me procesin e prodhimit, sepse sistemi shërben për ftohjen e krejt pajisjet punuese në TCB. Po ashtu edhe realizimi i tij kërkon një kohë bukur të gjatë dhe ndaljen e dy njësive punuese të TCB-së. Prandaj duhet shfrytëzuar ndaljet e planifikuara për implementimin e projektit të elektrofiltrave edhe DeNOx-it, ashtu që të realizohet edhe ky projekt që është shumë i rëndësishëm për funksionim të termocentralit edhe për 20 vitet e ardhshme. Pamundësia e implementimit të këtij projekti, do të ketë efekt negativ dhe do të sjell probleme në realizimin e prodhimit të energjisë, sepse nuk do të ketë ftohje të mjaftueshme për pajisjet e termocentralit. Kjo do të vërehet sidomos gjatë temperaturave të larta të ambientit.	Ndikimi: 3 (mesatar); Mundësia: 4 (i mundshëm)	Është bërë një vlerësim nga ana e A.K. për një ofertë, për këtë vlerësim është bërë një ankesë në OSHP dhe pas vendimit të OSHP do të kemi një pasqyrë më të qartë për këtë qështje. **Sqarime shtese:** Sipas BVEE 2026 se reviduar planet janë qe implementimi i projektit per rehabilitim te kullës ftohëse te realizohet ne periudhën kohore Maj - Qershor 2026. Per rehabilitimin e projektit te kullës ftohëse duhet te dy njësitë e TC Kosova B te jene jasht operimi. **Deri** me tani nuk kemi arritur te kemi kontrate për rehabilitim te kullës ftohëse. Viti 2026, qe është menduar te implementohet ky projekt pothuajse është i pamundur per shkak se kërkohet kohe e gjate per tu prodhuar pjesët e kullës ftohëse. Projekti per rehabilitim t kullës ftohëse zhvendoset ne vitin 2027. Gjendja teknik kullës ftohëse nuk është e mire. Ajo punon me efikasitet te dobët per shkak te degradimit te zonës PVC, zonës se spërkatjes dhe zonës se deflektorëve. Efikasiteti i dobët i kullës ftohëse vie ne shprehje sidomos kur fillon sezoni verore. Efikasiteti i dobët i kullës ftohëse ndikon detyrimisht ne uljen e ngarkese se njësive per shkak te ndikimit
	13	Blerja e ftohëve të hidrogjenit në TCB	R20	3.00	4.00	12.00	Në TCB janë 8 ftohës të hidrogjenit dhe atë nga 4 copë në dy njësit. Sa i përket njësisë B1 situata me ftohësit është e mirë, kurse probleme janë shfaqur në njësinë B2, sidomos kohen e fundit janë gjetur gypa të dëmtuar, të cilët janë edhe sinjal që duhet të gjejmë sa më shpejtë të ndërrohet ftohësit e vjetër, të cilët janë në funksion qe 40 vite	Ndikimi: 3 (mesatar); Mundësia: 4 (i mundshëm)	2025-2026. Projekti për blerjen e ftohësve te Hidrogjenit është zhvilluar me prokurim njëburimor. Kemi kontrate per këtë projekt. Kontrata është arritur me negocim direkt me Gjeneral Elektrikun. Kostoja finale e kontratës është 539,599.74 Euro me TVSH. Bazuar ne afatin e liferimit te kontratës parashihet qe ne fund te muajit Prill 2026 te behet liferimi i tre ftohësve te rinje te Hidrogjenit. Gjate revizioneve te planifikuara te njësive, B1 dhe B2, gjate vitit 2026 planifikohet instalimi i tyre ne gjeneratorët elektrik. Me konkretisht dy prej ftohësve te rinje do te instalohen ne gjeneratorin B2 dhe 1 ftohës ne gjeneratorin B1. Me këtë do te kompletohen gjeneratorët elektrik ne eB1 dhe B2 me ftohës te rinje te hidrogjenit

	14	Stabilimentet 0.4(kV)	R21	5.00	4.00	20.00	Stabilimetet 0.4 (kV) për bllokun B2, kanë nevojë të ndërrohet sepse afat shërbimit dhe mirëmbajtjes së bërë deri me tani tregojnë se besueshmëria e këtij aseti për operim është e ulët. Tërësia e Stabilimenteve 0.4(kV) përmban:Stabilimentet ekzistuese janë të montuara dhe vendosura në operim në TC Kosova B në vitin 1983. Këto stabilimente furnizojnë shpenzues të ndryshëm. Gjendja teknike e tyre është e degraduar për shkak të vjetërsisë dhe kohës së gjate të operimit dhe mungesës së pjesëve rezervë.	Ndikimi: 5 (Serioz /Fatal); Mundësia: 4 (i mundshëm)	2024 - 2025. Per ndërrimin e komplet stabilimenteve 0.4 kV kemi pasur kontrate e cila me plan ka qene e planifikuar te implementohet ne vend ne periudhën kohore te remontit 4.5 muaj (Qershor – Shtator 2025) te njësisë B2. **Kontraktori** ka dështuar te ta implementoi ne kohe dhe ka mbete qe ky projekt per ndërrim te stabilimenteve 0.4 kV te realizohet ne vitin 2027 ne periudhën kohore kur do te implementohet projekti i elektrofiltrave dhe DeNOx-it.
	15	Stabilimentet 6.3(kV)	R22	5.00	3.00	15.00	Te përcjelljet gjendja edhe ne vitin: 2025. Te behet kontrollimi i shtuar i preventivave nga mirembajtja si dhe të merren masat e percjelljes së gjendjes së Stabilimenteve 6.3(kV) përmes matjeve elektrike(megerimit).		2026-2027: Per ndërrimin e komplet stabilimenteve 6.3 kV kemi pasur kontrate e cila me plan ka qene e planifikuar te implementohet ne vend ne periudhën kohore te remontit 4.5 muaj (Qershor – Shtator 2025) te njësisë B2. **Kontraktori** ka dështuar te ta implementoi ne kohe dhe ka mbete qe ky projekt per ndërrim te stabilimenteve 0.4 kV te realizohet ne vitin 2027 ne periudhën kohore kur do te implementohet projekti i elektrofiltrave dhe DeNOx-it. Dokumentacioni tknik për nderrim të stabilimenteve 6.3(kV) ka te perfshirë edhe stabilimetet 0.4 (kV) te cekur ne kuader te R21.
	16	Transformatori i bllokut 1AT (24/400 kV)	R23	4.00	3.00	12.00	Transformatori i bllokut B1, 1AT (nr.s 217381-02), 24/400kV, i prodhuar ne 1979, është në operim per me shume se 40 vite. Duke u bazuar ne analizat kromatografike te vajit te realizuara ne vitet 2019, 2020 nga Institutet, EIMV - Milan Vidmar, Slloveni, (2019) dhe institutin MOL, Stara Pozova, IET Nikola Tesla ne Beograd (2020), rekomandohet planifikimi i nderrimit te tij (per shkak te demtimit te izolimit te letres se transformatorit). Ne baze te kushteve te tanishme te operimit, vjetersise si dhe analizave te larte permendura besueshmeria e operimit te ketij aseti eshte e ulet.	Ndikimi: 4 (madhore); Mundësia: 4 (i mundshëm)	2026. Kemi kontratë për lëferimin e një trafoje te re AT e cila, sipas planeve te mëhershme, ka qene e planifikuar qe te implementohet ne njësinë B1 gjatë muajit Qershor- Gusht 2025 mirëpo O.E. nuk e ka bërë lëferimin sipas kushtëve të kontratës, duke arritur në rrethana të tilla për arsye të gjendjes së transformatorit 1AT është obliguar A.K. që të bëjë amandamentimin e kontratës dhe sipas kushteve në këtë amandamentim pritet lëferimi i transformatorit nga data 20 Tetor deri me 10 Nëntor 2026. Transformatori i ri AT do te instalohet ne njësinë B1 gjate periudhës kohore Prill – Nëntor 2026. Priudha kohore Prill – Nëntor 2026 është periudha kur njësia B1 do te ketë një ndalesë te gjate per shkak te implementimit te projektit te elektrofiltrave dhe projektit te DeNOx-it. Kjo periudhe e gjatë kohore e ndalesës se njësisë B1 do te shfrytëzohet per instalimin e trafos AT. Edhe nëse kjo trafo instalohet ne muajin Prill – Maj 2026 e njëjta nuk do te mund te komisionohet deri ne muajin Nëntor 2026 kur kthehet ne operim njësia B2 pas instalimit te elektrofiltrave dhe DeNOx-it. Trafoja ekzistuese 1AT operon pa ndonjë
	17	Stabilimentet 0.4(kV) dhe 6.3(kV) - Sistemi i Hinizimit	R24	5.00	5.00	25.00	Stabilimetet e Hinizimit 0.4 (kV) dhe 6.3 kV për bllokun B1/B2, kanë nevojë të ndërrohet sepse afat shërbimit dhe mirëmbajtjes së bërë deri më tani tregojnë se besueshmëria e këtyre aseteve për operim është shumë e ulët. Tërësia e Stabilimenteve 0.4(kV) dhe 6.3(kV) përmban: • Zbarrat 0.4 kV OCP01 • Zbarrat 0.4 kV OCP02 • Zbarrat 6.3 kV OBP 1 • Zbarrat 6.3 kV OBP 2 Stabilimentet ekzistuese janë të montuara dhe vendosura në operim në TC Kosova B në vitin 1983. Këto stabilimente furnizojnë shpenzues të ndryshëm. Gjendja teknike e tyre është e degraduar për shkak të vjetërsisë dhe kohës së gjate të operimit dhe mungesës së pjesëve rezervë.	Ndikimi: 4 (madhore); Mundësia: 4 (i mundshëm)	2026-2027. Projekti i DeNOx-it dhe Elektrofiltrave do te filloji te implementohet ne vitin 2026 ne njësinë B1 dhe 2027 ne njësinë B2. Projekti i DeNOx-it dhe elektrofiltrave e ka të përfshirë edhe transportin e brendshëm te hirit pjesë e te cilit është edhe pjesa elektrike. Si rezultat i kësaj nuk kemi ndonjë plan konkret te veprimit pasi qe kjo pjesë e stabilimenteve elektrike varet nga projekti i DeNOx-it dhe elektrofiltrave kostoja e te cilit do te mbulohet nga Zyra e BE-së në Prishtinë.
	18	Furnizimi Emergjen I TC Kosova B me Ujit BRUT	R25	5.00	5.00	25.00	Furnizimi emergjen II TC Kosova B me uji Brut është mjaft sfidues marr parasysh konsumin e madh ditor te ujit BRUT per nevojat e njësive te TC Kosova B. Nevojat per furnizim te TC Kosova B sillen rreth 1350 m^3/h ose rreth 32,400 m^3/24h.	Ndikimi: 5 (Serioz /Fatal); Mundësia: 4 (i mundshëm)	2025-2027. Duhet te shihen rekomandimet e komisionit te ngritur per kete qeshtje.

	19	Pompat Furnizuese te kaldajes B2	R26	5.00	5.00	25.00	Gjendja teknike e pompave furnizuese te kaldajës B2 është jo e mire dhe jo premtuese. Si rezultat i gjendjes jo te mire te tyre jemi duke operuar me reduktim te fuqisë ne njësinë diku rreth 40 MW me ulet. Gjendja e keqe teknike me keto pompa eshte evidentuar ne muajin Tetor-Nentor 2024. Per operim pa e keqesuar me shumë gjendjen e pompave furnizuese jemi duke i ngarkuar pompat ne nje nivel me te ulet deri ne sanim te problemit. Tejkalim te situatës planifikohet instalimi I rotorëve te rinj ne pompat furnizuese nr.1 dhe 2 ne njësin B2 gjate remontit 4.5 muajsh te njësisë B2.	Ndikimi: 3 (mesatar); Mundësia: 4 (i mundshëm)	2025. Planet fillestare kane qene qe ne vitin 2025 gjate remontit 4.5 muaj te njësisë B2 te behet instalimi i dy rotoreve ne pompat ne pompat furnizuese nr.1 dhe 2 ne mënyrë qe te tejkalohet rreziku dhe do te operohet me fuqi me te madhe te njësisë B2. Për disa arsye nuk janë instaluar rotorët në PF. Ne pompën furnizuese nr.3 e kemi pasur te bllokuar rotorin dhe kemi qene te detyruar ta instalojmë një rotor te ri per shkak te testeve ne turbine ne fuqi te mëdha te njësisë. Per vitin ne vijim planifikohet instalimi edhe i rotorit te dyte ne pompën furnizuese nr.1 dhe riparimi i pompës 3 dhe kthimi i saj në vlera projektuese. Per vitin 2026 ne vijim planifikohet instalimi edhe i rotorit te dyte ne pompën furnizuese nr.1 dhe riparimi i pompës 3 dhe kthimi i saj në vlera projektuese.
DPQ	1	Zbatimi i Ligjve nga SSHP, IFPT dhe KPMM	R27	3.00	3.00	9.00	Kontrata kornizë njëvjeqare për Mjedisë eshte nënshkruar me date: 09/07/2024, KEKO 23 217 211. Me këtë kontratë janë duke u realizuar, Analizat laboratorike te mjedisit (Uji,ajri,toka), vibrimet, zhurma. Po ashtu analizat dhe matjet perë Ujerat nentoksore,Tokes, flora dhe Fauna,Vibrimet ,zhurma ,ajri janë kryer me sukses ne ketë 6-mujorin e pare. Kurse sa i perket prcjelljes se parametrave cilesor të qymyrit, është anular tenderi Blerja e shërbimeve për DPQ , TC "A" dhe TC "B"(kornizë kontratë3 vjeçare). Eshte duke u pegaditur inicimi perseri për Kornizë kontratë 3 vjeqare per ketë aktivitet. Monitorimi i këtyre parametrave është obligim ligjor sipas ligjeve të aplikueshme në Kosovë, dhe se kjo na sfidon me insticionet përgjegjëse si KPMM , Inspektorati i punës, Inspektorati i Mjedisit nga të cilët gjobitemi për mosrespektimin e ligjeve në fuqi.	Vazhdon të mbetet nevojë emergjente e të pasurit kontratë kornizë me ndonjë institut që bënë homogjenizimin e qymyrit , kontrollon cilësinë e naftës, të cilat janë të obliguara me ligjet e aplikueshme në Kosovë, dhe se kjo na sfidon me insticionet përgjegjëse si KPMM , Inspektorati i punës për mosrespektimin e ligjeve në fuqi. Kurse sa i perket prcjelljes se parametrave cilesor të qymyrit, ky aktivitet Blerja e shërbimeve për hulumtime , shqyrtime , analiza dhe projektime për DPQ, TC "A", dhe TC "B" (kontrat Kornizë 3 vjeçare), është ne procedura të vlerësimit.Mbetet i pandryshuar statusi i këtij rreziku.	Pritet vlerësimi i OE, ashtu që të zgjedhet një OE i përgjegjshëm për këto shërbime.
	2	Pervehtesimi i tokave (Procesi I shpronesimit M-C-1)	R28	2.00	5.00	10.00	Njoftojmë se zhvendosja fizike dhe ekonomike e fshatrave në sipërfaqet të njohura si (100.7 ha) ka përfunduar. Por ka një numër të pronarëve që kanë refuzuar pakot e shpronësimit dhe të tillët do të trajtohen me Ligjin mbi shpronësimin.	Qeveria e Republikës së Kosovës me datë 19.09.2025 ka miratuar Vendimin Nr.02/269, me të cilin aprovohet shqyrtimi i mëtejmë i kërkesës për shpronësim për interes publik të pronave të paluajtshme të pronarëve dhe zotëruesve të interesit, të cilat preken nga realizmi i Projektit për zgjerimin e mihjes sipërfaqësore për eksploatim të thëngjillit për prodhimin e energjisë elektrike për nevoja të Korporatës Energjetike të Kosovës (KEK-Sh.A), Zonat Kadastrale: Siboc, Shipitullë, Leshkoshiq, Hade dhe Palaj, Komuna Obiliq. Pasi që kemi pranuar edhe disa kontrata për shpronësim, në tremujorin e fundit,ky rrezik është zvogëluar.	Presim veprime konkrete të Qeverisë së R. Së Kosovës, për shpronësime sipas ligjit, për lëndet e deleguara!
	3	Stabiliteti i shpateve, ne DPQ	R29	3.00	3.00	9.00	Marrja e masave parandaluese, përfshirë shpimet dhe analizat përcjellëse zvoglojnë rrezikun e mundshëm nga rrëshqitjet e masave të dheut në minierat e thëngjillit si dhe respektimi strikt I kerkesave teknike per eksploatimin dhe pjerrtësinë e minierës	Vazhdon të mbetet nën monitorim, shpati perendimor si dhe në Minieren e Re. Kemi kontratë të lidhur për hulumtime, do të bëhet programi i përshtatshëm për studim të shpatit perendimor në veçanti. Po ashtu është në vlerësim edhe kërkesa për kontratë tri vjeqare. Statusi i këtij rreziki, me të lidhur kontrata për hulumtime ka filluar të zvogëlohet.	nga ekiet profesionale të DIX do të monitorohet procesi i shpimeve për hulumtim të shpatit perendimor në veçanti.
	4	Riparimet e Paisjeve kryesore xehetare Eskavatorëve, paluese dhe shiritave vetëlëvizësdhe konvejerëve	R30	5.00	4.00	20.00	Pajisjet e vjetëruara ndikojn në operimin e minierës. Vlerësim permanent dhe analizë gjatë dhe jashtë kohës së shfrytëzimi të pajisjeve kryesore xehtare dhe përfshirja e tyre në riparimet e rregullta me qëllim zvoglimin e rrezikut të operimit. Blerja e së paku një ekskavatori të ri është më se e nevojshme. Në vitin 2025 kemi planifikuar remontin kapital për tre ekskavatorë: E-8 B, E-10 M dhe E-7 M.	të gjitha këto kërkesa janë anuluar. Kemi filluar procedurat për kërkesa për vitin 2026. Mbetet i pandryshuar statusi i këtij rreziki.	Procesi është kthyer në DPQ.
	5	Gjendja e ndërtesave në DPQ	R31	3.00	3.00	9.00	Aktualisht për shkak të gjendjes ekzistuese të objekteve të DPQ, ku operimi vazhdon në objekte të përkohshme të ndërtuara që nga hapja e Minierave dhe funksionimi I TC-ve, rrezikohet jeta dhe shëndeti I punëtorëve të DPQ	Është bërë vlerësimi për Planin detal të ndërtesës së DPQ-së, pritet lidhja e kontratës me një OE. Mbetet i pandryshuar statusi i këtij rreziki.	Pasi që lidhet kontrata me një ndërmarrja për planin detal, nga DPQ do të vazhdohet me obligimet e tjera që janë të nevojshme.
	6	Mungesa e punëtorëve	R32	3.00	3.00	9.00	Mungesa e punënmarrësve në Drejtorinë operative të mirëmbajtjes, si në DPN, DMM dhe Dep. e remonteve.	Janë në aktivitet konkurset për Vullkanizer dhe Punëtorë fizik.Rreziku është zvogëluar	Konkurset e hapura janë në aktivitet të vlerësimit të aplikacioneve të punëtorëve të rinj.
	7	Mirëmbajtja e aparateve automatike per shuarjen e zjarreve në konvejer	R33	4.00	5.00	20.00	Ndikim direkt në aktivitetet operuese që lidhen me sigurinë e aseteve dhe vijimsinë në furnizimin e TC-ve me thëngjill .	Ka përfunduar.	Kontrata Nr.8001 dt.15.12.2024 është realizuar sipas planifikimit.
	8	Mungesa e Inspektorëve të Makinerisë	R34	5.00	4.00	20.00	Plotësimi i kuadrit të dy (2) inspektorëve të makinerisë me qëllim të rritjes së sigurisë në punë për punëmarrësit dhe sigurisë së PKK	Obligim i punëdhësit sipas LigjitNr.04/L-161 Për siguri dhe shëndet në punë Neni 4 paragrafi 9, prej 12 prill 2024. Në mungesë të inspektorëve të makinerisë do të rrezikohen punëmarrësit dhe paisjet sepse nuk mund të bëhen inspektime profesonale pa këtë kuadër. Mbetet i pandryshuar statusi i këtij rreziku.	Nëse nuk do kemi kandidatë nga prodhimi (me qëllim të përvojës që kanë) obligohemi të kërkojmë kuadro nga konkursi i hapur.
	1	Planifikimi jo adekuat/ tejkalimi I buxhetit	R35	3.00	3.00	9.00	Perçjellja me kohe e kerkesave per ndryshime buxhetore mund te zvogloj ndikimin ne realizimin e nevojave te korporates	Ka vijuar monitorimi dhe vëzgimi I lëvizjes së normave të inflacionit , përmes publikimeve si atë global ,po ashtu edhe në eurozonë si dhe atë vendor në rrjitjen a po zvogëlimin e normave të inflaionit dhe përshtatjes së planifikimit buxhetor.Gjatë përgatitjes së Buxhetit për vitin 2026 është mbajtur lidhje e ngushtë me Divizionet duke ndërlidhur planifikimin teknik me atë financiar në rritjen e fleksibilitetit dhe menaxhimit buxhetor në reduktimin e shmagjeve buxhetore .(statusi në rënie)	Varësisht rritjes apo zvogëlimit të normave të inflacionit gjatë vitit, përgatitja e draft buxhetit për rishikim dhe informimi me kohë për BOD-ve.

Divizoni Financiar	2	Menaxhimi I te hyrave dhe Llogarite e Arketueshme	R36	4.00	4.00	16.00	Probleme me realizimin e te hyrave si rrjedhoje e Krizes energjetike e ka percjell KEK ne vite e fundit . Ka pas komunikime te vazhdueshme me KEDS dhe KESCo per te ulur nivelin e LLA te KEK, Rruga ligjore,per inkasimin e faturave, nuk eshte perjashtuar. kjo ka dhene rezultate ne uljen e vleres se tyre, megjithese rreziku mbetet i larte.	Vazhdojnë vonesat në pagesat nga ana e KESCO për periudhën Mars 2025 deri më Nentor 2025 , të cilat shkakton rritje të LLA e njëkohësisht edhe vështërësi në likuiditet. Megjithate ne tremujorin e fundit kemi pranuar pagesa nga KESCO ne vlere rreth 32 milione euro (per faturat e periudhave Janar-mars 2025).	Përcjellja e gjendjes së pagesave përmes Departamentit të Thesarit ,njoftimi për boxhin si dhe informimi I menaxhmentit dhe BOD-ve, për borxhin e pa-inkasuar, dërgimi I lendes në përmbarim dhe në Arbitrazh
	3	Likuiditeti /paraja e gatshme	R37	3.00	3.00	9.00	Rritja e LLA ka ulur nivelin e likuiditetit ne para te gatshme, megjithatë KEK nuk rrezikon që gjatë vitit të ketë probleme me likuiditetin, meqënëse vlera e aseteve qarkulluese tejkalon obligimet afatshkurtra. Dhe paraja e gatshme ne banka eshte rritur kryesisht si rrjedhoje e rritjes se çmimit te energjise ne eksportet	Vijon percjellja e vazhdueshme e perputhjes kohore mes kërkesave dhe obligimeve e ul ndjeshëm rrezikun e likuiditetit. Afatizimi I mjeteve te lira ne banka, me mundesin e prishjes se marreveshjeve ne rast te ndonje veshtiresie ne likuiditet, e ulë rrezikun. Gjate ketij tremujori jane lidhur marreveshjet e depozitave me disa nga bankat komerciale duke siguruar norma te interesit te leverdishme per KEK, gjithmone duke ruajtur nivelin e mjaftueshem te likuiditetit te korporates.	Kontroll strikt për mjetet e afatizuara në bazë të ligjeve në fuqi dhe rregulloreve të brendëshme,Plani i mirefillite i investimeve ne Letra me Vlere dhe Depozita afatshkurter/afagjate, si dhe monitorimi me rigoroz I LL/A per klientet e FEE si dhe klienteve sipas marreveshjes se BSA-se.
	4	Raportimi dhe kontrolli financiar	R38	2.00	2.00	4.00	Detyrimet ligjore per raportim mund te kenë efekt në gjobat ndaj KEK. Rrezik I vogël dhe I ndërlidhur kryesisht me neglizhencën dhe mos raportimin ne kohe nga mungesa e stafit. Kjo pritet të plotësohet edhe gjatë vitit , kur pritet edhe futja në përdorim e modulit te inventarit ne ERP.	Statusi I njejtë	Pranimi I stafit të ri dhe mbajta e trajnimeve të nevojshme. Ndryshimi i skemes organizative dhe përshtatja me modulin etj .
	5	Ndryshimet ne normat e interesit dhe/ ose tarifave te KOSTT	R39	3.00	3.00	9.00	Ndryshimi në normat e interesit ka efekt në performancën vjetore të Kompanisë në një korelacion negativ. E njejti efekt e jep rritja e tarifave të KOSTT për MWh të energjisë për çasje në rrjet. Ky rrezik është jasht ndikimit vendimmarrës të KEK, megjithate eshte bere e ditur se kjo ne nje situate tjeter kur te kaloj Kriza Energjetike, do t[reflektohet ne çmimet e shitjes me shumice.	E njejte pergjate këtij tremujori .	Pagesat e kësteve në bazë të marreveshjes së kontraktuar si dhe me normat e interesit të publikuara nga BQK si dhe regjistrimi I të ardhurave të fituara nga investimi në depozita afat shkurt dhe afat gjatë. KEK e ka atakuar vendimin e ZRRE per aprovimin e tarifave te transmisionit ne Gjykaten Komerciale, gjithashtu per Tarifat per vitin 2026 KEK do te dergoj shkrese/kerkese ne ZRRE duke sqaruar ndikimit e rritjes se tarifeve te transmisionit nga KOSTT ne operim (sidomos, duke pasur parasysh qe ne vitet 2025-2027, KEK eshte ne fazen e investimeve te medha kapitale) dhe nje rritje e tille prej 89.60% ne tarifa nga KOSTT eshte e paperballueshme.
	6	Raportimi Rregullativ	R40	2.00	2.00	4.00	Mos raportimi me kohe tek palet e interesit, konform legjislacionit ne fuqi kompani dhe personat pergjegjes mund te penalizohen per kete aktivitet. Kontroll dhe percjellje e afateve per raportime e ul rrezikun e ndodhjes	E njejte pergjate këtij tremujori .	Respektimi I afatave ligjore dhe raportimi me kohë.
	7	Mos-reflektimi I kostove te prodhimit në çmimin e EE	R41	3.00	3.00	9.00	Mos reflektimi I kostove të KEK për prodhimine energjisë në çmim janë kryesisht si pasojë e pamundësisë së negociimit të çmimev q[vijnë edhe nga BSA. ndikim te madh ne te hyrat.	E njejte pergjate këtij tremujori .	Përgatitja e raporteve rreth kalkulimit të mbulimit të kostove të prodhimit duke marrë për bazë edhe inflacionin në ndryshim të çmimit të kontraktuar. Per vitin 2026, DF dhe menaxhmenti I KEK sipas analizes se kostos se prodhimit te EE, do te shqyrtoj mundesine e rritjes se çmimit te EE per kontratat e shitjes me shumice.
	8	Mos Pagesa e Faturave për energji nga TREPQA	R42	4.00	4.00	16.00	Mos Inkasimi për energjin e shpenzuar me rregull shkakton rritjen e borxhit I cili ndikon në rritjen e llogarive të arkëtushme . Informimi i rregullt I Ministrisë Përkatse për borgjin e grumbulluar si dhe kërkesa drejtuar TREPQES për përmbylljen e obligemeve ndaj KEK-ut, për energjin e faturuar konform marreveshjes e cila është në fuqi deri më 30 Nentor 2025.	Stausi në rënie ,bazuar në të dhënat më të fundit financiare,borxhi I NPQ Trepçës ndaj KEK-ut,është reduktuar krahasuar me periudhën paraprake. Gjate ketij tremujori jane realizuar pagesa per faturat e mbetura te furnizimit me EE ne vlere 2.34 milion euro	Shkresë Konsumatorit për përmbyllje të obligimeve si dhe njoftim menaxhmentin dhe BOD-ve si dhe mundësin e takimit në nivel të lartë. DF dhe menaxhmenti I KEK pas takimeve me kete kompani dhe kryerjes se pagesave gjate ketij tremujori ka vazhduar kontraten per furnizim me EE.
	9	Liberalizimi i Tregut të Energjisë	R43	4.00	4.00	16.00	Liberalizimi i Tregut të Energjisë do të filloj nga data 1 Qershor 2025, të gjithë konsumatorët që kanë qarkullim vjetor mbi 10 milion euro, ose mbi 50 punonjës janë të obliguar që të zgjedhin furnizuesin. Konsumatorë që për shkaqe të ndryshme mbetet pa furnizues, KEK-ut si Furnizues i mundësisë së Fundit do ti ngarkohet barra e furnizimit me energji elektrike për një periudhë kohore deri në 60 ditë. KEK ka obligim ligjorë respektimin e vendimit të ZRRE, për caktimin si Furnizues të Mundësisë së Fundit.Është krijuar Njesia e veçantë për furnizim me energji elektrike. Poashtu, ky proces mund te kete ndikim financiar per KEK, si rezultat i bojkotimit te ketij procesi nga nje grup i konsumatoreve, duke mos permbushur obligimet e tyre ndaj KEK dhe vonesat ne arketimin e borxheve mund te ndikoj ne likuiditetin e kompanise.	Pergjate këtij tremujori Njësia Qendrore për Furnizim me Energji elektrike ka vazhduar furnizimin si FMF grupin e konsumatorëve të cilët nderkohë kan mbetur pa furnizues. Njekohesisht, nga Departamenti I faturimit eshte duke u monitoruar gjenja e borxheve te klienteve komercial me te cilet kemi marreveshje per furnizim.	Është bërë funksionalizimi i Njesisë Qendrore për furnizim me energji elektrike dhe pritet plotësimi i stafit.. Kontakti me ZRrE-në dhe palët tjera është i vazhdueshëm dhe Grupi Punues ad-hoc (TaskForca) ka qenë aktiv në adresimin e problemeve dhe gjetjen e zgjidhjeve. Per arketimin e borxheve/faturave nga FEE, Departamenti i Faturimit ka derguar njoftime ri-kujtuese tek keta klientë per te permbushur obligimet financiare ndaj KEK. Per me teper do te inicohen edhe ne proceduren permabrimore, ne rast te mos-reflektimit nga to.
	1	Mbrojtja e shendetit dhe siguria e punetoreve	R44	3.00	3.00	9.00	KEK është në përjekje të përmirësimi të vazhdueshëm të kushteve të punës për punëtorë. Kjo lidhet me aktivitete për menzat në njësi të prodhimit, rrobat e sigurisë, sigurimi shëndetësor, trajnimet e punetorve per mbrojtje ne pune, etj. Perveç obligimeve nga menaxhmenti per kryerjen e detyrimeve, kerkohet monitorim i vazhdueshem per percjelljen e zbatimit te masave.	Statusi I njejtë	Te vazhdohet me keto aktivitete te cilat jane te nevojshme per te krijuar kushte pune te sigurta per punonjesit e KEK-ut ne te gjitha njesit.

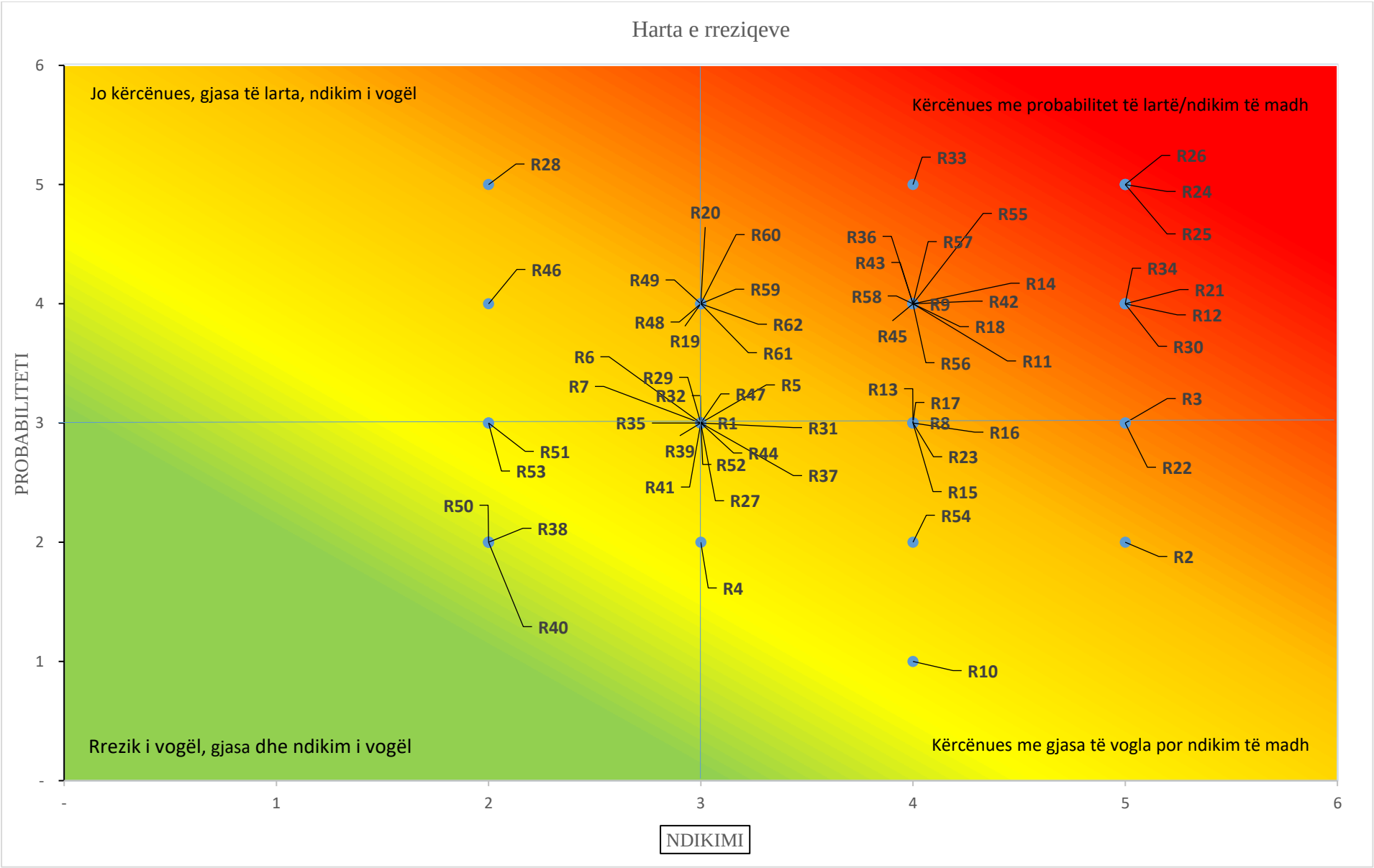
Drejtoria Operative	2	Vlersimi I Riskut per Vendet e punes ne KEK	R45	4.00	4.00	16.00	Mos vlersimi I riskut per vendet e punes, pamundeson identifikimin e faktoreve te riskut ne vendet e punes. Si procedure eshte edhe obligim I punedhensit sipas Ligjit 04/L-161. Pas perfundimit te Vlersimi I riskut do te pershtaten edhe rregulloret dhe politikat per te gjitha divizionet e KEK-ut,me qellim percaktimin e massave parandaluese te aksidenteve ne vendet e punes.	Statusi I njejtë	pas perzgjdhjes se OE per Vlersimin e riskut ne vende pune, te fillohet me pergaditje per perfundimin e tij, dhe ne baze te te gjeturave nga ky proces te filloje marrja e masave konform propozimeve nga ky vlersim. Pastaj te vazhdohet me procesin e trajnimit te puntoreve nga aspekti I Sigurise dhe Shendetit ne Pune.
Sekretaria e Korporates	1	Kultura dhe qeverisja korporative	R46	2.00	4.00	8.00	Planifikimi i duhur dhe me kohe, zbatimi strikt I rregullave, procedurave dhe ligjeve ne fuqi nga te gjithe te angazhuarit ne proceset e punes, dhe mbikqyrja nga menaxhmenti dhe Bordi/Aksionari Raportimi I rregullt, monitorimi nga aksionari. Demet e mundshme jane te pallogaritshme ne procesin e biznesit.	Bordi i Drejtorëve ka ngritur kulturen e qeverisjes korporative duke bërë mbikëqyrje të vazhdueshme, sipas obligimit ligjor dhe kompetencës ka miratuar dokumente strategjike dhe ka forcuar kontrollin e brendshum në KEK-SH.A duke marrë këto veprimei: Miratimin e Rregullores mbi Përgjegjësinë Disiplinore dhe Materiale të KEK-SH.A.; Miratimin e Raportit të Përformancës të KEK-SH.A. për periudhën TM3-2025 (korrik-shtator); Miratimin e Procedurës për Tregtim të Energjisë Elektrike në KEK-SH.A.;Miratimin e Buxheti të Korporatës Energjetike të Kosovës KEK-Sh.A. për vitin 2026; Miratimin e Planit të Biznesit i Korporatës Energjetike të Kosovës KEK-Sh.A. për vitin 2026; Miratimin e kërkesës së Komunës së Obiliqit për furnizimin e shkollave të kësaj komune me thëngjill të njomë në sasi prej 820 ton. Po ashtu, Komisioni i Auditimit gjatë TM4 2025 ka kërkuar që të nxjeret Rregullore për Konflik Interesi në KEK-Sh.A , si dhe rishikimi i Kodit të Punës për plotësim/ndryshim që pritet të finalizohen në TM1 2026. Duke pasur parasysh që është krijuar Departamenti i Sigurisë Fizike gjatë TM4 është draftuar	Raportimi i rregullt përmes raporteve mujore dhe tre-mujore përmes BD-ve, aksionarit mbi gjendjen si financiare po ashtu edhe operuese të KEK-ut , drejt arritjes së objektivave të synuara. Miratimi i Dokumenteve strategjike për udhëhejen e Korporatës sipas legjislacionit në fuqi. Mbikëqyrja për të bërë ndryshimet/plotësimet e Rregulloreve përkatëse ku janë identifikuar se ka dobësi në zbatim dhe harmonizimi i tyre, si Kodi i Punës, Rregullorja për Konflik Interesi. Menaxhmenti ka filluar analizimin e kornizes ligjore për të rishikuar ato sipas prioriteteve
	2	Pergjegjsia shoqerore e organizates	R47	3.00	3.00	9.00	Përfshirja në buxhet vjetor dhe monitorimi i zbatimit te investimeve ne pajisje dhe makineri, investimet ne zvogelimin e ndotjes, investiem dhe donacionet vullnetare per komunitetin, adresimi I çeshtjes se sponzorimeve konfrom legjislacionit në fuqi. Investime ne zvogelimin e ndotjes. Aktivitetet: Realizimi i planit te biznesit; Qendrueshmeria financaire e KEK; Kthimi i investimeve ne komunitet	Aktivitetet e Përgjegjësisë Shoqërore të Korporatës Energjetike të Kosovës (KEK Sh.A.) Tremujori IV – 2025 Gjatë tremujorit të katërt të vitit 2025, KEK Sh.A. ka vijuar angazhimin e saj të qëndrueshëm në fushën e Përgjegjësisë Shoqërore Korporative (CSR), përmes mbështetjes konkrete për komunitetet lokale dhe zbatimit të iniciativave me ndikim social dhe mjedisor në zonat përreth operimeve të saj. 1. Projektet për Komunitetin – Komuna e Obiliqit "Eko-ulëse dhe gjelbërim në hapësira publike"dhe "Parku në fshatin Brezničë" Procedurat administrative të vlerësimit kanë përfunduar. Autoriteti Kontraktues (AK) ka nxjerrë vendim për anulimin e këtij aktiviteti të prokurimit. Brenda afateve ligjore, Operatori Ekonomik (OE) ka parashtruar fillimisht kërkesë për rishqyrtim në Zyrën e Prokurimit të KEK Sh.A., ndërsa pas vendimit të AK-së, OE ka ushtruar ankesë pranë Organit Shqyrtues të Prokurimit (OSHP). Aktualisht, ZEP. është në pritje të vendimit të OSHP-së për të vijuar me hapat e mëtejmë procedurale. Ndërkohë, Zyra e Prokurimit (ZEP) ka përgatitur draft-dosjet e tenderit, të cilat ndodhen në fazën përfundimtare dhe janë gati për publikim, në varësi të zhvillimeve procedurale. 2. Mbështetje Operative për Komunitetin Gjatë këtij tremujori, KEK Sh.A. ka ndërmarrë disa veprime konkrete në mbështetje të komunave përreth zonës së operimeve: •⁄⁄Komuna e Obiliqit - Me kërkesë të komunës, DPRT ka angazhuar makineri të rënda dhe fuqi punëtore për eliminimin e deponive ilegale të mbeturinave në qytetin e Obiliqit dhe fshatrat përreth. Janë larguar gjithsej 15 deponi ilegale, ndërsa aktiviteti ka zgjatur 7 ditë pune.	Zbatimi I planit të Investimeve të planifikuara dhe të aprovuara dhe informimi me kohë për realizimin apo mos realizimin e tyre. Menaxhmenti do të nënshkruaj Memorandum Bashkëpunimi me Komunen e Obiliqit dhe Fushëkosovës. Me këtë memorandum do të parashihen, por mos u kufizuar në projektet për komunitete, mbrojtjen e mjedisit, lehtësime administrative dhe përkrahje institucionale në kadaster për çështje pronësore, përkrahje për uzurimet, përkrahje teknike, etj.
	3	Realizimi I Projektit te Rishikimit Funksional (Funksionimi Organizativ)	R48	3.00	4.00	12.00	Përcjellja e Projektit ne vijim për Rishikim Funksional, miratimi I formës se propozuar organizimit dhe implementimi I tij. Mosrealizimi mund te shkakton probleme për resurset njerëzore të korporatës dhe ndikime në biznesin afatgjatë të saj	Tremujori IV – 2025 , Bordi i Drejtorëve është në fazën e shqyrtimit dhe mbetet nën diskrecionin e tyre për të vlerësuar se kur do të filloj rishikimi funksional.	Bordi i Drejtorëve sipas detyrave dhe përgjegjësive do të vendos për rishikimin funksional.
	4	Rishikimi i Politikave, Rregulloreve , Procedurave për t'iu përgjigjur aktiviteteve operacionale dhe harmonizimi i tyre me legjislacionin në fuqi.	R49	3.00	4.00	12.00	Të krijohen grupe punuese për rishikimin e kornizes ligjore të qeverisjes korporative, kjo varësisht nga divizionet dhe fushëveprimi që rregullojnë aktet nën ligjore. Në bashkëpunim me Kryeshefin Ekzekutiv do të analizohet metodologjia e zvogëlimit të rrezikut të identifikuar.	Tremujori IV – 2025 , Bordi i Drejtorëve ka miratuar Rregulloren për Përgjegjësin Disiplinore dhe Matreiale të KEK-SH.A, si dhe Rregulloren për Tregtim me Energji Elektrike. Në procesj gjatë TM4 janë inicuar rishikimi i Kodit të Punës, Rregullorja për Konflikt Interesi në KEK-SH.A, si dhe Rregullorja për Departamentin e Sigurisë Fizike.	Duke pasur parasysh kompleksitetin dhe numrin e madh të rregulloreve, do të punohet rast pas rasti duke krijuar komisione profesionale për të rishikuar rregulloret në fuqi dhe për të nxjerrë rregullore të reja.
Zyra Ekzekutive e Prokurimit	1	Levizja e çmimeve në burrsa	R50	2.00	2.00	4.00	Lëvizja e çmimeve sidomos të karburanteve dhe metaleve në bursa ka rritur rrezikun për kosto shtesë për korporatën. Percjella e trendeve te cmimeve ne burs dhe krijimi I rezervave aq sa eshte e mundshme kur cmimet ne burs jane te ulta	Statusi I riskut - ne rënie.	Mallrat qe blihen sipas çmimeve te bursave jane kryesisht lendet e para si ne vijim: nafte,mazut, vajra, kemikalje, gazra industriale etj. Ne kohen e pandemise
	2	Procesi I prokurimit përfshirë specifikat teknike dhe tenderimin	R51	2.00	3.00	6.00	Nxitja e njesive per specifikime teknike optimale ne rritje te konkurrences dhe realizim me kohë në mënyrë që te shmanget rreziku nga kontraktimet dhe të rritet vlera për paranë. Gjatë vitit 2022 janë nxjerr vendime dhe urdhëresa per përmirësim të procesit. Në 2024 kekohen trajnime shtese dhe rritja aftesive per hulumtim te tregut	Ka disa permiresime ne pergaditjen e specifikimeve teknike. Statusi i riskut - i njejtë.	ZEP ne kuader te kompetencave te veta ka marre disa iniciativa ne kordinim me menaxhmentin te organizoj trajnime per stafin teknik te njesive kerkuese qe merren me hartimin e specifikimeve teknike.
	3	Deshtime ne realizimin e kontratave	R52	3.00	3.00	9.00	Aplikimi I garancioneve te ekzekutimeve. Në disa raste ishte I pamjaftueshëm për shkak se vlera e tyre është e parëndësishme krahasuar me kostot shtesë për lëshimin në punë të pajisjeve (psh rasti I eskavatorit E9)	Statusi I riskut - ne rënie.	Deshtimet ne realizimin e kontratave kryesisht kane qene te natyres se furnizimeve dhe ne keto raste sigurimi i ekzekutimit ka qene i mjaftueshem per mbulimin e kostove per deshtimet ne perfundim te kontratave. Sidoqofte, ZEP
	4	Mungesa e realizimit sipas prioritetit	R53	2.00	3.00	6.00	Inicimi I kërkesave për blerje të cilat janë me prioritet të ulët për KEK shakton rritjen e stoqeve në depo dhe rrit shpenzimet për to.	Statusi I riskut - ne rënie.	Ne bashkepunim me njesite kerkuese jane marre veprime per zvoglimin e kerkesave me prioritet te ulet. Ne kete drejtim jane nenshkruar shume kontrata

