



ANNUAL REPORT

OF THE SUPERVISORY
BOARD OF GD GRANIT AD
SKOPJE FOR 2024



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COMPOSITION, WORK AND EVALUATION OF THE SUPERVISORY BOARD IN 2024



1.1. COMPOSITION OF THE SUPERVISORY BOARD

The Supervisory Board is composed of 3 members and with their professional and expert knowledge they ensure adequate supervision and control over the operations of the Management Board, as well as compliance with the legal regulations and the Corporate Governance Code.

The members of the Supervisory Board of GD Granit AD Skopje have a mandate until 11.05.2026, as follows:

- Ivana Milkovska Simeva, graduate engineer architect - President of the Supervisory Board
- Violeta Bozhinoska, graduate lawyer - Member of the Supervisory Board
- Goran Markovski, master of economics - Independent member and deputy President of the Supervisory Board.

All members of the Supervisory Board of the Company meet the criteria for independence required by the Corporate Governance Code and are qualified within their powers to make justified and ethical decisions, both strategically and within the framework of the Company's policies. The composition of the Supervisory Board also ensures equal representation of women, i.e. 2/3 of the members of the Supervisory Board are women.

1.2. WORK OF THE SUPERVISORY BOARD IN 2024



During 2024, the Supervisory Board of GD Granit AD Skopje, within the framework of the competencies provided by the Law on Trade Companies, the Code of Corporate Governance of Listed Companies on the Macedonian Stock Exchange, the Company's Statute, the Code of Corporate Governance of the Company, the Rules of Procedure of the Supervisory Board of the Company and other internal acts of the Company, performed continuous and professional supervision over the Company's operations and provided strategic guidance, supervised the operations of the Company's Management Board, checked the books and documents of the Company and actively participated in the review of the quarterly and annual financial reports.

In performing its duties, the Supervisory Board paid particular attention to the movement of financial indicators, profitability and liquidity of the Company, the state of property, treasury, securities and goods and ensured the implementation of the business policy adopted by the Assembly of the Company, continuous risk management in the Company's operations, while taking into account the interests of shareholders and other stakeholders.

The Supervisory Board regularly monitored the situation in the construction industry, the general situation in the economy and all issues affecting the Company's operations.

During 2024, the Supervisory Board held 5 regular sessions at which decided in full, and adopted 27 Decisions.



Cooperation and continuous communication between the Supervisory and Management Board are of key importance for ensuring the successful operation of the Company, so the Management Board regularly reported to the Supervisory Board on the current results of the Company's operations.

Accordingly, the Supervisory Board of GD Granit AD Skopje:

- Supervised the operations of the Company and the implementation of the adopted decisions by the Management Board of the Company;
- Conducted an inspection and check of the Company's books;
- Actively participated in the review of the quarterly and annual financial reports, while assessing their accuracy and consistency;
- Supervised the implementation of the Company's strategic policies;
- Monitored the compliance of the Company's operations with the positive law of the Republic of North Macedonia;
- Acted in the direction of protecting the interests of all shareholders and other stakeholders;
- Adopted decisions and gave recommendations and consents, within the needs of the Company, and within its competences.

When the nature and urgency of the matters within the competence of the Supervisory Board required it, in accordance with Article 80 of the Company's Statute and Article 13 of the Rules of Procedure of the Supervisory Board, the Supervisory Board decided without holding a session and in 2024, adopted 2 Decisions without holding a session.



The members of the Supervisory Board in 2024, collectively and individually, worked towards fulfilling the legal obligations, thus contributing to successful business continuity and stable corporate governance, through:

- Monitoring and reviewing the liquidity, economic and financial situation of the Company and making appropriate decisions for the efficient use of funds;
- Providing guidance for the development and improvement of the Company's operations;
- Providing guidance for compliance with changes in the legal regulations that are within the domain of the Supervisory Board's competence;
- Monitoring and providing guidance for compliance with the Corporate Governance Code adopted by the Macedonian Stock Exchange;
- Reviewing information submitted by the Company's Board of Directors.

In 2025, the Supervisory Board, through consistent oversight, strategic planning and adaptation to new trends, will continue to play a key role in guiding and controlling the progress of the Company. The implementation of the best international practices in the field of corporate governance remains at the center of the Supervisory Board's focus in 2025, with the aim of protecting the interests and exercising the rights of shareholders, investors, customers, suppliers, employees and other stakeholders, as well as the continuous upgrading of the Company's strategic priorities.

1.3. EVALUATION OF THE WORK OF THE SUPERVISORY BOARD IN 2024



The composition of the Supervisory Board is important for the success of the company and for that reason, in addition to the fact that it should be composed of qualified members with different expertise, who within the framework of their authorizations can make informed, strategic and ethical decisions, in accordance with provision 2.25 of the Corporate Governance Code of Listed Joint Stock Companies on the Macedonian Stock Exchange, it is necessary to perform an evaluation of its performance.