	5	Gabime te operatorve/ deme aksidentale	RS4	4.00	2.00	8.00	Monitorim I rrept ne kontratat komplekse qe zhvillohen ne nje ambiente kritike. Caktimi I menaxherëve të kontrates nga drejtoret Ekzekutiv nga drejtori I njesise te jene me kompetence te plote profesionale dhe kredibil.	Statusi i riskut - i njejtë.	ZEP do te angazhohet qe te kerkoje qe keto kontrata te menaxhohen nga nje ekip I eksperteve te fushave perkatese
Zyra Ligjore	1	Kontesti ne Arbitrazh Kosovë	RS5	4.00	4.00	16.00	Aktualisht ne proces Rasti I Arbitrazhit te Kosoves kundër OE Enertech per ceshtjene e rentes minerare. KEK ka kundershtuar padine dhe ka ushtruar kunderpadi per deme ne mos realizimin e fitimit të nga mos realizimi I kontrates se shkeputur para kohe sipas pretendimit te pales.	Kjo ceshtje ka perfunduar, Gjykata ia ka Refuzuar kerkesen per terhejen e mases se qymyrit prej 55058 tonelatash - ne emer te demshperblimit, ne lartesi prej 145,903.00 euro, ndersa ia ka aprovuar kerkesen te cilen e ka ekzekutuar ne lartesi prej 174,446.37 euro, me kamate ligjore prej dates 06.09.2021 ne normen prej 8%, deri ne pagesen definitive, si dhe shpenzimet e procedures kontestimore dhe permbarimore ashtu qe ne total eshte ekzekutuar ne lartesi prej **235,930.14 euro.** / E perfunduar eshte adaktuar.	Per lenden e anulimit te vendimit, ne Arbitrazhin vendor, pasi qe vendimi eshte bere I ekzekutueshem jane ndermarr veprime me ushtrimin e mjetit te jashtezakonshem Revizion, pastaj lenda eshte derguar ne procedure permbarimore, eshte ushtruar mjeti I rregullt prapesimi, dhe pritet te vendostet me aktvendim nga Gjykata lidhur me prapesimin e KEK, kemi pranuar Aktvedimin me te cilin eshte refuzuar prapesimi i kek dhe lenda eshte ekzekutuar.
	2	Detyrimet per kontestet ligjore per padite nga punetoret	RS6	4.00	4.00	16.00	Rastet gjyqsore ne proces te cilat jane kryesit te natyres ne pune, si kompensim ne paga, anulim vendimi, fundjave, rrezikshmeri, kushte te punes, tani ne kete tre mujor jane shtuar edhe lende per komepnsim te pauzes, ku te gjitha jane ende ne proces.	Ne TM4 te vitit 2025 kemi perfundime te lendeve te kompensimeve nga maredhenia e punes, tani I kemi aktive 832 lende, ne total me mundesi te humbjes mbi 50% , statusi i tyre eshte ne faza te ndryshme, si pret thirrje, pret vendim I, pret vendim II, per te gjitha eshte ushtruar mjete te rregullta juridike, numri i lende eshte ne rritje duke u perseritur per natyren e kontesteve fundjave per periudha te reja, gjithashtu kemi padi me natyra tjera si rrezikshmeri, kushtet e punes, kompensimi per pauze./ lendet jane ne rritje, ashtu qe vlera totale qe rrezikohet keku per 832 raste eshte 10,322,411.57 euro per tre mujorin e katert jane ekzekutuar 14 raste ne lartesi prej 526,531.00 euro ne favor te palës.	Per te gjitha lendet te cilat rrjedhin nga marredhenia e punes eshte ushtruar mjete te rregullta juridike dhe mjetet te jashtezakonshme juridike. Per lende te natyres se njejte eshte bere kerkesa tek Kryetarja e Gjykates per bashkimin e padive, eshte mbajtur takim me kryesuesin e KGJK, dhe prite takimi i radhes me Kryetaren dhe Kryesuesin e KGJK. i cili do te mbahet me date 13.10.2025, pas ketij takimi nga Kryetarja e Gjykates jemi njoftuar se do ta shikojne mundesine e bashkimit
	3	Detyrimet per kontestet ligjore ndaj paleve te trete	RS7	4.00	4.00	16.00	Raste gjuyqesore te grupuara ne te njejten kategori te vleresimeve per mundesine e ndodhjes 50% sipas vleresimit te zyres Ligjore/ numri I lendeve eshte 374 rastet te natyrave te ndrshme qe perfshijne: kompensime demi nga rrjeti energjetik, deme nga mosshfrytezimi i pronave, kompensime lidhur me kontratat komerciale, etj. Jane ne procedure ligjore te shqyrtimit permes marrjes se masave. KEK ka prgjigje ne padi, ankesa dhe revizione etj.	Në vlerësimin e rrezikut dhe mundësia dhe ndikimi në 2025 është, 243 raste, si dhe 111 lende te lendimeve te cilat jane ne proces ne total 243, ku palët kanë parashtruar kërkesëpadi në Gjykatë, si për kompensime të dëme nga rrjeti elektri, borxh EE, Kompensim demi - Lendim, dëme në mos shfrytëzimin e pronave, kompensime në lidhje me kontratat komerciale, si pale e paditur KEK sh.a me mundesi te humbjes jane 239 lende te natyrave si me lart te gjitha jane ne pret vendim I ashtu qe ndikimi eshte me i vogel qe te ekzekutohen, vlera totale e rrezikut eshte 6,711,407.21 euro/ per tre mujorin e 4 jane ekzekututar 12 lende ne lartesi prej 515,993.05 euro ne favor te paleve, ndersa eshte fituar 1 rast ne favor te KEK ne lartesi prej 841,326.00 euro.	Per lendet per kompensimet e demeve nga rrjeti elektrik, borxh EE, lendim, deme per mos shfrytezimin e pronave jane ndeprate veprime duke ushtruar mjetet e rregullta dhe te jashtezakonshme juridike.
	4	Detyrime per kontestet gjyqesore per kerkesat shtese per pronat e shpronesuara per projektin 129ha.	RS8	4.00	4.00	16.00	KEK Sh.A është në proces gjyqësor të papërfunduar lidhur me 120 konteste, me objekt – kompensim shtesë për pronën e shpronësuar. Në 88 prej këtyre kontesteve është përcaktuar vlera e kontestit, ndërsa pjesa tjetër është ende në proces të përcaktimit të vlerës, pasi jemi në pritje të ekspertizave gjyqësore për të caktuar vlerën përkatëse.	Vlera e këtyre kërkesëpadive sillet te cilat jane me pretendim mbi 50% te humbura, arrin shumen prej 4,918,476.6 €. Nga kjo shumë 4,918,476.6 €, në këtë periudhë kohore janë ekzekutuar 20,010.93 €, ndërsa proceset e tjera gjyqësore janë në pritje të vendimeve nga Gjykata e Apelit apo në shqyrtim fillestar.Ndaj të gjitha këtyre lëndëve Zyra Ligjore ka ushtruar Përgjigjie në Padi, Ankesa, Kundërshtime e Revizione (mjete të rregullta dhe të jashtëzakonshme) dhe ka mundesi që kërkesëpadit të refuzohen, apo të ndryshohen në favor të KEK/Nuk ka ndryshime ne TM4.	Pas marrjes se masave, ushtrimit të përgjigjieve ne padi ankesave, te gjitha keto jane ne procedure fillestare.

	1	Probleme me mungesen e personelit	R59	3.00	4.00	12.00	Lëvizjet e shpeshta të punonjësve, pensionimi, sëmundjet dhe mungesa e personelit të kualifikuar për kryerjen e punëve shkaktojnë probleme të mëdha në operimin e KEK-ut. Mungesa e fuqisë punëtore mund të çojë deri në mungesë prodhimi dhe probleme të tjera të rëndësishme që ndikojnë drejt ne prodhim. Masat: Plani Dinamik i Rekrutimit për vitin 2025 në Korporatën Energjetike të Kosovës është aprovuar nga ana e BD që përfshin rekrutimin e stafit të rinj.	Sa i perket rrezikut "Probleme me mungesen se personelit" gjate TM 4 është zbatuar plani dinamik i rekrutimit i parapare per vitin 2025, për mbështetjen e funksionimit operativ të KEK-ut. Procesi ka përfshirë rekrutime në nivele menaxheriale, profesionale, teknike dhe operative, sipas dinamikës së planifikuar dhe proceduave në fuqi. Gjate procesit te rekrutimit (qofte me konkurse te jashtme apo te brendshme) rendesi e madhe, perveç tjerash, po i kushtohet kriterit te pergatitjes profesionale, me qellim qe KEK te siguroje dhe permiresoje vazhdimesine ne afarizmin e saj me kuadro kompetente profesionale dhe te ndikohet ne rritjen e cilesise se punes. Gjate TM 4 kane perfunduar 4 Konkurse te brendshme dhe 4 te jashtme. Tani aktualisht kemi 3991 punëtorë, që nënkupton se kemi përmirësim, pra **rreziku është në rënie**. Por gjithashtu kemi ne proces disa konkurse (vullkanizer, izolator, shamoter, skelar, pastaj konkurse te brendshme), qe nese çdo gje shkon sipas planifikimeve do te perfundojne ne javet e para te TM 1 2026, dhe kjo perveç qe ndikon edhe me shume ne zvogelimin e mungeses se pergjithshme te punetoreve, çfare eshte me me rendesi sigurohen punetore te kualifikuar sipas kritereve/kerkesave profesionale per pozitet qe do te angazhohen.	Do të vazhdohet me punësime edhe gjatë vitit 2025 sipas planit dinamik të rekrutimit, me ç'rast pritet që mestarja të përmirësohet edhe më shumë. Ndersa me fillim te tremujorit te dyte (TM2) ne prill do te hapen konkurset per siguri fizike, tekniket e makinerise dhe do te vazhdohet me konkurset sipas planifikimeve.
Divizioni i Sherbimeve te Korporates	2	Deshtimi i sistemit te IT	R60	3.00	4.00	12.00	Këto rreziqe përfshijnë: Dështimet hardwerike, Dështimet në sistemt e ftohjes, Siguria e sistemeve (Email, VPN, shfletimi në internet, sulmet kibernetike) si dhe gabimet ose shkelja e politikave në përdorim të pajisjeve. Masat: 1. - Monitorimi i rregulltë i statusit të hardwar-it të serverëve dhe parametrave të DC - Furnizimi me pajisje të reja të IT-së, - Mirëmbajtje e hardwer-it 2. - Furnizimi i qëndrueshëm më EE (Backup DC) - Monitorimi dhe Intervenimet e shpejta, mirëmbajtja dhe servisimi i rregullt i sistemeve të ftohjes në DC të KEK-ut (kontrate me OE) 3. - Monitorimi i vazhdueshëm i zbatimit të politikave të IT-së, - Përditësimet dhe modernizimet e aplikacioneve te sigurisë së sistemit përmes investimeve dhe rifreskime në hardwer dhe softwer, përfshirë monitorimin e centralizuar, - Update dhe upgrade të rregullta të sistemeve dhe softuerëve - Kopje të rregullta rezervë të sistemeve dhe të të dhenave	Rrezikshmëri e ulet: • Kanë vazhduar investimet sipas planit DSI për blerje të pajisjeve të nevojshme dhe për zëvendësimin e pajisjeve të amortizuara. Rrezikshmëri e lartë: • Nuk ka pasur asnjë incident sa i përket sigurisë së sistemit e as të sigurisë kibernetike. o G jatë kësaj periudhe është finalizuar projekti Projekti për ripërtëritjen e Licencave për Trellix Complete Endpoint Protection—Business (2 Yr). o U pdate l rregullt i aplikacioneve te sigurisë (Cisco Firewall, Trellix, MSME, etj.) o M onitorimi i vazhdueshëm, backup i rregullt i te gjitha sistemeve, o U pdate i rregullt i sistemeve operative . • Nuk ka pasur ndërprerje të punës së Oracle EBS, Sistemit të Burimeve Njerëzore • Sistemi i ftohjes në data qendrat e KEK-ut ka funksionuar pa ndërprerje o J anë monitoruar parametrat e sistemit të ftohjes në dataqendrat e KEK-ut. o Ë shtë kryer mirëmbajtje e rregullt e pajisjeve të sistemeve të ftohjes. Rrezikshmëri e ulet: •Gjatë këtij tremujori për shkak të problemeve me linkun primar të Telekomit (për shkak të këputjes së kabllit optic), deri në rregullimin e tij nga Telekomi, kemi pasur ndërprerje të Web faqes së KEK-ut (17-18.12.2025). Shërbimet tjera të IT-së kanë qenë aktive përmes linkut backup. • Kanë ndodhur gabime gjate futjes se shënimeve nga shfrytëzuesit në aplikacionet në përdorim në KEK, por të cilat sipas kërkesave janë rregulluar nga Departamenti i Mirëmbajtjes dhe Zhvillimit me kohë dhe pa e dëmtuar integritetin e te dhënave. Pra rreziku mbetet i njëjtë * Rrezikshmëri për shërbime cilësore dhe pandërprerë të shërbimeve të IT-së,	Monitorim i vazhdueshëm i gjendjes së pajisjeve të IT-së, në sigurimin, mirëmbajtjen dhe mbrojtjen e sistemit. Furnizimi me pajisje dhe pjesë të nevojshme për Teknologjinë Informative që sistemi të jetë funksional dhe i mbrojtur. Trajnmi I vazhdueshëm i stafit.
	3	Ndotja atmosferike e ajrit, ujit dhe tokës.	R61	3.00	4.00	12.00	**AKTIVITETI** Departamenti i mjedisit merret me sigurimin e qëndrueshmërisë mjedisore dhe minimizimin e ndikimeve negative në mjedis dhe komunitet që dalin nga KEK. Zakonisht fokusohet në menaxhimin e ndotjes, respektimin e legjislacionit mjedisore dhe përmirësimin e kushteve sociale të punonjësve dhe komunitet përreth. -KEK është pajisur me **Leje Mjedisore të kushtëzuar** nga MMPHI dhe Licencë nga ZRRE për TCA për afatin kohor **2 vjeçar deri në Tetor 2026,** me kusht që gjatë kësaj periudhe të realizohen investime që do të sillnin emisionet në kufijtë e lejuar të përcaktuar me ligj, në mënyrë që më pas të aplikohet **për Leje mjedisore të integruar.** -Për shkak të operimit me pajisje teknologjike të vjetruara dhe në mungesë të projektit për trajtimin e ujërave shkarkues teknologjik që kërkohet sipas legjislacionit, KEK ende nuk ka arritur progres në nxjerrjen e kësaj leje për shkak të kostos dhe investimeve që duhet bërë në ndërtimin e impiantit për trajtimin e ujërave shkarkues. **MASAT:** 1. KEK të bëjë planifikimin e ndërtimit të Impiantit-Kolektorit në TCA dhe TCB për trajtimin e ujërave shkarkues që derdhen në lumenj. 2. Të bëhet monitorimi, matja dhe raportimi i emisioneve të ndotjes që evidentohen në TCA,TCB dhe DPQ. 3.Të bëhet monitorimi dhe menaxhimi i mbeturinave. 4.Të bëhet aplikimi i teknikave më të mira të disponueshme (TDM) të avancuara për reduktimin e ndotjes që dalin nga procesi teknologjik. 5. Të bëhet përmirësimi i kushteve mjedisore të punonjësve dhe mbrojtjes shëndetësore të tyre. 6. Të bëhet operim i sigurt i prodhimit të energjisë elektrike në TCA/TCB dhe nxjerrja e qymyrit në DPQ në mënyrë që të mos dëmtojnë mjedisin jetësor të popullatës përreth. 7. Të zbatohen standardet që ndërlidhen me çështjen mjedisore.	**Gjatë tremujorit të katërt krahasuar me muajt paraprak çështja mjedisore në divizionet e KEK ishte e pa ndryshuar dhe mbetet e njëjtë** pasi që edhe për këtë tre mujor nuk kemi pas matje të parametrave mjedisor. Për të pasur një pasqyr reale rreth parametrave mjedisor atëher duhet bërë monitorimin për parregullsitë dhe rreziqet që cenojnë gjendjen mjedisore në KEK dhe komunitetin përreth. **Monitorimi i Ajrit, Ujit, Tokës** Për shkak të skadimit të kontratës në muajin Korrik 2025 për matjen e faktorëve fiziko kimik në divizionin e TCA, TCB dhe DPQ për këtë TM4 nuk kemi monitorim, matje dhe analiza rreth këtyre parametrave. Meqenëse gjendja mjedisore në teren nuk ka ndryshime thelbësore, atëherë duke u bazuar në parametrat e identifikuar gjatë TM2 masat për të përmirësuar gjendjen e ndotësve mjedisor gjatë prodhimit të energjisë elektrike mbesin të njëjta. **Masat për mbrojtjen e ajrit** DPQ - të përcjell aktivitetet e punës që gjatë eksploatimit të djerrinës dhe qymyrit të ndërmerr masa në minimizimin e pluhurit fluturuese që emetohen nga burimet e pajimeve të punës. TCA- Të bëhet mirëmbajtja e filtrave elektrik, të sanohen defektet e paraqitura dhe të përcillen parametrat e lejuar sipas legjislacionit. TCB- Të bëhet investime në instalimin e filtrave elektrik në mënyrë që mos të ketë ndotje të ajrit gjatë operimit të tanishëm. **Masat për mbrojtjen e ujit** Meqenëse njësitë gjeneruese DPQ, TCA, TCB shkarkojnë ujëra teknologjike dhe fekale në lumenj në formë të pa trajtuar, këtë duhet pas parasysh që kjo është në kundërshtim me legjislacionin për shkak të ndotjes mjedisore. Për të mbajtur cilësinë e ujërave në nivelin e parametrave, shkarkimi duhet të bëhet nëpërmes kolektorëve filtrues në mënyrë që uji të derdhet i pa	Respektimi i legjislacionit në fuqi, si dhe përmirësimi i kushteve të punës për stafin e KEK-ut dhe komunitetit përrreth. Monitorimi, matja dhe raportimi i emisioneve të ndotjes përmes institutëve të specializuara (OE të kontraktuar). Bashkëpunimi i vazhdueshem institucional lidhur me planin investiv qe ka te beje me mbrojtjen e mjedisit.

	4	Mosha mesatare e lartë e puntoreve	R62	3.00	4.00	12.00	Mosha mesatare e punëtorëve të KEK-ut (mars 2025) është 50.65 vjet. Masat per zvoglimin: do të vazhdohet me shpalljet e konkurseve publike per rekrutim te punetoreve sipas nevojes e qe do te ndikoje ne uljen e kesaj mesatare. Nje opsion tjeter (jo i sigurt), divizionet e KEK-ut në prodhim gjatë vitit 2024 kanë prezantuar regjistrin me emrat e punonjësve të cilët nuk janë plotësisht te afte ti kryejnë punët dhe detyrat e punës sipas përshkrimit të vendeve të punës për shkak të gjendjes shëndetësore. Do te rishikohet statusi i semundjeve te tyre, pastaj për te njëjtit mund te kete skemë te mbështetjes opsionale për ndërprerje vullnetare te marrëdhënies se punës. Si kategori është ne buxhetin e vitit 2025, por që menaxhmenti i KEK, pasi te jete analizuar mire, mund ti propozojë Bordit opsionin per ofertë për ndërprerje vullnetare te marrëdhënies se punës dhe Bordi mund të vendos nese do të shkohet me ofertë te tille, dhe çfare do te jete ajo.	Sa i përket statusit të rrezikut 'Mosha mesatare e lartë e puntorëve', realizimi i konkurseve gjat vitit 2025 ka ndikuar ne pergjithesi pozitivisht ne renien e moshes mesatare te punetoreve te KEK-ut, pra, **rreziku eshte ne renie**. Por, kjo mesatare nuk eshte e knaqshme pasi kemi renie te lehte te rrezikut dhe ne pergjithesi mund ta permbledhim ne dy arsye: - Mosha mesatare e larte ne nje numer te madh punetoresh (aktualisht 3991) nuk mund te bie lehte per nje periudhe te shkurte perkunder pensionimeve dhe rekrutimeve, me perjashtim ne departamente te caktuara ku numri i punetoreve eshte me i vogel dhe eventualisht ka pasur rekrutime. - Mosha e punetoreve te rekrutuar nuk nenkupton qe qdo i punesuar ka moshe te re (pra mosha eshte e ndryshme) dhe ligjerisht nuk mund ta kufizojme ne kunkurs, perveç per pozita te veçanta ku kerkohet specifikisht me ligj. Gjatë TM4 mosha mesatare e punonjësve në Korporatën Energjetike të Kosovës ka qenë 49.75 vjeçare (DPQ = 51.05, TCA = 46.94, TCB = 48.78), krahasuar me 49.92 vjeçare në TM3. Ky ndryshim reflekton një përmirësim të kufizuar, por të matshëm, pa ndikuar ende në ndryshimin thelbësor të nivelit të përgjithshëm të rrezikut. Sa i përket pensionimit të parakohshëm (përmes skemave të mbështetjes opsionale për ndërprerje vullnetare të marrëdhënies së punës) të stafit të cilët kanë probleme shëndetësore dhe nuk mund të kryejnë detyrat e punës sipas pozitës që mbajnë, ende nuk kemi ndonjë zhvillim në këtë drejtim.	Zbatimi i Planit të Veprimit për rekrutim të stafit për vitin 2025 (i aprovuar paraprakisht), që do të ndikojë drejtpërdrejt në uljen e moshës mesatare të punonjësve në KEK. Identifikimi i punonjësve me gjendje shëndetësore jo të mirë dhe në bashkëpunim me Menaxhmentin dhe Bordin gjetja e mundesive per zgjidhje sa me te pershtatshme dhe ligjore per kete kategori.

ANNEX 3: 2025 RISK MAP


Harta e rreziqeve
Jo kërcënues, gjasa të larta, ndikim i vogël
Kërcënues me probabilitet të lartë/ndikim të madh
Rrezik i vogël, gjasa dhe ndikim i vogël
Kërcënues me gjasa të vogla por ndikim të madh
PROBABILITETI
NDIKIMI
6
5
4
3
2
1
-
1
2
3
4
5
6
R28
R46
R51
R53
R50
R38
R40
R20
R60
R49
R59
R48
R62
R19
R61
R6
R29
R7
R32
R47
R5
R35
R1
R31
R39
R44
R52
R37
R41
R27
R4
R33
R55
R36
R57
R43
R14
R58
R9
R42
R18
R45
R56
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Vendimet e Komisionit të Auditimit

REPUBLIKA E KOSOVËS REPUBLIKA KOSOVA
REPUBLIC OF KOSOVO
QEVERIA - VLADA - GOVERMENT
MINISTRIA E EKONOMISË DHE AMBIENTIT
MINISTARSTVO EKONOMIJE I ŽIVOTNE SREDINE
MINISTRY OF ECONOMY AND ENVIRONMENT
Njësia Org. / Org. Jedin / Org. Unit: 01
Nr. Prot / Br. Prot / Prot. No.: 86
Nr. i faqeve / Broj stranica / No. pages: 1
Data / Datum / Date: 14.01.21
PRISHTINE A NO.1

Republika e Kosovës
Republika Kosova - Republic of Kosovo
Qeveria - Vlada – Government
Ministria e Ekonomisë dhe Ambientit
Ministarstvo Ekonomije i Životne Sredine-Ministry of Economy and Environment

Ministri i Ekonomisë dhe Ambientit, në mbështetje të Nenit 10 dhe 11 të Ligjit Nr.06/L-113 për Organizimin dhe Funksionimin e Administratës Shtetërore dhe të Agjencive të Pavarura, (Gazeta Zyrtare, Nr.07/1 Mars 2019), nenit 14 të Ligjit Nr.04/L-111 për ndryshimin dhe plotësimin e Ligjit nr. 03/l-087 për Ndërmarrjet Publike (GZ.13/30 Maj 2012), dhe nenit 8 paragrafi 1.4. të Rregullores (QRK) Nr.06/2020 për Fushat e Përgjegjësisë Administrative të Zyrës së Kryeministrit dhe Ministrive dhe Rregullorja (QRK) Nr.07/2020 për Ndryshimin dhe Plotësimin e Rregullores (QRK) Nr.06/2020 për Fushat e Përgjegjësisë Administrative të Zyrës së Kryeministrit dhe Ministrive, nxjerr:

V E N D I M
Për emërimin e Komisionit të Auditimit

1. Emërohet Komisioni i Auditimit në Ndërmarrje Publike Qendrore " KRU Mitrovica" sh.a në përbërje:

1.1. z. Besim Shyti, kryesues i Komisionit të Auditimit

1.2. z. Destan Rrahmani, anëtar i Komisionit të Auditimit

1.3. z. Riza Shala, anëtar i Komisionit të Auditimit

2. Komisioni i Auditimit, kryen detyra sipas dispozitave të Ligjit Nr. 03/L-87 për Ndërrmarrjet Publike.

3. Vendimi hyn në fuqi ditën e nënshkrimit.

Iu dërgohet:
- Anëtarëve të Komisionit të Auditmit;
- NJPMNP;
- Arkivës së MEA-së;
-NP " KRU Mitrovica" sh.a.

Prishtinë,14.01.2021

Muharrem Nitaj
Ministër në detyrë

REPUBLIKA E KOSOVËS / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
QEVERIA - VLADA - GOVERMENT
MINISTRIA E EKONOMISË
MINISTARSTVO EKONOMIJE
MINISTRY OF ECONOMY
Njësia Org. / Org. Jedin / Org Unit: 01
Nr. i faqeve / Broj stranica / No. pages: 1
Nr. Prot. / Br. Prot / Prot.No.: 563
Datë / Datum / Date: 17.03.22
PRISHTINË / PRISHTINA
NO.1

Republika e Kosovës
Republika Kosova - Republic of Kosovo
Qeveria - Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije / Ministry of Economy

Ministrja e Ekonomisë, në mbështetje të Nenit 10 dhe 11 të Ligjit Nr.06/L-113 për Organizimin dhe Funksionimin e Administratës Shtetërore dhe të Agjencive të Pavarura, (Gazeta Zyrtare, Nr.07/1 Mars 2019), nenit 14 të Ligjit Nr.04/L-111 për ndryshimin dhe plotësimin e Ligjit nr. 03/l-087 për Ndërmarrjet Publike (GZ.13/30 Maj 2012), dhe nenit 8 paragrafi 1.4 Në Rregulloren (QRK) Nr.02/2021 për Fushat dhe Përgjegjësitë Administrative të Zyrës së Kryeministrit dhe Ministrive, nxjerr:

V E N D I M

Për emërimin e Komisionit të Auditimit

1. Emërohet Komisioni i Auditimit në Kompaninë Rajonale të Ujësjellësit "Hidromorava" SH.A., në përbërje të:

1.1. Znj. Ferdane Tahiri Sylejmani, Kryesuese e Komisionit të Auditimit,

1.2. Znj. Filloretë Gashi Sadiku, Anëtare e Komisionit të Auditimit,

1.3. Znj. Lindita Fazliu, Anëtare e Komisionit të Auditimit.

2. Komisioni i Auditimit, kryen detyra sipas dispozitave të Ligjit Nr. 03/L-87 për Ndërrmarrjet Publike.

3. Vendimi hyn në fuqi ditën e nënshkrimit.

Artane Rizvanolli

Ministre e Ekonomisë

Iu dërgohet:
- Anëtarëve të Komisionit të Auditmit;
- Njësia për Politika dhe Monitorim të Ndërmarrjeve Publike;
- Arkivës së ME-së;
- KRU "Hidromorava" SH.A.

Prishtinë, 16.03.2022

REPUBLIKA E KOSOVËS / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
QEVERIA - VLADA - GOVERMENT
MINISTRIA E EKONOMISË
MINISTARSTVO EKONOMIJE
MINISTRY OF ECONOMY
Njësia Org. / Org. Jedin / Org Unit: 01
Nr. i faqeve / Broj stranica / No. pages: 1
Nr. Prot. / Br. Prot / Prot.No.: 1026
Data / Datum / Date: 05.05.22
PRISHTINE A NO.1

Republika e Kosovës
Republika Kosova - Republic of Kosovo
Qeveria - Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije / Ministry of Economy

Ministrja e Ekonomisë, në mbështetje të Nenit 10 dhe 11 të Ligjit Nr.06/L-113 për Organizimin dhe Funksionimin e Administratës Shtetërore dhe të Agjencive të Pavarura, (Gazeta Zyrtare, Nr.07/1 Mars 2019), nenit 14 të Ligjit Nr.04/L-111 për ndryshimin dhe plotësimin e Ligjit nr. 03/l-087 për Ndërmarrjet Publike (GZ.13/30 Maj 2012), dhe nenit 8 paragrafi 1.4 Në Rregulloren (QRK) Nr.02/2021 për Fushat dhe Përgjegjësitë Administrative të Zyrës së Kryeministrit dhe Ministrive, nxjerr:

V E N D I M

Për emërimin e Komisionit të Auditimit

1. Emërohet Komisioni i Auditimit në Ndërmarrjen Publike Qendrore – "Ibër Lepenc" Sh. A., në përbërje të:

1.1. Z. Denis Dautaj, Kryesuese e Komisionit të Auditimit,

1.2. Znj. Violeta Hoxha, Anëtare e Komisionit të Auditimit,

1.3. Znj. Valmira Latifi, Anëtare e Komisionit të Auditimit;

2. Komisioni i Auditimit, kryen detyra sipas dispozitave të Ligjit Nr. 03/L-87 për Ndërrmarrjet Publike.

3. Vendimi hyn në fuqi ditën e nënshkrimit.

Artane Rizvanolli
Ministre e Ekonomisë

REPUBLIKA KOSOVA / MINISTRIA E EKONOMISË / REPUBLIKA KOSOVO / MINISTARSTVO EKONOMIJE
PRISHTINË

Iu dërgohet:
- Anëtarëve të Komisionit të Auditmit;
- Njësia për Politika dhe Monitorim të Ndërmarrjeve Publike;
- Arkivës së ME-së;
- NP "Ibër Lepenc" Sh. A.

Prishtinë, 05 maj 2022

REPUBLIKA E KOSOVËS / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
QEVERIA - VLADA - GOVERMENT
MINISTRIA E EKONOMISË
MINISTARSTVO EKONOMIJE
MINISTRY OF ECONOMY
Njësia Org. / Org. Jedin / Org. Unit: 01
Nr. i faqeve / Broj stranica / No. pages: 1
Nr. Prot. / Br. Prot / Prot.No.: 1072
Data / Datum / Date: 28.03.23
PRISHTINË / PRISHTINA NO.1

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije / Ministry of Economy

Ministrja e Ekonomisë, mbështetur në nenet 10 dhe 11 të Ligjit nr. 06/L-113 për Organizimin dhe Funksionimin e Administratës Shtetërore dhe të Agjencive të Pavarura, nenin 14 të Ligjit nr. 04/L-111 për ndryshimin dhe plotësimin e Ligjit nr. 03/L-087 për Ndërmarrjet Publike, dhe nenin 8 paragrafi 1.4 të Rregullores (QRK) nr. 02/2021 për Fushat dhe Përgjegjësitë Administrative të Zyrës së Kryeministrit dhe Ministrive, merr:

V E N D I M
për emërimin e Komisionit të Auditimit të
NPQ "Infrastruktura e Hekurudhave të Kosovës – Infrakos" ShA

1. **Emërohet** Komisioni i Auditimit i Ndërmarrjes Publike Qendrore "Infrastruktura e Hekurudhave të Kosovës – Infrakos" ShA me këtë përbërje:

   1.1. z. Genc Hundozi, kryesues;

   1.2. znj. Besarta Zuka;

   1.3. z. Fitim Raci.

2. Komisioni i Auditimit kryen detyrat sipas Ligjit nr. 03/L-087 për Ndërmarrjet Publike, të ndryshuar dhe të plotësuar me ligjet nr. 04/L-111 dhe 05/L-009.

3. Vendimi hyn në fuqi ditën e nënshkrimit.

REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
MINISTRIA E EKONOMISË / MINISTARSTVO EKONOMIJE
MINISTRY OF ECONOMY
PRISHTINË / PRISHTINA

për
Artane Rizvanolli
Ministre e Ekonomisë

U dërgohet:
- Anëtarëve të Komisionit të Auditimit
- NPQ "Infrastruktura e Hekurudhave të Kosovës – Infrakos" ShA
- Njësisë për Politikat dhe Monitorimin e Ndërmarrjeve Publike
- Arkivit të Ministrisë

REPUBLIKA E KOSOVËS / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
QEVERIA - VLADA - GOVERNMENT
MINISTRIA E EKONOMISË
MINISTARSTVO EKONOMIJE
MINISTRY OF ECONOMY
Njësia Org. / Org. Jedin / Org. Unit: 01
Nr. i faqeve / Broj stranica / No. pages: 1
Nr. Prot. / Br. Prot / Prot.No.: 1339
Datën / Datum / Date: 07.06.22
PRISHTINË / PRIŠTINA NO.1

Republika e Kosovës
Republika Kosova - Republic of Kosovo
Qeveria - Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije / Ministry of Economy

Ministrja e Ekonomisë, në mbështetje të Nenit 10 dhe 11 të Ligjit Nr.06/L-113 për Organizimin dhe Funksionimin e Administratës Shtetërore dhe të Agjencive të Pavarura, (Gazeta Zyrtare, Nr.07/1 Mars 2019), nenit 14 të Ligjit Nr.04/L-111 për ndryshimin dhe plotësimin e Ligjit nr. 03/l-087 për Ndërmarrjet Publike (GZ.13/30 Maj 2012), dhe nenit 8 paragrafi 1.4 Në Rregulloren (QRK) Nr.02/2021 për Fushat dhe Përgjegjësitë Administrative të Zyrës së Kryeministrit dhe Ministrive, nxjerr:

V E N D I M

Për emërimin e Komisionit të Auditimit

1. Emërohet Komisioni i Auditimit në Ndërmarrjen Publike Kompania Rajonale e Ujësjellësit "Mitrovica " sh.a ,në përbërje:

1.1. Z .Zijadin Lutolli, Kryesues i Komisionit të Auditimit

1.2. Znj. Miranda Zherka, Anëtare e Komisionit të Auditimit

1.3. Z. Bashkim Halabaku,, Anëtar i Komisionit të Auditimit

2. Komisioni i Auditimit, kryen detyra sipas dispozitave të Ligjit Nr. 03/L-87 për Ndërrmarrjet Publike.
3. Vendimi hyn në fuqi ditën e nënshkrimit.

Artane Rizvanolli

Ministre e Ekonomisë

Iu dërgohet:
- Anëtarëve të Komisionit të Auditmit;
- NJPMNP;
- Arkivës së ME-së;
- KRU " Mitrovica " Sh.a.

07.06.2022

REPUBLIKA E KOSOVËS / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
QEVERIA - VLADA - GOVERMENT
MINISTRIA E EKONOMISË
MINISTARSTVO EKONOMIJE
MINISTRY OF ECONOMY
Njesia Org. / Org. Jedin. / Org. Unit: 01
Nr. Prot. / Br. Prot. / Prot. No.: 1521
Nr. Kopjes / Broj kopija / No. pages: 1
Data / Datum / Date: 24.03.25
PRISHTINË A NO.1

Republika e Kosovës

Republika Kosova – Republic of Kosovo

Qeveria – Vlada – Government

Ministria e Ekonomisë

Ministarstvo Ekonomije / Ministry of Economy

Ministria e Ekonomisë, mbështetur në nenet 10 dhe 11 të Ligjit nr. 06/L-113 për Organizimin dhe Funksionimin e Administratës Shtetërore dhe të Agjencive të Pavarura, nenin 14 të Ligjit nr. 04/L-111 për ndryshimin dhe plotësimin e Ligjit nr. 03/L-087 për Ndërmarrjet Publike, dhe shtojca 1 pika 13.6 dhe 13.7 të Rregullores (QRK) nr. 14/2023 për Fushat dhe Përgjegjësitë Administrative të Zyrës së Kryeministrit dhe Ministrive, merr:

V E N D I M

për emërimin e Komisionit të Auditimit të NP KEK Sh.a

1. **Emërohet** Komisioni i Auditimit i Ndërmarrjes Publike Korporata Energjetike e Kosoves/KEK SH.A me këtë përbërje:

   1.1 Shpetim Zharku, Kryesues
   1.2 Filloretë Gashi-Sadiku, Anëtare
   1.3 Merita Kasapolli, Anëtare

2. Komisioni i Auditimit kryen detyrat sipas Ligjit nr. 03/L-087 për Ndërmarrjet Publike, të ndryshuar dhe të plotësuar me ligjet nr. 04/L-111 dhe 05/L-009.

3. Vendimi hyn në fuqi ditën e nënshkrimit.

Artane Rizvanolli

Ministre e Ekonomisë

U dërgohet:

- Anëtarëve të Komisionit të Auditimit
- NP "KEK" Sh.A.
- Njësisë për Politikat dhe Monitorimin të Ndërmarrjeve Publike
- Arkivit të Ministrisë

Prishtinë,24.03.2025

REPUBLIKA E KOSOVES / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
QEVERIA - VLADA - GOVERMENT
MINISTRIA E EKONOMISE
MINISTARSTVO EKONOMIJE
MINISTRY OF ECONOMY
Njesia Org. / Org. Jedin / Org Unit: 01
Nr. i faqeve / Broj stranica / No. pages: 1
Nr. Prot. / Br. Prot / Prot.No.: 1742
Data / Datum / Date: 26.07.22
PRISHTINE A NO.1

Republika e Kosovës
Republika Kosova - Republic of Kosovo
Qeveria - Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije / Ministry of Economy

Ministrja e Ekonomisë, në mbështetje të Nenit 10 dhe 11 të Ligjit Nr.06/L-113 për Organizimin dhe Funksionimin e Administratës Shtetërore dhe të Agjencive të Pavarura, (Gazeta Zyrtare, Nr.07/1 Mars 2019), nenit 14 të Ligjit Nr.04/L-111 për ndryshimin dhe plotësimin e Ligjit nr. 03/l-087 për Ndërmarrjet Publike (GZ.13/30 Maj 2012), dhe nenit 8 paragrafi 1.4 Në Rregulloren (QRK) Nr.02/2021 për Fushat dhe Përgjegjësitë Administrative të Zyrës së Kryeministrit dhe Ministrive, nxjerr:

V E N D I M

Për emërimin e Komisionit të Auditimit

1. Emërohet Komisioni i Auditimit në Ndërmarrjen Publike, Kompania Rajonale e Ujësjellësit "Gjakova " sh.a ,në përbërje:

1.1. Znj. Vildane Maloku, Kryesuese e Komisionit të Auditimit;

1.2. Z. Jeton Haxhijaha, Anëtar i Komisionit të Auditimit;

1.3. Znj. Arianeta Nura, Anëtare e Komisionit të Auditimit.

2. Komisioni i Auditimit, kryen detyra sipas dispozitave të Ligjit Nr. 03/L-87 për Ndërrmarrjet Publike.

3. Vendimi hyn në fuqi ditën e nënshkrimit.

Artane Rizvanolli

Ministre e Ekonomisë

Iu dërgohet:
- Anëtarëve të Komisionit të Auditmit;
- NJPMNP;
- Arkivës së ME-së;
- KRU " Gjakova " Sh.a.