The evaluation aims to assess and evaluate the engagement, composition, potential conflict of interest of all members individually, assessing as follows:

I. Ivana Milkovska Simeva – President of the Supervisory Board

Ivana Milkovska Simeva is a graduate engineer architect, who has successfully performed the function of Deputy General Director in the Company for more than a decade. She began her work at Granit in the commercial sector, later serving as Advisor and Assistant General Manager, which is a key factor for her broad knowledge of the Company's operational and financial operations. Since 2008, she has been elected as a member of the Supervisory Board, and since 2016, she has been at the head of the Supervisory Board as its President.



She performs the function of President of the Supervisory Board successfully and professionally, organizing the work of the Supervisory Board, initiating a detailed discussion on the income, expenses, profitability, capital investments, as well as the current liquidity of the Company.

Within the framework of her powers, she acted in the best interest of the Company, supervising the work of the Supervisory Board and was the initiator of the procedure for assessing the Supervisory Board.

With her selfless engagement, contribution and dedication, Ivana Milkovska Simeva, in cooperation with the other members of the Supervisory Board, ensured that the acts were adopted in a transparent and documented procedure, supported by appropriate information, reports and data that were appropriately and in detail analyzed and discussed at the sessions during 2024.

2. Violeta Bozinoska – Member of the Supervisory Board

Violeta Bozinoska is a law graduate and since 1997 has held the position of Director of the Legal, Human Resources and General Affairs Department at GD Granit AD Skopje, and at the same time was a member of the Management Board of the Company for more than 2 decades.

Additionally, she was also a member of the Supervisory Board of the Association of Lawyers of Macedonia.

Spending her entire working life in the legal sector at GD Granit AD Skopje, Violeta Bozinoska has been involved in every segment of the Company's operations for almost half a century, as part of the team that is most responsible for maintaining Granit's high position in the construction industry.



As a practicing lawyer for decades, she has a thorough knowledge of corporate governance and constantly monitors and provides guidance on aligning the operations of both the Supervisory Board and the Company with positive regulations.

Violeta Bozinaska devoted sufficient time and performed her duties arising from the responsibilities of the members of the Supervisory Board with due attention and seriousness.

3. Goran Markovski – Independent Member of the Supervisory Board

Goran Markovski has a Master's degree in Economics, who has been a member of the Supervisory Board of GD Granit AD Skopje for 8 years. In accordance with point 2.8 of the Corporate Governance Code, in 2021 he was also appointed Deputy Chairman of the Supervisory Board of the Company.

A professional in the field of investment funds, finance, banking, who is also engaged as a lecturer in training courses for brokers and investment advisors, his knowledge and experience are of crucial importance for the supervision of the Company's financial operations and asset management.

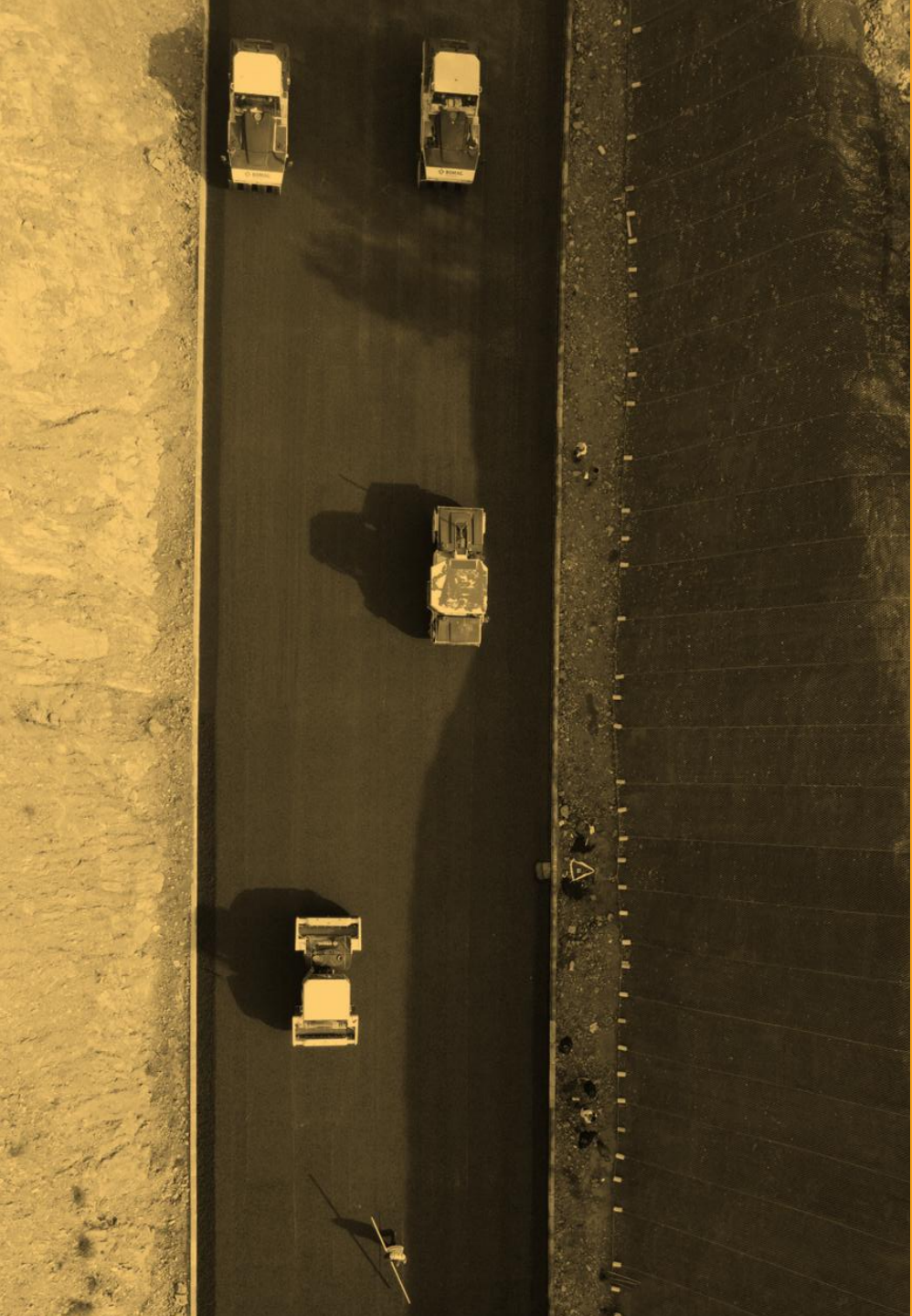
Goran Markovski was present at all meetings of the Supervisory Board held in 2024, actively participated, gave suggestions, opinions and proposals and thus fully fulfilled his obligations and responded professionally to the tasks, as a member of the Supervisory Board.