Prishtinë, 25.07.2022

REPUBLIKA E KOSOVËS / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
QEVERIA - VLADA - GOVERMENT
MINISTRIA E EKONOMISË
MINISTARSTVO EKONOMIJE
MINISTRY OF ECONOMY
Njësia Org. / Org. Jedin / Org Unit 01/4
Nr. i faqeve / Broj stranica / No. pages 1
Nr. Prot. / Br. Prot. / Prot.No. 1774
Datë / Datum / Date: 08.04.25
PRISHTINË/A NO.1

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije / Ministry of Economy

Ministrja e Ekonomisë, mbështetur në nenet 10 dhe 11 të Ligjit nr. 06/L-113 për Organizimin dhe Funksionimin e Administratës Shtetërore dhe të Agjencive të Pavarura, nenin 14 të Ligjit nr. 04/L-111 për ndryshimin dhe plotësimin e Ligjit nr. 03/L-087 për Ndërmarrjet Publike, dhe shtojca 1 pika 13.6 dhe 13.7 të Rregullores (QRK) nr. 14/2023 për Fushat dhe Përgjegjësitë Administrative të Zyrës së Kryeministrit dhe Ministrive, merr:

V E N D I M
për emërimin e Komisionit të Auditimit të NP Posta e Kosovës SH.A

1. **Emërohet** Komisioni i Auditimit i Ndërmarrjes Publike Posta e Kosovës/PK SH.A me këtë përbërje:

   1.1 Safija Beseni Kryesues
   1.2 Sebahate Krasniqi Anëtar
   1.3 Visar Nura Anëtar

2. Komisioni i Auditimit kryen detyrat sipas Ligjit nr. 03/L-087 për Ndërmarrjet Publike, të ndryshuar dhe të plotësuar me ligjet nr. 04/L-111 dhe 05/L-009.

3. Vendimi hyn në fuqi ditën e nënshkrimit.

Artane Rizvanolli

Ministre e Ekonomisë

U dërgohet:
- Anëtarëve të Komisionit të Auditimit
- NP "PK" SH.A.
- Njësisë për Politikat dhe Monitorimin të Ndërmarrjeve Publike
- Arkivit të Ministrisë

Prishtinë,08.04.2025

REPUBLIKA E KOSOVES / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
QEVERIA - VLADA - GOVERMENT
MINISTRIA E EKONOMISË
MINISTARSTVO EKONOMIJE
MINISTRY OF ECONOMY
Njesia Org.
Org. Jedin
Org Unit 01
Nr. Prot.
Br. Prot
Prot.No: 1910
Nr. i faqeve
Broj stranica
No. pages 1
Data:
Datum:
Date: 15.08.22
PRISHTINE A NO.1

Republika e Kosovës
Republika Kosova - Republic of Kosovo
Qeveria - Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije / Ministry of Economy

Ministrja e Ekonomisë, në mbështetje të Nenit 10 dhe 11 të Ligjit Nr.06/L-113 për Organizimin dhe Funksionimin e Administratës Shtetërore dhe të Agjencive të Pavarura, (Gazeta Zyrtare, Nr.07/1 Mars 2019), nenit 14 të Ligjit Nr.04/L-111 për ndryshimin dhe plotësimin e Ligjit nr. 03/l-087 për Ndërmarrjet Publike (GZ.13/30 Maj 2012), dhe nenit 8 paragrafi 1.4 Në Rregulloren (QRK) Nr.02/2021 për Fushat dhe Përgjegjësitë Administrative të Zyrës së Kryeministrit dhe Ministrive, nxjerr:

V E N D I M

Për emërimin e Komisionit të Auditimit

1. Emërohet Komisioni i Auditimit në Ndërmarrjen Publike Kompania Rajonale e Ujësjellësit "Bifurkacioni" sh.a, në përbërje:
   1.1. Z. Donat Rexha, Kryesues i Komisionit të Auditimit
   1.2. Znj. Kujtesa Ibushi Ramadani, Anëtare e Komisionit të Auditimit
   1.3. Znj. Kujtesa Mashkulli Ahmeti, Anëtare e Komisionit të Auditimit

2. Komisioni i Auditimit, kryen detyra sipas dispozitave të Ligjit Nr. 03/L-87 për Ndërrmarrjet Publike.
3. Vendimi hyn në fuqi ditën e nënshkrimit.

Artane Rizvanolli

Ministre e Ekonomisë

Iu dërgohet:
- Anëtarëve të Komisionit të Auditmit;
- NJPMNP;
- Arkivës së ME-së;
- KRU "Bifurkacioni" sh.a

Prishtinë, 15.08.2022

REPUBLIKA E KOSOVES / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
QEVERIA - VLADA - GOVERMENT
MINISTRIA E EKONOMISE
MINISTARSTVO EKONOMIJE
MINISTRY OF ECONOMY
Njesia Org. / Org. Jedin / Org Unit: 01
Nr. i faqeve / Broj stranica / No. pages: 1
Nr. Prot. / Br. Prot. / Prot.No: 1911
Data / Datum / Date: 15.08.22
PRISHTINE A NO.1

Republika e Kosovës
Republika Kosova - Republic of Kosovo
Qeveria - Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije / Ministry of Economy

Ministrja e Ekonomisë, në mbështetje të Nenit 10 dhe 11 të Ligjit Nr.06/L-113 për Organizimin dhe Funksionimin e Administratës Shtetërore dhe të Agjencive të Pavarura, (Gazeta Zyrtare, Nr.07/1 Mars 2019), nenit 14 të Ligjit Nr.04/L-111 për ndryshimin dhe plotësimin e Ligjit nr. 03/l-087 për Ndërmarrjet Publike (GZ.13/30 Maj 2012), dhe nenit 8 paragrafi 1.4 Në Rregulloren (QRK) Nr.02/2021 për Fushat dhe Përgjegjësitë Administrative të Zyrës së Kryeministrit dhe Ministrive, nxjerr:

V E N D I M

Për emërimin e Komisionit të Auditimit

1. Emërohet Komisioni i Auditimit në Ndërmarrjen Publike Kompania Rajonale e Ujitjes "Radoniqi - Dukagjini" sh.a, në përbërje:

   1.1. Z. Krenar Bajgora, Kryesues i Komisionit të Auditimit

   1.2. Z. Vehbi Duraku, Anëtar e Komisionit të Auditimit

   1.3. Z. Agron Tafarshiku, Anëtar e Komisionit të Auditimit

2. Komisioni i Auditimit, kryen detyra sipas dispozitave të Ligjit Nr. 03/L-87 për Ndërrmarrjet Publike.
3. Vendimi hyn në fuqi ditën e nënshkrimit.

Artane Rizvanolli
Ministre e Ekonomisë

Iu dërgohet:
- Anëtarëve të Komisionit të Auditmit;
- NJPMNP;
- Arkivës së ME-së;
- KRU "Radoniqi - Dukagjini" sh.a

Prishtinë, 15.08.2022

REPUBLIKA E KOSOVËS / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
QEVERIA - VLADA - GOVERMENT
MINISTRIA E EKONOMISË
MINISTARSTVO EKONOMIJE
MINISTRY OF ECONOMY
Njesia Org. / Org. Jedin / Org. Unit: 01
Nr. i faqeve / Broj stranica / No. pages: 1
Nr. Prot. / Br. Prot / Prot.No.: 2192
Datë / Datum / Date: 23.02.24
PRISHTINË/A NO.1

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije / Ministry of Economy

Ministrja e Ekonomisë, mbështetur në nenet 10 dhe 11 të Ligjit nr. 06/L-113 për Organizimin dhe Funksionimin e Administratës Shtetërore dhe të Agjencive të Pavarura, nenin 14 të Ligjit nr. 04/L-111 për ndryshimin dhe plotësimin e Ligjit nr. 03/L-087 për Ndërmarrjet Publike, dhe nenin 8 paragrafi 1.4 të Rregullores (QRK) nr. 02/2021 për Fushat dhe Përgjegjësitë Administrative të Zyrës së Kryeministrit dhe Ministrive, merr:

V E N D I M
Për emërimin e Komisionit të Auditimit

1. Emërohet Komisioni i Auditimit në Ndërmarrjen Publike Qendrore KRU "Drini i Bardhë" Sh. A. me këtë përbërje:

   1.1. Z. Ilaz Halili, Kryesues i Komisionit të Auditimit;

   1.2. Znj. Zamire Deçani Beqiri, Anëtare e Komisionit të Auditimit;

   1.3. Z. Shkodran Gaxherri, Anëtar i Komisionit të Auditimit;

2. Komisioni i Auditimit kryen detyrat sipas dispozitave të Ligjit nr. 03/L-087 për Ndërmarrjet Publike, të ndryshuar dhe të plotësuar me ligjet nr. 04/L-111 dhe 05/L-009.

3. Vendimi hyn në fuqi ditën e nënshkrimit.

Artane Rizvanolli

Ministre e Ekonomisë

U dërgohet:
- Anëtarëve të Komisionit të Auditimit
- KRU "Drini i Bardhë" Sh. A.
- Njësisë për Politikat dhe Monitorimin e Ndërmarrjeve Publike
- Arkivit të Ministrisë

Prishtinë, 23.02.2024

REPUBLIKA E KOSOVËS / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
QEVERIA - VLADA - GOVERMENT
MINISTRIA E EKONOMISË
MINISTARSTVO EKONOMIJE
MINISTRY OF ECONOMY
Nr. Prot. 4791
Br. Prot.
Prot.No.
Data: 12.06.24
Datum:
Date:
PRISHTINE A NO. 1

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije / Ministry of Economy

Ministrja e Ekonomisë, mbështetur në nenet 10 dhe 11 të Ligjit nr. 06/L-113 për Organizimin dhe Funksionimin e Administratës Shtetërore dhe të Agjencive të Pavarura, nenin 14 të Ligjit nr. 04/L-111 për ndryshimin dhe plotësimin e Ligjit nr. 03/L-087 për Ndërmarrjet Publike, dhe shtojca 13 pika 13.6 dhe 13.7 Rregullores (QRK) nr. 14/2023 për Fushat dhe Përgjegjësitë Administrative të Zyrës së Kryeministrit dhe Ministrive, merr:

V E N D I M
Për ndryshimin dhe plotësimin e Komisionit të Auditimit të Kompanisë Rajonale të Ujësjellësit "Gjakova" Sh. A.

1.Ndryshohet dhe Plotësohet paragrafi 1 pika 1.2 e Vendimit Nr.1742 i datës 26.07.2022 të Komisioni të Auditimit i Kompanisë Rajonale të Ujësjellësit "Gjakova" Sh.A. me këtë përbërje:

1.2. Z. Faton Osmani , anëtar i Komisionit të Auditimit;

2.Ky ndryshim plotësim sipas pikës 1 është pjesë e vendimit Nr.1742 i datës 26.02.2022 të Komisionit të Auditimit të Kompanisë Rajonale të Ujësjellësit "Gjakova" Sh.A

3. Vendimi hyn në fuqi ditën e nënshkrimit.

Artane Rizvanolli
Ministre e Ekonomisë

U dërgohet:
- Anëtarëve të Komisionit të Auditimit
- KRU "Gjakova" Sh. A.
- Njësisë për Politikat dhe Monitorimin e Ndërmarrjeve Publike
- Arkivit të Ministrisë

Datë:11.06.2024

REPUBLIKA E KOSOVËS / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
QEVERIA - VLADA - GOVERMENT
MINISTRIA E EKONOMISË
MINISTARSTVO EKONOMIJE
MINISTRY OF ECONOMY
Njesia Org. / Org. Jedin / Org. Unit: 01
Nr. i faqeve / Broj stranica / No. pages: 1
Nr. Prot. / Br. Prof. / Prof.No.: 5201
Data: / Datum: / Date: 29.07.24
PRISHTINË A NO. 1

Republika e Kosovës

Republika Kosova – Republic of Kosovo

Qeveria – Vlada – Government

Ministria e Ekonomisë

Ministarstvo Ekonomije / Ministry of Economy

Ministrja e Ekonomisë, mbështetur në nenet 10 dhe 11 të Ligjit nr. 06/L-113 për Organizimin dhe Funksionimin e Administratës Shtetërore dhe të Agjencive të Pavarura, nenin 14 të Ligjit nr. 04/L-111 për ndryshimin dhe plotësimin e Ligjit nr. 03/L-087 për Ndërmarrjet Publike dhe pikën 13.6 dhe 13.7 të Shtojcës së Rregullores (QRK) nr.14/2023 për Fushat e Përgjegjësisë Administrative të Zyrës së Kryeministrit dhe ministrive, merr:

V E N D I M

për emërimin e Komisionit të Auditimit të

NPQ "Kompania për Menaxhimin e Deponive të Kosovës - KMDK" Sh. A.

1. **Emërohet** Komisioni i Auditimit i Ndërmarrjes Publike Qendrore "Kompania për Menaxhimin e Deponive të Kosovës – KMDK" Sh. A. me këtë përbërje:

   1.1. znj. Emine Telaku, kryesuese;

   1.2. znj. Valbona Shala-Thaqi, anëtare;

   1.3. z. Petrit Pantina, anëtar;

2. Komisioni i Auditimit kryen detyrat sipas Ligjit nr. 03/L-087 për Ndërmarrjet Publike, të ndryshuar dhe të plotësuar me ligjet nr. 04/L-111 dhe 05/L-009.

3. Vendimi hyn në fuqi ditën e nënshkrimit.

për **Artane Rizvanolli**

Ministre e Ekonomisë

U dërgohet:

- Anëtarëve të Komisionit të Auditimit
- NPQ "Kompania për Menaxhimin e Deponive të Kosovës " Sh. A.
- Njësisë për Politikat dhe Monitorimin e Ndërmarrjeve Publike
- Arkivit të Ministrisë

REPUBLIKA E KOSOVES / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
QEVERIA - VLADA - GOVERMENT
MINISTRIA E EKONOMISË
MINISTARSTVO EKONOMIJE
MINISTRY OF ECONOMY
Njesia Org. / Org. Jedin / Org. Unit: 01
Nr. i faqeve / Broj stranica / No. pages: 1
Nr. Prot. / Br. Prot / Prot.No.: 5202
Data / Datum / Date: 29.02.24
PRISHTINË / PRISHTINA NO.1

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije / Ministry of Economy

Ministrja e Ekonomisë, mbështetur në nenet 10 dhe 11 të Ligjit nr. 06/L-113 për Organizimin dhe Funksionimin e Administratës Shtetërore dhe të Agjencive të Pavarura, nenin 14 të Ligjit nr. 04/L-111 për ndryshimin dhe plotësimin e Ligjit nr. 03/L-087 për Ndërmarrjet Publike dhe pikën 13.6 dhe 13.7 të Shtojcës së Rregullores (QRK) nr.14/2023 për Fushat e Përgjegjësisë Administrative të Zyrës së Kryeministrit dhe ministrive, merr:

V E N D I M
për emërimin e Komisionit të Auditimit të NPQ "Telekomi i Kosovës " Sh. A.

1. **Emërohet** Komisioni i Auditimit i Ndërmarrjes Publike Qendrore "Telekomi i Kosovës" Sh. A. me këtë përbërje:

   1.1.Znj. Sajmie Thaçi, kryesues;

   1.2. Znj. Rrezarta Pllana, anëtare;

   1.3. Znj. Lindita Toçi, anëtare;

2. Komisioni i Auditimit kryen detyrat sipas Ligjit nr. 03/L-087 për Ndërmarrjet Publike, të ndryshuar dhe të plotësuar me ligjet nr. 04/L-111 dhe 05/L-009.

3. Vendimi hyn në fuqi ditën e nënshkrimit.

për
Artane Rizvanolli

Ministre e Ekonomisë

U dërgohet:
- Anëtarëve të Komisionit të Auditimit
- NPQ "Telekomi i Kosovës " Sh. A.
- Njësisë për Politikat dhe Monitorimin e Ndërmarrjeve Publike
- Arkivit të Ministrisë

REPUBLIKA E KOSOVËS / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
QEVERIA - VLADA - GOVERNMENT
MINISTRIA E EKONOMISË
MINISTARSTVO EKONOMIJE
MINISTRY OF ECONOMY
Njësia Org. / Org. Jedin / Org. Unit: 01
Nr. Prot. / Br. Prot / Prot. No.: 4790
Nr. i faqeve / Broj strana / No. of pages: 1
Data / Datum / Date: 12.06.24
PRISHTINË / PRIŠTINA
NO.1

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije / Ministry of Economy

Ministrja e Ekonomisë, mbështetur në nenet 10 dhe 11 të Ligjit nr. 06/L-113 për Organizimin dhe Funksionimin e Administratës Shtetërore dhe të Agjencive të Pavarura, nenin 14 të Ligjit nr. 04/L-111 për ndryshimin dhe plotësimin e Ligjit nr. 03/L-087 për Ndërmarrjet Publike, dhe nenin 8 paragrafi 1.4 të Rregullores (QRK) nr. 14/2023 për Fushat dhe Përgjegjësitë Administrative të Zyrës së Kryeministrit dhe Ministrive, merr:

V E N D I M

Për ndryshimin dhe plotësimin e Komisionit të Auditimit të Kompanisë Rajonale të Ujësjellësit "Hidromorava" Sh.A.

1.Ndryshohet dhe Plotësohet paragrafi 1 pika 1.2. e Vendimit Nr.563 i datës 17.03.2022 të Komisioni të Auditimit i Kompanisë Rajonale të Ujësjellësit "Hidromorava" Sh.A. me këtë përbërje:

1.2. Z. Agim Zeka, anëtar i Komisionit të Auditimit;

2.Ky ndryshim plotësim sipas pikës 1 është pjesë e vendimit Nr.563 i datës 17.03.2022 të Komisionit të Auditimit të Kompanisë Rajonale të Ujësjellësit "Hidromorava" Sh.A.

3. Vendimi hyn në fuqi ditën e nënshkrimit.

Artane Rizvanolli
Ministre e Ekonomisë

U dërgohet:
- Anëtarëve të Komisionit të Auditimit
- KRU "Hidromorava" Sh. A.
- Njësisë për Politikat dhe Monitorimin e Ndërmarrjeve Publike
- Arkivit të Ministrisë

Datë:11.06.2024

Trepça Shoqëri Aksionare
Trepça Deoničarsko Društvo
Trepça Joint Stock Company
Nr. 1463 data 08-08-2024
Mitrovica

Republika e Kosovës
Republika Kosova - Republic of Kosovo
Qeveria –Vlada - Government

Trepça Shoqëri Aksionare
Trepça Deoničarsko Društvo / Trepça Joint Stock Company

TREPÇA

Në bazë të nenit 9 paragrafi 12 të Ligjit Nr.05/L-120 për Trepçën, nenit 23 paragrafi 1 i Statutit të Trepça Sh.A., në takimin e datës 26 korrik 2024, Bordi Mbikëqyrës i Trepça Sh.A. mori këtë:

VENDIM

I. Themelohet Komisioni i Auditimit në këtë përbërje:
   1. Fadil Bejta — Kryesues
   2. Merita Gashi — Anëtare
   3. Alban Krasniqi — Anëtar

II. Kompetencat dhe mandati i Komisionit përcaktohet në bazë të nenit 26 të Ligjit Nr.03/L-087 për Ndërmarrjet Publike si dhe Ligjit Nr.05/L-120 për Trepçën si dhe Statutit të "shoqërisë";

III. Mandati i Komisionit është i lidhur me mandatin e Bordit Mbikëqyrës;

IV. Për pagat dhe kompensimet vendos Qeveria me një vendim të veçantë;

V. Vendimi hyn në fuqi në ditën e nënshkrimit.

Kryesues i Bordit Mbikëqyrës

Z. Mentor Berisha

I dedikohet:

- *Anëtarëve të Bordit Mbikëqyrës;*
- *Sekretarit të ndërmarrjes*
- *NJPMNP*
- *Arkivit të Trepça Sh.A.*

REPUBLIKA E KOSOVËS / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
QEVERIA - VLADA - GOVERMENT
MINISTRIA E EKONOMISË
MINISTARSTVO EKONOMIJE
MINISTRY OF ECONOMY
Njesia Org. / Org. Jedin / Org Unit: 01 Nr. Prot. / Br. Prof / Prof.No: 693
Nr. i faqeve / Broj stranica / No. pages: 1 Data: / Datum. / Date: 21.04.26
PRISHTINË/A NO.1

Republika e Kosovës
Republika Kosovo – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije – Ministry of Economy

Ministrja e Ekonomisë, mbështetur në nenet 10 dhe 11 të Ligjit nr. 06/L-113 për Organizimin dhe Funksionimin e Administratës Shtetërore dhe të Agjencive të Pavarura, nenin 24 të Ligjit nr. 03/L-087 për Ndërmarrjet Publike, i ndryshuar dhe i plotësuar me nenin 14 të Ligjit nr. 04/L-111, si dhe në nenet 3 dhe 21.1 të Rregullores (QRK) nr. 04/2026 për Fushat e Përgjegjësisë Administrative të Ministrive, merr:

V E N D I M
për emërimin e komisionit të auditimit të KRU Hidrodrini

1. **Emërohet** komisioni i auditimit i ndërmarrjes publike qendrore Kompania Rajonale e Ujësjellësit "Hidrodrini" ShA Pejë me këtë përbërje:
   1.1. z. Naim Neziri, kryesues;
   1.2. znj. Mjellma Vokshi;
   1.3. z. Ismet Fekaj.
2. Komisioni i auditimit kryen detyrat sipas Ligjit nr. 03/L-087 për Ndërmarrjet Publike, i ndryshuar dhe i plotësuar me ligjet nr. 04/L-111, nr. 06/L-021 dhe 08/L-276.
3. Ky vendim hyn në fuqi në ditën e nënshkrimit.

Artane RIZVANOLLI
Ministre e Ekonomisë

REPUBLIKA E KOSOVËS · MINISTRIA EKONOMISË · MINISTARSTVO EKONOMIJE · REPUBLIC OF KOSOVO MINISTRY OF ECONOMY
Prishtinë

U dërgohet:
- Anëtarëve të komisionit nga pika 1
- KRU Hidrodrini ShA
- Njësisë për Politikat dhe Monitorimin e Ndërmarrjeve Publike
- Arkivit të Ministrisë

Prishtinë: 21.04.2026

REPUBLIKA E KOSOVËS / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
QEVERIA - VLADA - GOVERMENT
MINISTRIA E EKONOMISË
MINISTARSTVO EKONOMIJE
MINISTRY OF ECONOMY
Njësia Org. / Org. Jedin / Org Unit: 01
Nr. i faqeve / Broj stranica / No. pages: 1
Nr. Prot. / Br. Prot / Prof.No: 694
Data: / Datum: / Date: 21.04.26
PRISHTINË/A NO.1

Republika e Kosovës
Republika Kosovo – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije – Ministry of Economy

Ministrja e Ekonomisë, mbështetur në nenet 10 dhe 11 të Ligjit nr. 06/L-113 për Organizimin dhe Funksionimin e Administratës Shtetërore dhe të Agjencive të Pavarura, nenin 24 të Ligjit nr. 03/L-087 për Ndërmarrjet Publike, i ndryshuar dhe i plotësuar me nenin 14 të Ligjit nr. 04/L-111, si dhe në nenet 3 dhe 21.1 të Rregullores (QRK) nr. 04/2026 për Fushat e Përgjegjësisë Administrative të Ministrive, merr:

V E N D I M
për emërimin e komisionit të auditimit të KRU Prishtina

1. **Emërohet** komisioni i auditimit i ndërmarrjes publike qendrore Kompania Rajonale e Ujësjellësit "Prishtina" ShA me këtë përbërje:
   1.1. z. Fatos Budeci, kryesues;
   1.2. znj. Saxhide Mustafa;
   1.3. z. Fadil Berisha.
2. Komisioni i auditimit kryen detyrat sipas Ligjit nr. 03/L-087 për Ndërmarrjet Publike, i ndryshuar dhe i plotësuar me ligjet nr. 04/L-111, nr. 06/L-021 dhe 08/L-276.
3. **Shfuqizohen** Vendimi nr. 1340 i datës 07.06.2022 dhe Vendimi nr. 5569 i datës 09.09.2024.
4. Ky vendim hyn në fuqi në ditën e nënshkrimit.

Artane RIZVANOLLI
Ministre e Ekonomisë

REPUBLIKA KOSOVA - REPUBLIC OF KOSOVO - MINISTARSTVO EKONOMIJE - MINISTRY OF ECONOMY - MINISTRIA E EKONOMISË - Prishtinë

U dërgohet:
- Anëtarëve të komisionit nga pika 1
- KRU Prishtina ShA
- Njësisë për Politikat dhe Monitorimin e Ndërmarrjeve Publike
- Arkivit të Ministrisë

Prishtinë: 21.04.2026

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije /Ministry of Economy

REPUBLIKA E KOSOVËS / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
QEVERIA - VLADA - GOVERNMENT
MINISTRIA E EKONOMISË
MINISTARSTVO EKONOMIJE
MINISTRY OF ECONOMY
Njësia Org. / Org. Jedin / Org Unit: 01
Nr. i faqeve / Broj strana / No. pages: 1
Nr. Prot. / Br. Prot / Prot.No: 4688
Data / Datum / Date: 26.12.21
PRISHTINË/A NO.1

Ministrja e Ekonomisë, në mbështetje të nenit 10 dhe 11 të Ligjit Nr. 06/L-113 për Organizimin dhe Funksionimin e Administratës Shtetërore dhe të Agjencive të Pavarura, nenit 14 i Ligjit Nr. 04/L-111 për ndryshimin dhe plotësimin e Ligjit Nr. 03/L-087 për Ndërmarrjet Publike, të nenit 11 të Ligjit Nr.08/L-117 për Qeverinë e Republikës së Kosovës dhe shtojca 1 pika 13 të Rregullores (QRK) Nr. 14/2023 për Fushat e Përgjegjësisë Administrative të Zyrës së Kryeministrit dhe Ministrive, merr:

V E N D I M
për emërimin e Komisionit të Auditimit të
NPQ "Hekurudhat e Kosovës – TrainKos" Sh. A.

1. **Emërohet** Komisioni i Auditimit i Ndërmarrjes Publike Qendrore "Hekurudhat e Kosovës – TrainKos" Sh. A. me këtë përbërje:
   1.1. Luljeta Lutfiu, Kryesues
   1.2. Kimete Fazliu, Anëtare
   1.3. Vjollca Salihu, Anëtar

2. Komisioni i Auditimit ushtron detyrat dhe përgjegjësitë e tij sipas Ligjit Nr. 03/L-087 për Ndërmarrjet Publike, i ndryshuar dhe plotësuar me Ligjin Nr. 04/L-111 dhe Ligjin Nr.05/L-009, si dhe në përputhje me legjislacionin përkatës në fuqi.

3. Shfuqizohet vendimi Nr.724/24, datë: 29.01.2024.

4. Vendimi hyn në fuqi ditën e nënshkrimit.

Artane RIZVANOLLI
p.p.
Ministre në detyrë e Ekonomisë

REPUBLIKA KOSOVA - REPUBLIC OF KOSOVO - MINISTRIA E EKONOMISË - MINISTARSTVO EKONOMIJE - MINISTRY OF ECONOMY
Prishtinë

Vendimi u dërgohet:
- Anëtarëve të Komisionit të Auditimit
- NPQ "Hekurudhat e Kosovës – TrainKos" Sh. A.
- Njësisë për Politika dhe Monitorim të Ndërmarrjeve Publike
- Arkivit të Ministrisë.

REPUBLIKA E KOSOVËS / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
QEVERIA - VLADA - GOVERMENT
MINISTRIA E EKONOMISË
MINISTARSTVO EKONOMIJE
MINISTRY OF ECONOMY
Nr. Prot. 4316
Br. Prot
Prot.No.
Datë: 07.11.25
Datum
Date
PRISHTINË/A NO.1

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije /Ministry of Economy

Ministrja e Ekonomisë, në mbështetje të nenit 10 dhe 11 të Ligjit Nr. 06/L-113 për Organizimin dhe Funksionimin e Administratës Shtetërore dhe të Agjencive të Pavarura, nenit 14 i Ligjit Nr. 04/L-111 për ndryshimin dhe plotësimin e Ligjit Nr. 03/L-087 për Ndërmarrjet Publike, të nenit 11 të Ligjit Nr.08/L-117 për Qeverinë e Republikës së Kosovës dhe shtojca 1 pika 13.6 dhe 13.7 të Rregullores (QRK) Nr. 14/2023 për Fushat e Përgjegjësisë Administrative të Zyrës së Kryeministrit dhe Ministrive, merr:

V E N D I M
për emërimin e Komisionit të Auditimit të
KRU "Hidroregjioni Jugor" Sh. A. Prizren

1. **Emërohet** Komisioni i Auditimit i Kompanisë Rajonale të Ujësjellësit "Hidroregjioni Jugor" Sh.A. me këtë përbërje:

   1.1. Sulejman Gashi, Kryesues

   1.2. Selvete Xhigoli, Anëtare

   1.3. Agim Muçaj, Anëtar

2. Komisioni i Auditimit ushtron detyrat dhe përgjegjësitë e tij sipas Ligjit Nr. 03/L-087 për Ndërmarrjet Publike, i ndryshuar dhe plotësuar me Ligjin Nr. 04/L-111 dhe Ligjin Nr.05/L-009, si dhe në përputhje me legjislacionin përkatës në fuqi.

3. Vendimi hyn në fuqi ditën e nënshkrimit.

Prishtinë 07.11.2025

Artane RIZVANOLLI
Ministre në detyrë e Ekonomisë

Vendimi u dërgohet:
- Anëtarëve të Komisionit të Auditimit
- KRU "Hidroregjioni Jugor" Sh.A.
- Njësisë për Politika dhe Monitorim të Ndërmarrjeve Publike
- Arkivit të Ministrisë.

Decisions of the Audit Committees

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije /Ministry of Economy

The Minister of Economy, pursuant to Articles 10 and 11 of Law No. 06/L-113 on the Organization and Functioning of the State Administration and Independent Agencies, Article 14 of Law No. 04/L-111 amending and supplementing Law No. 03/L-087 on Public Enterprises, Article 11 of Law No. 08/L-117 on the Government of the Republic of Kosovo, and Annex 1, point 13 of Regulation (GRK) No. 14/2023 on the Areas of Administrative Responsibility of the Office of the Prime Minister and the Ministries, hereby issues the following:

D E C I S I O N
on the Appointment of the Audit Committee

1. The Audit Committee of the Regional Water Company "Drini i Bardh" J.S.C. is hereby appointed with the following composition:

   1.1. Ilaz Halili, Chair

   1.2. Zamire Deçani Beqiri, Member

   1.3. Shkodran Gaxherri, Member

2. The Audit Committee shall exercise its duties and responsibilities in accordance with Law No. 03/L-087 on Public Enterprises, as amended and supplemented by Law No. 04/L-111 and Law No. 05/L-009, as well as in compliance with the applicable legislation in force.

3. This Decision enters into force on the date of its signature.

Artane RIZVANOLLI

Minister of Economy

The Decision shall be delivered to:

- The Members of the Audit Committee
- The Regional Water Company "Drini i Bardh" J.S.C.
- The Public Enterprises Policy and Monitoring Unit
- The Ministry's Archive.

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije /Ministry of Economy

The Minister of Economy, pursuant to Articles 10 and 11 of Law No. 06/L-113 on the Organization and Functioning of the State Administration and Independent Agencies, Article 14 of Law No. 04/L-111 amending and supplementing Law No. 03/L-087 on Public Enterprises, Article 11 of Law No. 08/L-117 on the Government of the Republic of Kosovo, and Annex 1, point 13 of Regulation (GRK) No. 14/2023 on the Areas of Administrative Responsibility of the Office of the Prime Minister and the Ministries, hereby issues the following:

D E C I S I O N
on the Appointment of the Audit Committee

1. The Audit Committee of the Regional Water Company "Gjakova" J.S.C. is hereby appointed with the following composition:

1.1. Vildane Maloku, Chair

1.2. Jeton Haxhijaha, Member

1.3. Arineta Nura, Member

2. The Audit Committee shall exercise its duties and responsibilities in accordance with Law No. 03/L-087 on Public Enterprises, as amended and supplemented by Law No. 04/L-111 and Law No. 05/L-009, as well as in compliance with the applicable legislation in force.

3. This Decision enters into force on the date of its signature.

Artane RIZVANOLLI

Minister of Economy

The Decision shall be delivered to:

- The Members of the Audit Committee
- The Regional Water Company "Gjakova" J.S.C.
- The Public Enterprises Policy and Monitoring Unit
- The Ministry's Archive.

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije /Ministry of Economy

The Minister of Economy, pursuant to Articles 10 and 11 of Law No. 06/L-113 on the Organization and Functioning of the State Administration and Independent Agencies, Article 14 of Law No. 04/L-111 amending and supplementing Law No. 03/L-087 on Public Enterprises, Article 11 of Law No. 08/L-117 on the Government of the Republic of Kosovo, and Annex 1, point 13 of Regulation (GRK) No. 14/2023 on the Areas of Administrative Responsibility of the Office of the Prime Minister and the Ministries, hereby issues the following:

D E C I S I O N
on the Appointment of the Audit Committee

1. The Audit Committee of the Regional Water Company "Hidromorava" J.S.C. is hereby appointed with the following composition:

1.1. Ferdane Tahiri Sylejmani, Chair

1.2. Filloretë Gashi Sadiku, Member

1.3. Lindita Fazliu, Member

2. The Audit Committee shall exercise its duties and responsibilities in accordance with Law No. 03/L-087 on Public Enterprises, as amended and supplemented by Law No. 04/L-111 and Law No. 05/L-009, as well as in compliance with the applicable legislation in force.

3. This Decision enters into force on the date of its signature.

Artane RIZVANOLLI

Minister of Economy

The Decision shall be delivered to:

- The Members of the Audit Committee
- The Regional Water Company "Hidromorava" J.S.C.
- The Public Enterprises Policy and Monitoring Unit
- The Ministry's Archive.

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije /Ministry of Economy

The Minister of Economy, pursuant to Articles 10 and 11 of Law No. 06/L-113 on the Organization and Functioning of the State Administration and Independent Agencies, Article 14 of Law No. 04/L-111 amending and supplementing Law No. 03/L-087 on Public Enterprises, Article 11 of Law No. 08/L-117 on the Government of the Republic of Kosovo, and Annex 1, point 13 of Regulation (GRK) No. 14/2023 on the Areas of Administrative Responsibility of the Office of the Prime Minister and the Ministries, hereby issues the following:

D E C I S I O N
on the Appointment of the Audit Committee

2. The Audit Committee of the Regional Water Company "Mitrovica" J.S.C. is hereby appointed with the following composition:

1.1. Zijadin Lutolli, Chair

1.2.Miranda Zherka, Member

1.3. Bashkim Halabaku, Member

2. The Audit Committee shall exercise its duties and responsibilities in accordance with Law No. 03/L-087 on Public Enterprises, as amended and supplemented by Law No. 04/L-111 and Law No. 05/L-009, as well as in compliance with the applicable legislation in force.

3. This Decision enters into force on the date of its signature.

Artane RIZVANOLLI

Minister of Economy

The Decision shall be delivered to:

- The Members of the Audit Committee
- The Regional Water Company "Mitrovica" J.S.C.
- The Public Enterprises Policy and Monitoring Unit
- The Ministry's Archive.

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije /Ministry of Economy

The Minister of Economy, pursuant to Articles 10 and 11 of Law No. 06/L-113 on the Organization and Functioning of the State Administration and Independent Agencies, Article 14 of Law No. 04/L-111 amending and supplementing Law No. 03/L-087 on Public Enterprises, Article 11 of Law No. 08/L-117 on the Government of the Republic of Kosovo, and Annex 1, point 13 of Regulation (GRK) No. 14/2023 on the Areas of Administrative Responsibility of the Office of the Prime Minister and the Ministries, hereby issues the following:

D E C I S I O N
On the amendment and supplementation of the Audit Committee of the Regional Water Company "Gjakova" J.S.C.

1. Paragraph 1, point 1.2 of Decision No. 1742 dated 26.07.2022 of the Audit Committee of the Regional Water Company "Gjakova" J.S.C. is amended and supplemented with the following composition:

   1.2. Mr. Faton Osmani, member of the Audit Committee;

2. This amendment and supplementation according to point 1 is an integral part of Decision No. 1742 dated 26.02.2022 of the Audit Committee of the Regional Water Company "Gjakova" J.S.C.

3. This Decision enters into force on the day of its signing.

Artane RIZVANOLLI

Minister of Economy

The Decision shall be delivered to:
- The Members of the Audit Committee
- The Regional Water Company "Gjakova" J.S.C.
- The Public Enterprises Policy and Monitoring Unit
- The Ministry's Archive.

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije /Ministry of Economy

The Minister of Economy, pursuant to Articles 10 and 11 of Law No. 06/L-113 on the Organization and Functioning of the State Administration and Independent Agencies, Article 14 of Law No. 04/L-111 amending and supplementing Law No. 03/L-087 on Public Enterprises, Article 11 of Law No. 08/L-117 on the Government of the Republic of Kosovo, and Annex 1, point 13 of Regulation (GRK) No. 14/2023 on the Areas of Administrative Responsibility of the Office of the Prime Minister and the Ministries, hereby issues the following:

D E C I S I O N
On the amendment and supplementation of the Audit Committee of the Regional Water Company "Hidromorava" J.S.C.

1. Paragraph 1, point 1.2 of Decision No. 563 dated 17.03.2022 of the Audit Committee of the Regional Water Company "Hidromorava" J.S.C. is amended and supplemented with the following composition:

   1.2. Mr. Agim Zeka, member of the Audit Committee;

2. This amendment and supplementation according to point 1 constitutes an integral part of Decision No. 563 dated 17.03.2022 of the Audit Committee of the Regional Water Company "Hidromorava" J.S.C.

3. This Decision enters into force on the day of its signing.

Artane RIZVANOLLI

Minister of Economy

The Decision shall be delivered to:
- The Members of the Audit Committee
- The Regional Water Company "Hidromorava" J.S.C.
- The Public Enterprises Policy and Monitoring Unit
- The Ministry's Archive.

Republika e Kosovës
Republika Kosova - Republic of Kosovo
Qeveria –Vlada - Government

Trepça Shoqëri Aksionare
Trepça Deoničarsko Društvo / Trepça Joint Stock Company

TREPÇA

Based on Article 9 paragraph 12 of Law No. 05/L-120 on Trepça, Article 23 paragraph 1 of the Statute of Trepça J.S.C., in the meeting held on July 26, 2024, the Supervisory Board of Trepça J.S.C. issued the following:

DECISION

I. The Audit Committee is established with the following composition:

1. Fadil Bejta – Chair
2. Merita Gashi – Member
3. Alban Krasniqi – Member

II. The competencies and mandate of the Committee are determined based on Article 26 of Law No. 03/L-087 on Public Enterprises, Law No. 05/L-120 on Trepça, as well as the Statute of the "Company";

III. The mandate of the Committee is linked to the mandate of the Supervisory Board;

IV. Salaries and compensations are determined by the Government through a separate decision;

V. This Decision enters into force on the day of its signature.

Chair of the Supervisory Board

Mr. Mentor Berisha

Distributed to:
• Members of the Supervisory Board
• Secretary of the Enterprise
• NJPMNP
• Archive of Trepça J.S.C.

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije /Ministry of Economy

The Minister of Economy, pursuant to Articles 10 and 11 of Law No. 06/L-113 on the Organization and Functioning of the State Administration and Independent Agencies, Article 14 of Law No. 04/L-111 amending and supplementing Law No. 03/L-087 on Public Enterprises, Article 11 of Law No. 08/L-117 on the Government of the Republic of Kosovo, and Annex 1, point 13 of Regulation (GRK) No. 14/2023 on the Areas of Administrative Responsibility of the Office of the Prime Minister and the Ministries, hereby issues the following:

D E C I S I O N
on the Appointment of the Audit Committee

1. The Audit Committee of the central public enterprise " Ibër Lepenci" J.S.C. is hereby appointed with the following composition:

1.1. Denis Dautaj, Chair

1.2. Violeta Hoxhaj, Member

1.3. Valmira Latifi, Member

2. The Audit Committee shall exercise its duties and responsibilities in accordance with Law No. 03/L-087 on Public Enterprises, as amended and supplemented by Law No. 04/L-111 and Law No. 05/L-009, as well as in compliance with the applicable legislation in force.

3. This Decision enters into force on the date of its signature.

Artane RIZVANOLLI

Minister of Economy

The Decision shall be delivered to:

- The Members of the Audit Committee
- The Regional central public enterprise "Ibër Lepenc"J.S.C.
- The Public Enterprises Policy and Monitoring Unit

- The Ministry's Archive.

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije /Ministry of Economy

The Minister of Economy, pursuant to Articles 10 and 11 of Law No. 06/L-113 on the Organization and Functioning of the State Administration and Independent Agencies, Article 14 of Law No. 04/L-111 amending and supplementing Law No. 03/L-087 on Public Enterprises, Article 11 of Law No. 08/L-117 on the Government of the Republic of Kosovo, and Annex 1, point 13 of Regulation (GRK) No. 14/2023 on the Areas of Administrative Responsibility of the Office of the Prime Minister and the Ministries, hereby issues the following:

D E C I S I O N
on the Appointment of the Audit Committee of the "Infrakos" J.S.C.

1. The Audit Committee of the central public enterprise "Infrakos" J.S.C. is hereby appointed with the following composition:

1.1. Genc Hundozi, Chair

1.2. Besarta Zuka, Member

1.3. Fitim Raci, Member

2. The Audit Committee shall exercise its duties and responsibilities in accordance with Law No. 03/L-087 on Public Enterprises, as amended and supplemented by Law No. 04/L-111 and Law No. 05/L-009, as well as in compliance with the applicable legislation in force.

3. This Decision enters into force on the date of its signature.

Artane RIZVANOLLI

Minister of Economy

The Decision shall be delivered to:
- The Members of the Audit Committee
- The Regional central public enterprise "Infrakos"J.S.C.
- The Public Enterprises Policy and Monitoring Unit

- The Ministry's Archive.

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije /Ministry of Economy

The Minister of Economy, pursuant to Articles 10 and 11 of Law No. 06/L-113 on the Organization and Functioning of the State Administration and Independent Agencies, Article 14 of Law No. 04/L-111 amending and supplementing Law No. 03/L-087 on Public Enterprises, Article 11 of Law No. 08/L-117 on the Government of the Republic of Kosovo, and Annex 1, point 13 of Regulation (GRK) No. 14/2023 on the Areas of Administrative Responsibility of the Office of the Prime Minister and the Ministries, hereby issues the following:

D E C I S I O N
on the Appointment of the Audit Committee of the 'KEK" J.S.C.

1. The Audit Committee of the central public enterprise "KEK" J.S.C. is hereby appointed with the following composition:

1.1.Shpetim Zharku, Chair

1.2. Filloretë Gashi-Sadiku, Member

1.3. MeritaKasapolli, Member

2. The Audit Committee shall exercise its duties and responsibilities in accordance with Law No. 03/L-087 on Public Enterprises, as amended and supplemented by Law No. 04/L-111 and Law No. 05/L-009, as well as in compliance with the applicable legislation in force.

3. This Decision enters into force on the date of its signature.

Artane RIZVANOLLI

Minister of Economy

The Decision shall be delivered to:
- The Members of the Audit Committee
- The Regional central public enterprise "KEK"J.S.C.
- The Public Enterprises Policy and Monitoring Unit
- The Ministry's Archive.

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije /Ministry of Economy

The Minister of Economy, pursuant to Articles 10 and 11 of Law No. 06/L-113 on the Organization and Functioning of the State Administration and Independent Agencies, Article 14 of Law No. 04/L-111 amending and supplementing Law No. 03/L-087 on Public Enterprises, Article 11 of Law No. 08/L-117 on the Government of the Republic of Kosovo, and Annex 1, point 13 of Regulation (GRK) No. 14/2023 on the Areas of Administrative Responsibility of the Office of the Prime Minister and the Ministries, hereby issues the following:

D E C I S I O N
on the Appointment of the Audit Committee of the "Kompania për Menaxhimin e Deponive të Kosovës

1. The Audit Committee of the central public enterprise"KMDK" J.S.C. is hereby appointed with the following composition:

   1.1. Emine Telaku, Chair

   1.2. Valbona Shala-Thaqi, Member

   1.3. Petrit Pantina, Member

2. The Audit Committee shall exercise its duties and responsibilities in accordance with Law No. 03/L-087 on Public Enterprises, as amended and supplemented by Law No. 04/L-111 and Law No. 05/L-009, as well as in compliance with the applicable legislation in force.

3. This Decision enters into force on the date of its signature.

Artane RIZVANOLLI

Minister of Economy

The Decision shall be delivered to:

- The Members of the Audit Committee
- The central public enterprise"KMDK"J.S.C.
- The Public Enterprises Policy and Monitoring Unit
- The Ministry's Archive.

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije /Ministry of Economy

The Minister of Economy, pursuant to Articles 10 and 11 of Law No. 06/L-113 on the Organization and Functioning of the State Administration and Independent Agencies, Article 14 of Law No. 04/L-111 amending and supplementing Law No. 03/L-087 on Public Enterprises, Article 11 of Law No. 08/L-117 on the Government of the Republic of Kosovo, and Annex 1, point 13 of Regulation (GRK) No. 14/2023 on the Areas of Administrative Responsibility of the Office of the Prime Minister and the Ministries, hereby issues the following:

D E C I S I O N
on the Appointment of the Audit Committee of the RWC 'Hidroregjioni Jugor' J.S.C. Prizren"

1. The Audit Committee of the Regional Water Company "Hidroregjioni Jugor" J.S.C. is hereby appointed with the following composition:

1.1. Sulejman Gashi, Chair

1.2. Selvete Xhigoli , Member

1.3. Agim Muçaj, Member

2. The Audit Committee shall exercise its duties and responsibilities in accordance with Law No. 03/L-087 on Public Enterprises, as amended and supplemented by Law No. 04/L-111 and Law No. 05/L-009, as well as in compliance with the applicable legislation in force.

3. This Decision enters into force on the date of its signature.

Artane RIZVANOLLI

Minister of Economy

The Decision shall be delivered to:

- The Members of the Audit Committee
- The Regional Water Company "Hidroregjioni Jugor" J.S.C.

- The Public Enterprises Policy and Monitoring Unit
- The Ministry's Archive.

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije /Ministry of Economy

The Minister of Economy, pursuant to Articles 10 and 11 of Law No. 06/L-113 on the Organization and Functioning of the State Administration and Independent Agencies, Article 14 of Law No. 04/L-111 amending and supplementing Law No. 03/L-087 on Public Enterprises, Article 11 of Law No. 08/L-117 on the Government of the Republic of Kosovo, and Annex 1, point 13 of Regulation (GRK) No. 14/2023 on the Areas of Administrative Responsibility of the Office of the Prime Minister and the Ministries, hereby issues the following:

D E C I S I O N
on the Appointment of the Audit Committee

1. The Audit Committee of the Regional Water Company "Radoniqi Dukagjini" J.S.C. is hereby appointed with the following composition:

1.1. Krenar Bajgora, Chair

1.2. Vehbi Duraku , Member

1.3. Agron Tafarshiku, Member

2. The Audit Committee shall exercise its duties and responsibilities in accordance with Law No. 03/L-087 on Public Enterprises, as amended and supplemented by Law No. 04/L-111 and Law No. 05/L-009, as well as in compliance with the applicable legislation in force.

3. This Decision enters into force on the date of its signature.

Artane RIZVANOLLI

Minister of Economy

The Decision shall be delivered to:
- The Members of the Audit Committee
- The Regional Water Company "Radoniqi Dukagjini" J.S.C.
- The Public Enterprises Policy and Monitoring Unit
- The Ministry's Archive.

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije /Ministry of Economy

The Minister of Economy, pursuant to Articles 10 and 11 of Law No. 06/L-113 on the Organization and Functioning of the State Administration and Independent Agencies, Article 14 of Law No. 04/L-111 amending and supplementing Law No. 03/L-087 on Public Enterprises, Article 11 of Law No. 08/L-117 on the Government of the Republic of Kosovo, and Annex 1, point 13 of Regulation (GRK) No. 14/2023 on the Areas of Administrative Responsibility of the Office of the Prime Minister and the Ministries, hereby issues the following:

D E C I S I O N
on the Appointment of the Audit Committee

1. The Audit Committee of the Regional Water Company "Bifurkacioni" J.S.C. is hereby appointed with the following composition:

   1.1. Donat Rexha, Chair

   1.2. Kujtesa Ibushi Ramadani, Member

   1.3. Kujtesa Mashkulli Ahmeti, Member

2. The Audit Committee shall exercise its duties and responsibilities in accordance with Law No. 03/L-087 on Public Enterprises, as amended and supplemented by Law No. 04/L-111 and Law No. 05/L-009, as well as in compliance with the applicable legislation in force.

3. This Decision enters into force on the date of its signature.

Artane RIZVANOLLI

Minister of Economy

The Decision shall be delivered to:

- The Members of the Audit Committee
- The Regional Water Company "Bifurkacioni" J.S.C.
- The Public Enterprises Policy and Monitoring Unit
- The Ministry's Archive.

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije /Ministry of Economy

The Minister of Economy, pursuant to Articles 10 and 11 of Law No. 06/L-113 on the Organization and Functioning of the State Administration and Independent Agencies, Article 14 of Law No. 04/L-111 amending and supplementing Law No. 03/L-087 on Public Enterprises, Article 11 of Law No. 08/L-117 on the Government of the Republic of Kosovo, and Annex 1, point 13 of Regulation (GRK) No. 14/2023 on the Areas of Administrative Responsibility of the Office of the Prime Minister and the Ministries, hereby issues the following:

D E C I S I O N
on the Appointment of the Audit Committee of the "Posta e Kosovës" J.S.C.

1. The Audit Committee of the central public enterprise " Posta e Kosovës " J.S.C. is hereby appointed with the following composition:

   1.1. Safija Beseni, Chair

   1.2. Sebahate Krasniqi, Member

   1.3. Visar Nura, Member

2. The Audit Committee shall exercise its duties and responsibilities in accordance with Law No. 03/L-087 on Public Enterprises, as amended and supplemented by Law No. 04/L-111 and Law No. 05/L-009, as well as in compliance with the applicable legislation in force.

3. This Decision enters into force on the date of its signature.

Artane RIZVANOLLI

Minister of Economy

The Decision shall be delivered to:

- The Members of the Audit Committee
- The Regional central public enterprise "Posta e Kosovës"J.S.C.
- The Public Enterprises Policy and Monitoring Unit
- The Ministry's Archive.

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije /Ministry of Economy

The Minister of Economy, pursuant to Articles 10 and 11 of Law No. 06/L-113 on the Organization and Functioning of the State Administration and Independent Agencies, Article 14 of Law No. 04/L-111 amending and supplementing Law No. 03/L-087 on Public Enterprises, Article 11 of Law No. 08/L-117 on the Government of the Republic of Kosovo, and Annex 1, point 13 of Regulation (GRK) No. 14/2023 on the Areas of Administrative Responsibility of the Office of the Prime Minister and the Ministries, hereby issues the following:

D E C I S I O N
on the Appointment of the Audit Committee of the ‘’Telekomi I Kosovës” J.S.C.

1. The Audit Committee of the central public enterprise “Telekomii Kosovesë” J.S.C. is hereby appointed with the following composition:

   1.1. SAjmie Thaçi, Chair

   1.2. Rrezarta Pllana, Member

   1.3. Lindita Toçi, Member

2. The Audit Committee shall exercise its duties and responsibilities in accordance with Law No. 03/L-087 on Public Enterprises, as amended and supplemented by Law No. 04/L-111 and Law No. 05/L-009, as well as in compliance with the applicable legislation in force.

3. This Decision enters into force on the date of its signature.

Artane RIZVANOLLI

Minister of Economy

The Decision shall be delivered to:

- The Members of the Audit Committee
- The Regional central public enterprise “Telekomii Kosovesë”J.S.C.
- The Public Enterprises Policy and Monitoring Unit
- The Ministry’s Archive.

Republika e Kosovës
- **Republika Kosova – Republic of Kosovo**
- ***Qeveria – Vlada – Government***
- **Ministria e Ekonomisë**
- Ministarstvo Ekonomije /Ministry of Economy

The Minister of Economy, based on Articles 10 and 11 of Law No. 06/L-113 on the Organization and Functioning of State Administration and Independent Agencies, Article 24 of Law No. 03/L-087 on Public Enterprises, as amended and supplemented by Article 14 of Law No. 04/L-111, as well as Articles 3 and 21.1 of Regulation (GRK) No. 04/2026 on the Areas of Administrative Responsibility of Ministries, hereby issues:

DECISION
on the appointment of the Audit Committee of KRU Prishtina

1. The Audit Committee of the central public enterprise, the Regional Water Company "Prishtina" J.S.C., is hereby appointed with the following composition:

   1.1. Mr. Fatos Budeci, Chairperson;

   1.2. Ms. Saxhide Mustafa;

   1.3. Mr. Fadil Berisha.

2. The Audit Committee shall perform its duties in accordance with Law No. 03/L-087 on Public Enterprises**Shfuqizohen** Vendimi nr. 1340 i datës 07.06.2022 dhe Vendimi nr. 5569 i datës 09.09.2024.

3. Decision No. 1340 dated 07.06.2022 and Decision No. 5569 dated 09.09.2024 are hereby repealed.

4. This decision shall enter into force on the day of its signing.

Artane RIZVANOLLI

Minister of Economy

The Decision shall be delivered to:

- The Members of the Audit Committee
- The Regional Water Company "Drini i Bardh" J.S.C.
- The Public Enterprises Policy and Monitoring Unit
- The Ministry's Archive.

Republika e Kosovës
Republika Kosova-Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije /Ministry of Economy

The Minister of Economy, pursuant to Articles 10 and 11 of Law No. 06/L-113 on the Organization and Functioning of the State Administration and Independent Agencies, Article 14 of Law No. 04/L-111 amending and supplementing Law No. 03/L-087 on Public Enterprises, Article 11 of Law No. 08/L-117 on the Government of the Republic of Kosovo, and Annex 1, point 13 of Regulation (GRK) No. 14/2023 on the Areas of Administrative Responsibility of the Office of the Prime Minister and the Ministries, hereby issues the following:

D E C I S I O N
on the Appointment of the Audit Committee

1. The Audit Committee of the Regional Water Company "Drini i Bardh" J.S.C. is hereby appointed with the following composition:
1.1. Naim Neziri, Chair
1.2. Mjellma Vokshi, Member
1.3. Ismet Fekaj, Member

2. The Audit Committee shall exercise its duties and responsibilities in accordance with Law No. 03/L-087 on Public Enterprises, as amended and supplemented by Law No. 04/L-111 and Law No. 05/L-009, as well as in compliance with the applicable legislation in force.
3. This Decision enters into force on the date of its signature.

Artane RIZVANOLLI

Minister of Economy

The Decision shall be delivered to:
- The Members of the Audit Committee
- The Regional Water Company "Drini i Bardh" J.S.C.
- The Public Enterprises Policy and Monitoring Unit
- The Ministry's Archive.

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije /Ministry of Economy

The Minister of Economy and Environment, pursuant to Articles 10 and 11 of Law No. 06/L-113 on the Organization and Functioning of the State Administration and Independent Agencies (Official Gazette No. 07/1, March 2019), Article 14 of Law No. 04/L-111 amending and supplementing Law No. 03/L-087 on Public Enterprises (Official Newspaper No. 13, 30 May 2012), and Article 8, paragraph 1.4 of Regulation (GRK) No. 06/2020 on the Areas of Administrative Responsibility of the Office of the Prime Minister and the Ministries, as well as Regulation (GRK) No. 07/2020 amending and supplementing Regulation (GRK) No. 06/2020 on the Areas of Administrative Responsibility of the Office of the Prime Minister and the Ministries, hereby issues the following:

D E C I S I O N
on the Appointment of the Audit Committee

1. The Audit Committee of the Central Public Enterprise "KRU Mitrovica" J.S.C. is hereby appointed with the following composition:

1.1. Besim Shyti, Chair of the Audit Committee

1.2. Destan Rrahmani, Member of the Audit Committee

1.3. Riza Shala, Member of the Audit Committee

2. The Audit Committee shall perform its duties in accordance with the provisions of Law No. 03/L-087 on Public Enterprises.

3. This Decision enters into force on the date of its signature.

Delivered to:

- The Members of the Audit Committee
- The Public Enterprises Policy and Monitoring Unit
- The Ministry's Archive.
- Public Enterprise "KRU Mitrovica" J.S.C.

Muharrem Nitaj

Minister in Charge

Republika e Kosovës
Republika Kosova – Republic of Kosovo
Qeveria – Vlada – Government
Ministria e Ekonomisë
Ministarstvo Ekonomije /Ministry of Economy

The Minister of Economy, pursuant to Articles 10 and 11 of Law No. 06/L-113 on the Organization and Functioning of the State Administration and Independent Agencies, Article 14 of Law No. 04/L-111 amending and supplementing Law No. 03/L-087 on Public Enterprises, Article 11 of Law No. 08/L-117 on the Government of the Republic of Kosovo, and Annex 1, point 13 of Regulation (GRK) No. 14/2023 on the Areas of Administrative Responsibility of the Office of the Prime Minister and the Ministries, hereby issues the following:

D E C I S I O N
on the Appointment of the Audit Committee of the 'TrainKos" J.S.C.

1. The Audit Committee of the central public enterprise "TrainKos" J.S.C. is hereby appointed with the following composition:

1.1. Luljeta Lutfiu, Chair

1.2. Kimete Fazliu, Member

1.3. Luljeta Lutfiu, Member

2. The Audit Committee shall exercise its duties and responsibilities in accordance with Law No. 03/L-087 on Public Enterprises, as amended and supplemented by Law No. 04/L-111 and Law No. 05/L-009, as well as in compliance with the applicable legislation in force.

3. This Decision enters into force on the date of its signature.

4. The decision No. 724/24, dated 29.01.2024, is repealed.

Artane RIZVANOLLI

Minister of Economy

The Decision shall be delivered to:

- The Members of the Audit Committee
- The Regional central public enterprise "TrainKos"J.S.C.
- The Public Enterprises Policy and Monitoring Unit
- The Ministry's Archive.

Republic of Kosovo
Ministry of Finance, Labour and Transfers

FISCAL RISK STATEMENT

Department of Economic Policy

Analytics and Fiscal Risks Analysis Division

October 2025

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Overview

Fiscal risk is the exposure of public finances to uncertain or unforeseen events that could cause actual fiscal outcomes to deviate from projected forecasts. These risks can arise from various sources such as unexpected developments in the global or domestic economy, changing conditions in financial or commodity markets or natural disasters and public health emergencies. Additionally, longer-term fiscal risks and spending pressures typically emerge from climate change and can also arise from changes in the population and age-profile of the labour force.

Managing fiscal risks requires a better understanding of the nature, likelihood, and impact of such factors. The management of fiscal risk, along with its integration into fiscal planning and budget preparation, has become increasingly prevalent around the world.

This Fiscal Risk Statement (FRS) provides a summary of potential risks and uncertainties that could affect Kosovo's economy, presenting how their materialization might disrupt the baseline fiscal projections and expectations for the medium term, potentially leading to significant deviations from anticipated fiscal outcomes. As demonstrated by the Covid-19 pandemic, the materialization of such fiscal risks can impose significant financial costs on the economy, highlighting the necessity of identifying, analyzing, reporting, and managing them. In some areas, the FRS focuses primarily on monitoring available data, serving as a tool to keep track of evolving risks.

The report is structured into two main sections: (1) an analysis of macroeconomic risks, primarily originating from the external environment, and an evaluation of budget performance; and (2) a review of specific fiscal risks. In line with the previous version, it includes an analysis on Kosovo's debt, on-lending, guarantees, public-private partnerships, an evaluation of the performance of public-owned enterprises, and an overview of the financial sector's resilience. This document presents both qualitative discussions of key risks and, where feasible, quantitative analysis.

This statement will be updated on a regular basis and published as an annex to the macro-fiscal framework of the Law on Bugetary Allocation and the Medium-Term Expenditure Framework.

The drafting and publication of this Statement aim to enhance fiscal transparency and assist policy makers to better understand the nature and magnitude of fiscal risks in order to put in place the appropriate policies to prevent or mitigate the consequences in case of their materialization.

Fiscal risks

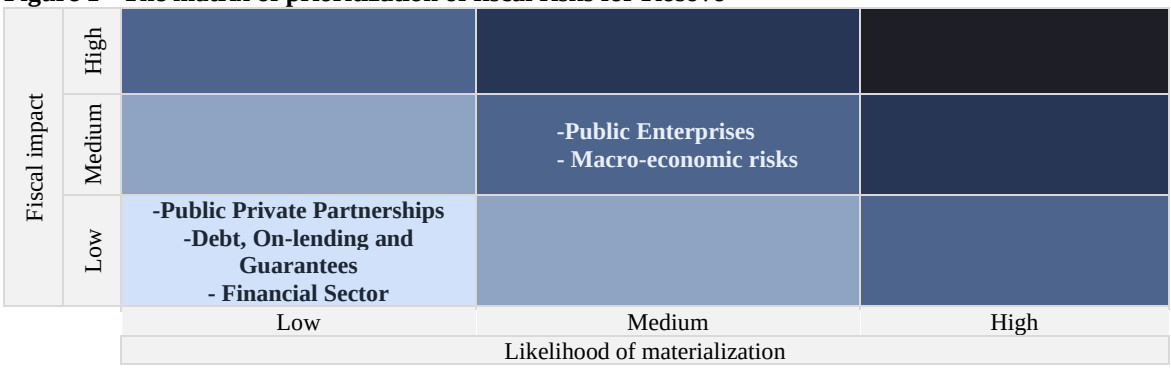
The fiscal risks included in this Statement are classified as high, medium or low risk, using the IMF analytical tool (FRAT: Fiscal Risk Assessment Tool)[1], based on two criteria: the impact of fiscal risk and the likelihood of the risk materializing. Table 1 below specifies the criteria to categorize and prioritize fiscal risks based on their likelihood of occurring.

Table 1 - Risk Classification Criteria

Risk classification	Likelihood of materialization
High	> 50%
Medium	10% - 50%
Low	< 10%

Based on the abovementioned information, Figure 1 provides a visual representation of Kosovo's overall fiscal risk profile and identifies areas that require more attention. As presented in the matrix below, light blue represents low fiscal risk, blue corresponds to medium risk and the dark blue color represents high risk.

Figure 1 - The matrix of prioritization of fiscal risks for Kosovo



Source: FRAT

Over the medium term, the fiscal impact and likelihood of materialization of risks for Public-Private Partnerships, Debt, On-lending, and Guarantees are expected to remain low. Nevertheless, the interconnectedness of the sectors, could amplify risk exposure.

Due to growing uncertainties in the international and domestic environment, compared to the classification on FRS in the Law on Bugetary Allocation for 2025, Macro-economic risks have shifted to a medium likelihood of materialization. Risks related to Public Enterprises are also expected to maintain a medium level of fiscal impact and likelihood of materialization over the medium term Therefore, both macroeconomic risks and risks from Public Enterprises should continue to be closely and consistently monitored to ensure timely mitigation if needed.

[1] https://www.imf.org/en/Topics/fiscal-policies/Fiscal-Risks/Fiscal-Risks-Toolkit/Fiscal-Risks-Toolkit-FRAT

Macro-Fiscal risks

2.1.1 Macroeconomic Risks

The baseline framework presented in the Budget Law (Budget Appropriations for the Budget of the Republic of Kosovo) is, as every year, accompanied by risks that may negatively affect the macro-fiscal outlook, depending on the probability of their materialization and the intensity with which these risks occur. For the sake of careful planning and in the interest of transparency, the macro-fiscal framework will also take these risks into account, the details of which will be provided below.

The following table presents a sensitivity assessment of GDP forecasts for 2026, 2027, and 2028, illustrating the impact of variations in inflation rates and capital spending on real GDP compared to the baseline scenario.

Table 2 - Sensitivity analysis of GDP from variations in inflation and capital expenditures

	2026	2027	2028
Real GDP Baseline	4.9%	5.3%	6.0%
Inflation +0.5 p.p.	4.3%	4.6%	5.4%
Under execution of CAPEX -10 P.P.	4.4%	4.9%	5.9%

As can be seen in a scenario where inflation increases by 0.5 percentage points (p.p.), GDP growth is expected to slow down to 4.3% in 2026, 4.6% in 2027, and 5.4% in 2028 demonstrating that elevated inflation hinders economic performance. Conversely, a 10-percentage point shortfall in capital expenditure implementation produces a more moderate effect on real GDP growth rates. Overall, both higher inflation and under-execution of CAPEX lead to slower GDP growth, with inflation having a more pronounced effect.

Risks from the Domestic Environment

Increase in energy prices – The 16.1%[2] increase in regulated electricity tariffs approved in April 2025 represents only the initial layer of energy sector risks threatening Kosovo's economic outlook. The market liberalization implemented in June 2025, requiring businesses with over 50 employees or €10 million annual turnover to purchase electricity on the open market, has exposed firms to substantial price increases that will likely be passed on to consumers, intensifying inflationary pressures. These developments are compounded by profound structural vulnerabilities: Kosovo's energy market remains over 90% dependent on two aging coal-fired power plants (Kosovo A and Kosovo B) that frequently experience supply shortages, forcing costly imports at a time when European electricity prices remain elevated following the crisis in Ukraine. This combination of higher tariffs, market uncertainty, and supply constraints poses significant downside risks to near-term GDP growth through reduced consumer purchasing power, elevated business costs, and potential disruptions to industrial production. Over the longer term, however, sustained higher energy costs could catalyse a beneficial transition, encouraging firms and consumers to adopt energy-efficient technologies, renewable sources, and alternative fuels, an investment-intensive shift that may ultimately

[2] https://www.ero-ks.org/zrre/sites/default/files/Publikimet/Vendimet/Vendimet%202025/V_2703_2025.pdf

reshape production processes, enhance energy security, and support more sustainable economic growth.

Further tightening of the labour market – Kosovo's labor market, particularly for low-skilled and certain skilled positions, has experienced notable tightening since the pandemic. This trend differs from many developed countries but shares similarities with regional developments in the Western Balkans. Several factors have contributed to this shift: the uneven pace of post-pandemic economic recovery, significant outward migration of working-age population following the 2024 visa liberalization with the European Union, demographic challenges including youth emigration, and evolving labour supply-demand dynamics driven by remittance-dependent consumption patterns and the informal economy. This tightening has been reflected in wage pressures in specific sectors, though comprehensive data from the Tax Administration of Kosovo (TAK) show an 11.2% increase in wages over the past three years. Over the medium term considered in this Fiscal Risk Statement, continued labour market tightening, despite potential positive effects such as wage increases in certain sectors and possible productivity improvements, presents significant challenges, including: labour shortages in key industries (particularly construction, hospitality, and healthcare), persistent skills mismatches between educational output and market needs, and potential constraints on foreign direct investment due to labour availability concerns. These challenges require comprehensive policy interventions, including reforms to vocational training systems, incentives for diaspora engagement, further efforts on the formalization of the informal economy, and strategic workforce development planning to ensure sustainable economic growth.

Risks from the External Environment

Volatility of commodity prices in international markets – Commodity prices are now projected to decline significantly in 2025 and further in 2026. However, commodity markets remain highly volatile, with sharp price fluctuations observed through 2025 alone. There are still potential sources that could push prices beyond baseline projections. The possible tariffs by the United States will contribute to global inflationary pressures, leading to lower overall productivity, weaker economic activity, and higher production costs and prices. All these factors create ongoing price uncertainties, especially for import-dependent developing countries like Kosovo.

Monetary policy in the eurozone – The ECB has maintained interest rates steady at 2.0% (deposit facility rate) since July 2025, following eight rate cuts since June 2024. The ECB is following a data-dependent, meeting-by-meeting approach amid heightened uncertainty from trade tensions. The tightening of monetary policy by Eurozone countries, particularly key trading partners of Kosovo where a large portion of the Kosovar diaspora resides, continues to weigh on their economic activity, which could negatively affect remittances and spillover into Kosovo's economy. While Kosovo's exposure to foreign currency debt remains limited, keeping risks from currency fluctuations relatively insignificant, the overall economic slowdown in these countries poses indirect risks.

Weakening economic activity in developed European countries – A slowdown in Eurozone economy, driven by elevated uncertainty from U.S. tariffs, weak manufacturing activity, and subdued business confidence, would be reflected in reduced exports and remittances to Kosovo, leading to slower economic activity, lower budget revenues, and potentially rising prices, particularly for food items.

Geopolitical tensions – A further escalation of the war in Ukraine and the emergence of new conflict hotspots could lead to additional disruptions in global supply chains, affecting global trade and especially energy markets. This could result in increased prices for food, energy, and oil.

As is the case with other interconnected economies, Kosovo faces growing vulnerabilities from both domestic and external risks that weigh on overall economic stability, consumption, and investment. Their estimated effects are incorporated into the baseline projections, while the sensitivity analysis, shown in Table 2 above, accounts for potentially larger or unforeseen shocks.

2.1.2 Budget performance

This section examines recent fiscal performance by comparing actual outcomes of revenues and expenditures, based on preliminary data, for periods January-September 2025, with initial budget projections, reflecting the government's fiscal discipline and execution capacity and identifying any significant deviations. It also includes the same comparison for the year 2024, providing a broader comparison of year-over-year budget performance. This section will also disclose the amounts paid for legal claims over the past five years across January - June periods. Finally, it will include a brief analysis of the uncertainty surrounding medium-term revenue and expenditure projections.

Table 3 - Budget Performance as per latest Budget projections (in millions)

	Jan-Sep Projections 2025	Jan-Sep Actuals 2025	Jan-Sep 2025 Actuals VS Projection	Jan-Sep 2024 Actuals VS Projection
Total Budget Revenues	2,438.8	2,493.1	102.2%	99.7%
Tax Revenues	2,159.5	2,206.5	102.2%	98.4%
Direct Taxes	444.3	425.8	95.8%	95.4%
Indirect Taxes	1,777.9	1,836.5	103.3%	99.6%
Tax Returns	-62.8	-55.8	88.8%	113.3%
Non-tax Revenues	262.4	260.6	99.3%	120.2%
Grants	16.8	26.0	154.3%	36.4%
Budget Expenditures	2,363.3	2,256.7	95.5%	91%
Current Expenditures	1,775.1	1,821.4	102.6%	97.7%
Capital Expenditure	537.8	389.2	72.4%	66.9%
Interest expenditures for state debt	41.4	37.8	91.3%	83.6%

Source: Preliminary Jan-Sept data for 2025 from Treasury.

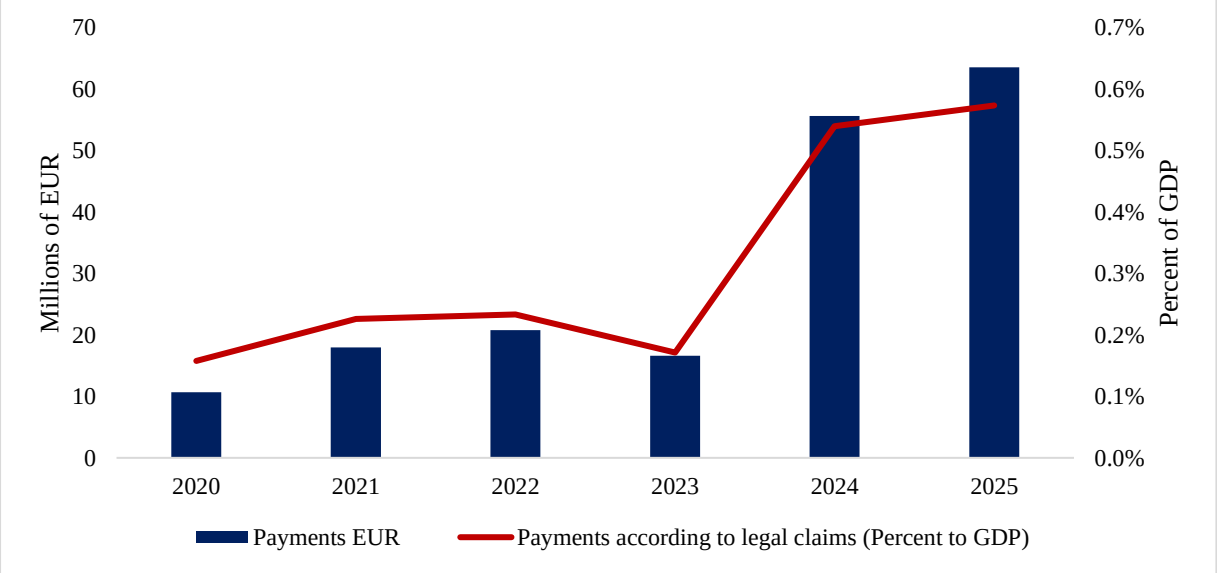
Total budget revenues, for January–September 2025 slightly exceeded projections, reaching 102.2% of the plan. Tax revenues amounted to 102.2% of the projection, driven by indirect taxes (103.3%) while direct taxes underperformed and non-tax revenues were marginally below target. A substantial increase in grant realization was recorded compared to the previous year (36.4% in 2024 vs. 154.3% in 2025). This overperformance primarily reflects the delayed disbursement of grants initially planned for the prior year. Nevertheless, given that grants constitute roughly 1% of total budget revenues, their volatility is assessed as having limited fiscal relevance.

On the expenditure side, total budget expenditures were underexecuted at 95.49% of the budget, an improvement relative to January – September 2024 (91%). Current expenditures exceeded projections at 102.6% (up from 97.7% in 2024), in part due to higher salary-related outlays, whereas capital expenditures remained below plan at 72.4%, but saw an improvement from 66.9% in 2024. The continued underexecution of capital projects, particularly loan-financed projects pose a downside risk to growth and revenue forecasts. To accelerate the implementation of IFI-financed projects, the Ministry of Finance, Labor, and Transfers (MFLT) has begun ensuring that technical assessments and project documentation are completed prior to the signing of the respective financial agreements.

Payments from legal claims

Payments related to the settlement of legal claims represent another form of unexpected expenditure that can pose fiscal risks. These payments, often arising from court rulings or contractual disputes, can be substantial and difficult to predict.

Figure 2 - Payments (January – June) from legal claims



Source: Semi-Annual Treasury Financial Report, Anex 6

From Figure 2, a steady and significant increase in payments can be observed starting from 2024, continuing with a slight rise in the first half of 2025. At the same time, payments as a percentage of GDP show a similar increase, rising from below 0.2% during 2020–2023 to around 0.6% in 2024–2025. This indicates a considerable growth in the fiscal burden from

legal claims during the January–June period, which needs to be closely monitored to avoid unforeseen pressures on the state budget.

Uncertainty around future projections

Building on the previous years' fiscal results, the fan charts below illustrate the uncertainty surrounding medium-term revenue and expenditure projections, showing a probabilistic range of outcomes from 2025 to 2028, based on historical forecast errors.

Figure 3 - Total Revenue Forecast with Uncertainty Bands

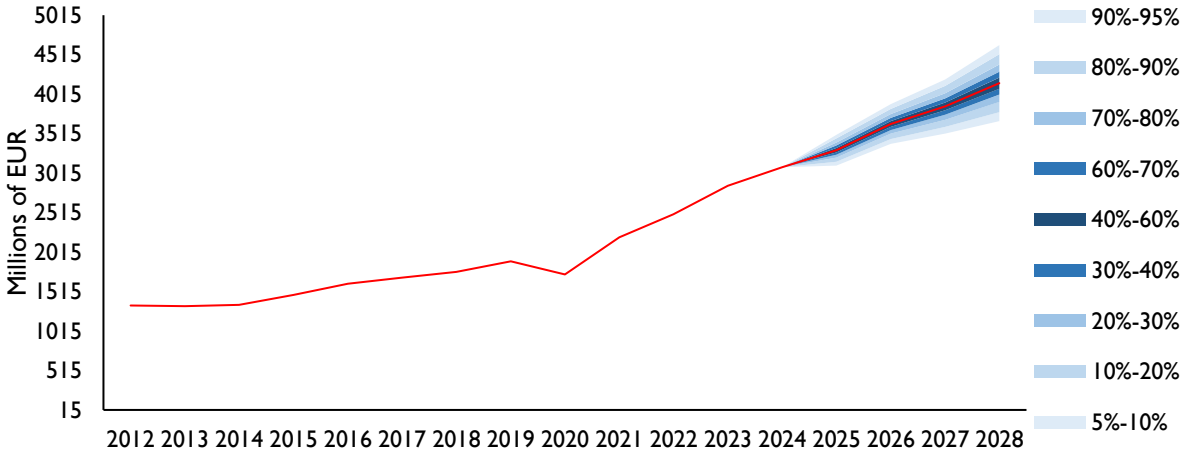
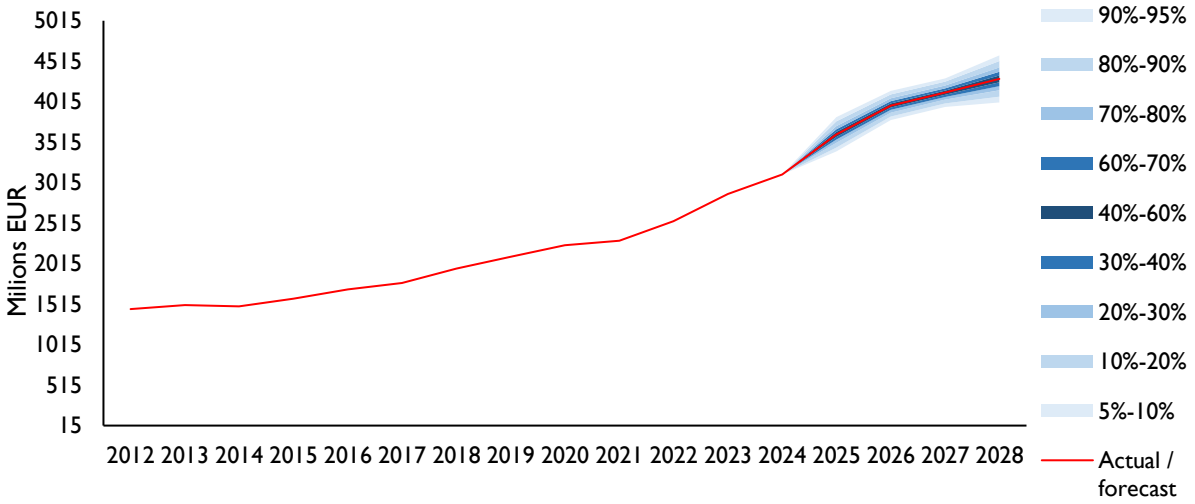


Figure 3 highlights the uncertainty surrounding future projections from 2025 to 2028 for total public revenue. The baseline, represented by the red line, shows that the level of revenues is forecasted to have a steady increase in the medium term. Based on historical forecast errors and the forecast distribution, revenues for 2026 are expected to fall within the range of 3513.8–3,760.8 million euros with 60% probability.

Figure 4 - Public Expenditures Forecast with Uncertainty Bands



Similarly, Figure 4 illustrates the medium-term projections for total expenditures. Represented by the red line, total expenditures are expected to experience a steady increase over the medium term. As with total revenues, based on historical forecast errors, for the year 2026, with a 60% probability, total expenditures are expected to fall within the range of 3,879.6 to 4,055.6 million euros.

Specific Risks

2.2.1. Fiscal Risks from Debt, On-lending and Guarantees

Debt plays an important role in government financing, but if not managed carefully, it can significantly impact the fiscal stance by increasing interest costs, limiting budgetary flexibility, and heightening vulnerability to economic shocks and refinancing risks.

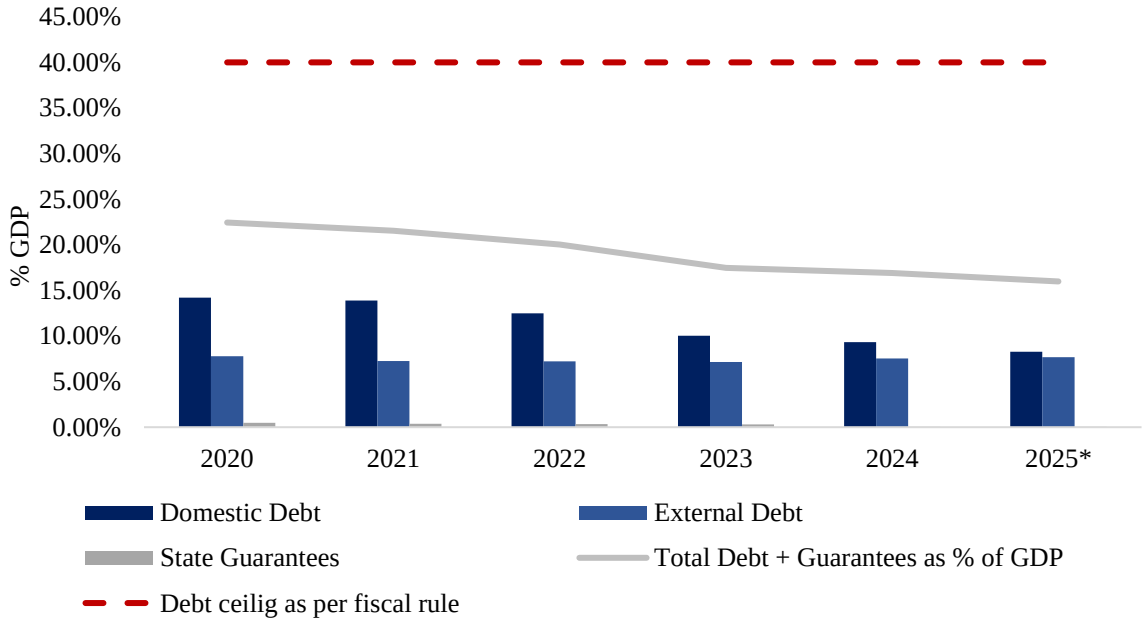
To ensure fiscal stability, the Law on State Debt and State Guarantees sets a debt ceiling of 40% of GDP, including state guarantees, and imposes limits on municipal borrowing, requiring government (MoF) approval. The State Debt Program (SDP) also sets risk limits to manage:

- **Refinancing Risk:** No more than 50% of domestic debt should mature within a year, and the average maturity must exceed 1 year.
- **Exchange Rate Risk:** Foreign currency debt must not exceed 30% of total debt.
- **Interest Rate Risk:** Floating interest rate debt must not exceed 30% of total debt.

Overview

Public debt remains sustainable and posseses low risk to fiscal sustainability. The Debt-to-GDP ratio (Figure 5) has declined from 16.91% in 2024 to 15.98% by June 2025, well below the 40% fiscal rule, driven by lower domestic borrowing and guarantees.

Figure 5 - State Debt and Guarantees as % of GDP



Source: Treasury (revised annual data for January – December 2024); Treasury six-month (January – June) report for 2025. GDP for 2025 as per Law on Budget.

As of 2025, **state guarantees** portfolio (Table 4) has declined significantly, primarily due to

the expiration, in December 2023, of the government guarantee provided for the EBRD Second Credit Line to the Deposit Insurance Fund of Kosovo. The remaining guarantee, the Urban Traffic Prishtinë, has gradually decreased in value as the underlying loan is being repaid. Historically, no state guarantees have ever been called, so the government's exposure to potential liabilities is minimal. Overall, the low level of outstanding guarantees reflects reduced contingent liabilities and a lower fiscal risk for the government. A low state guarantee portfolio reflects reduced exposure to contingent liabilities, indicating lower fiscal risk for the government.

Table 4 - State Guarantees Portfolio (in millions)

Beneficiary of the Guarantee	Creditor	2020	2021	2022	2023	2024	2025
Urban Traffic Prishtinë	EBRD	7.7	6.6	5.6	5.6	3.6	3.1
Credit Line of the Kosovo Deposit Insurance Fund	EBRD	24.0	24.0	24.0	24.0	00.0[3]	00.0

Source: Treasury (revised state debt annual data for January – December 2024)

Nevertheless, POEs continue to represent a potential risk, as they hold strategic importance, especially in delivering necessary services to the public, and as such it is expected from the government to act as an implicit "guarantor", and help POEs in times of difficulties to ensure the continuing of essential services. For a more detailed analysis of the financial performance of POEs, see the section on POEs.

As of January–June 2025, **on-lending**, in the Treasury's semi-annual report, represents 0.4% of GDP. The majority of on-lending is directed toward the energy sector (POEs), with all financing sourced from multilateral institutions such as KfW, EBRD, and IDA. These risks are closely tied to the financial performance of the enterprises, necessitating continuous monitoring. A deterioration in their financial condition could create medium-term fiscal risks for the government, not only through increased subsidies for the services provided, but also through the potential materialization of contingent liabilities associated with these on-lending arrangements. However, since on-lending represents only around 0.4% of GDP, the fiscal impact of these risks materializing is limited.

Fiscal Risks

When assessing fiscal risks arising from the state budget, several key indicators are considered, with the most prominent being **refinancing risk, interest rate risk,** and **exchange rate risk.** The table below presents the main debt risk indicators over the past three years, followed by a summary of recent developments reflected in the indicators.

[3] Expired at the end of December 2023.

Table 5 - Main Debt Risk Indicators.

Risk Type	Indicator	2022	2023	2024
Refinancing	Average Time to Maturity – ATM (years)	5.5	5.7	5.9
	Debt maturing in 1 year (% of total)	17.4	19.4	17.5
	Debt maturing in 1 year (% of GDP)	3.4	3.3	2.9
Interest Rate	Debt refixing in 1 year (% of total)	20.3	23.3	24.4
	Fixed-rate debt (% of total)	95.7	94.2	91.6
Exchange Rate	Share of domestic currency debt (EUR, % of total)	95.4	94.1	91.3
	Share of foreign currency debt (% of total)	4.5	5.9	8.7

Source: Debt Management Departament

Rollover risk (refinancing), measured by the average time to maturity (ATM), has decreased in Kosovo, with ATM rising from 5.5 years in 2022 to 5.9 years in 2024. This reflects a reduced need for short-term refinancing, supported by long-maturity, low-interest concessional external loans, and a decreasing share of debt maturing within one year.

Interest rate risk remains low, as 91.6% of total debt is fixed-rate and only 8.4% is floating, mainly from IMF budget support and EBRD loans. Although floating-rate debt has increased slightly from 5.8% in 2023 to 8.3% in 2024, overall exposure is limited.

In terms of currency exposure, 91.3% of Kosovo's total state debt in 2024 is denominated in euros, with only 8.7% in foreign currencies. This composition is expected to remain stable over the medium term, maintaining **exchange rate risk** at manageable levels.

Debt Sustainability Analysis

Debt Sustainability Analysis [4](DSA) is a critical tool for assessing Kosovo's ability to meet its debt obligations while maintaining fiscal stability and supporting economic growth. The analysis is grounded in macroeconomic assumptions, including robust nominal growth averaging 8.0% from 2025 to 2027, before stabilizing at around 4.0%, and continued adherence to the fiscal rule, which limits the budget deficit (excluding IFI-financed projects) to 2% of GDP. It focuses exclusively on government debt and guarantees, excluding debt held by public enterprises.

Based on the latest DSA explained in the Economic Reform Programme (ERP) 2025-2027, the baseline scenario shows that the public debt stock will remain within manageable levels, with the debt-to-GDP ratio following a slight upward trend but not exceeding 25% by 2028. On the other hand, interest expenditures will remain low in the medium-term (2026-2028) while, financing needs will average around 3% of GDP reflecting the gradual reduction of the investment clause.

[4] This DSA analysis is refrenced from the Economic Reform Programme (ERP) 2025-2027.

Figure 6 - Debt as % of GDP - Baseline Scenario

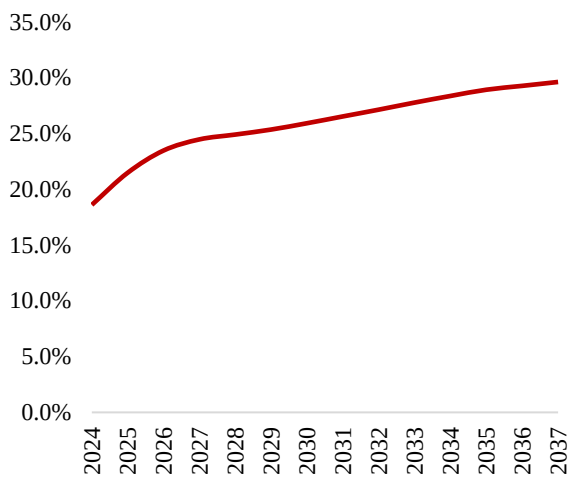
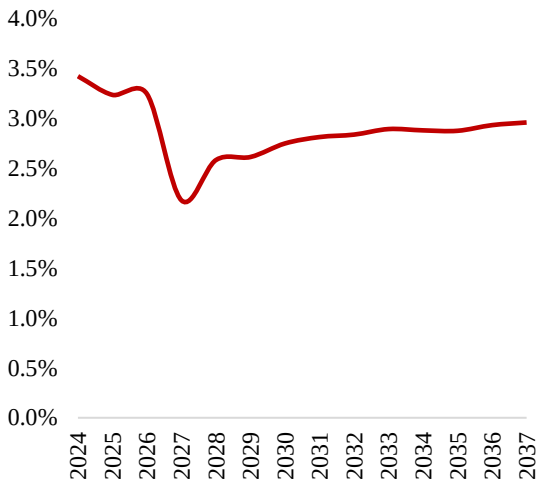


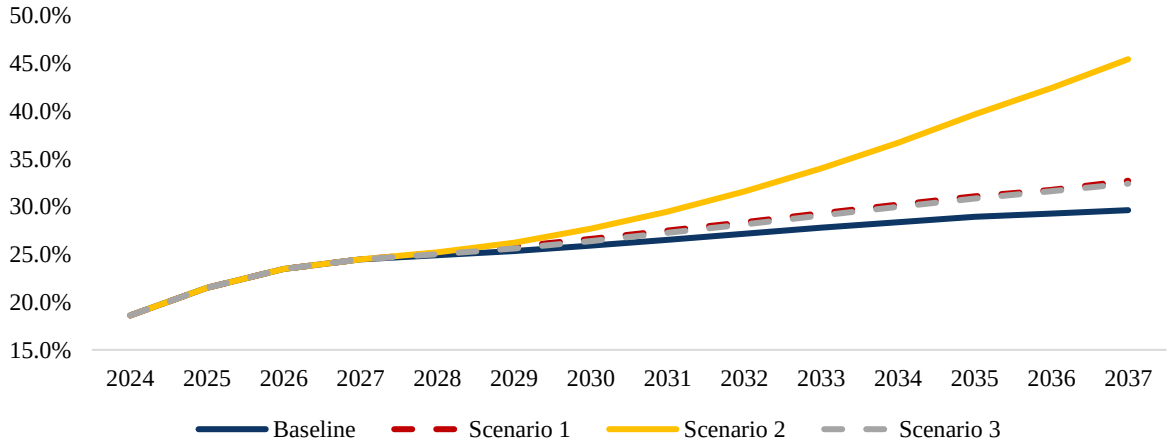
Figure 7 - Financing need as % of GDP



In the long run, the alternative scenarios (a negative shock to GDP growth between 2028-2037, an increase in spending by 1 p.p of GDP and an increase of 1 p.p. in interest rates on loans), lead to higher debt levels but remain contained, largely due to adherence to the 2% fiscal deficit rule.

As shown in Figure 8, the baseline scenario presents a gradual and controlled increase in debt, remaining below the 30% of GDP level until 2037. Scenario 1 in the graph reflects a negative GDP growth shock, where debt rises moderately to around 33.4% of GDP by 2037. Meanwhile, Scenario 2 represents the expenditure shock, where a 1-percentage-point increase in spending leads to a sharper rise in debt, reaching up to 45.4% of GDP. Finally, the yellow line illustrates the interest rate shock (Scenario 3), where debt reaches around 32.4% of GDP by 2037.

Figure 8 - Scenarios of debt level as a percentage of GDP



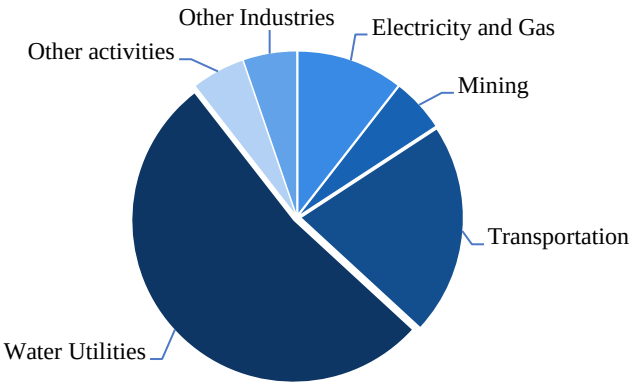
2.2.2. Fiscal Risks from Public Enterprises

Publicly Owned Enterprises (POEs) may impose significant influence on fiscal outcomes, particularly when unexpected subsidies, loans, or capital injections (equity) become necessary, contingent liabilities are realized, or tax and dividend revenues fall short of projections. POEs indirectly affect fiscal indicators through their impact on economic growth. The likelihood of fiscal risks emerging from publicly owned companies increases when POEs are undercapitalized, operate at a loss, or face liquidity constraints.

In Kosovo, POEs are categorized in two groups: central and local government-owned. The central level includes 19 enterprises, 17 overseen by the Ministry of Economy, one (KOSTT) by the Assembly, and one (Gjakova Airport) by the Kosovo Security Force (KSF). For the case of Trepça, its ownership is split, with the state holding 80% and workers 20%.

The following analysis is based on financial data compiled from the yearly audited reportsof these public enteprises which operate in various industries such as energy, transport, water supply, telecommunications and mining sector.

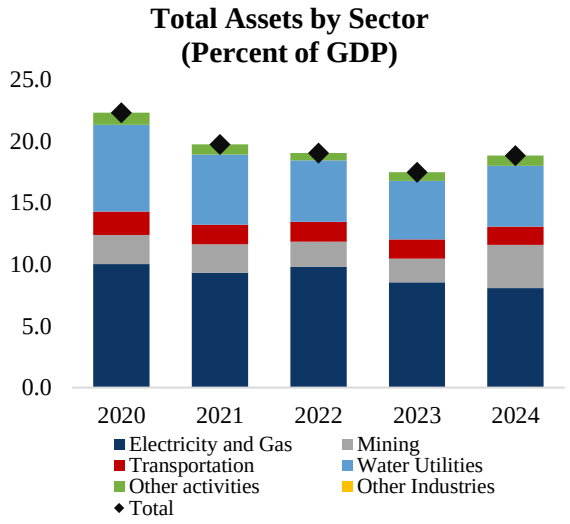
Figure 9 - Sectoral Breakdown of POEs

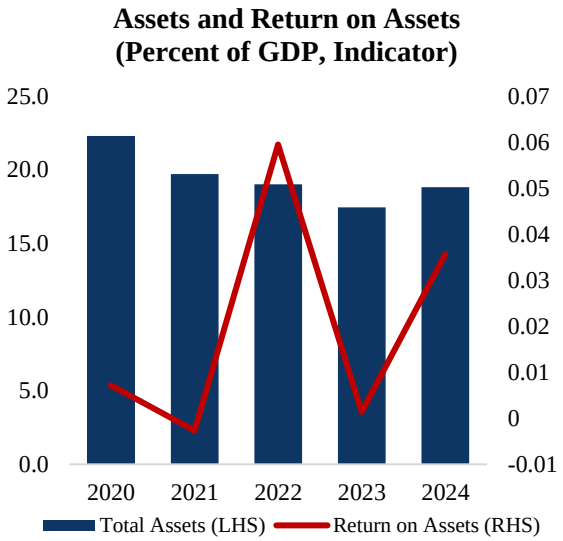


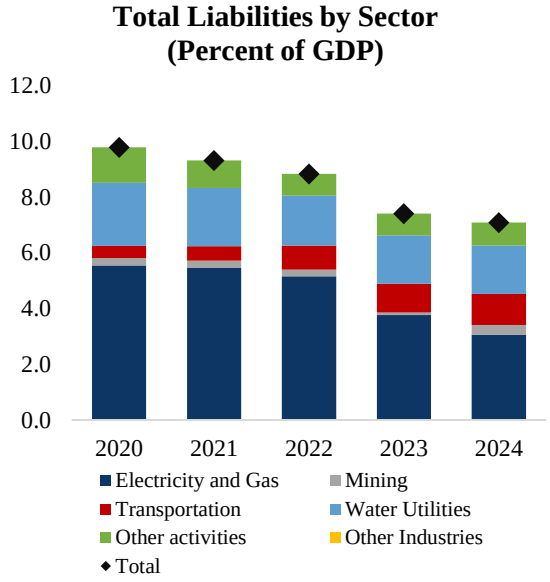
As can be seen from Figure 11, which gives a representation of POEs by sector, it is evident that the majority of these enterprises are part of the water supply sector, followed by those in the transportation and, electricity and gas secotrs.

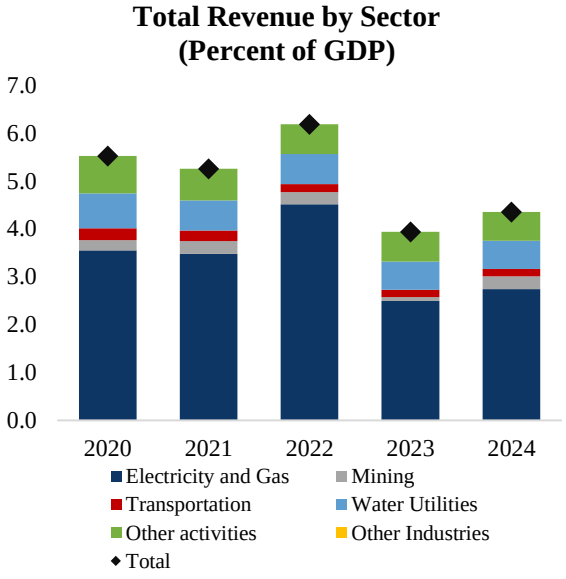
The section below provides an overview of the financial performance of POEs across different sectors during the 2020–2024 period. It includes key financial components, assets, liabilities, equity, and revenues, as well as critical performance indicators such as ROA, ROE, and overall profitability.

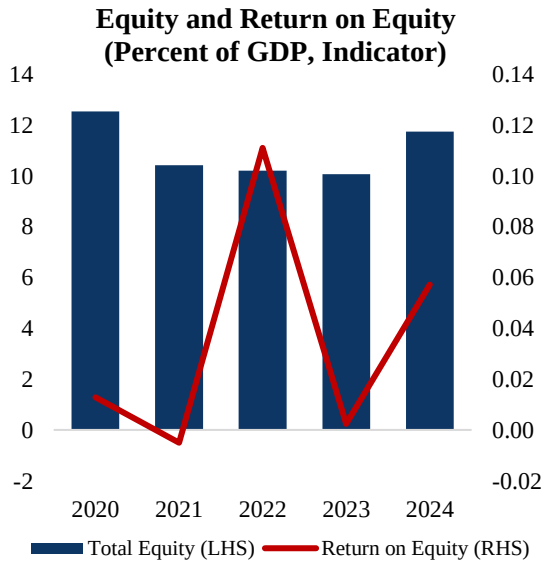
Figure 10 - Financial Performance Overview (in % of GDP)

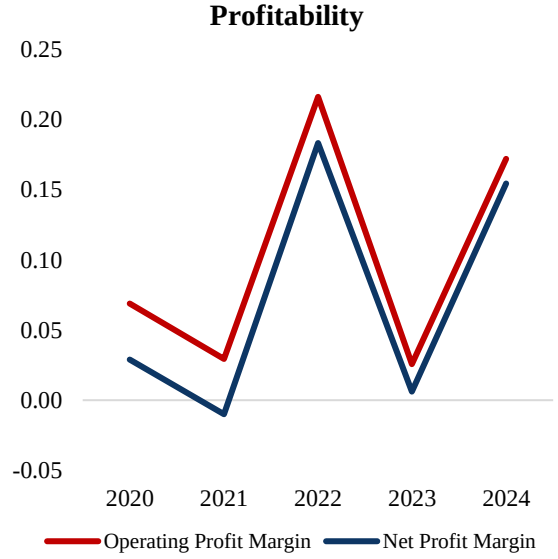








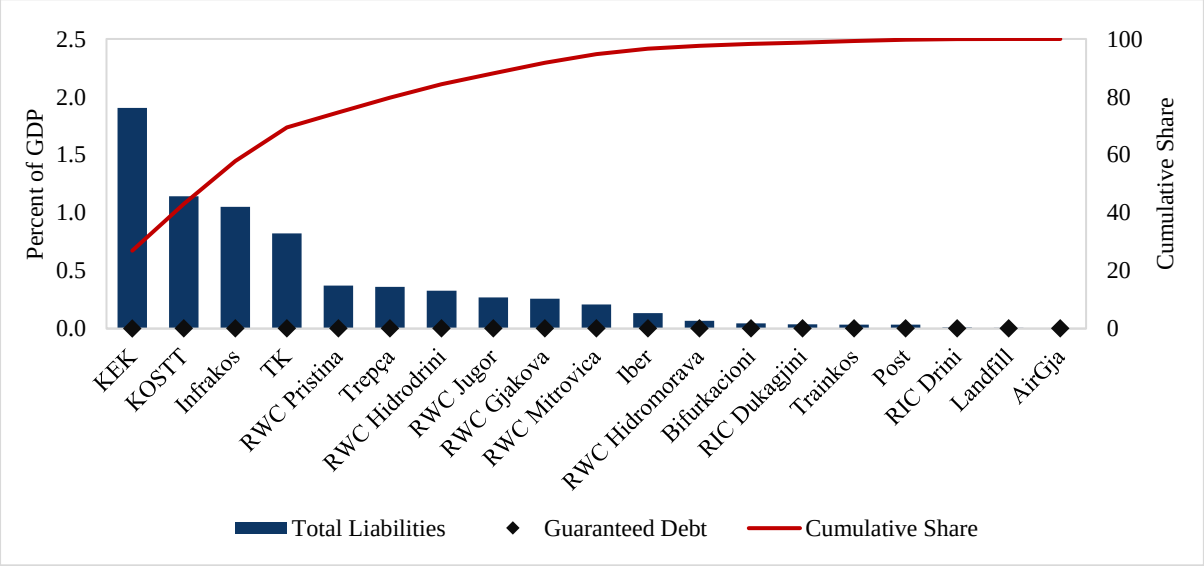




Kosovo's POEs demonstrate relative financial stability, with total assets remaining steady at around 18.8% of GDP in 2024, reflecting a gradual decline over the past five years. Liabilities have also decreased notably, falling from 9.8% of GDP in 2020 to 7.1% in 2024, indicating some degree of deleveraging. Revenues peaked in 2022 representing 6.2% of GDP before declining to 3.9% in 2023 and slightly recovering to 4.3% of GDP in 2024. Equity levels remained stable overall, while profitability measures, such as Return on Assets and Return on Equity, showed significant volatility, with sharp drops between 2022 and 2023 followed by a strong recovery in 2024 to 3.6% and 5.8% respectively.

The electricity, gas and water utilities sectors continue to dominate the asset and revenue structure. However, the fluctuations in profitability and revenues highlight underlying vulnerabilities, suggesting the need for stronger governance and operational improvements to minimize fiscal risks.

Figure 11 - Liabilities by POEs (in thousands EUR) and their cumulative participation to total liabilities of the POE sector (in %)



As shown in Figure 11, the outstanding debt of POEs remain highly concentrated among the largest entities. The overall liability structure has seen little change compared to the previous year, totaling approximately 7.1% of GDP in 2024. KEK, KOSTT, and Infrakos alone account for around 57.9% of total liabilities, underscoring the significant concentration of fiscal risks within a few key enterprises.

Table 6 - Distribution of companies across various risk levels (2020-2024)

Level of risk / Year	2020	2021	2022	2023	2024
Very Low	-	-	-	-	-
Low	-	6%	12%	5%	5%
Moderate	41%	24%	29%	32%	37%
High	53%	65%	41%	47%	53%
Very High	6%	6%	18%	11%	0%

As seen in Table 6, the risk profile of POEs has shown fluctuation between 2020 to 2024. The share of companies classified as 'Low' risk rose to a peak of 12.0% in 2022 but fell back to 5% in both 2023 and 2024, suggesting some reversal in risk mitigation gains. The proportion of 'Moderate' risk companies has gradually increased from 24.0% in 2021 to 37.0% in 2024, indicating a modest shift from higher risk categories. However, the share of companies in the 'High' risk category has risen again, from 41.0% in 2022 to 53.0% in 2024, returning to 2020 levels. Notably, the 'Very High' risk group, after peaking at 18.0% in 2022, has been fully eliminated by 2024, dropping from 11% in 2023 to 0.0%, which represent a reduction to extreme risk exposure.

Table 7 - Key financial indicators and distribution of comanies across risk levels (2024)

	Profitability		**Liquidity**		**Solvency**	
Level of risk / Indicator	Return on Equity	Cost Recovery	Current Ratio	Debtor Turnover Days	Debt to Assets	Debt to EBITDA
Very Low	11%	5%	53%	5%	26%	5%
Low	5%	0%	11%	5%	11%	5%
Moderate	47%	32%	0%	0%	16%	11%
High	21%	37%	5%	16%	21%	16%
Very High	11%	21%	26%	68%	26%	58%

In Table 7, we break down the 2024 risk classification using profitability, liquidity, and solvency indicators. Several of Kosovo's POEs show weaknesses across these areas, with liquidity and solvency being the most notable. While 53.0% of POEs are classified as 'Very Low' risk based on the current ratio, suggesting that over half manage short-term obligations effectively, 68.0% fall into the 'Very High' risk category for debtor turnover days, indicating persistent delays in receivables collection. Solvency indicators also remain a concern, with 58.0% of POEs rated 'Very High' risk in terms of debt to EBITDA and 26.0% in the same category for both debt to assets and current ratio. On profitability, there is still room for improvement, particularly in cost recovery, where 58.0% of POEs fall into 'High' or 'Very High' risk categories, highlighting ongoing challenges in covering operating costs efficiently. This reflects an overall view of the 19 POEs, and as previously noted, debt is mainly concentrated in the largest entities.

Table 8 - Financial Flows between Ministry of Economy to POEs, (in thousands EUR)

Sector	Current and Capital Transfers		
	2022	2023	2024
Mining	-	114.0	203.0
Other activities	700.0	-	1,200.0
Transportation	8,557.0	9,153.6	9,917.3
Water Utilities	14,747.1	131.0	2,739.9

Between 2022 and 2024, current and capital transfers showed notable shifts across sectors amounting to 0.14% of GDP by the end of year 2024. The mining sector saw a gradual increase in support, while transfers in other activities fluctuated significantly. Transportation experienced steady outflows, reflecting continued government support. In contrast, water utilities faced a sharp drop in transfers before rising again at the end of the period. These variations highlight the importance of ongoing monitoring to support POEs while managing fiscal risks.

2.2.3. Public Private Partnerships

Kosovo's Public-Private Partnership (PPP) portfolio remains relatively modest but it still demonstrates a significant contribution to the country's infrastructure development.

Currently, Kosovo has three fully operational PPPs:

Table 9 - Operational Public-Private Partnerships

Project Name	Contract Type	Contract Duration	Phase	Estimated Investment
Pristina International Airport (PIA), "Adem Jashari"	Concession	20 years	Operation	100,015,000 €
High School Complex in Gjilan	Concession	15 years	Operation	800,000 €
Underground Parking in Prishtina	Concession	35 years	Operation	12,000,000 €

Source: PPP Department at MFLT

Additionally, there is another important project that is currently in the construction phase, which includes the development of three new schools with an investment cost of €16.6 million and a duration of 10 years. This project is contracted by the Municipality of Prishtina.

The total investment cost of the operational PPPs portfolio amounts to €129.4 million, representing 1.3% of Nominal GDP.

The level of risk of PPP projects depends on the contract type and risk-sharing structure outlined in the agreements. In Kosovo, PPP contracts are primarily concession-based, meaning the government bears no financial liability or capital investment. Instead, it generates revenue through concession fees paid by private entities. This structure minimizes fiscal risk, as the

government benefits financially without upfront costs. However, concession fees are directly tied to the financial performance of the project, which can be influenced by various external factors, including economic downturns and global crises.

PIA, the largest in Kosovo, assigns operational, financial, and demand risks mainly to the Private Partner. The government's exposure is limited to Force Majeure, which may suspend obligations or, in prolonged cases, trigger contract termination, with compensation for insured losses. The COVID-19 pandemic prompted a 20-month contract extension to address financial impacts. Overall, the PPP model provides government benefits with minimal fiscal risk in case of no Force Majeure, though continued monitoring is essential.

2.2.4. Financial Sector

Kosovo's financial sector remains a critical pillar of economic stability and growth. Its effective operation is ensured through ongoing supervision by the Central Bank of the Republic of Kosovo (CBK), which publishes the Financial Stability Report annually. The most recent edition analyzes financial trends from January to December 2024 and outlines forward-looking risks into 2025.

This section of the report provides a comprehensive overview of the overall financial stability of the financial sector, assessing risks and sector performance. Compared to the previous FRS, this edition focuses in 2024 while extending into 2025 with a forward-looking perspective, deeper quantitative insights, and an expanded risk discussion.

The banking sector sustained a high lending pace in 2024, with overall credit growth at 18.3%, driven mainly by household loans, indicating a notable increase from 2023. Non-performing loans (NPL) ratios remained low at 1.9%, and deposits increased by 13.0%, continuing to serve as the sector's main funding source. Accelerated lending growth offset the impact of changing interest rates, supporting net profit growth; however, further profit expansion faced a rise in interest expenses on deposits and intensifying competition for funds.

In 2024, household interest rates dropped to 6.1% for new consumer loans and 5.0% for new mortgage loans and corporate rates hit 6.4%. Despite liquidity imbalances between banks, overall sector liquidity stayed solid.

Pension funds saw strong asset growth due to positive developments in the international markets. The insurance sector continued to expand, supported mainly by the growth of non-life segment premiums. Microfinance institutions remained at a high level of lending (24.6%), slightly lower than previous year, nevertheless increases in expenses resulted into slightly lower ROE and ROA, 13.3% and 3.6% respectively.

Financial System in 2024 and Early 2025 Developments

In 2024, Kosovo's financial sector maintained stable growth. Monthly CBK data (Table 2) for January–December highlights key indicators across segments.

Table 10 - Summary of Key Financial Indicators

Financial Sector (mln EUR, %)				
Indicators	**Commercial Banks**	**Microfinance Institutions**	**Insurance Companies**	**Pension Funds**
Concentration	52.1%	52.5%	37.5%	
Foreign ownership	83.4%	74.5%	53.9%	
Total Assets	8,556.3 €	650.7 €	333.6 €	3,193.8 €
Profitability	182.1 €	20.3 €	15.3 €	
ROE	19.3%	14.2%	15.7%	
NPL	2.1%	1.9%		

Source: Monthly Financial Stability Indicators from CBK

Commercial banks lead with €8.6 billion in assets and €182 million in profits, followed by pension funds (€3.2 billion), microfinance institutions (€651 million), and insurance firms (€334 million). ROEs are strong across sectors, ranging from 14.2% to 19.2%, while NPLs remain below 2.1%. Market concentration is high in banking and microfinance (over 52%), raising systemic risk concerns. Foreign ownership is also significant, especially in banking (83%). Overall, Kosovo's financial system stayed resilient despite global and regional challenges. While some risks remain, its stability supports ongoing economic growth.

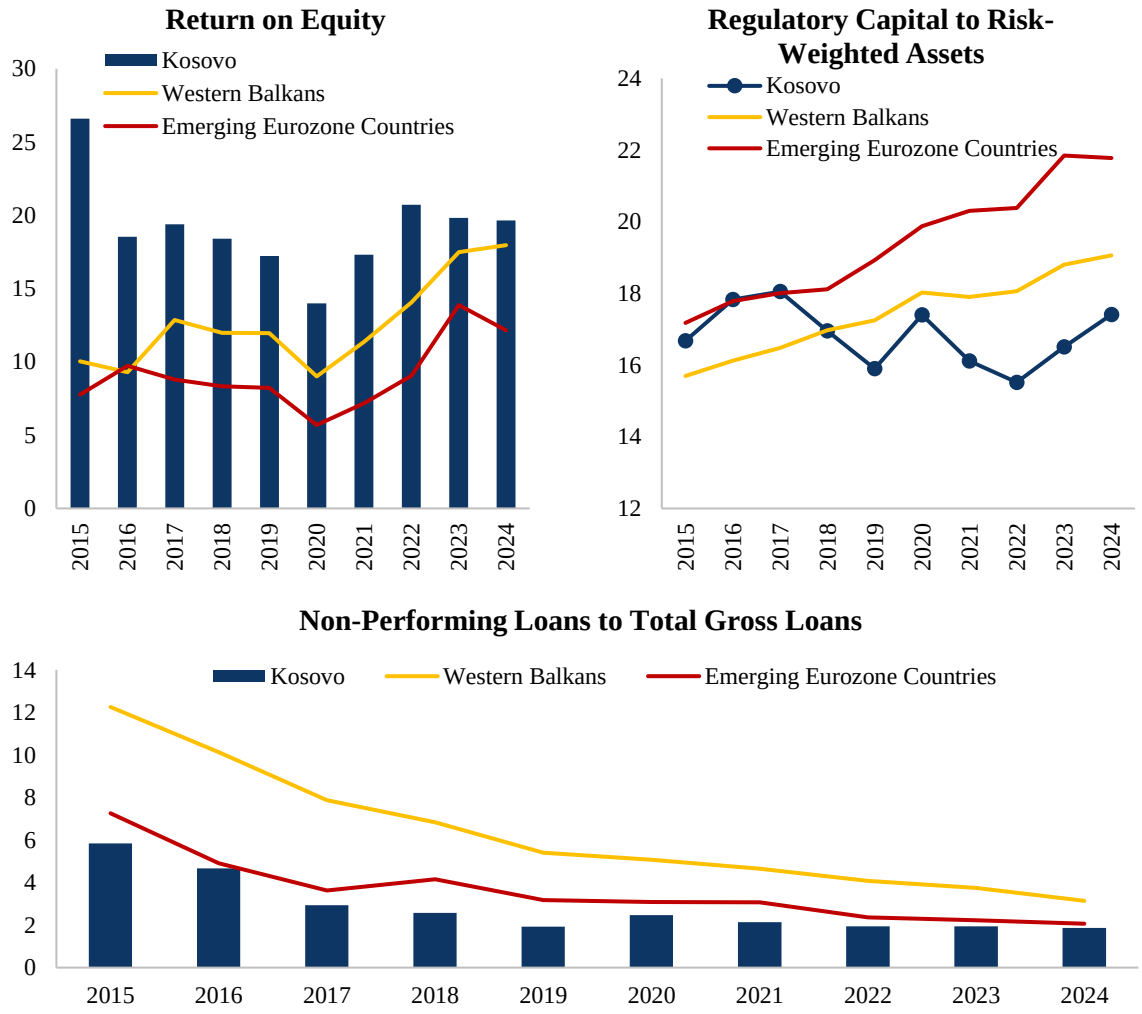
According to CBK's monthly stability indicators (Jan–Aug 2025), the financial system continued to expand, driven by asset growth across commercial banks, microfinance institutions, insurance companies, and pension funds.

Commercial banks, the largest segment, maintained sound capitalization (CAR ~16.5%) and positive loan and deposit growth, but profitability declined, with average ROE falling to 18.4% (from 19.3% in 2024), and reaching 17.3% in August. Asset quality slightly weakened, as the NPL ratio rose to 2.1%. Microfinance institutions also expanded in loans and assets but saw ROE drop to 12.9% in August (Jan–Aug average: 13.1%, down from 14.6% in 2024), while NPLs averaged 1.8%. The pension sector showed strong asset growth, reaching €3,525 by August, and the insurance sector increased total assets to €355 million, with an average ROE of 16.9% and cumulative premiums of €120 million.

Financial Soundness Indicators Comparison

Using IMF data, an international comparison of key financial soundness indicators across Kosovo, Western Balkan countries (excluding Serbia due to data limitations), and emerging Eurozone economies, is described below.

Figure 14 - Graphical Representation of the FSIs



Source: International Monetary Fund (IMF), "Financial Soundness Indicators".

The figures show Kosovo's banking sector is strong and resilient, outperforming the Western Balkans and Emerging Eurozone in key areas. ROE reached around 19.7% in 2024, and NPLs fell below 1.9%, indicating solid profitability and credit quality. However, the capital-to-risk-weighted assets ratio, at about 17.4% in 2024, remains lower than the Eurozone and the Western Balkans, highlighting the need for prudent capital planning and supervisory.

Key Risks and Challenges

Despite positive developments, Kosovo's financial sector continues to face key risks, several of which are defined in CBK's Financial Stability Report and presented below.

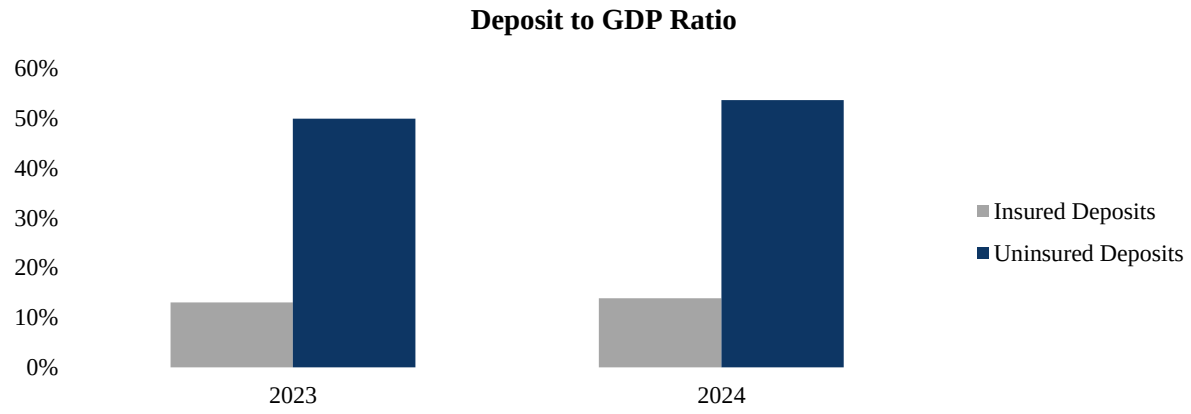
Interest rate risk, in Kosovo's banking sector are rising, even though banks have benefited from higher rates via interest-bearing assets. This can be seen through a growing trend in fixed-rate lending (shifting risks to banks), the maturity gap widened (to 0.18% of equity), the liquidity gap reaching €1,130.1 million in 2024. Funding costs and deposit competition are rising while deposit growth slows creating asset-liability mismatches, which results to profitability potentially being squeezed.

Geopolitical tensions around the globe, together with escalating trade frictions are the main constraints on the outlook. Particularly the US tariffs and broader trade fragmentation have raised market volatility, weakened confidence and slowed exports, hitting EU- linked economic like Kosovo. Although, it has not directly affected Kosovo's banking system, it can push up energy-related inflation, unemployment and credit stress, making the financial system more vulnerable.

Climate change represents a broad financial threat, as both its physical and transition effects have the potential to destabilize the economy and financial system. The report highlights the EU's Carbon Border Adjustment Mechanism (CBAM) as a new channel of risk for Kosovo: about 34% of exports head to the EU, and emission-intensive sectors (base metals, cement) could face higher costs and lost competitiveness. The banks direct exposure is small today, but those borrowers often provide collateral that could lose value if industrial activity slows, raising credit risk and the need for provisions.

Deposit insurance poses a financial risk for the government or central bank as Kosovo's limited coverage increases the risk of large withdrawals during financial crises. This scheme helps maintain trust by covering up to €5,000 per depositor, per bank, however, as the government guarantee phased out in December 2023, reliance on the fund's own resources may raise concerns about its crisis capacity.

Figure 15 - Deposit structure



Source: The Kosovo Deposit Insurance Fund 2024 Report, MFTP calculations

Figure 13 shows that uninsured deposits make up the majority of total deposits in 2023 and 2024. While 99.9% of depositors are insured, with an average deposit of €4,446, they hold only 20% of total deposits. Insurance coverage exceeds the average deposit, but deposit concentration is assymetric. Although both insured and uninsured deposits are increasing, their share remains at around 13.8% and 53.7% of GDP, respectively. This highlights a potential risk—in the event of a crisis, a large portion of deposits would not be covered, increasing the likelood of higher withdrawal rates and potential pressure on financial stability.

CBK stress tests show Kosovo's Liquidity Coverage Ratio (LCR) falls from 210.9% under baseline conditions to 96.3% in a severe scenario (23.8% withdrawals) and 87.4% in an

extreme case (32.1% withdrawals), revealing clear vulnerability to large deposit outflows. If the LCR drops below regulatory limits[5], financial stability could be endangered and emergency liquidity assistance or government support might be required. This underscores the need to strengthen the deposit-insurance and contingency framework to reduce fiscal risks and bolster depositor confidence.

Concluding Remarks

This Fiscal Risk Statement provides a comprehensive overview of the key risks that could affect Kosovo's fiscal outlook. By assessing macroeconomic uncertainties, fiscal performance and sector-specific exposures, ranging from public debt and guarantees to public enterprises, PPPs, and the financial sector, this report aims to inform more resilient and forward-looking fiscal planning. In doing so, it promotes transparency, strengthens fiscal discipline, and helps policymakers identify early warning signals that may require corrective action. The Statement also contributes to aligning fiscal risk management practices with international standards and reflects Kosovo's commitment to sound economic governance.

[5] Regulatory limit for LCR is set at 100%.

REPUBLIKA E KOSOVËS / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
QEVERIA - VLADA - GOVERMENT
MINISTRIA E EKONOMISË
MINISTARSTVO EKONOMIJE
MINISTRY OF ECONOMY
Njësia Org. 013 Nr. Prot. 516
Org. Jedin Br. Prot.
Org Unit Prof.No.
Nr. i faqeve Broj stranica Dat.
No. pages Datum 30.03.26
Date
PRISHTINË/A NO.1

Republika e Kosovës
Republika Kosova-Republic of Kosovo
Qeveria Vlada-Government

Ministria e Ekonomisë
Ministarstvo Ekonomije /Ministry of Economy

Njësia për Politika dhe Monitorim të Ndërmarrjeve Publike

DATË/-UM/-E:	30.03.2026
PËR/ZA/TO:	Bordeve të Drejtorëve/Ndërmarrjet Publike Qendrore
DIJENI/CC:	Znj. Artane RIZVANOLLI, Ministre e Ekonomisë Z. Getoar MJEKU, Zëvendësministër i Ekonomisë Znj. Leonita SHABANI-MULLARAMA, Sekretare e Përgjithshme-ME
NGA/OD/FROM:	Dëfrim PLLASHNIKU, Udhëheqës i Divizionit për Politika të Ndërmarrjeve Publike/NJPMNP-ME D. Pllashniku
TEMA/SUBJEKAT/SUBJECT:	Kërkesë!

Të nderuar Kryesues dhe anëtarë të Bordeve të Drejtorëve,

Siç jeni në dijeni, Kuvendi i Republikës së Kosovës, më 16.02.2026, ka miratuar Ligjin Nr. 10/L-004 për ratifikimin e Marrëveshjes së Kredisë për "Instrumentin për Reforma dhe Rritje për Ballkanin Perëndimor". Në zbatim të këtij ligji është hartuar Agjenda e Reformave të Kosovës 2024–2027, ku në pikën 3.1.5 përcaktohen obligime konkrete për përmirësimin e qeverisjes, efikasitetit dhe llogaridhënies së Ndërmarrjeve Publike, me qëllim të rritjes së kontributit të tyre në zhvillimin ekonomik të vendit.

Në këtë kontekst, dhe duke iu referuar edhe komunikimeve tona të mëhershme përmes email-it, si dhe takimit të përbashkët me ZKM të datës 05.11.2025, obligimet që ndërlidhen drejtpërdrejt me punën tuaj kanë të bëjnë me zbatimin e të gjeturave të Auditorit të Jashtëm për vitin 2023, me ndikim financiar prej 9.3 milionë euro, si dhe me rritjen e transparencës dhe llogaridhënies ndaj publikut, me ndikim financiar prej 6.2 milionë euro.

Duke u ndërlidhur me raportimet tuaja të deritanishme, dhe duke pasur parasysh se, si Borde të Drejtorëve, përmes menaxhmentit të ndërmarrjeve, jeni zotuar me Plane të Veprimit për përmbushjen e të gjeturave, kërkojmë që raportimi të avancojë si në përmbajtje, ashtu edhe në qasje. Konkretisht, kërkohet që raportimet të trajtohen paraprakisht në Komisionet e Auditimit dhe të reflektojnë një analizë të qartë mbi progresin, masat e ndërmarra dhe pengesat eventuale në zbatim.

Vlerësojmë se raportimet e deritanishme kanë qenë kryesisht të natyrës informuese. Në këtë fazë, kërkohet një qasje më e thelluar analitike dhe llogaridhënëse, me fokus në rezultate konkrete. Kjo është e domosdoshme edhe për faktin se, bazuar në të dhënat e fundit, objektivi i përcaktuar nga Bashkimi Evropian për eliminimin e 50% të të gjeturave të Auditorit të Jashtëm për vitin 2023 nuk është arritur. Nga gjithsej 107 të gjetura, janë adresuar 38, që përbën rreth 36% të cakut të kërkuar. Ju rikujtojmë se, në rast të mosarritjes së eliminimit të së paku 50% të të gjeturave për vitin 2023 deri në qershor 2026.

Në këtë drejtim, kërkojmë nga ju që të intensifikoni përpjekjet për zbatimin e zotimeve sipas Planeve të Veprimit për vitet 2023 dhe 2024. Mosarritja e cakut prej 50% të zbatimit të të gjeturave, qoftë për vitin 2023 apo 2024, përbën jo vetëm ngecje në përmbushjen e përgjegjësive tuaja si Bord, por njëkohësisht sjell implikime financiare në nivel vendi, duke rrezikuar sigurimin e fondeve në vlerë mbi 9 milionë euro.

Po ashtu, sa i përket publikimit të dokumenteve, siç parashihet me nenin 37 të Ligjit për Ndërmarrjet Publike, kërkohet që të ndërmerren të gjitha veprimet e nevojshme që për pesë vitet e fundit të jenë të publikuara të gjitha dokumentet përkatëse në ueb-faqet tuaja. Njëkohësisht, kërkohet bashkëpunim i ngushtë me Njësinë për Monitorimin e Ndërmarrjeve Publike, në mënyrë që edhe në ueb-faqet e tyre të jenë të publikuara dokumentet e kërkuara me ligj, duke qenë se edhe kjo pikë është pjesë e marrëveshjes së ratifikuar.

Andaj, çdo vonesë apo mos-përmbushje e obligimeve tuaja do të reflektohet drejtpërdrejt në vlerësimin e llogaridhënies suaj ndaj Aksionarit.

Presim që, përmes një angazhimi më të shtuar dhe një qasjeje më substanciale në raportim dhe zbatim, të arrihen rezultatet e kërkuara, në funksion të përmirësimit të qeverisjes, efikasitetit dhe transparencës së ndërmarrjeve publike, si dhe për të siguruar përfitimin e fondeve nga Bashkimi Evropian dhe ofrimin e shërbimeve më cilësore për qytetarët.

Me respekt,

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Republika e Kosoves

Republika Kosova-Republic of Kosovo

Qeveria Weida-Government

Ministria e Ekonomise
Ministarstvo Ekonomije /Ministry of Economy

Unit for Policy and Monitoring of Publicly-Owned Enterprises

DATE/-IJMJ-E:	**30.03.2026**
PER/ZA/TO:	**Bords of Dir**
DIJENI/CC:	**Znj. Artane** **Z. Getoar M** **Znj. Leonita** **General-ME**
NGA/OD/FROM:	**Denim PLL** **Policy and M**
TEM.AJSUBJE1'1T/SUBJECT:	**Request!**

Dear Chairs and Members of the Boards of Directors,

As you are aware, on 16 February 2026, the Assembly of the Republic of Kosovo adopted Law No. 10/L-004 on the Ratification of the Loan Agreement for the "Reform and Growth Facility for the

Western Balkans". Pursuant to this Law, Kosovo's Reform Agenda 2024–2027 was prepared. Reform 3.1.5 sets out specific obligations aimed at improving the governance, efficiency and accountability of publicly owned enterprises, with a view to increasing their contribution to the country's economic development.

In this context, and further to our previous email communications and the joint meeting with the Office of the Prime Minister held on 5 November 2025, the obligations directly related to your work concern the implementation of the external auditor's findings for 2023, with a financial value of EUR 9.3 million, as well as increased transparency and accountability towards the public, with a financial value of EUR 6.2 million.

With reference to the reports submitted to date, and considering that the Boards of Directors, through the management of the enterprises, have committed to implementing the findings through action plans, we request that reporting be strengthened both in content and approach. Specifically, the reports should first be reviewed by the Audit Committees and should include a clear analysis of progress, measures undertaken and any obstacles encountered during implementation.

We consider that the reports submitted to date have been primarily informative in nature. At this stage, a more substantive, analytical and accountability-oriented approach is required, with a focus on concrete results. This is particularly important because, according to the latest data, the European Union target of fully addressing 50% of the external auditor's findings for 2023 has not been achieved. Of the total 107 findings, 38 have been addressed, representing approximately 36% of the required target. We recall that failure to address at least 50% of the 2023 findings by June 2026 may have financial implications.

In this regard, we request that you intensify efforts to fulfil the commitments set out in the action plans for 2023 and 2024. Failure to achieve the target of implementing 50% of the findings, whether for 2023 or 2024, would not only represent insufficient fulfilment of your responsibilities as Boards, but would also have financial implications at the national level, placing at risk access to funding exceeding EUR 9 million.

Furthermore, regarding the publication of documents as required under Article 37 of the Law on Publicly Owned Enterprises, all necessary measures should be taken to ensure that the relevant documents covering the previous five years are published on your websites. Close cooperation with the Publicly Owned Enterprises Monitoring Unit is also required to ensure that the documents prescribed by law are published on its website, as this requirement also forms part of the ratified agreement.

Accordingly, any delay or failure to fulfil your obligations will be directly reflected in the assessment of your accountability towards the shareholder.

We expect that, through increased engagement and a more substantive approach to reporting and implementation, the required results will be achieved, contributing to improved governance, efficiency and transparency of publicly owned enterprises, securing access to European Union funding and ensuring higher-quality services for citizens.

Respectfully,

RECOMMENDATIONS OF THE EXTERNAL AUDITOR FOR THE YEAR 2023 AND THEIR IMPLEMENTATION

Recommendations of the External Auditor for the Year 2023 and Their Implementation

Nr.	Public Enterprises	Auditor's Opinion	Nr of recommendations (jun 25)	Nr of recommendations (march 2026	Implemented	In process	Not implemented	Comment / Emphasis of matter / Recommendatio	Audit Company
1	KEK	Qualified	**8**	—	3	5	0	asset valuation*	National Audit Office
2	Trepça	Adverse	**28**	—	10	18	0		
3	Telekomi	Unmodified	**6**	—	5	1	0		National Audit
4	Posta	Unmodified	**0**	—	0	0	0	asset valuation*	Alb Audit Sh.P.K.
5	Trainkos	Qualified	**5**	—	3	2	0	asset valuation*	AlbAudit Sh.P.K
6	Infrakos	Qualified	**4**	—	1	2	1	asset valuation*	National Audit Office
7	KMDK	Qualified	**2**	—	1	1	0	asset valuation*	AlbAudit Sh.P.K
8	Bifurkacioni	Emphasis of Matter	**3**	—	2	0	1		AlbAudit Sh.P.K
9	KRU Prishtina	Qualified	**19**	additionally, 1 findings have	8	7	4	asset valuation*	National Audit Office
10	KRU Hidromorava	Qualified	**7**	—	3	3	1	asset valuation*	H&M shpk
11	KRU Hidroregjioni Jugor	With reservation	**1**	—	0	0	1	asset valuation*	Audit & Conto
12	KRU Mitrovica	With reservation	**4**	—	0	3	1	asset valuation*	Quatra Audit Int. LLC
13	KRU Hidrodrini	Adverse	**10**	—	5	3	2	asset valuation*	National Audit Office
14	KRU Gjakova	Qualified	**4**	—	4	0	0	asset valuation*	Audit&Check
15	KU Drini i Bardhë	Emphasis of Matter	**1**	—	0	0	1	asset valuation*	ALB Audit
16	KU Radoniqi Dukagjini	With reservation	**2**	—	1	1	0	asset valuation*	Quatra Audit
17	NH Ibër Lepenci	Qualified	**4**	no change	3	1	0	asset valuation*	National Audit Office
	Total findings		**108**		**49**	**47**	**12**		
	Implementation in %				**45%**	**44%**	**11%**		

PUBLIC OWNED ENTERPRISES
REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN
FOR THE RECOMMENDATIONS ARISING FROM THE AUDITOR'S REPORT FOR 2023

1. KOSOVO TELECOM JSC

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS ARISING FROM THE AUDITOR'S REPORT FOR 2023

No.	Description of the recommendation (according to the audit report)	Current implementation status	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
2.2 Matters affecting the conclusion of compliance.					
1	A1 Providing incentives to employees in the absence of a compensation/reward policy.	☐ Fully implemented ☐ In process ☐ Not implemented	Following the completion of mobile network modernization projects, the Technical Directorate has halted the provision of incentives, as noted in the minutes of the Executive Management meeting held on 08.01.2025.	Attached to the correspondence dated 17.11.2025 (9:59 AM)	NONE
2	A2 Shortcomings in recruitment processes for internal and external vacancies.	☐ Fully implemented ☐ In process ☐ Not implemented	During the recruitment process, as a Public Enterprise, TK has strictly adhered to the provisions of the 'Regulation on Employment Relations' No. 01-2978/22 dated 27.06.2022 regarding recruitment procedures. TK has consistently sought explanations and interpretations from the competent authorities regarding the implementation of 'Administrative Instruction No.	Attached to the correspondence dated 17.11.2025 (9:59 AM)	NONE

			07/17'. Considering the analysis of this matter and the relevant legal interpretations, 'Administrative Instruction MFPT01/2024 on the Regulation of Public Vacancy Procedures in the Public Sector' and 'Administrative Instruction MFPT No. 03/24 on the Supplementing and Amendment of Administrative Instruction 01/2024' have entered into force, specifically Article 2, paragraph 3, according to which the provisions of this Instruction do not apply to public institutions whose recruitment procedures are regulated through specific arrangements via internal acts. In this particular case, TK has regulated this matter through the above-mentioned Regulation. Attached is 'Administrative Instruction MFPT No. 03/24 on the Supplementing and Amendment of Administrative Instruction 01/2024'.		
2.2.1 Accounts receivable					
3	A3 Non-reconciliation of the register of provisioned accounts receivable in accordance with legal requirements.	☐ Fully implemented ☐ In process ☐ Not implemented	The Revenue Department to date has not received any court decision enforcing the collection of debts from such customers. Even if such a decision was issued, any write-off of these debts would require approval from senior management, however, management opposes writing off debts in the system.	Attached to the correspondence dated 17.11.2025 (10:03 AM)	Through this recommendation, the auditors requested that customer debts which could not be collected through legal proceedings, or where it is known in advance that such proceedings

			During the 2024 Financial Statements audit by NAA, this issue was not repeated, as it was confirmed that the Financial Statements for 2023 and 2024 fairly and accurately present the company's financial position.		would fail, be written off from the system. This recommendation cannot be implemented. Debt write-offs can only occur if a specific law provides for the forgiveness of such debts.
4	B1 Underestimation of accounts receivable	☐ Fully implemented ☐ In process ☐ Not implemented	Actions taken to identify discrepancies Following previous actions to reconcile accounts receivable between the billing system and the financial (ERP) system, the Revenue Assurance Department, in cooperation with other relevant departments of Kosovo Telecom, has continued the process of verifying and reconciling the data. As noted in the response provided last year, this process covers the period from 1999 to the present, and discrepancies have mainly resulted from changes in the three billing systems over this time, with challenges in accurately transferring accounts receivable data from one system to another. Nevertheless, it is worth emphasizing that in recent years significant improvements have been achieved, as reconciliations between revenues and cash are now almost 100%, with minor,	Attached to the correspondence dated 17.11.2025 (9:59 AM)	The discrepancy relates to prior years. For 2024 and 2025, there are no discrepancies. Therefore, the recommendation is considered 100% implemented.

			negligible differences. Last year, Kosovo Telecom succeeded in reducing the discrepancy by €48,880 compared to the previous year. This effort has continued this year, and we are continuously working to further minimize these differences. Additional clarifications for the ledger 'Collections from Court Cases without Reference Number'. The current balance of this account is €53,715.60, representing a cumulative amount attributable to customers who are not included in the active billing system. These customers had a 'deactivated' status (as of 2004) during the system transition period, and consequently, their debts were not carried over to the new system. For these customers, Kosovo Telecom's Legal Department has initiated legal proceedings to collect the debts. Details of all transactions related to this account can be found in the attachment. This account supports the verification process and assists in accurately documenting all actions taken. Upon resolution of cases in favor of Kosovo Telecom, collections from these customers were credited to this cumulative account, as they lacked active		

			individual accounts in the billing system.		
2.2.2 Salary expenses					
5	B2 Non-payment of employees with the same grade for the same position	☐ Fully implemented ☐ In process ☐ Not implemented	This finding was resolved (eliminated) during the implementation of the restructuring process.		NONE
6	B3 Filling positions with Acting Officers	☐ Fully implemented ☐ In process ☐ Not implemented	This finding was resolved (eliminated) during the implementation of the restructuring process.		NONE

According to the recommendations issued by the External Auditor for the year 2023, there were a total of six (6) recommendations, where each represents 100% of the total. The summary of their implementation is as follows:

1. **Finding 1** – (100%) *implemented*;
2. **Finding 2** – (100%) *implemented*;
3. **Finding 3** – (100%) *implemented*;
4. **Finding 4** – (100%) *implemented*;
5. **Finding 5** – (100%) *implemented*;
6. **Finding 6** – (100%) *implemented*.

   Based on this:

   - The completion of points: 1 (100%), 2 (100%), 3 (100%), 4 (100%), 5 (100%) dhe 6 (100%) **results in an overall average of 100%.**

2. KMDK J.S.C. Public Enterprise

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR RECOMMENDATIONS ARISING FROM THE EXTERNAL AUDITOR'S REPORT FOR THE YEAR 2023

No.	Description of Recommendation (as per audit report)	Responsible Unit	Current Implementation Status	Description of Actions Taken / Reason for Non-Implementation	Supporting Evidence (document references)	Action Plan for Further Implementation (if applicable)
	Finding / Issue No. 1					
	"Insert the auditor's finding."	"Insert the responsible unit for implementation."	☐ Fully implemented X In process ☐ Not implemented	"Provide a description of actions taken to address the finding."	"Decision taken regarding finding no. 1"	"Provide relevant clarifications"
	Non-confirmation of accounts payable	Legal Office	In process	The discrepancies relate to two invoices from 2021. The case has been audited by the NAO; the Board has only partially approved the independent audit report as the case has already been referred to the Special Prosecution. No further actions can be taken while the case is under judicial process.	NAO Report; Criminal complaint dated 01.04.2025; Board of Directors' decisions	Pending completion of the judicial process. Further steps will be taken after the final decision of the competent authority.
	Lack of revaluation of fixed assets	Finance Department / Management	☑ Implemented	The revaluation process has been initiated and external experts have been engaged	Final valuation report Raporti i vlerësimit - KMDK_Final 02.03.20	Completion of revaluation and reflection in the 2025 Financial Statements

According to the recommendations issued by the External Auditor for the year 2023, there were a total of two (2) recommendations, each representing 50% of the total. The summary of their implementation is as follows:

1. Finding 1 – (50%) not implemented – in process;
2. Finding 2 – (50%) fully implemented (100%);

Based on this:

- Implemented items: 1 (50%), reaching a total of 50%;
- Non-implemented items: 1 (50%), reaching a total of 50%.

3. POE "Iber Lepenc" JSC

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS ARISING FROM THE AUDITOR'S REPORT FOR 2023

Nr.	Description of the recommendation (according to the audit report)	Responsible Unit	Current implementation status	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
1	1.According to IAS 16 – Property, Plant and Equipment, revaluations should be carried out with sufficient regularity to ensure that the carrying amount (net book value) of an asset does not differ materially from the amount that would be determined using fair value at the end of the reporting period. The company last carried out the asset valuation process in 2007. As a result, the accounting register includes 1,235 assets with a historical cost totaling €9,179,599, which have been fully depreciated and whose net book value is recorded as zero. Furthermore, the asset register also contains 41 assets for which the acquisition value has not been	CFO	☐ **Completely Implemented** ☐ In process ☐ Not implementable	The valuation report prepared by the licensed valuation company has been received and approved by the Board. Subsequently, the new fair values resulting from the revaluation of assets have been recorded in the accounting system.	Independent Valuation Company Report.	Presentation in the Financial Statements for 2025

	recorded due to the lack of supporting documentation. These assets are still active; however, no revaluation or review of their useful life has been performed, the same as for the other assets. Despite the commitment made by management in the action plan and efforts made through procurement procedures, due to the lack of responsible bidders, this issue has remained unimplemented.					
2	IAS 16 – Property, Plant and Equipment, paragraph 39 states that if the carrying amount (net book value) of an asset increases because of a revaluation, the increase shall be recognized in other comprehensive income and accumulated in equity under the heading "revaluation surplus." However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss. Furthermore, paragraph 41 states that a portion of the revaluation surplus may be transferred when the asset is used by the entity. In such a case, the amount of the surplus transferred represents the difference between depreciation based on the revalued carrying amount (net book value) of the asset and depreciation based on the asset's original cost.	CFO	☐ Completely Implemented ☐ **In process** ☐ Not implementable	The valuation report prepared by the licensed valuation company has been received and approved by the Board. Following the completion of the asset revaluation process, a new revaluation surplus will be recognized. The previously recorded revaluation balance is currently under analysis to determine the necessary adjustments.	Independent Valuation Company Report.	Presentation in the Financial Statements for 2025

	The amount of the revaluation reserve presented in the financial statements was €162,424,909, resulting from the increase in asset values following the revaluation conducted in 2007. Since 2007, this amount has not been regularly adjusted to reflect depreciation related to the revalued portion of the assets. Consequently, the value of the revaluation reserve as well as depreciation expenses have not been accurately presented in the financial statements. Despite management's commitment to implement this recommendation, the issue of the inaccurate presentation of the revaluation reserve has not been addressed until the latest asset revaluation.					
3	According to IAS 16 – Property, Plant and Equipment, paragraph 50, the depreciable amount of an asset shall be allocated on a systematic basis over its useful life. The enterprise had not applied the requirements of the standard regarding the depreciation of assets following the last revaluation, as depreciation after revaluation was allocated over the entire useful life of the assets rather than over their remaining useful life. This issue was identified in 24 tested samples that had undergone the revaluation process in 2007.	CFO	☐ **Completely Implemented** ☐ In process ☐ Not implementable	The valuation report prepared by the licensed valuation company has been received and approved by the Board. The Board has also approved the Accounting and Finance Regulation, in which Article 21 includes the uniform depreciation rates for newly acquired assets as well as the rates applied to revalued assets based on their remaining useful lives.	The Accounting and Finance Regulation, Protocol No. 01-4674, Article 21.	Implementation of the regulation with the new depreciation rates effective from January 2025.

	This depreciation approach occurred due to the criteria applied in recording the assets after the revaluation, without any justification provided in the revaluation report explaining why depreciation was calculated over the entire useful life rather than over the remaining useful life of the assets.					
4	According to International Standards for the Professional Practice of Internal Auditing (Standards 1300, 1310, 1311), the Chief of Internal Audit is required to develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. This program is implemented through internal assessments, which include ongoing monitoring of the progress of internal audit activities, as well as periodic self-assessments or assessments by other individuals within the organization who possess sufficient knowledge of internal audit practices. Within the enterprise, the internal audit function is performed solely by a single officer responsible for both conducting and reviewing audits, which limits the ability to provide an effective quality assurance and improvement program for audit activities. During the year, the	Board of directors/ Company Secretary	☐ **Completely Implemented** ☐ In process ☐ Not implementable		Regulation No. 02/2024 on the Systematization and Description of the Positions at HE "Ibër Lepenc", Section 4, page 27. Decision on the Appointment of the Internal Auditor. Report of the Internal Audit Office of HE Ibër Lepenc for 2024, page 21, item 4.	Implementation of the Regulation

	enterprise hired an internal audit officer who, within a short period, terminated the employment relationship. As of year-end, the Internal Audit Unit had not yet been staffed with additional staff.					

According to the recommendations issued by the External Auditor for the year 2023, there were a total of five **(4)** recommendations, where each represents **25%** of the total. The summary of their implementation is as follows:

1. **Finding 1** – (25% of the total) *implemented 100%*;
2. **Finding 2** – (25%) *implemented 50%*;
3. **Finding 3** – (25%) *implemented 100%*;
4. **Finding 4** – (25%) *not implemented 100%*;

Based on this:

- The completion of points :1 (25%), 2 (12.5%), 3 (25%) and 4 (25%) reaches a total of **87.5%**.
- The non-fulfilment of points :2 (12.5%) amounts to a total of **12.5%**

4. RCW Prishtina J.S.C.

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS ARISING FROM THE EXTERNAL AUDITOR'S REPORTS FOR 2023

No	Description of the recommendation (according to the audit report))	Responsible Unit	Current implementation status ☐ Implemented ☐ In process ☐ Not implemented	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable
1	**Issue A1 - Deficiency in the Asset Register Recommendation** The Board of Directors should ensure that a full review of the asset register is carried out in order to identify all deficiencies and to take the necessary actions in order to ensure that the value of the assets is presented fairly and accurately in the annual financial statements	Finance Directorate Technical Directorate	In Process	Management will look at the technical possibilities for realizing the pricing of those assets that would still have a net book value even at the end of 2023. For the 16 assets where the measurement unit was technically incorrect, they will be adjusted based on the information received for those objects. For the value of assets that have a net value of €0 but are still in use, we consider that the policy implemented by us is in order, we have elaborated the same in the Management Comments	See the NAO Audit Report for 2024 table 1 - Implementation of recommendations	This recommendation was also addressed during 2024, but some elements of the recommendation remained unimplemented during that year. This year, the considered cost of the remaining assets will also be calculated at a cost of €0 (62 assets remain out of 92 but will be addressed with the 2024 AFS.
2	**Issue A2 - Improper treatment of long-term assets, respectively capital projects**	Finance Directorate	Implemented	The fixed assets regulatory policy will be supplemented in order to provide for the specifics	See the 2024 NAO	During 2024, the regulation on fixed assets

	Recommendation The Board of Directors should ensure the development of a written procedure so that the treatment of assets, respectively projects, which relate to works and supplies, is done according to International Accounting Standards, so that their presentation is as fair as possible.	Technical Directorate		according to the given recommendation.	report Tablea no. 1 pp. 25-26. |See attached regulation Ref no.2.	was reviewed/updated, thereby addressing the recommendation.
3	**Issue A3 - Weaknesses identified by the fixed assets inventory report** **Recommendation** The Board of Directors, before approving the inventory report, should provide relevant evidence (research) regarding assets that were not physically found by the committee but were recorded in the accounting register. It should also develop clear procedures to ensure that the company's assets are handled properly.	CEO Finance Directorate	In Process	During the inventory of the following year, a committee will be created that will analyze the reasons for the shortages. Regarding the treatment in the PF, we consider that it has been treated in accordance with IFRS, but steps will be taken in the software to enable assets (that are no longer in use or that are missing according to the committee's report) to only be passively written off and not directly written off until further clarifications/treatment.		The technical aspect for which the finding was presented has been addressed, but other issues have emerged during the inventory since we are dealing with assets that are geographically dispersed and which are outdated and various issues arise.
4	**Issue A4 - Unconfirmed Accounts Receivable Balances** **Recommendation** The Board of Directors should ensure periodic reconciliation procedures with economic partners so that the presentation of accounts receivable is accurate.	Commercial Department Secretary (for liquidation cases)	Not Implemented	Management will take steps regarding cases where there is no harmonization. At the same time, where there is non-compliance in cases of SOE liquidation, legal steps will be taken and reviewed.		Këtu kemi të bëjme me një rekomandim i cili përsëritet ndër vite, kryesisht edhe për shkak të libravë që mbahen nga kompanitë por një pjesë e problmatikes ka të bëjë me borxhet e pronavë të cilat janë privatizuar dhe nuk janë shlyer borxhet paraprake ndaj KRUP.
5	**Issue A5 - Incomplete presentation of explanatory notes**	Finance Directorate	Implemented	Management will also disclose these details of the information in the PF for the following year.	They are presented in the set	See the 2024 NAO report Tablea no. 1 pp. 25-26

	Recommendation The Board of Directors should ensure that the explanatory notes, containing the basic principles used in the preparation of the financial statements and information on the composition of the items in the statements, are provided in accordance with the requirements of accounting standards.				of financial statements See Ref no.1 (pages 40-71)	
6	**Issue A6 - Inaccurate presentation of prepayments** **Recommendation** The Board of Directors should ensure that the values presented in the statement of financial position are accurate for the relevant accounts including all invoices.	Finance Directorate	Implemented	Management will take action to ensure that the presented balance of prepayments is accurate.	Accounting balance correction	The value of the prepayment to the Municipality of Prishtina has now been corrected..
7	**Issue B1 - Inaccurate presentation of accounts payable** **Recommendation** The Board of Directors should ensure that necessary corrective actions are taken to correct errors in the accounting records relating to payables in order to ensure an accurate presentation in the financial statements. In addition, mechanisms should be established to review the payables register on a regular basis to verify the completeness and accuracy of the list of payables to suppliers.	Finance Directorate	Not Implemented	Management will take action to ensure that the presented LLP status is accurate at the end of the year. And actions will be taken to reconcile with the supplier with whom we had differences.		The lack of equalization continues to happen with Ferronikeli, as they do not accept an amount of debt that has been carried over since 2017.
8	**Issue A7 - Acceptance of documents after the closure of the public competition** **Recommendation** The Board of Directors should ensure that when conducting recruitment procedures, it respects the requirements set forth in the legal regulations.	Secretary Administration Department	Implemented		See the NAO report for 2024 Table no. 1 pp. 25-26	This phenomenon has not been repeated.

9	**Issue A8 - Awarding of Contract to Irresponsible Operator** **Recommendation** The Board of Directors should ensure that actions are taken to increase controls in the tender evaluation process and also to provide higher oversight to the procurement office so that procurement activities are carried out in full compliance with the requirements arising from the tender dossier, namely the procurement law.	Procurement Department	Implemented	Management will take action to avoid these omissions and accurately evaluate all offers from operators in detail..	Ref no. 1. See the 2024 NAO report Table no. 1 p. 25-26	This phenomenon has not been repeated.
10	**Issue B2 - Lack of contracts with customers for water services** **Recommendation** The Board of Directors should ensure that all appropriate actions are taken to enter into contracts with all existing customers who are without contracts	Commercial Directorate	In Process	As part of the agreement with the Post of Kosovo, we are following up on contracts created for existing customers who have not had contracts until now, while for new customers, contracts are signed immediately.		Although a significantly high number of contracts were signed, it has not yet been achieved to be fulfilled 100%, since most of it remains the responsibility of the consumers who must sign the service contracts. We have also signed the agreement with the Post of Kosovo and this has contributed to a significant increase in performance in recent years.
11	**Issue B3 - Customer register not in compliance with ARRU rules** **Recommendation** The Board of Directors should ensure that remedial measures are taken so that all customers registered with the designation "NN" (no name and surname) and other abbreviations are registered in the name of the service users. Furthermore, it should be	Commercial Directorate	In Process	Although during 2023 the management has taken action on this issue through the commission, they have not managed to identify all customers with N.N. The duties of the commission have been to verify all customers who are registered as NN (unknown. The commission		This remaining number, although minimal, is being addressed, although the committees formed for objective reasons have found it impossible to identify these consumers.

	ensured that the recorded amount of debt is determined to which customers it belongs to and that the necessary measures are taken for their collection.			has prepared a report and report by attaching all relevant documents. The commission assesses that all customers since their registration have been identified as NN customers in the past, no property, demolished house, uninhabited property has been found. During this year, these cases will be reviewed once again and a decision will be made on how to act with these customers.		
12	**Issue B4 - Lack of installation of water meters** **Recommendation** The Board of Directors should take concrete actions to install water meters for all customers so that billing for water used is done on a consumption basis.	Commercial Directorate	In Process	Even on this issue, actions have been taken and the number of consumers without water meters has been reduced. All consumers have been inspected and where there were conditions for installation, water meters have been installed, but for some consumers there were no technical conditions for the installation of water meters (due to the lack of manholes, valves, or blocked access). There are also properties that are uninhabited or even dilapidated and that still appear in the program as consumers without U.M., because consumers have not submitted any request to be deactivated where they have no water meters. Consumers will be inspected and measures will be taken in		Actions have been taken, currently there are less than 200 consumers left without a water meter, according to reports from the teams, these have remained because they do not have the technical ability to install a water meter.

				cases where they do not offer us conditions for the installation of corresponding meters.		
13	**Issue A9 - Weaknesses in the management of capital investment projects** **Recommendation** The Board of Directors should take action to monitor personnel/departments within the company so that projects are implemented according to the requirements of the agreement	Technical Directorate	In Process	Considering that steps have been taken this year and the auditing of projects will be carried out in earlier stages, we consider that it will increase the security of the smooth running of the processes. Also this year, the projects have been initiated significantly earlier than last year in order to be completed and to achieve the receipt of all funds.		In 2024, the % of realization was more satisfactory than in 2023. For the current year, we expect all projects signed in the financing agreement to be realized.
14	**Issue A10 - Failure to provide all stocks with relevant codes** **Recommendation** The Board of Directors should ensure that warehouse management is carried out according to regulations, providing each item with the relevant code, and have a policy for handling out-of-use stocks.	Finance Directorate	Implemented	A Commission has already been formed that will divide the categories/types of stocks in more detail and the same will be applied to the warehouse system.	Ref. No. !. See the 2024 NAO report Tablea no. 1 p. 25-26	The required actions for addressing have been taken.
15	**Issue A11 - Deficiencies in the transfer of ownership process for capital projects** **Recommendation** The Board of Directors should ensure that projects are monitored during the contract execution process and that in cases of signing of agreements for transfer of ownership, the projects are handled in the appropriate manner.	Technical Directorate Finance Directorate	In Process	The management will take steps to complete all projects that have remained unfinished. The decision will also be made for a commission that will make technical acceptances and divide the components of the assets so that they can then be recorded in the accounting.		Although relevant committees have been formed by RCWP and maximum efforts have been made to complete the documentation, this point still remains challenging due to the physical/technical condition of the projects..

16	**Issue B5 - Lack of identification of payments received from unidentified customers/consumers** **Recommendation** The Board of Directors should ensure that appropriate actions are taken to identify customers who have made payments so that this is reflected in their individual cards.	Finance Directorate	Not Implemented	Due to the very high age of the balance, management will again attempt to take action on these assets. However, if this is deemed impossible with prior notice, these will be treated in accordance with the requirements of the standards.		This balance has been carried over since 2013. Unfortunately, even though we have sent several official requests to the Treasury, we have not been sent the analytical card of payments to RCWP through the Treasury. Since we know from experience that most of these funds are from Budget Organizations.
17	**Issue A12 - Lack of a separate account for property tax** **Recommendation** The Board of Directors should ensure that the recording of expenses and liabilities is done according to the relevant codes and accounts as required.	Finance Directorate	Implemented	These accounts will also be technically opened upon request, even though they are not considered necessary.	Ref.1 See the NAO report for 2024 Tablea no. 1 p. 25-26	The necessary actions have been taken, codes have been opened for each municipality.
18	**Issue A13 - Accumulation of Accounts Receivable** **Recommendation** The Board of Directors should ensure that the Company is taking timely legal action to prevent the statute of limitations on debts**.**	Commercial Directorate in coordination with the Secretary	Not Implemented	Considering that the value of old debts is extremely high, in order not to jeopardize the company's performance and financial stability, a detailed regulation will be drafted this year, which foresees the taking of steps in each situation in accordance with the legal framework. Due to the very old age of inherited debts, the management will continue to take actions regarding the collection of old debts.		In 2024 we had a decrease in the balance since the collection rate was over 100%, this is expected this year as well. But the full collection of these debts remains a challenge since they are debts that date back to the post-war period. The management is constantly taking actions, including sending cases to enforcement, increasing inspection teams and

						ongoing awareness campaigns.
19	**Issue A14 - Acceptance of supplies without a report from the acceptance committee** The Board of Directors should ensure that in cases of acceptance of goods, appropriate committees are formed to monitor the supply of fuels.	Finance Directorate	Implemented	Although it was an isolated case, management has increased its attention and will take steps, and all supply contracts will be accepted by commission in accordance with the requirements of the legal framework.	Ref.1 See the 2024 NAO report Tablea no. 1 p. 25-26	All such acceptance are now made on commission.

According to the recommendations issued by the External Auditor for 2023, there were a total of 19 recommendations, each representing 5.26% of the total.

The summary of their implementation is as follows:

- Findings A2,A4,A5,A6,A7,A8,A10,A12,A14 have been implemented, which in total amounts to 47.37% (9*5.26%);
- Findings A3, B2, B3, B4, B5 are in process as they are partially implemented 26.31% (5*5.26%);
- Other findings, which in total amounts to 26.3% due to impossibility, have not been addressed

REPORT ON THE IMPLEMENTATION OF TH ACTION PLAN FOR THE RECOMMENDATIONS FROM THE AUDITOR'S REPORT FOR THE YEAR 2023

Nr.	Recommendation description (according to audit report))	Responsible Unit	Current implementation status	Description of actions taken / Reason for non-implementation	Supporting evidence (document reference))	Action plan for further implementation (if applicable)
1.	**<u>Property, Plant and Equipment</u>** We recommend that management be equipped with adequate software that will enable the maintenance and accurate reporting of financial records and also to draft clear procedures for the treatment and recognition of assets and related transactions.	CEO and CFO for Asset section	☐ Fully implemented X implemented ☐ Not implemented	The Company has developed procurement procedures for the purchase of new ERP software, but they have failed. The Company will start again with new procedures for the supply of new software. I inform you that the Company has an internal regulation for Asset Management with protocol number 739 dated 10.12.2021, approved by the Board of Directors and based on this regulation the Company manages assets and calculates their depreciation.	The ERP implementation process is in the final stage.	
2.	**<u>Accounts Trade Receivables</u>** To have better control of receivables, we recommend that the Company make proper accounting records and perform regular reconciliations with customers so that the value of trade receivables is accurately presented at the reporting date.	Comercial / Retail director, And Financial Manager	☐ Fully implemented X implemented ☐ Not implemented	With the purchase of the new software, it will be possible to provision accounts receivable as required by international accounting standards. The current software does not share any aging structure of accounts receivable.	We are still in the process of implementing ERP, which in the future will enable us to assess the aging of debts. But considering the great value of LLA and the RWC business	

	We also recommend that the Company conduct regular aging analyses and this will help management improve collections and settlements with customers, and have a better history and make more accurate estimates for bad debt provisions.			While for future reconciliations with customers, we will implement this recommendation. The regulation for the provisioning of LLA has been sent to the BOARD, where we have taken the regulation used by KRU PRISTINA as a model. During 2026, it will be reviewed and sent for approval, after consultations with the Shareholder.	where we have minimal operating profit, provisioning for LLA would send us into deep financial losses	
3.	**<u>Management of stock and other inventory in use</u>** In this case, we recommend that data on stocks and other inventory be managed consistently and assessed for possible damage, then a provision for obsolete stocks is recognized. Stocks identified as obsolete or slow-moving should be separated and written off immediately and this will help regulate their condition, which should be analyzed continuously, at least on a quarterly basis, evaluating each unit for future use.	Financial Manager Warehouse Manager	X Fully implemented implemented ☐ Not implemented	The find was eliminated, a commission was formed and the unused material was sold through an AUCTION, organized through the PROCUREMENT office.	The obsolete stocks have been evaluated by the relevant commission and the auction procedures have been carried out. Together with the Procurement Office, the sale process has been completed. The remaining part, which was completely unusable, has been destroyed.	
4	**<u>Accounting program inadequate for the needs of the Company</u>**	CEO and CFO	X Fully implemented implemented	We have mentioned above, in the first finding, that the Company will very soon	The ERP implementation process is in the final phase, where	

	We recommend that the company's management engage as soon as possible to equip itself with a material financial accounting program that meets the Company's requirements in accordance with International Accounting Standards - IAS and the requirements arising from the Law on Accounting, Financial Reporting and Auditing		☐ Not implemented	develop procurement procedures for the supply of new ERP software.	Invoicing has been finalized, Accounting is being finalized, and will continue with Human Resources, and the final processes.	

According to the recommendations issued by the Internal Auditor for 2023, there were a total of five (4) recommendations, each representing 25% of the total. The summary of their implementation is as follows:

1. **Finding 1 – (25%) was 100% implemented**
2. **Finding 2 – (25%) was not 100% implemented**
3. **Finding 3 – (25%) was 100% implemented;**
4. **Finding 4 – (25%) was 100% implemented;**

According to this:

- Achievement of points: 1 (25%), 2 (25%) and 3 (25%),4(25%), reach a total of 100%.
- Failure to achieve points:Realizimi i pikave:

6. KRU HIDROMORAVA Sh.A.

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS ARISING FROM THE INDEPENDENT AUDITOR'S REPORT FOR THE YEAR 2023

During the audit, seven key findings were identified, relating to asset management, receivables, payables, provisioning, and contingent liabilities. The status of implementation of the recommendations is presented below:

1. Asset Revaluation (Finding No. 1) – Fully Implemented

The Company has carried out the revaluation through a licensed firm and has updated its records in accordance with IFRS requirements.

2. Receivables – Lack of Confirmations (Finding No. 2) – In Progress

The lack of confirmations mainly relates to old debts prior to 2014, socially owned enterprises, and inactive entities. The confirmation and treatment process for these accounts is ongoing through communication with the Kosovo Privatization Agency (KPA) and relevant parties.

3. Non-Provisioning of Receivables (Finding No. 3) – Not Implemented

The provisioning regulation has been reviewed by the Board but has not yet been approved. It is expected to be updated and resubmitted for approval.

4. Payables – Confirmations (Finding No. 4) – Fully Implemented

Of all confirmation requests, only one (from Municipal Directorates) was not returned due to administrative reasons. Other balances have been verified through confirmations and alternative procedures.

5. Contingent Liabilities (Finding No. 5) – Fully Implemented

Liabilities have been disclosed in accordance with IAS 37 and were confirmed following the conclusion of enforcement procedures in January 2024.

6. Ownership of Land and Buildings (Finding No. 6) – In Progress

The property registration process depends on the respective municipalities. The Company has submitted all required applications; however, final decisions have not yet been issued.

7. Unidentified Payments (Finding No. 7) – In Progress

Payments are being continuously identified in cooperation with banks, customers, and institutions. Unidentified balances arise due to incomplete information provided at the time of payment execution.

No.	Description of Recommendation (as per the Audit Report)	Current Implementation Status	Reason for Non-Implementation	Supporting Evidence (Document References)	Action Plan for Further Implementation (if applicable)
	Finding No. 1 Asset Revaluation – The Company has recognized a revaluation reserve of EUR 8,049,519 as at 31 December 2023 (as well as at 31 December 2021, in the same amount of EUR 8,049,519), which originates from the asset revaluation conducted in 2007. Since then, no subsequent periodic revaluation has been performed, as required by the International Financial Reporting Standards (IFRS). The failure to carry out asset revaluation and to review the useful life of assets currently in use increases the risk that their carrying value presented in the financial statements may materially differ from their fair value.	Fully Implemented		Valuation report prepared by the licensed company "Nexia LLC" (attached).	
	Finding No. 2 Receivables – We selected 42 samples for confirmation of receivable balances from customers, amounting to EUR 251,896.61. However, up to the date of this report, only two confirmations have been received. Meanwhile, two customers have made payments totaling EUR 15,759.32 in 2024, and two customers, with balances of	In Progress	In relation to the finding concerning the lack of confirmation of a portion of receivables, we hereby provide the following explanation and outline of actions undertaken by the Company: Debts incurred prior to 2014 – EUR 49,173.82 These amounts relate to sewer blockage services performed in sensitive and urgent cases for institutions and large businesses. Due	KPA decisions (attached).	Socially Owned Enterprises For receivables related to Socially Owned Enterprises, the Company will continue the communication process and follow-up procedures through the Kosovo Privatization Agency (KPA), until the completion of the liquidation process. The final settlement of these obligations will be carried

	EUR 18,415.22, are subject to legal proceedings.		to the nature of these interventions, the benefiting parties have refused to confirm the obligations, claiming that such services fall under the Company's responsibility toward citizens and were carried out without prior request. This has made formal confirmation of these liabilities impossible, despite continuous efforts by the responsible officials of that period. Receivables from Socially Owned Enterprises – EUR 80,983.51 These debts relate to socially owned enterprises that are currently inactive and do not have responsible representatives to provide confirmations. However, there are official decisions confirming that these entities have not yet been fully liquidated. All confirmation requests have been submitted to the Privatization Agency (KPA), and we are awaiting the completion of the liquidation process so that these obligations can be addressed in accordance with legal procedures. Cases settled through payment From this category, 6 cases have been successfully closed through payments totaling EUR 47,281.27. Pre-2014 debts – EUR 28,930 These obligations relate to businesses that are no longer active, have ceased operations, or have submitted unresolved complaints. Further		out only after full liquidation, in accordance with the legal and administrative decisions issued by the competent authorities. Receivables for Services and Water Prior to 2014 Receivables dating prior to 2014, which have not been realizable for many years and continue to affect the overstatement of current assets, should be addressed for decision-making by the Board. Given that these obligations are considered irrecoverable and are repeatedly raised as findings in external audits, the Board is required to make a clear decision regarding: • their write-off, or • their accounting treatment and reclassification in accordance with applicable standards.

			verification has not been possible in these cases; however, supporting documentation exists and will be used in any future legal or administrative proceedings.		
	Finding No. 3 Non-provisioning of Receivables – Trade and other receivables in the 2023 financial statements amounted to EUR 3,579,021. For the year 2023, the Company has made a provision for receivables in the amount of EUR 24,474.47, representing only 40% of receivables identified as non-existent, amounting to EUR 61,186.18 according to accounting records. These provisions were approved by the Board. In accordance with IFRS 9, although companies are required to apply the expected credit loss model for the calculation of provisions on receivables and loans granted, KRU Hidromorava is still significantly behind in the full implementation of this standard.	Not Implemented	The Regulation for the provisioning of receivables was reviewed at the Board meeting held in February 2024. However, it has not been approved, as the Board requested additional amendments prior to final approval. Currently, the updated document is being prepared and will be resubmitted for approval at a forthcoming Board meeting.		
	Finding No. 4 Payables – We selected 14 samples for confirmation of trade payables from suppliers, amounting to EUR 74,656.29. Up to the date of this report, 11 confirmations were received, representing EUR 66,625.56 (93.82%). Through	Fully Implemented	During the process of confirming trade payables, confirmation requests were sent to all selected suppliers. All confirmations were received within the deadline, except for one confirmation from Municipal	Draft Document	

	alternative procedures, we attempted to verify the accuracy of the remaining unconfirmed balances reported by the Company; however, we were unable to obtain sufficient appropriate evidence. The lack of supplier confirmations creates uncertainty regarding the accuracy and completeness of payables as presented in the financial statements as of 31 December 2023.		Directorates, which relates to a significant amount. The non-receipt of this confirmation is considered to be due to administrative delays, rather than any inaccuracy in the Company's reporting of liabilities.		
	Finding No. 5 Contingent Liabilities – Contingent liabilities amounting to EUR 77,884.14. The assessments made by the Legal Department regarding contingent obligations as of 31 December 2023 do not provide sufficient assurance that they are fully in compliance with the requirements of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. Our opinion is not qualified in relation to this matter.	Fully Implemented	Contingent liabilities have been disclosed as explanatory information in the financial statements for the audited period. These liabilities were not recognized in the financial statements, as the matter was under court proceedings, and recognition would have had a significant impact on the financial result of the period. However, in January 2024, the case was finalized through enforcement proceedings, thereby making the obligation certain and confirmed after the reporting date.	Financial expertise report and enforcement transaction	Arbitration Tribunal Decision A.nr.01/2023 dated 14.12.2023, Enforcement Order P.nr.172/23, and Bank Confirmation The case relates to unpaid works and services, with a total awarded amount of EUR 77,884.14, consisting of: • Principal debt: EUR 50,216.32 • Loss of profit: EUR 18,268.12 • Accrued interest: EUR 9,399.39

					In addition, the following amounts were awarded: • Interest at 8% on the principal amount of EUR 77,884.14, calculated from 06.07.2020 until full payment, amounting to EUR 12,117.00 • Arbitration costs: EUR 6,884.40 • Enforcement procedure costs: EUR 315.00 • Financial expert report fee: EUR 300.00 These amounts were confirmed through the enforcement order and the corresponding bank statement confirming execution of payment.
	Finding No. 6 (related to Finding No. 1) Land and Buildings – The land and buildings reported in the statement of financial position as of 31 December 2023 are not supported by formal ownership titles confirming that they are legally owned by the Company.	In Progress	Description of Actions Taken / Reason for Non-Implementation: The ownership of land and buildings does not depend on the Company's management. The Company has submitted all relevant requests to the competent municipalities and is currently awaiting official developments and decisions. To date, no progress has been made regarding this matter.	Requests addressed to Municipalities regarding property ownership	

	Finding No. 7 Unidentified Payments – Collections amounting to EUR 19,430 were not allocated to the respective customers' outstanding obligations toward the Company. Instead, these amounts were recorded within receivables as deductions under the description "Unidentified Payments". According to Company officials, this situation occurred due to difficulties in identifying customers at the time payments were made through bank accounts.	In Progress	Payments are continuously identified following each confirmation, whether from customers, institutions, or the Treasury, in cooperation with banks. Although the majority of payments are successfully identified and matched with the respective accounts, new unidentified items are also generated during the process due to incomplete information available at the time the payments are made.		Payments are continuously identified following each confirmation received from customers, institutions, or the Treasury, in cooperation with banks. The majority of payments are correctly identified and allocated to the respective accounts; however, during the process, new unidentified items also arise due to incomplete information available at the time the payment is executed

According to the recommendations issued by the External Auditor for the year 2023, there are a total of seven (7) recommendations, each representing 14.29% of the total. The summary of their implementation status is as follows:

1. Finding 1 – (14.285%) 100% implemented
2. Finding 2 – (14.285%) in progress
3. Finding 3 – (14.285%) not implemented
4. Finding 4 – (14.285%) 100% implemented
5. Finding 5 – (14.285%) 100% implemented
6. Finding 6 – (14.285%) in progress
7. Finding 7 – (14.285%) in progress

Based on this, the overall implementation summary is as follows:

- **Implemented recommendations:** Findings 1, 4, and 5 (3 × 14.29%) = **42.86%**
- **Recommendations in progress:** Findings 2, 6, and 7 (3 × 14.29%) = **42.85%**
- **Not implemented recommendations:** Finding 3 (1 × 14.29%) = **14.29%**

7. KRU MITROVICA Sh.A.

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS ARISING FROM THE AUDITOR'S REPORT FOR 2023

The financial statements of KRU Mitrovica for the year 2023 received a qualified opinion, as although they generally present a true and fair view in accordance with IFRS, the audit identified several significant deficiencies: the Company has not carried out a revaluation of property, plant and equipment in accordance with IAS 16; there is a high risk of non-collection and insufficient provisioning of receivables, particularly those related to the Northern Municipality; the Company lacks adequate policies for inventory valuation in accordance with IAS 2; and it has overstated current liabilities due to the failure to adjust VAT payable following legislative changes—matters for which the auditors were unable to obtain sufficient and appropriate audit evidence through standard or alternative procedures.

No.	Description of the recommendation (according to the audit report)	Responsible Unit	Current implementation status	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
	As disclosed in Note 5, Property, Plant and Equipment amounted to EUR 23,690,792 as at 31 December 2023 and EUR 24,162,675 as at 31 December 2022. The Company has not performed any revaluation of its assets, as required under the revaluation model prescribed by International Accounting Standard 16 Property, Plant and Equipment ("IAS 16"). In accordance with IAS 16, revaluations should be carried	Finance Department and Technical Department	☐ Completely Implemented X In process ☐ Not implementable	We have commenced and are currently in the process of revaluing the assets.	The establishment of the commission and the working group.	It is planned to be completed by April 2026.

	out with sufficient regularity to ensure that the carrying amount (net book value) of assets does not differ materially from that which would be determined using fair value at the reporting date. We were unable, through alternative audit procedures, to assess whether the carrying value of Property, Plant and Equipment has been presented in accordance with the requirements of IAS 16.					
	As disclosed in Note 6 to the Financial Statements, trade receivables for the year ended 31 December 2023 amount to EUR 26,156,905, compared to EUR 25,871,367 as at 31 December 2022. As at 31 December 2023, the Company has receivables amounting to EUR 18,136,488 related to bulk billing provided to the Northern Municipality of Mitrovica for residents of the northern part of the city. Based on our testing, the invoices issued to the respective Municipality are not accepted, making it impracticable to pursue collection through legal procedures. These matters provide a clear indication that the Company should have performed a more in-depth	Finance Department	☐ Completely Implemented X In process ☐ Not implementable	The procedure for the provisioning of accounts receivable has been submitted to the Board for approval.	The minutes of the Board meeting and the submitted email.	Upon approval of the procedure, it will be implemented immediately.

	assessment of the provisioning of trade receivables. We were unable, through the application of standard and alternative audit procedures, to verify whether the Company will be able to collect the presented receivables. The Company does not have sufficient analyses supporting management's estimates regarding the allowance for doubtful and bad debts. Consequently, we were unable to obtain reasonable assurance over the net carrying value of the Company's trade receivables as at 31 December 2023. Furthermore, the Company has not fully applied the requirements of IFRS 9 in relation to the provisioning of receivables. In the absence of the historical analyses required by IFRS 9 and a defined model for calculating expected credit losses, we are unable to assess the potential impact on provisions had the Company fully complied with the requirements of IFRS 9.					
	As disclosed in Note 9, trade and other payables amount to EUR 4,935,742 as at 31 December 2023 and EUR 5,046,592 as at 31 December 2022. Included within this balance is VAT payable of	N/A	☐ Completely Implemented ☐ Not implementable	The Company is required to clarify this balance with the Tax Administration of Kosovo, although this amount is not reflected as VAT payable in the	N/A	N/A

	EUR 3,547,974 as at 31 December 2023 and EUR 3,574,938 as at 31 December 2022. This balance represents VAT payable carried forward from the period when VAT was accounted for upon cash collection of billing. Following changes in the applicable legislation, the Company has not made the necessary adjustments in the Financial Statements, resulting in an overstatement of the Company's current liabilities.			records of the Tax Administration. Following such clarification and in accordance with the requirements arising from the Tax Administration, the matter should be accounted for in line with IFRS and IAS. The Company is currently in the process of addressing this issue.		
	As disclosed in Note 7 to the Financial Statements, inventories amount to EUR 251,509 as at 31 December 2023 and EUR 264,537 as at 31 December 2022. The Company has not applied any policy regarding inventory valuation to determine their net realizable value, as required by International Accounting Standard 2 Inventories ("IAS 2"). Due to the nature of the financial records maintained by the Company, we were unable, through the application of standard and alternative audit procedures, to determine the potential impact on the financial statements in the event of any write-down or provisioning of these balances.	Finance Department	☐ Completely Implemented ☐ Not implementable	The procedure has been approved and implemented.	Provisioning Procedure	Provisioning Procedure

According to the recommendations issued by the External Auditor for the year 2023, there were a total of four **(4)** recommendations, where each represents **25%** of the total. The summary of their implementation is as follows:

- Finding 1 – (25%) has not been implemented;
- Finding 2 – (25%) has not been implemented;
- Finding 3 – (25%) has not been implemented;
- Finding 4 – (25%) has not been implemented.

KOMPANIA RAJONALE E UJËSJELLËSIT SH.A
REGIONAL WATER COMPANY J.S.C
REGIONALNA KOMPANIJA ZA VODOSNABDEVANJE D.D
HIDROREGJIONI JUGOR

8. RWC Hidroregjioni Jugor JSC PRIZREN

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN ON THE RECOMMENDATIONS ISSUED BY THE AUDITOR'S REPORT FOR 2023

Based on the findings of the National Audit Office, for the years 2018-2019, one of the findings in the Financial Statements Audit Report was the revaluation of non-current assets. At the end of 2019, at the beginning of 2020, we as a company completed the revaluation of non-current assets by a licensed company, and in the 2020 Audit, according to NAO, this finding is implemented.
Whereas, during the audit of the Financial Statements 2022-2024 by the Independent External Auditor, this finding was not fully implemented.

No.	Description of the recommendation (according to the audit report)	Responsible Unit	Current Implementation Status	Description of the actions taken / Reason for non-implementation	Supporting evidence (document reference)	Action plan for further implementation (if applicable)
	Finding No . 1 As further disclosed in note 4 of the accompanying financial statements, the value of the Company's Property, Plants and Equipment as of December 31, 2023 is EUR 32,103 thousand (December 31, 2022; EUR 32,426 thousand). The company has re-evaluated the value of Property, Waste and	**Management**	☐ Fully implemented X In process ☐ **Not implemented**	The revaluation of the assets was done in 2020 by a company licensed according to the requirements and procurement procedures.	**"The decision taken to find no.1"**	We request that the future re-evaluation be done at the sector level and according to the legal requirements and recommendations of the external auditor. Since, another revaluation will financially burden the company.

	Equipment in 2020. We were not able, by applying the standard and alternative audit procedures, to determine whether the re-evaluation carried out was done in accordance with the International Accounting Standard 16 Properties, Plants and Equipment and to determine whether adjustments to the carrying value of the object were necessary.					

According to the recommendations issued by the External Auditor for 2023, there have been a total of (1) recommendations, each representing 100% of the total. The summary of their realization is as follows:

1. **Finding 1** – (100%) *not realized*;

Based on this:

- Non-realization of points: 1 (100%) reach a total **of 100%.**

9. RWC HIDRODRINI Sh.A.

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS FROM THE INDEPENDENT AUDITOR'S REPORT FOR THE YEAR 2023

No.	Recommendation description (according to audit report)	Current status of implementation	Description of actions taken / Reason for non-implementation	Supporting evidence (document reference)	Action plan for further implementation (if applicable)
	Finding No. 1	☐ Fully implemented X In progress ☐ Not implemented	**"To describe the actions taken to eliminate the finding in question."**	**"Decision taken on finding no. 1"**	**"Give the relevant clarifications"**
AI	Issue A1 - Underestimation of obligations and income from grants According to IAS 20 – Government Grants, Grants related to assets, including non-monetary grants with fair value, should be presented in the statement of financial position either by recognizing the grant as deferred income or by deducting the grant received from the carrying amount of the asset. And hence the change of these two values had caused us to have underestimating them in PFV. This occurred due to the lack of knowledge of the company's staff to properly handle this statement item, as well as the periodic non-harmonizations	Fully implemented	After we are equipped with ITUN project invoices in Peja in the amount of €25,828,816 It has been analyzed and the report has been registered as company assets and has passed as a follow-up project to the completed project.	Attached invoices and list of registered assets	Finished

	between the accounting records for grants and deferred revenue.				
A2	Issue A2 - Don't harmonization between accounting records of accounts receivable and confirmation letter According to the Standard International of Accounting 1 - Presentation of Statements Financial, the statement of financial position shall present the financial position at the reporting date, presenting the state of assets, liabilities and equity, based on accounting data at the same date. Also, Law No. 06/L-032 on Accounting, Financial Reporting and Auditing, Article 12 Inventory of assets and liabilities determines that, Commercial Companies subject to The provisions of this Law, verify at least once (1) a year, the existence and the evaluation of assets, liabilities and capital through the inventory of these elements and their supporting evidence through the inventory process. While, Article 2 determines that the inventory must be reconciled with the accounting books. In the statement of financial position, KRU Hidrodrini sh.a presented accounts receivable in the amount of €12,478,178, while in the general ledger the net balance was €12,089,259, which resulted in a difference of €388,919. Furthermore, to test the existence of trade receivables, we sent nine (9) confirmation letters to third parties/clients for a total amount of	Not implemented	A procedure will be established for the provisioning of accounts receivable according to age. Annual reconciliations will also be carried out with major clients.	There is no documentation	No action has been taken

	€196,901. Of these, we did not receive confirmation letters from six (6) clients in the amount of €151,865, and we were unable to confirm their accuracy through other procedures. According to the chief financial officer, this happened because the company had not carried out the inventory/harmonization process with clients on a periodic basis.				
B1	Issue B1 - Lack of revaluation of long-term assets According to the International Accounting Standard - IAS 16, Tangible long-term assets - revaluations of assets should be made regularly every three or five years, to ensure that the carrying amount (net) of the asset does not differ materially from what would be determined if fair value at the end of the reporting period were used. The company last carried out the asset valuation process in 2007. From that time period, a large number of assets in the register, around 307 assets, which have an acquisition cost of €2,396,168, are fully depreciated in accounting and are still generating economic benefits for the company. These assets are still active and for the same, no reassessment and review of lifespan had been carried out. Therefore, we were not able to assess whether their value was presented fairly. The issue of asset revaluation was also addressed in the financial audit report for 2021 and 2022, but despite this, no action was taken by the Company, even citing a lack of financial resources.	In process	Considering that some properties that we use, we do not own them, for this reason we have taken steps where we have made geodetic measurements for the plots and that through our requests to the Municipal Assemblies we will request that these properties be transferred to our ownership and then through procurement we will procure the item that is also found in our Business Plan for Asset Revaluation.	Attached find the geodetic measurements.	We will try to finalize it by the end of 2026!

B2	Issue B2 - Non-Provisioning of Trade Receivables Finding Under International Financial Reporting Standard 9 Financial Instruments, an entity may calculate expected credit losses for trade receivables using a provision matrix. The entity shall use its historical experience to estimate expected credit losses for the 12-month period or expected credit losses for the life of the financial asset. Depending on the diversity of its customers, the entity will use appropriate groupings if its historical credit loss experience indicates different loss patterns for different customer segments. The company, as of 2018, had not provided for accounts receivable as required by the standard. Of the gross amount of accounts receivable disclosed in the amount of €18,882,956, over 97% were older than 1 year, therefore we could not obtain assurance that the net carrying amount of €12,478,178 of trade receivables presented in the financial statements is correct. Despite the recommendation from previous years, management had not applied an appropriate and consistent policy for provisioning accounts receivable.	In process	We have prepared the Regulation on Provisioning for Bad Debts and Accounts Receivable. The reason is that we do not currently have a Board and we are unable to approve it.	Draft Regulation	The draft regulation for provisioning of accounts receivable is ready, we are just waiting for approval by the Board of Directors.
A3	Issue A3 - Overstatement of tax liabilities to ATK, as well as other short-term liabilities between the PFVs and accounting records. -According to Law No. 06/L-032 on Accounting, Financial Reporting and Auditing, Article 12.1, commercial companies are required to verify at least once (1) per year the	Fully implemented	We have communicated with ATK and received confirmation that we have zero tax obligations, all that remains for us is to intervene in the system and eliminate it as a finding.	Report from ATK	We have completely fixed it.

	existence and valuation of assets, liabilities and capital, by taking an inventory of these elements and their supporting evidence through the inventory process. The inventory must be reconciled with the accounting books. The "Value Added Tax (VAT) Payable" account is a liability account, which is presented in the short-term liabilities section. The company had presented the amount of €2,016,697 for this VAT liability item, which consisted of the items (VAT liability in the amount of €1,981,008, pension contribution liability in the amount of €27,874, and payroll tax liability in the amount of €7,815). However, our analyses based on the "Tax Returns", "Overall Status of Taxpayer's Returns and Other Transactions" and the confirmation letter received from the Tax Administration, confirm that the Company is a creditor to the Tax Administration for the amount of €35,689 for this tax account. The difference between the amount presented in the statement of financial position and the confirmed liability, in the amount of €1,981,008, is the amount by which the short-term liabilities have been overstated. Furthermore, the total short-term liabilities in the PFVs were overstated by €306,016, compared to the general ledger (in the general ledger the balance of total short-term liabilities is €2,326,277, while in the PFV it is €2,020,261). The overestimation of tax liabilities occurred due to the non-				

	harmonization over the years of the company's tax liabilities with the status of declarations and debts in TAK, while the overestimation of other short-term liabilities was due to the non-harmonization of the financial statements.				
A4	Overstatement of long-term assets and understatement of ongoing investments According to IAS 1, explanatory notes are an integral element of financial statements. According to the definitions made in this standard, these notes to the financial statements should: Present information about the bases used to prepare the financial statements. IAS 1 also states that an entity should prepare its financial statements, except for cash flow information, on the accrual basis (accrual basis of accounting). The explanatory notes to the financial statements present additional information in order to meet the needs of users with information about the composition of the elements of the statement of financial position and the statement of financial position. They usually also contain information on the accounting policies used by the economic entity to prepare the financial statements. The information on non-current assets - namely in the item "Property, equipment and plant" presented in the statement of financial position and in the explanatory notes - is inaccurate compared to the basis used for their preparation (the company's asset register).	Fully implemented	After we were provided with the invoices for the ITUN project in Peja in the amount of €25,828,816, an analytical report has been prepared and they have already been registered as company assets and have been transferred from an ongoing project to a completed project.	Documents are similar to A1	Finished

	In the statement of financial position, the net amount of the item "Property, equipment and plant" was €13,109,835, while according to the summary asset register their net amount is €11,577,125. As a result, the value of long-term assets was overstated by €1,532,710. This difference is due to the fact that the company has an item or account in its accounting called "Non-capitalized assets" with an amount of €1,480,317, which was transferred to the accounting system in the last three years. The other amount of €52,393 is a result of the understatement of depreciation for the period. Furthermore, there are other differences between the PFVs and the general ledger under the item "Property, equipment and plant", in the PFV this item is presented with a value of €13,109,835, while in the general ledger this item has a value of €13,362,586, in which case we have an underestimation of it in the PFV for the value of €252,751. Also, in the financial statements, the following investments are understated for the value of €6,395. In the summary register of following investments, the final balance is €25,828,818, while in the PFV it is €25,835,213.				
A5	Inaccurate presentation of liabilities in the company's register Based on the Conceptual Framework for Financial Reporting, paragraph 4.46, a liability is recognized in the statement of financial position when it is probable that an outflow of economic resources will be required to settle the present obligation	Fully implemented	Nothing has been done.	There is no document	We will try to finalize it by the end of 2026!

	and the amount by which the obligation will be settled can be measured reliably. Trade accounts payable in the PFV were reported as €3,564 as a liability to various suppliers, while in the general ledger the balance of trade payables was a debit balance (prepayments) of €13,532. As a result, accounts payable were overstated by €3,564 while prepayments to suppliers were understated by €13,532. This occurred as a result of poor control, as the values from the general ledger were not presented correctly in the PFV.				
A6	Issue A6 - Deficiencies in the explanatory notes According to IAS 1, explanatory notes are an integral element of financial statements. According to the definitions made in this standard, these notes to the financial statements should present information about the bases used for the preparation of the financial statements. Furthermore, according to IAS 37, the entity should provide explanatory information about contingent assets and liabilities (contingents), except when the possibility of an inflow/outflow of resources embodying economic benefits no longer exists. Also, according to IAS 20, for government grants, explanatory information should be provided about the accounting policies used for the grants, the nature and amount of government grants recognized in the financial statements, and the unfulfilled conditions attached to government assistance.	Implemented	During the preparation of the 2026 PF, we will make the disclosure in the PF.	Financial Statements 2025	We are implementing them in the statements for 2025

	Although at the beginning of the explanatory notes, management has made a statement of compliance for the preparation of financial statements in accordance with SNRF, it has not presented clear information in the narrative part on the basis of the preparation of the financial statements, as follows: The Company has not provided explanatory information for the events that meet the conditions for their treatment as contingent liabilities. Those economic events relate to nine (9) legal cases in the amount of €40,000, and management has not given any judgment regarding the possibilities of provisioning them, although some of them have only passed the first instance in the courts. Liabilities to grants (government and international grants) amounted to €31,757,032, for which no information was provided regarding the accounting policies applied, the nature and size of the grants, and whether these grants have specific conditions to be met. The information provided by the company in the explanatory notes is deficient regarding the accounting policy for measuring the class of assets (property, plant and equipment); long-term liabilities (deferred revenues), and the calculation of the provision for accounts receivable. These deficiencies occurred because the company did not have a certified accountant and his engagement was delayed, which resulted in the lack of timely information to include in the PFV.				

A7	Issue A7 - Failure to record incoming invoices in the protocol book. Law No. 04/L-184 on Office Work Administration Article 3, point 4 states that the document management unit shall open the received documents, stamp the protocol, date, record them in the basic or auxiliary records, send them to the designated unit, and after completion within the institution, return the case to the document management unit. During 2023, the company had not applied the protocol process. This has resulted in the invoices not being recorded in the protocol book and the documentation not being further processed by the unit that was supposed to manage them. However, the documentation was stored in the respective offices without any specific instructions and without being classified according to the validity periods of the documents. This occurred due to insufficient care and control to ensure that the company respected legal requirements.	Fully implemented	All invoices are subject to the protocolization and certification process.	There is no document.	Finished
A8	Issue A8 - Presentation of unidentified accounts receivable According to SNK 1 - Presentation of financial statements, the statement of financial position should present the financial position at the reporting date, presenting the state of assets, liabilities and equity, based on accounting data at the same date. In the accounting item with the description "Unidentified customers" in the amount of €176,132, there were receivables that belonged to previous years and the year	In procces	Several payments have been identified and have been improved, and the process is ongoing.	There is no document.	We have barrier in this direction

	2023. These were receivables that were not deducted from the respective customers for the obligations paid to the company. Also, in the accounting records from previous years, approximately 171 customers were mistakenly recorded who did not have any names and had identification numbers that did not correspond to the company's customers. Their final balance was €25,534. According to the responsible officials, this was a problem carried over from previous years as a result of difficulties in identifying customers through the company's bank account, due to incomplete description of data in the case of payments, as well as non-harmonization of the bank report between the finance department and the sales and customer department..				

According to the recommendations issued by the External Auditor for 2023, there were a total of ten (10) recommendations, each representing 10% of the total. The summary of their implementation is as follows:

1. **Finding A1 – (10%) 100% implemented;**
2. **Finding A2 – (00.00%) 00% not implemented;**
3. **Finding B1 – (4%) 40% implemented;**
4. **Finding B2 – (5%) 50% implemented;**
5. **Finding A3 – (10%) 100% implemented.**
6. **Finding A4 – (10%) 100% implemented;**
7. **Finding A5 – (7%) 70% not implemented;**
8. **Finding A6 – (10%) 100% implemented;**
9. **Finding A7 – (10%) 100% implemented;**
10. **Finding A8 – (00.00%) 00% not implemented.**

Based on this:

- Achievement of points: 1 (10%), 3 (4%), 4 (5%), 5 (10%), 6 (10%), 7 (7%), 8 (10%) and 9 (10%) reach a total of 66.00 %.
- Failure of points: 2 (10%), 3 (6%), 4 (5%), 7 (3%), and 10(10%) reach a total of 34.00 %.

10. KOSOVO RAILWAYS – TRAINKOS J.S.C

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS ARISING FROM THE INDEPENDENT AUDITOR'S REPORT FOR 2023

Regarding the audit report of the financial statements for the year 2023, a management letter has been issued. A management letter is sent only in cases where the findings are minor and are not included in the audit report.
Unlike the reports of previous years, when we received an adverse opinion on the financial statements, as a result of the overall engagement and efforts made, this year we have achieved a qualified opinion.
With regard to the findings, they are fewer this year, as they were addressed in the previous year. Concerning these findings, specifically the implementation of the auditors' recommendations, management has also prepared an action plan**.**

No.	Description of the recommendation (according to the audit report)	Responsible Unit	Current implementation status	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
1	**Finding / Observation No. 1.** As reported in Note 7 – Property, Plant and Equipment, in the amount of EUR 2,053,888.37 (31 December 2022: EUR 2,431,605.45), TRAINKOS has not carried out a revaluation of Property, Plant and Equipment since 2007, thereby reporting these assets at excessively low historical cost, despite the fact that these assets continue to generate economic benefits (cash inflows).	Finance Department – Management	☐ Completely Implemented **X In process** ☐ Not implementable	The issue of asset revaluation has been a recurring matter raised by the auditor for several consecutive years. During 2020 and 2021, the Company conducted procurement procedures twice in succession to engage an economic operator for the revaluation of assets; however, there were no responsive bidders. This matter has also been discussed with the		Regarding the revaluation of properties, this is not an issue affecting only Trainkos, but all Public Enterprises, since no revaluation of properties/assets has been carried out since 2007, at the time of Kosovo Railways J.S.C. Upon the recommendation of the Shareholder at the Annual General

				Shareholder, and it is expected that an operator (a licensed appraiser) will be engaged to carry out the revaluation of the assets of all Public Enterprises, including Trainkos. Until an external operator is engaged for the revaluation of assets, the Company will establish a special committee to prepare for this process and to review this matter. Furthermore, based on the Shareholder's recommendations, and subject to its financial capabilities, the Company will establish a reserve fund for this purpose.		Meeting held on 13 May 2024, each enterprise, including Trainkos, should allocate a reserve fund for the revaluation of these assets; however, no procurement procedures or calls for bids should be initiated at this stage, but the amount should simply be maintained as a reserve. In the near future, it is expected that the revaluation of assets will be conducted for all enterprises that will fall under the Sovereign Fund (should the Law on the Sovereign Fund pass the judicial procedures). For this purpose, it is advisable to establish a fund, however small, in order to contribute financially to the revaluation process in the future. This amount has been allocated in the 2025 Budget Plan under Code 5719, page 9.

2	**Finding A1** As disclosed in Note 10 – Total Equity, the amount reported as at 31 December 2023 in the sum of EUR 69,629.20 (2022: EUR 299,808.39) is not in agreement with the Statement of Changes in Equity, where the amount reported for 2023 is EUR 65,087.52 (2022: EUR 299,808.39).	Finance Department– Accounting Sector	**X Completely Implemented** ☐ In process ☐ Not implementable	The Finance Department has analyzed the difference, which resulted from a technical error. While the amount of EUR 69,629.20 is recorded in two positions, it is shown in the Statement of Changes in Equity as EUR 65,087.52. Management will take measures to ensure that, when preparing the Financial Statements, the values are consistent between the Statement of Financial Position (SFP) and the Statement of Equity (SE).	It was not identified in the 2024 External Auditor's Report.	
3	**Finding A2** As reported in Note 7 – Property, Plant, and Equipment, in the amount of EUR 2,053,888.37 (31 December 2022: EUR 2,431,605.45), TRAINKOS has not disclosed the items "Ongoing Investments" and "Immovable Assets," thereby not fully complying with the principle of understandability. It is worth noting that the above-mentioned items are presented in the Statement of Financial Position; however, the same amounts are not classified in	Finance Department– Accounting Sector	**X Completely Implemented** ☐ In process ☐ Not implementable			

	Note 7.					
4	**Finding A3** As disclosed in Note 8 – Other Current Liabilities, for the year 2023: EUR 956,016.55 (2022: EUR 797,948.07), TRAINKOS is delayed in the payment of Pension Contributions and Payroll Tax, as required by the applicable tax laws.	Finance Department – Management	☐ Completely Implemented **X In process** ☐ Not implementable	For the majority of 2023, the obligations for the payment of contributions and payroll taxes were fulfilled; however, the significant increase in other current liabilities in 2023 is due to penalties and interest imposed by the Tax Administration of Kosovo (TAK) for obligations carried forward since 2020 related to contributions and payroll taxes. To resolve this issue, in the absence of sufficient financial resources to settle all obligations at once, the Company intends to reach an agreement with TAK for an extended repayment period that is financially manageable for the Company. (Previous attempts were unsuccessful due to large installment amounts and the Company's inherited financial situation.		The finding in question represents a serious concern, as it not only requires an investigation into the legal actions taken by the management at the time (an action with suspected abuse of official duty) that led the Company into debt and financial difficulties, but it also threatens the ongoing operation of the Company. Since the Company is in a poor financial position, additional steps were taken in 2024 to reduce expenses, including restructuring measures and other cost-saving efforts. In 2024, attempts were also made to fulfill obligations using funds received from the Ministry; however, when the payment plan was submitted, the Ministry rejected it, stating that the amounts had already

						been paid once and that they would not cover these old debts again. Additionally, due to a lack of other financial options (considering the closed operation on Line 10), the Company submitted a request on 04 June 2024, Protocol No.: 377, for a loan to the Ministry of Economy to cover unpaid contributions inherited from 2020, but this request has not yet received a response. Senior management and the Company's decision-making bodies intend to take concrete steps in 2025 to resubmit the request, aiming for the loan to be approved so that this inherited issue can be resolved as soon as possible. Through the loan, the debts and penalties would be covered, thereby relieving the Company's liquidity from placing undue burden on the

						already constrained budget caused by accumulating obligations, penalties, and interest. The loan includes a plan that would stop the further accrual of interest and penalties, supporting the Company's liquidity in accordance with the auditor's recommendations.
5	**Finding A4** During the audit process, we noted that TRAINKOS has still not appointed three key senior positions, namely: i) Chief Executive Officer, ii) Chief Financial and Treasury Officer, and iii) Internal Audit Officer, as required by Law No. 03/L – 087 on Public Enterprises. These positions are currently being managed by Acting Officers. Additionally, during the last quarter of the reporting year (2023), TRAINKOS carried out its functions in the absence of a Board of Directors.	Board of Directors	**X Completely Implemented** ☐ In process ☐ Not implementable	The acting officers in the senior positions have remained in their roles for an extended period due to the failure of the recruitment processes, as well as because the Company operated for a period in 2023 without a Board of Directors. Following the appointment of the new Board of Directors at the beginning of 2024, matters regarding the acting positions began to be addressed, followed by the initiation of the selection procedures. For the selection of the Chief Financial and Treasury Officer and the Internal		

				Audit Officer, the procedures have been repeated several times due to the lack of successful candidates.		

According to the recommendations issued by the External Auditor for the year 2023, there were a total of five (5) recommendations, each representing 20% of the total.

The summary of their implementation is as follows:

1. Revaluation of property, plant, and equipment – (20%) **not implemented**;
2. Statement of Changes in Equity – (20%) **fully implemented (100%)**;
3. Property, plant, and equipment – reconciliation – (20%) **fully implemented (100%);**
4. Other current liabilities for the years 2022–2023 (TAK) – (20%) **not implemented**;
5. Appointment of senior officers: i) Chief Executive Officer, ii) Chief Financial and Treasury Officer, iii) Internal Audit Officer, as required by Law No. 03/L–087 "On Public Enterprises" – (20%) **fully implemented (100%)**.

Based on this:

- The implementation of points 2 (20%), 3 (20%), and 5 (20%) totals **60%**.
- The non-implementation of points 1 (20%) and 4 (20%) totals **40%**.

11. Trepça J.S.C.

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS ARISING FROM THE AUDITOR'S REPORT FOR 2023

In the report on the implementation of the action plan for executing the recommendations related to the findings of the external auditor's report for the year 2023, the data is presented as requested. It is clearly observed that almost all recommendations which are in the process of implementation and are expected to be implemented with the preparation of the financial statements have been presented as unimplemented recommendations.

No.	Description of the recommendation (according to the audit report)	Current implementation status	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
A1	The Supervisory Board should ensure that the necessary actions have been taken to address the company's property-related issues and to update the asset register to reflect the current status, thereby presenting fixed assets accurately and fairly in the financial statements.	☐ Completely Implemented X In process ☐ Not implementable	Management has taken the necessary actions to address the company's property-related issues and has initiated the process of updating the asset register to reflect the current status, thereby ensuring that fixed assets are presented accurately and fairly in the financial statements.	List of Properties and Assets	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.

A2	The Supervisory Board should ensure that, prior to the approval of the financial statements, they are subject to a review process so that the presentation of fixed assets is accurate and complete.	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.
A3	The Supervisory Board should ensure that concrete corrective actions have been taken to address the issue of share capital in accordance with legal requirements.	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.
A4	The Supervisory Board should ensure that the necessary actions have been taken to establish an asset management and asset impairment policy in accordance with accounting standards requirements.	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.
A5	The Supervisory Board should ensure periodic reconciliation procedures of accounts with customers and also review the register of liabilities so that the financial statements present the company's financial position as accurately and fairly as possible.	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.

A6	The Supervisory Board should ensure that, during the recording and preparation of the Financial Statements (FS), the company has applied double-entry accounting, and that the necessary corrections are made and errors identified which have caused this imbalance.	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.
A7	The Supervisory Board should ensure a comprehensive analysis of the items that have affected the inaccurate presentation of cash flows and take the necessary corrective actions in order to present a true and fair view of them.	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.
A8	The Supervisory Board should ensure that the necessary actions have been taken to align the company's tax liabilities with the account balances at the Tax Administration of Kosovo (TAK) and that they are accurately presented in the annual financial statements.	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.
A9	The Supervisory Board should ensure that an accurate assessment of the accounts receivable register is carried out, including periodic reconciliations with customers, and that appropriate supporting evidence is secured prior to the approval of the financial statements.	X Completely Implemented ☐ In process ☐ Not implementable	The recommendation has been closed, and other issues identified during the year for this category have been presented in the report as new issues.	Audit Report on the Annual Financial Statements of Trepça J.S.C. for the Year 2024	
A10	The Supervisory Board should ensure that comprehensive	☐ Completely Implemented	Management has published a public announcement for the engagement of	Procurement Notice Procurement Number:	This recommendation

	analyses are carried out regarding the ability of clients to settle their debts in accordance with International Financial Reporting Standards (IFRS).	X In process ☐ Not implementable	a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	12997 12998-25-9336-2-3-6	will be implemented by the completion of the Financial Statements for the year 2025.
A11	The Supervisory Board should consider the possibility of revaluing the company's assets to ensure that the value presented in the financial statements does not materially differ from fair value at the end of the reporting period. Additionally, a professional assessment should be conducted to determine the most profitable form and approach for the treatment of waste/sterile materials for the company.	☐ Completely Implemented X In process ☐ Not implementable	Management has established a commission for the assessment of waste in cooperation with UNDP and the Office of the Prime Minister, and has also published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Decision No. for waste assessment: 6446 – 07.08.2025 Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.
A12	The Supervisory Board should ensure that revenues presented in the financial statements reflect the accurate position for the accounting period for which the Annual Financial Statements (AFS) have been prepared.	X Completely Implemented ☐ In process ☐ Not implementable	During the audit of the financial statements for the year ended 31.12.2024, in relation to revenue testing, no cases of revenue understatement were identified as a result of lack of completeness. Consequently, it is assessed that the previous recommendation has been satisfactorily addressed and is considered closed.	Audit Report on the Annual Financial Statements of Trepça J.S.C. for the Year 2024	
A13	The Supervisory Board should ensure that the explanatory notes include the fundamental principles used in the preparation of the financial statements and that information regarding the composition of the statement items is provided	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.

	in accordance with the requirements of accounting standards.				
A14	The Supervisory Board should ensure that the necessary assessments for provisions and contingencies are made and that complete explanatory information is provided in the financial statements.	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.
A15	The Supervisory Board should ensure that the recognition of advance revenues is treated on an accrual basis so that the financial statements present a true and fair view.	X Completely Implemented ☐ In process ☐ Not implementable	During the audit, it was observed that the economic entity has taken measures to improve previous practices and has correctly classified advances received from customers, recognizing them as deferred revenues in accordance with the relevant accounting standards (IAS 1 and IFRS 15). As a result, the recommendation has been satisfactorily addressed and is considered closed.	Audit Report on the Annual Financial Statements of Trepça J.S.C. for the Year 2024	
A16	The Supervisory Board should ensure the creation of a complete register with relevant evidence when recording liabilities related to grants, so that the presentation in the financial statements is complete and accurate.	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.
A17	The Supervisory Board should ensure that necessary actions have been taken so that the inventory report is comprehensive, and that the commissions only record the	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial

	assets present in the company.		financial statements for the year 2025.		Statements for the year 2025.
A18	The Supervisory Board should review the internal regulation and take appropriate actions for the systematic organization of the company's employees.	☐ Completely Implemented X In process ☐ Not implementable	Management has engaged an external expert for company restructuring.	Expert Contract: Contract No.: 12997 12998-25-5229-2-2-1/C963	Until 31.12.2025
A19	The Supervisory Board should ensure concrete actions are taken to address the issue of employee compensations	X Completely Implemented ☐ In process ☐ Not implementable	During the year, the company did not make payments for early retirement pensions.	Audit Report on the Annual Financial Statements of Trepça J.S.C. for the Year 2024	
A20	The Supervisory Board should take immediate measures to settle liabilities toward employees and the Tax Administration of Kosovo (TAK) to prevent the continuous increase of additional costs arising from these obligations and to address cases of undeclared employees.	☐ Completely Implemented X In process ☐ Not implementable	Regarding tax obligations, there is no repayment plan due to financial difficulties. Concerning employee declarations, all measures have been taken to ensure that this finding is addressed and not repeated.	All employees have been registered in the EDI system at the Tax Administration of Kosovo (TAK).	Until 31.12.2025
A21	The Supervisory Board should ensure that employee compensations are made in accordance with the Labour Law and take corrective actions for any payments made beyond contractual obligations. Additionally, the Supervisory Board should ensure that an internal act has been prepared and approved, specifying the organizational structure and the level of compensation for the members of the rescue team.	X Completely Implemented ☐ In process ☐ Not implementable	During the year, the company did not apply payments of this nature.	Audit Report on the Annual Financial Statements of Trepça J.S.C. for the Year 2024	

A22	The Supervisory Board should ensure the drafting and approval of regulations necessary for the company's business operations, ensuring their application across all business units.	☐ Completely Implemented X In process ☐ Not implementable	Management has engaged an external expert for company restructuring.	Expert Contract: Contract No.: 12997 12998-25-5229-2-2-1/C963	Until 31.12.2025
A23	The Supervisory Board should ensure that the operation of units, the preparation of the business plan, and its approval comply with the requirements of the Trepça Law and the company's Statute.	X Completely Implemented ☐ In process ☐ Not implementable	The Supervisory Board has approved the 2026 Business Plan in accordance with the Trepça Law and the company's Statute.	Business Plan 2026	
A24	The Supervisory Board should ensure that the financial statements are prepared and approved within the legally established deadlines.	☐ Completely Implemented X In process ☐ Not implementable	Management has published a public announcement for the engagement of a company to restate the financial statements for the years 2023 and 2024, as well as to prepare the financial statements for the year 2025.	Procurement Notice Procurement Number: 12997 12998-25-9336-2-3-6	This recommendation will be implemented by the completion of the Financial Statements for the year 2025.
A25	The Supervisory Board should ensure that annual and quarterly reports contain all required elements in accordance with the Law on Public Enterprises.	X Completely Implemented ☐ In process ☐ Not implementable	The management report issue has been addressed together with the financial statements.	Audit Report on the Annual Financial Statements of Trepça J.S.C. for the Year 2024	
A26	The Supervisory Board should ensure that tax requirements are properly handled in the accounting records in accordance with the legislation in force.	X Completely Implemented ☐ In process ☐ Not implementable	During the sample testing related to rental income from buildings, it was observed that the appropriate measures have been taken to ensure the correct accounting of withholding tax. As a result, the recommendation from the previous report has been satisfactorily addressed and is considered closed.	Audit Report on the Annual Financial Statements of Trepça J.S.C. for the Year 2024	
A27	he Supervisory Board should ensure that personnel engaged in contract management have	X Completely Implemented	Procurement office staff are licensed to use the e-procurement platform by the Central Procurement Agency	License/Certificate Numbers: 999	

	knowledge of the e-procurement platform and apply the e-procurement system in managing all contracts.	☐ In process ☐ Not implementable	(KRPP). Furthermore, we are finalizing procedures for the use of a single e-procurement platform and applying the e-procurement system in the management process for all contracts across all units of Trepça J.S.C.	625 436 489 421	
A28	The Supervisory Board should enable solutions that do not rely solely on a single economic operator, ensure regular training for the use of the application, so that staff can use it independently without operator assistance.	X Completely Implemented ☐ In process ☐ Not implementable	A new software program has been installed, which allows us to customize modules according to our requirements. Additionally, trainings and support are provided as needed upon staff requests.	Software KIT	

According to the recommendations issued by the External Auditor for the year 2023, there were a total of 28 recommendations, with each representing 3.57% of the total. The summary of their implementation is as follows:

1. Finding A1 – (3.57%) *not implemented*
2. Finding A2 – (3.57%) *not implemented*
3. Finding A3 – (3.57%) *not implemented*
4. Finding A4 – (3.57%) *not implemented*
5. Finding A5 – (3.57%) *not implemented*
6. Finding A6 – (3.57%) *not implemented*
7. Finding A7 – (3.57%) *not implemented*
8. Finding A8 – (3.57%) *not implemented*
9. Finding A9 – (3.57%) *fully implemented*
10. Finding A10 – (3.57%) *not implemented*
11. Finding A11 – (3.57%) *not implemented*
12. Finding A12 – (3.57%) *fully implemented*
13. Finding A13 – (3.57%) *not implemented*
14. Finding A14 – (3.57%) *not implemented*
15. Finding A15 – (3.57%) *fully implemented*
16. Finding A16 – (3.57%) *not implemented*
17. Finding A17 – (3.57%) *not implemented*
18. Finding A18 – (3.57%) *not implemented*

19. Finding A19 – (3.57%) *fully implemented*
20. Finding A20 – (3.57%) *not implemented*
21. Finding A21 – (3.57%) *fully implemented*
22. Finding A22 – (3.57%) *not implemented*
23. Finding A23 – (3.57%) *fully implemented*
24. Finding A24 – (3.57%) *not implemented*
25. Finding A25 – (3.57%) *fully implemented*
26. Finding A26 – (3.57%) *fully implemented*
27. Finding A27 – (3.57%) *fully implemented*
28. Finding A28 – (3.57%) *fully implemented*

Based on this:

- The completion of points A9, A12, A15, A19, A21, A23, A25, A26, A27, and A28 – (3.57 × 10) reach a total of 35.71%.
- The non-fulfilment of points: A1, A2, A3, A4, A5, A6, A7, A8, A10, A11, A13, A14, A16, A17, A18, A20, A22, and A24 – (3.57 × 18) reach a total of 64.29%.

12. RIC" Radoniqi-Dukagjini" JIC Gjakova

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS FROM THE INDEPENDENT AUDITOR'S REPORT FOR THE YEAR 2023

The financial statements for 2023 have been audited by the company "Quatra Audit LLC" Prishtina, where a qualified opinion was given and a Managment letter with the findings was sent, which were reviewed by our Company.
According to the opinion given, except for the matters in the basis for qualified opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS)

No.	Description of the recommendation (according to the audit report)	Responsible Unit	Current implementation status	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
	Finding / Observation No. 1. "Property, Equipment and Machinery: The Company has never reviewed the fair value of assets as required by the Revaluation Model of International Accounting Standard 16 Property, Plant and Equipment ("IAS16"), where revaluations shall be made on a regular basis sufficient to ensure that the carrying amount of the asset does not differ materially	Finances	☐ Completely Implemented X In process ☐ Not implementable	The Company will take into consideration the recommendation of the External Auditor and will look into the possibilities of contracting a company that will carry out the revaluation of assets as required		The company is looking at opportunities in coordination with the PNU regarding the implementation of the revaluation of assets. In the process of implementation, during the year 2025-2026

	from that which would be determined if fair value at the balance sheet date were used.					
	Finding / Observation No. 2. Non-implementation of the regulation on provisioning of Accounts Receivable: Trade accounts receivable for the year ending December 31, 2023 are 1,280,213 Euro and on December 31, 2022 in the amount of 1,247,098 Euro. The Company has made a partial assessment of the provision based only on days of delay by groups. We were not able, by applying standard and alternative audit procedures, to verify whether the Company will be able to collect the value of the presented accounts receivable. The Company has not complied with regulation 01/2018, article 5			The Company will take into consideration the recommendation of the External Auditor in implementing the provisioning of accounts receivable. Provisioning of bad debts is done in accordance with accounting standards and in full compliance with Law 05/L29. Before making provision for debts, in-depth analyses of each position are made and practical steps are taken based on the relevant documentation. In December 2024, the Accounts Receivable Regulation was modified, and the Management will act according to the requests from the AJ		

According to the recommendations issued by the External Auditor for 2023, there were a total of two (2) recommendations, each representing 50% of the total. The summary of their implementation is as follows:

1. Finding 1-(50%) is in the process of being implemented
2. Finding 2-(50%) is implemented;

Based on this:

- Realization of points: 2 reach a total of 50%
-Non-realization of points: 1 reach a total of 50%;

13. RWC BIFURKACIONI Sh.A.

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS ARISING FROM THE EXTERNAL AUDITOR'S REPORT FOR 2023

Unqualified Opinion

The financial statements of **BIFURKACIONI** present fairly, in all material respects, the financial position of the company as at 31 December 2023, as well as its financial performance and cash flows for the year end, in accordance with the International Financial Reporting Standards (IFRS).

No.	Description of the recommendation (according to the audit report)	Responsible Unit	Current implementation status	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
1.	As disclosed in Note 7 – Property, Plant, and Equipment, with a carrying amount of €6,364,316.14 (31 December 2022: €5,261,086.37), BIFURCATION has not conducted a revaluation of property, plant, and equipment for over 10 years. Consequently, these assets are reported at significantly understated historical cost, despite continuing to generate economic benefits (cash flows). This practice results in a misalignment with the matching principle.	Management	☐ Completely Implemented ☐In process X Not implementable	The elimination of this finding is planned for October 2024 and is included in the 2025–2027 Business Plan, with asset revaluation set for 2026.	2025–2027 Business Plan	The asset revaluation has not yet been conducted, as we are awaiting the government's decision on the revaluation of assets for all water supply companies.
2.	As disclosed in Note 5 – Trade and Other Receivables, as of 31 December 2023, the gross value amounted to €9,033,511.45 (31	Accounts Receivable Unit	X Completely Implemented ☐ In process	The Accounts Receivable Unit maintains regular contact with customers and	Based on the improvement in the billing-to-collection ratio, KRU	The Accounts Receivable Unit works intensively to contact customers who are

	December 2022: €9,143,476.17). Although BIFURKACIONI managed to improve the billing/collection ratio during 2023 by €109,964.72, or 1.20%, the high level of trade and other receivables is still considered significant by us.		☐ Not implementable	negotiates agreements for debt rescheduling	Bifurkacioni managed to reduce the level of accounts receivable by 0.91% during 2024	more than three months overdue.
3.	As reported in Note 7 – Property, Plant, and Equipment, with a value of €6,364,316.14 (31 December 2022: €5,261,086.37), BIFURKACIONI reported an amount of €1,871,530.16 – Purchases during the year, without disclosing the effects of disposals. Consequently, the purchases made during the reporting year do not fully comply with the principles of completeness and comprehensibility	Financial Statements Preparer – CFO	X Completely Implemented ☐ In process ☐ Not implementable	The 2024 financial statements include a detailed disclosure of all changes in asset values.	The audit report on the 2024 financial statements confirms that all disclosures are complete.	

According to the recommendations issued by the External Auditor for the year 2023, there were a total of five **(3)** recommendations, where each represents 33.33**%** of the total. The summary of their implementation is as follows:

1. **Finding 1** – (33.33% of the total) *not implemented*;
2. **Finding 2** – (33.33%) *implemented 100%*;
3. **Finding 3** – (33.33%) *implemented 100%*;

Based on this: The completion of points 2: (33.33%) and 3 (33.33%) reaches a total of **66.66%**.
The non-fulfilment of points 1: (33.33%) amounts to a total of **33.33%**.

14. R.I.C. Drini I Bardhë J.s.c.

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS ARISING FROM THE AUDITOR'S REPORT FOR 2023

Requirements of IAS 16

According to paragraph 31 of this Standard, after recognition as a long-term asset (land, buildings, machinery, and equipment), fair value can be measured reliably and shall be carried at the revalued amount, which is the fair value of the items at the date of revaluation minus any subsequent accumulated depreciation. The Company has not carried out asset revaluation since 2007 and, as a result, a considerable number of assets appear with a zero value in accounting even though they are functional and used by the Company.

No.	Description of the recommendation (according to the audit report)	Responsible Unit	Current implementation status	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
	Finding / Observation No. 1. Lack of Asset Revaluation	The Company does not have the resources for this Revaluation.	☐ unimplemented	We have requested support from the Government.	Submission of official documents to the Ministry of Economy	If we have a positive increase in revenue, we can do the revaluation ourselves as a Company.

According to the recommendations issued by the External Auditor for the year 2023, there were a total of five **(1)** recommendations, where each represents **100%** of the total. The summary of their implementation is as follows:

1. **Finding 1** – (0 % of the total) *unimplemented*;

Based on this:

- The non-fulfilment of points 1: (0 %)

15. Public Enterprise “Posta e Kosovës” J.S.C.

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS ARISING FROM THE AUDITOR’S REPORT FOR 2023

Prepare a short and concise narrative regarding the content and findings of the External Auditor’s report.

No.	Description of the recommendation (according to the audit report)	Responsible Unit	Current implementation status	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
	There were no findings from the external auditor (unqualified opinion).					

According to the External Auditor’s report for the year 2023, there were no findings!

16. “RAILWAY INFRASTRUCTURE OF KOSOVO – INFRAKOS” J.S.C

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR THE RECOMMENDATIONS ARISING FROM THE EXTERNAL AUDITOR’S REPORT 2023

Introduction

The audit of the Financial Statements of the Public Enterprise “Railway Infrastructure of Kosovo – Infrakos” J.S.C. for the year ended 31 December 2023 was carried out by the National Audit Office of the Republic of Kosovo, in accordance with the Law on the Auditor General and the International Standards of Supreme Audit Institutions (ISSAIs), with the aim of expressing an opinion on the financial statements and assessing compliance with the applicable legislation.

The External Auditor issued a qualified opinion, concluding that the financial statements, in general, present a true and fair view of the financial position of the enterprise, except for the effects of certain material matters identified during the audit. The main findings that influenced this opinion relate to the lack of sufficient and reliable evidence for certain significant financial items. Specifically, the enterprise has reported a considerable amount as a revaluation reserve for which no supporting evidence has been provided, an issue that has remained unresolved for years. Furthermore, deficiencies were identified in the documentation of grant-related liabilities, where part of these is not supported by adequate documentation. Another important issue is the lack of asset revaluation since 2007, resulting in many assets with a zero book value, which affects the fair presentation of the enterprise’s asset value.

Despite these issues, the auditor concluded that, in all material respects, the financial activities and transactions of the enterprise were conducted in compliance with the applicable legislation. The report also highlights the need to improve internal controls and strengthen financial reporting practices. In this regard, a total of four recommendations has been issued, of which one is new and three are repeated from previous years, indicating the need for more effective addressing of the identified issues.

Overall, the audit findings aim to enhance the reliability of financial reporting and improve financial management within the enterprise, while the implementation of the recommendations remains essential for advancing financial governance and transparency.

Nr.	Description of the recommendation (according to the audit report)	Current implementation status	Description of actions taken / Reason for non-implementation	Supporting evidence (document references)	Action plan for further implementation (if applicable)
	Issue 1: Lack of accounting data for the revaluation reserve **Finding:** IAS 16, specifically paragraph 39, stipulates that if the carrying amount (net value) of an asset increases as a result of a revaluation, the increase shall be credited directly to equity under the heading of revaluation surplus. IAS 16 also provides that a non-current asset shall be recognized as an asset if it is probable that future economic benefits will flow to the entity and the cost of the asset can be measured reliably. The enterprise presented in the statement of financial position the amount of €15,226,015 as a revaluation reserve (surplus). However, for this presented value, it was unable to provide accounting records or evidence to substantiate the amount reported in the statement of financial position. This issue has remained	In progress	We have obtained the decision on the division of the railways into two enterprises, from which Infrakos was established, and we have also secured the agreement with the Shareholder based on which the assets were transferred under the management of Infrakos, including their financial value. These documents substantiate the historical background, namely the value of the assets, which also includes the revaluation amount.	a) Decision of the Government of the Republic of Kosovo on the division of Kosovo Railways No. 260210; b) Agreement No. 952 between the Ministry of Economy and the Public Enterprise Infrakos	If the shareholder does not allocate funds for the revaluation of assets for the year 2026, the enterprise will explore the possibility of carrying out such a process using its own resources.

	uncorrected since 2011. Infrakos, in its action plan, stated that it is unable to address this issue due to the lack of source information, and that it will be addressed at the time of asset revaluation. Based on official confirmations, this amount has been inherited from the former Kosovo Railways (Infrakos and Trainkos), for which there is no historical evidence confirming that the same amount was accurately carried forward. Recommendation: The Board of Directors should take immediate actions to ensure the provision of information related to the revaluation surplus and ensure that the annual financial statements are prepared based on verified accounting data and supported by appropriate evidence.				

	Issue 2: Lack of complete data on grants **Finding:** IAS 20 stipulates that government grants related to assets, including non-monetary grants at fair value, should be presented in the statement of financial position either by recognizing the grant as deferred income (liability related to grants) or by deducting the grant from the carrying amount of the asset. The enterprise presented liabilities related to grants in the statement of financial position in the amount of €40,080,848. However, we identified that an amount of €4,750,000 of these grant-related liabilities was not supported by adequate evidence such as acceptance reports or any other relevant documentation. The lack of supporting evidence is linked to the feasibility study for the "Railway Line 10"	Fully implemented	It has been implemented, as we have secured the supporting documents/evidence as requested by the National Audit Office for €3,650,000. However, supporting evidence is still missing reports valued at €500,000 and €600,000. These physical reports were found archived after the National Audit Office report had been finalized; however, such reports do not specify the financial value.	Supporting evidence attached: a) WB17-KOS-TRA-02 -Feasibility Study andESIA for the RailwayLine from Prishtina to the Prishtina Airport Phase 1 (PFS): Pre-FeasibilityStudy Report. b) WB14-KOS-TRA- 01-Preliminary Design andthe ESIA for the rehabilitation of the railway line Fushe Kosove / Kosovo Polje – Podujevo (Border with Serbia) ENVIRONMENTAL	

	project, which relates to earlier years. This occurred due to insufficient internal controls to ensure timely provision of the necessary documentation, and the finance department had relied solely on correspondence (email) from the project implementation unit within the enterprise regarding the services received. **Recommendation:** The Board of Directors should ensure that relevant supporting evidence is obtained when recording grant-related liabilities, to ensure that the presentation in the annual financial statements is complete and accurate.			AND SOCIAL SCREENING REPORT c) Detailed design and tender preparation for the northern part of RailwayRoute 10 (Mitrovica - Leshak – border withSerbia) d) TA-KOS-02 – Study for Rehabilitation of Rail Route 10 – €500,000 WB5-KOS-TRA-06 – Rehabilitation of key railway links (East–West) in Kosovo – €600,000	

	Issue 3: Non-revaluation of the enterprise's assets **Finding:** International Accounting Standard (IAS) 16 for Property, Plant and Equipment stipulates that	Not implemented	This finding has been discussed at the General Meeting of Shareholders, and it has been emphasized that it will be reconfirmed by the Shareholder. A decision will	Securing financial resources from Infrakos is not possible due to the company's financial situation; however, if financial support were provided, we would be ready to initiate the	

	revaluations should be carried out regularly every three to five years to ensure that the carrying amount (net value) of an asset does not differ materially from its fair value at the end of the reporting period. Since 2007 onwards, the enterprise has not performed any revaluation of its assets. Based on our analysis of the asset register, we identified 1,686 assets with a historical cost of		be taken for all Central Public Enterprises, as this issue applies to all of them.	revaluation process in line with the recommendation.	

	€7,573,844, which have been fully impaired and recorded with a net book value of zero. We also noted that the asset register includes 369 assets with a historical cost of €7.3 million and 1,317 additional assets with a historical cost of €238 thousand. The fact that the enterprise's assets such as buildings, machinery, railway station structures, transformer stations, and other operational assets are still in use, while their net book value is recorded as zero, indicates the need for revaluation and reassessment of their useful lives. Based on confirmations from officials, the lack of revaluation occurred due to continuous financial constraints and the inability of the enterprise to finance the revaluation process.				

	Recommendation: The Board of Directors should ensure a comprehensive review of the asset register and take actions to carry out a revaluation of assets by a licensed valuer. In the absence of internal funds, the possibility of securing financing from the shareholder should be considered.				

	Issue 4: Weaknesses in the Accounting Information System **Finding:** Law No. 06/L-032, Article 11, defines accounting records as including records of initial accounting entries and supporting records such as controls, electronic funds transfer records, invoices, contracts, general and subsidiary ledgers, journal entries, and other adjustments in financial statements not reflected in journal		In addressing this issue, the enterprise has twice conducted public procurement procedures for the supply of a new accounting information system and asset management system, engaging different economic operators, with the aim of modernizing and replacing the existing system.	• Contract No. 27700-23-7922-1-2-1/C130 – Supply of software for financial and asset management (2023) • Contract No. 27700-25-4957-1-2-1/C197 – Supply of software for financial, asset, and	The enterprise is currently conducting a detailed analysis of the reasons for the failure of the two procurement procedures for the

	entries, as well as working papers supporting cost allocations, calculations, reconciliations, and disclosures. Accounting records are maintained within a double-entry accounting system. We identified that the Accounting Information System used by the enterprise since 2003 has not been updated since 2008. The system does not generate appropriate analytical and integrated financial reports. Furthermore, since 2014, the system has not been maintained. During 2023, the enterprise carried out procurement procedures for the purchase of an accounting system and signed a contract for the "Supply of software for financial and asset management." This project was planned to be financed by the Ministry of Economy. However, the contract was cancelled because the economic operator failed to fulfill its contractual obligations. Despite having	In progress	In both cases, contracts were signed for software implementation, and during the implementation phase meetings, presentations, and functional testing of system modules were carried out with the participation of relevant departments of the enterprise. However, during the evaluation and testing process, it was determined that the functionalities provided did not meet the technical and operational requirements specified in the contract. As a result, both contracts were terminated at different stages of implementation due to the	accounting management (2025) • Procurement procedure files for both cases • Contract cancellation decisions • Evaluation and module testing reports • Minutes of meetings and presentations • Official communications (emails) during implementation	implementation of the new accounting information system and asset management system, with the aim of identifying the technical and functional obstacles that led to the non-implementation of the contracts. Based on the results of this analysis, the possibility will be assessed of improving and

	entered into a contractual agreement for the software, the contract was ultimately terminated due to non-performance by the contractor. Recommendation: The Board of Directors should ensure that the accounting information system can generate all necessary information, including the general ledger. During the procurement process, the enterprise should clearly define the technical and functional requirements that the accounting information system must fulfill.		non-fulfillment of functional and technical requirements by the economic operators, which made it impossible to implement the planned accounting and asset management system.		upgrading the existing information system, including the integration and linking of necessary modules, or alternatively, re-initiating the procurement procedure for a new system, in accordance with operational requirements and financial reporting standards.

According to the recommendations issued by the External Auditor for 2023, there were a total of four (4) recommendations, each representing 25% of the total. The summary of their implementation status is as follows:

1. Finding 1 – (25%): 20% implemented and 5% not implemented
2. Finding 2 – (25%): fully implemented;
3. Finding 3 – (25%): not implemented;
4. Finding 4 – (25%): 12.5% implemented and 12.5% not implemented.

Based on this:

- The implemented portion of the recommendations (Finding 1: 20%, Finding 2: 25%, and Finding 4: 12.5%) totals 57.5%.
- The non-implemented portion (Finding 1: 5%, Finding 4: 12.5%, and Finding 3: 25%)

KORPORATA ENERGJETIKE E KOSOVËS SH.A.
KOSOVO ENERGY CORPORATION J.S.C.
ENERGETSKA KORPORACIJA KOSOVA D.D.

17. KOSOVO ENERGY CORPORATION J.S.C.

REPORT ON THE IMPLEMENTATION OF THE ACTION PLAN FOR RECOMMENDATIONS ARISING FROM THE INDEPENDENT AUDITOR'S REPORT FOR THE YEAR 2023

No.	Description of Recommendation (according to the audit report)	Current Implementation Status	Description of Actions Taken / Reason for Non-Implementation	Supporting Evidence (document references)	Action Plan for Further Implementation (if applicable)
	Insert the auditor's finding	☐ Fully implemented ☒ In progress ☐ Not implemented	**"Describe the actions taken to eliminate the respective finding."**	**"Decision taken regarding Finding No. 1"**	**"Provide relevant clarifications"**
1	Periodically revalue non-current assets recorded under the revaluation model	In progress	KEK established a commission at the beginning of 2025 to assess the functionality of non-current assets with a net book value of zero; however, the commission's work was not completed before receiving the draft audit report from the National Audit Office.	Decision on the establishment of a comprehensive working group	KEK will establish another commission within this year to address this issue (conduct revaluation of non-current assets as required by IFRS).
2	Non-update the asset register with changes occurring over the years for immovable properties	In progress	KEK established a comprehensive working group in 2024 to address this issue. Some property issues have been resolved; however, for certain KEK properties, despite actions taken by management, resolution remains subject to approval by third parties (judicial institutions, municipalities, and agencies). Regarding this finding, KEK has updated all properties under a single name, KEK J.S.C. Additionally, through the same agency, KEK has registered/recorded all properties in its possession (orthophoto).	Decision on the establishment of a comprehensive working group	

3	Deficiencies in negotiated procedures without publication of contract notice	In progress	Negotiated procedures without publication—due to frequent complaints from economic operators to the Procurement Review Body in open procedures (often unjustified and intended to delay procurement processes), KEK J.S.C. is compelled to initiate negotiated procedures for essential supplies, without which electricity production would be at risk. However, management will ensure that delays in regular procedures due to complaints to the PRB are not caused by inadequate technical specifications or unclear criteria in the tender dossier.		Requesting units will exercise increased care when drafting technical specifications, clearly detailing defined criteria. Management will ensure that competent officials in the relevant field are appointed to evaluation committees. The Procurement Office will ensure that criteria in the tender dossier are clear and will review evaluation reports professionally, ensuring transparency of the process.
4	Signing of the contract for auditing Financial Statements	Fully implemented	For 2025, no external audit will be contracted; financial statements will be audited only by the National Audit Office.	Proposal from the Financial Division for the Budget Department and decision of the Board of Directors not to contract external audit (except audit by the National Audit Office)	
5	Reduction of the deadline for tender submission	Fully implemented	During the audit, based on selected samples, it was found that the requirements set by relevant legislation and recommendations have been implemented.		
6	Deficiencies in contract management plans	Fully implemented	During the audit, based on selected samples, it was found that the requirements set by relevant legislation and recommendations have been implemented.		
7	Frequent use of minimum value procurement procedures	In progress	The Procurement Office continuously attempts to consolidate minimum value requests; however, due to the nature of production, the large number of departments, their territorial spread, and daily needs for materials, equipment, etc., it is difficult to consolidate them at a satisfactory level.		During the preparation of the Procurement Plan for 2026, the Procurement Office, in cooperation with requesting units, will maximize efforts to consolidate requests. During 2025, efforts are being made to reduce the frequent use of minimum value procedures by grouping similar requests from corporate divisions into a single procedure (excluding urgent requests related to the production process).

8	Encryption of laptops and user access through Virtual Private Network (VPN)	Partially implemented	During 2023, the enterprise completed the file encryption process, while the implementation of forms for VPN access was partially completed, as testing confirmed they were not used in all cases.		This year, KEK management, through the IT Department, has taken all necessary actions to ensure that VPN access is authorized only after prior approval through forms.

Based on the External Auditor's recommendations for 2023, there were a total of eight (8) recommendations, each representing 12.5% of the total. Their implementation summary is as follows:

Finding 1 – (0.0%) not implemented at 100%.
Finding 2 – (5.0%) implemented at 40%.
Finding 3 – (0.0%) not implemented at 100%.
Finding 4 – (12.5%) implemented at 100%.
Finding 5 – (12.5%) implemented at 100%.
Finding 6 – (12.5%) implemented at 100%.
Finding 7 – (0.0%) not implemented at 100%.
Finding 8 – (8.75%) implemented at 70%.

Overall Conclusion

Implementation of items: 2 (5%), 4 (12.5%), 5 (12.5%), 6 (12.5%), and 8 (8.75%) reaches a total of 51.25%.

Non-implementation of items: 1 (12.5%), 3 (12.5%), 7 (12.5%), and partial non-implementation of 2 (7.5%) and 8 (3.75%) totals 48.75%.

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Republika e Kosovës

Republika Kosova-Republic of Kosovo

Qeverio —*Vlodo - Government*

Ministria e Ekonomisë

Ministarstvo Ekonomije /Ministry of Economy

Internal Audit Unit
NOTE: This is a translation of the original
Report prepared in Albanian Language

Final Internal Audit Report

50% of the recommendations from the independent external audit for 2023 have been fully implemented by central-level publicly owned enterprises.

The European Union's Reform and Growth Facility for the Western Balkans
Kosovo's Reform Agenda

Auditee: Unit for Policy and Monitoring of POEs

Type of audit: System

Policy area 3 – Private sector development and business

environment

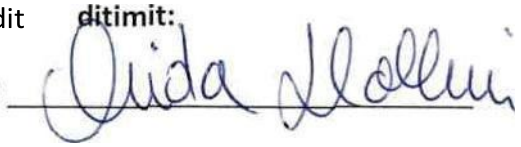
Component 3.1 – Business environment

Reform 3.1.5 – Improve the governance, efficiency and accountability of publicly owned enterprises in order to increase their contribution to the economy.

Reform Step 3.1.5.2 – 50% of the recommendations from the independent external audit for 2023 have been fully implemented by central-level publicly owned enterprises..

Reporting Period: Fourth Semi-Annual Report, June 2026

Head of Audit **ditimit:**

Aida Llolluni 

June 2026

1. Purpose of the Audit

In accordance with Law No. 10/L-002 on the Ratification of the Agreement between the Republic of Kosovo and the European Union on the Arrangements for the Implementation of Union Support to Kosovo under the Reform and Growth Facility, in particular Chapter IV—Protection of the Financial Interests of the Union, Articles 9, 10, 11 and 12 of the Agreement, as well as Article 23 of Regulation (EU) 2024/1449, beneficiary institutions are required to ensure the existence and effective functioning of an internal control system based on internationally recognised principles of internal control.

This system must ensure the sound and transparent management of funds; the prevention, detection and correction of irregularities, fraud, corruption, conflicts of interest and double funding; and the preservation of documentation and audit trails necessary to verify the fulfilment of reform steps.

The purpose of this internal audit was to provide independent and objective assurance on the functioning of the control and monitoring mechanisms established by the Policy and Monitoring Unit for Publicly Owned Enterprises (PMUPOE) in relation to the fulfilment of Reform Step 3.1.5.2. The audit assessed whether the monitoring, reporting and documentation processes were conducted in accordance with the requirements of the Agreement, the applicable legislation and internationally recognised internal audit standards.

2. Internal Control and Internal Audit Environment at National Level

The public internal financial control system in the Republic of Kosovo is regulated by Law No. 06/L-021 on Public Internal Financial Control and the relevant secondary legislation, which establish the legal framework for financial management, control and internal audit in the public sector.

The Law applies mandatorily to all public-sector entities managing public assets and funds, including publicly owned enterprises, public financial institutions and non-profit organisations that are owned, controlled, financed or guaranteed by central or local government. It also applies to entities using public funds under international agreements or state guarantees.

The internal control system in publicly owned enterprises is also implemented in accordance with Law No. 03/L-087 on Publicly Owned Enterprises, as amended and supplemented.

3. Scope of the Internal Audit

The Policy and Monitoring Unit for Publicly Owned Enterprises (PMUPOE), as an organisational unit of the Ministry of Economy acting on behalf of the shareholder, has a monitoring and reporting role in relation to central-level publicly owned enterprises and the Government.

The audit covered the period up to June 2026 and focused on an ex-post assessment of the monitoring and reporting processes implemented by the PMUPOE in relation to the fulfilment of Reform Step 3.1.5.2, entitled: "50% of the recommendations from the independent external audit for 2023 have been fully implemented by central-level publicly owned enterprises."

Given that the Internal Audit Unit of the Ministry of Economy acts as the shareholder's auditor, the audit focused on assessing the effectiveness of the monitoring, oversight and reporting mechanisms established by the PMUPOE.

4. Audit Methodology

The audit procedures undertaken to achieve the audit objectives included:

a. Assessing progress towards fulfilment of the reform step by the June 2026 deadline through the review, testing and verification of evidence, reports and supporting documentation provided by the PMUPOE;

b. Assessing the control and monitoring mechanisms established by the PMUPOE for collecting, analysing and reporting data on the implementation of external audit recommendations; and

c. Assessing the financial aspects and resources used in implementing the reform step, with particular focus on identifying and preventing the risk of double funding, in accordance with the Agreement on the Implementation of the Reform and Growth Facility and Regulation (EU) 2024/1449.

5. Audit Plan

The audit planning process included:

a. Defining the scope of the audit;

b. Establishing the audit timeline;

c. Identifying the applicable legal criteria;

d. Conducting an initial assessment based on the available process documentation; and

e. Collecting the information required to prepare the audit working papers.

Fieldwork

The audit did not include direct on-site verification or testing of the implementation of recommendations by publicly owned enterprises, as this responsibility rests with the enterprises' governing bodies, internal audit units and external auditors.

This approach is consistent with the applicable legislation and corporate governance principles, which require a clear separation of roles and responsibilities, respect for established accountability lines, and avoidance of overlap between the control functions of the Ministry of Economy, acting as shareholder, and the governance and control structures of publicly owned enterprises.

Reporting and Follow-up

This report presents the results of the verification conducted by the Internal Audit Unit and will serve as documentary evidence for reporting and assessing compliance with the requirements of the reform step.

Audit Techniques

The audit techniques applied included the review of documentation, verification of reported data and comparison with the available supporting evidence. The documentation reviewed was assessed as sufficient and appropriate to support the audit conclusions.

The audit procedures included an analysis of:

- summary analyses prepared by the PMUPOE;
- Excel tables used to monitor the implementation of recommendations; and
- the report/fiche prepared for reporting on the fulfilment of the reform step.

6. Audit Summary

Based on the review and testing of the document entitled "Analysis of Reported Data on the External Auditor's Recommendations for 2023," provided by the PMUPOE, the assessment covered a total of seventeen publicly owned enterprises: KEK, Trepça, Telekomi, Posta, Trainkos, Infrakos, KMDK, Bifurkacioni, KRU Prishtina, KRU Hidromorava, KRU Hidroregjioni Jugor, KRU Mitrovica, KRU Hidrodrini, KRU Gjakova, KU Drini i Bardhë, KU Radoniqi Dukagjini and NH Ibër Lepenci.

A total of 108 recommendations were issued by external auditors for 2023. Of these:

- 49 recommendations were fully implemented;
- 47 recommendations were in the process of implementation; and
- 12 recommendations were not implemented.

In terms of implementation, approximately 45% of the recommendations relevant to the reform step were fully implemented, around 44% remained under implementation, and the remaining 11% had not yet been addressed.

The analysis found that the level of implementation varied across publicly owned enterprises. Enterprises such as KEK, Trepça and Telekomi demonstrated comparatively stronger progress, while Infrakos, KRU Mitrovica, KRU Hidrodrini and KRU Hidroregjioni Jugor continued to face implementation challenges, particularly in cases involving qualified audit opinions, adverse opinions or emphasis-of-matter paragraphs.

The Internal Audit Unit assessed that notable progress had been achieved in implementing the external auditors' recommendations. However, the reform target had not been fully met.

Key Findings and Recommendations

The Internal Audit Unit found that issues related to asset valuation were common across the publicly owned enterprises reviewed. These issues had been repeatedly identified in previous audits and remained insufficiently addressed, directly affecting the overall level of implementation of the audit recommendations.

Recommendations

1. The PMUPOE should strengthen its internal control, monitoring and reporting mechanisms for tracking the implementation of external audit recommendations.

2. The monitoring and follow-up of external audit recommendations should be standardised through a uniform reporting template developed by the PMUPOE. The template should clearly identify the persons responsible for implementation, the applicable deadlines and the implementation status of each recommendation, with a view to ensuring consistency and strengthening accountability across all publicly owned enterprises reporting to the Government.

Conclusion

No significant control deficiencies were identified. An adequate control framework is in place and, at this stage of the audit, no indicators of fraud, corruption, double funding or conflicts of interest were detected.

REPUBLIKA E KOSOVËS / REPUBLIKA KOSOVA / REPUBLIC OF KOSOVO
QEVERIA - VLADA - GOVERNMENT
MINISTRIA E EKONOMISË
MINISTARSTVO EKONOMIJE
MINISTRY OF ECONOMY
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Republika e Kosovës

Republika Kosova-Republic of Kosovo

Qeveria –Vlada - Government

Ministria e Ekonomisë

Ministarstvo Ekonomije /Ministry of Economy

Njësia e Auditimit të Brendshëm

Raporti Përfundimtar i Auditimit të Brendshëm

50% e rekomandimeve të auditimit të jashtëm të pavarur për vitin 2023 janë zbatuar plotësisht nga Ndërmarrjet Publike të nivelit qendror.

Instrumenti i Bashkimit Evropian për Reforma dhe Rritje Ekonomike për Ballkanin Perëndimor

Agjenda e Reformave të Kosovës

Njësia e Audituar: Njësia për Politika dhe Monitorim të Ndërmarrjeve Publike

Lloji i Auditimit: Sistem

Fusha e Politikave 3 - Zhvillimi i Sektorit Privat dhe Mjedisi Afarist

Komponenti 3.1 - Mjedisi Afarist

Reforma 3.1.5 - Të përmirësohet qeverisja, efikasiteti dhe llogaridhënia e Ndërmarrjeve Publike për të rritur kontributin e tyre në ekonomi.

Hapi i Reformës 3.1.5.2 - 50% e rekomandimeve të auditimit të jashtëm të pavarur për vitin 2023 janë zbatuar plotësisht nga Ndërmarrjet Publike të nivelit qendror.

Periudha e Raportimit: Raportimi i katërt gjashtëmujor, Qershor 2026

Udhëheqëse e Auditimit:

Aida Llolluni _____

Qershor 2026

1. Qëllimi i Auditimit

Në pajtueshmëri me Ligjin Nr. 10/L-002 për Ratifikimin e Marrëveshjes në mes Republikës së Kosovës dhe Bashkimit Evropian mbi Aranzhimet për Zbatimin e Përkrahjes së Unionit për Kosovën në kuadër të Instrumentit për Reforma dhe Rritje, përkatësisht Kreun IV – Mbrojtja e Interesave Financiare të Unionit, nenet 9, 10, 11 dhe 12 të Marrëveshjes, si dhe nenin 23 të Rregullores (BE) 2024/1449, institucionet përfituese obligohen të sigurojnë ekzistencën dhe funksionimin efektiv të një sistemi të kontrollit të brendshëm të bazuar në parimet e njohura globale të kontrollit të brendshëm / i cili garanton menaxhimin e rregullt dhe transparent të fondeve, parandalimin, zbulimin dhe korrigjimin e parregullsive, mashtrimit, korrupsionit, konfliktit të interesit dhe financimit të dyfishtë, ruajtjen e dokumentacionit dhe gjurmëve të auditimit për verifikimin e përmbushjes së hapave të reformës.

Qëllimi i këtij auditimi të brendshëm është kryer për të ofruar siguri të pavarur dhe objektive mbi funksionimin e mekanizmave të kontrollit dhe monitorimit të vendosur nga Njësia për Politika dhe Monitorim të Ndërmarrjeve Publike / NJPMNP lidhur me përmbushjen e hapit të reformës 3.1.5.2 duke vlerësuar nëse proceset e monitorimit, raportimit dhe dokumentimit janë zhvilluar në përputhje me kërkesat e Marrëveshjes, legjislacionin në fuqi dhe standardet globale të auditimit të brendshëm.

2. Mjedisi i Kontrollit dhe Auditimit të Brendshëm në Nivelin Kombëtar

Sistemi i kontrollit të brendshëm të financave publike në Republikën e Kosovës është i rregulluar në përputhje me Ligjin Nr. 06/L-021 për Kontrollin e Brendshëm të Financave Publike dhe aktet nënligjore përkatëse të cilat përcaktojnë kornizën ligjore për menaxhimin financiar, kontrollin dhe auditimin e brendshëm në sektorin publik.

Fushëveprimi i këtij ligji është i detyrueshëm për të gjitha subjektet e sektorit publik që menaxhojnë pasuri dhe fonde publike, përfshirë ndërmarrjet publike, institucionet publike financiare dhe organizatat jofitimprurëse që janë në pronësi, nën kontroll, të financuara ose me garanci shtetërore nga qeverisja qendrore apo lokale. Ligji zbatohet gjithashtu për subjektet që shpenzojnë fonde publike në bazë të marrëveshjeve ndërkombëtare apo garancive shtetërore.

Po ashtu, sistemi i kontrollit të brendshëm në Ndërmarrjet Publike zbatohet edhe në pajtueshmëri me përcaktimet e Ligjit Nr. 03/L-087 për Ndërmarrjet Publike dhe plotësim – ndryshimet e tij: https://gzk.rks-gov.net/ActDetail.aspx?ActID=2547.

3. Fushëveprimi i Auditimit të Brendshëm

NJPMNP si njësi organizative e Ministrisë së Ekonomisë në cilësinë e aksionarit ka rol monitorues dhe raportues në mes ndërmarrjeve publike / NP të nivelit qendror dhe Qeverisë.

Fushëveprimi i auditimit mbulon periudhën deri në qershor 2026 dhe është fokusuar në vlerësimin pasues - ex-post të proceseve të monitorimit dhe raportimit të zbatuara nga NJPMNP për përmbushjen e hapit të reformës 3.1.5.2 me titull "50% e rekomandimeve të auditimit të jashtëm të pavarur për vitin 2023 janë zbatuar plotësisht nga Ndërmarrjet Publike të nivelit qendror.

Duke pas parasysh se Njësia e Auditimit të Brendshëm / NJAB e Ministrisë së Ekonomisë vepron në cilësinë e auditorit të aksionarit, ky auditim është fokusuar në vlerësimin e efektivitetit të mekanizmave të monitorimit, mbikëqyrjes dhe raportimit të vendosur nga NJPMNP.

4. Metodologjia e Auditimit

Realizimi i qëllimit / objektivave të auditimit të brendshëm ka përfshirë:

4.1 Vlerësimin e arritjeve në përmbushjen e hapit të reformës deri në afatin e përcaktuar qershor 2026, përmes shqyrtimit, testimit dhe verifikimit të evidencave, raporteve dhe dokumentacionit mbështetës të siguruar nga NJPMNP;

4.2 Vlerësimin e mekanizmave të kontrollit dhe monitorimit të vendosur nga NJPMNP për mbledhjen, analizimin dhe raportimin e të dhënave lidhur me zbatimin e rekomandimeve të auditorëve të jashtëm;

4.3 Vlerësimin e aspektit financiar dhe të burimeve të përdorura për zbatimin e hapit të reformës, me fokus në identifikimin dhe parandalimin e rrezikut të financimit të dyfishtë, në përputhje me kërkesat e Marrëveshjes për Zbatimin e Instrumentit për Reforma dhe Rritje dhe Rregullores (BE) 2024/1449.

5. Plani i Auditimit

Procesi i planifikimit të auditimit ka përfshirë:

a) Përcaktimin e fushëveprimit të auditimit;
b) Afatin kohor;
c) Identifikimin e kritereve ligjor;
d) Vlerësimin fillestar përmes sigurimit të dokumentimit të procesit;
e) Mbledhjen e informacioneve të nevojshëm për dokumentimin e punës së auditimit.

Puna në terren

Auditimi nuk ka përfshirë verifikimin / testim e drejtpërdrejtë në terren lidhur me zbatimin e rekomandimeve nga ndërmarrjet publike pasi kjo përgjegjësi u takon organeve drejtuese të ndërmarrjeve, njësive të auditimit të brendshëm dhe auditorëve të jashtëm të tyre. Kjo qasje është në përputhje me legjislacionin në fuqi, parimet e qeverisjes korporative të cilat kërkojnë ndarje të qartë të roleve dhe përgjegjësive, respektim të linjave të llogaridhënies dhe shmangie të mbivendosjes së funksioneve të kontrollit nga Ministria e Ekonomisë në cilësinë e aksionarit në raport me strukturat e qeverisjes dhe kontrollit të ndërmarrjeve publike.

Raportimi dhe Përcjellja

Ky raport paraqet rezultatet e verifikimit të kryer nga auditimi i brendshëm dhe do të shërbejë si bazë dokumentuese për raportimin dhe vlerësimin e realizimit të kërkesave të përcaktuara në kuadër të hapit të reformës.

Teknikat e Auditimit

Teknikat e aplikuara të auditimit kanë përfshirë shqyrtimin e dokumentacionit, verifikimin e të dhënave të raportuara dhe krahasimin e tyre me evidencat mbështetëse të disponueshme dhe se dokumentacioni i shqyrtuar është vlerësuar si i përshtatshme për të mbështetur konkluzionet e auditimit. Në kuadër të procedurave të auditimit janë analizuar:

- Analizat përmbledhëse të përgatitura nga NJPMNP;
- Tabelat në format Excel të përdorura për monitorimin e zbatimit të rekomandimeve;
- Raporti / Fiche, i përgatitur për raportimin e përmbushjes së hapit të reformës.

6. Përmbledhje e Auditimit

Bazuar në testimin e dokumentit si "analizë e të dhënave të raportuara për rekomandimet e auditorit të jashtëm për vitin 2023", të siguruar nga NJPMNP janë përfshirë gjithësej shtatëmbëdhjetë (17) ndërmarrje publike: KEK, Trepça, Telekomi, Posta, Trainkos, Infrakos, KMDK, Bifurkacioni, KRU Prishtina, KRU Hidromorava, KRU Hidroregjioni Jugor, KRU Mitrovica, KRU Hidrodrini, KRU Gjakova, KU Drini i Bardhë, KU Radoniqi Dukagjini dhe NH Ibër Lepenci.

Ne kemi identifikuar se janë dhënë njëqind e tetë (108) rekomandime nga auditor i jashtëm për vitin 2023, nga këto:

- dyzet e nëntë (49) rekomandime janë zbatuar plotësisht;
- dyzet e shtatë (47) rekomandime janë në proces zbatimi, ndërsa
- dymbëdhjetë (12) rekomandime nuk janë zbatuar.

Në aspektin e nivelit të implementimit, përqindja e rekomandimeve të zbatuara plotësisht si hap i reformës arrin rreth 45%, ndërsa rreth 44% e rekomandimeve janë ende në proces të zbatimit derisa pjesa tjetër prej rreth 11% nuk është adresuar ende.

Nga analiza e dokumentit kemi gjetur se niveli i zbatimit të rekomandimeve ndryshon nga një ndërmarrje publike në tjetrën. Ndërmarrjet si KEK, Trepça dhe Telekomi paraqesin përmirësim më të lartë në zbatimin e rekomandimeve, ndërsa ndërmarrje të tjera si Infrakos, KRU Mitrovica, KRU Hidrodrini dhe KRU Hidroregjioni Jugor shfaqin sfida në implementim e rekomandimeve, veçanërisht në rastet me opinionin e auditimi të kualifikuar, opinion negativ, me theksim të çështjes.

NJAB, vlerëson se është arritur nivel i dukshëm i zbatimit të rekomandimeve të auditorit të jashtëm, megjithatë reforma e planifikuar nuk është përmbushur në tërësi.

Të Gjeturat Kryesore dhe Rekomandimet

NJAB ka konstatuar se çështjet/rekomandimet në të gjitha ndërmarrjet publike lidhen me vlerësimin e aseteve ("asset valuation") të cilat janë identifikuar si gjetje të përsëritura dhe mbeten të paadresuara në mënyrë të plotë, gjë që ka ndikuar drejtpërdrejt në nivelin e përgjithshëm të zbatimit të rekomandimeve.

Rekomandimet

1. Të fuqizohen mekanizmat e kontrollit të brendshëm, monitorimit dhe raportimit nga NJPMNP lidhur me zbatimin e rekomandimeve të auditorit të jashtëm;
2. Të standardizohet monitorimi dhe përcjellja e zbatimit të rekomandimeve të auditorëve të jashtëm përmes hartimit të një formati unik nga NJPMNP i cili përcakton qartë personat përgjegjës për zbatimin e rekomandimeve, afatet e realizimit dhe statusin e implementimit të tyre me qëllim sigurimin e konsistencës në zbatim dhe forcimin e përgjegjshmërisë, për të gjitha ndërmarrjet publike para Qeverisë.

Konkluzioni

Nuk ka të gjetura të dukshme, një kornizë e duhur e kontrollit është në funksion dhe në këtë fazë të auditimit nuk kemi hasur në tregues të mashtrimit, korrupsionit, financim të dyfishtë apo situata që përbëjnë konflikt interesi.