The evaluation of the members of the Supervisory Board aims to assess the effectiveness of the members of the Supervisory Board and to ensure that the Board meets its objectives. It aims to present the transparency, accountability and suitability of the members of the Board in the context of their duties and responsibilities, and are in the best interest of the Company and its shareholders.



Based on this, it can be concluded that the Supervisory Board during 2024 fully fulfilled the obligations and objectives arising from the applicable laws, by-laws, the Corporate Governance Code of Listed Joint Stock Companies on the Macedonian Stock Exchange, as well as the internal acts of the Company. The number and composition of the Supervisory Board ensured the fulfillment of the independence criteria prescribed by the Corporate Governance Code and minimized the risk of "groupthink". In this way, they fully responded to the needs of the Company's operations and the challenges imposed by operations in 2024.

The Supervisory Board of GD Granit AD Skopje evaluates its performance during 2024 positively, based on the fact that it operated within the framework and competencies established by the Law on Trade Companies, as well as the Statute of the Company and the Rules of Procedure of the Supervisory Board of the Company, and fully fulfilled the obligations arising from them.



2. SUPERVISION OF THE OPERATION OF THE COMPANY



2.1. REVIEW OF THE QUARTERLY REPORTS ON THE OPERATIONS OF THE COMPANY

The Supervisory Board continuously and in detail analyzed the periodic reports on the operations of the Organizational and Working Units operating within the Company, as well as the LLCs established by the Company, initiating a detailed discussion on the revenues, expenses, profitability, capital investments, as well as the current liquidity of the Company and thus performed insight, analysis and control over the management by the Management Board.

Depending on the identified needs identified through the analysis of the above-mentioned Reports, the Supervisory Board, on an ongoing basis, made Decisions and Conclusions.

The Company achieved positive financial results in 2024, despite the fact that its operations were burdened by the difficult market conditions at a global level, to which the Macedonian economy was not immune.

However, the Company monitored the movements of the world and domestic markets and successfully adapted to them, maintaining its stable position.



2.2. CONTROL OF THE ANNUAL ACCOUNTS, FINANCIAL STATEMENTS AND THE ANNUAL REPORT ON THE OPERATIONS OF GD GRANIT AD SKOPJE

The control and review of the Annual Accounts and Consolidated Annual Accounts of the Company for 2024, the individual and consolidated financial statements for 2024 and the Annual Report on operations in 2024 confirmed that the information presented therein is objective and presented in accordance with legal regulations and standards in the financial field.

Hence, the Supervisory Board justified its approval of the Decision on Profit Distribution, which, in addition to factual financial justification, is also legally founded, i.e. prepared in accordance with the criteria set out in the Law on Trade Companies and other positive legal regulations.

With regard to the proposed materials and Decisions to be adopted by the Shareholders' Meeting of the Company, the Supervisory Board accepted and approved them.



2.3. AUDIT OF THE FINANCIAL STATEMENTS AND ANNUAL ACCOUNTS FOR 2024

By reviewing the Annual Accounts and the audited financial statements, the Supervisory Board reviews the success of the overall operations and management of the Company, but also identifies areas where it is necessary to focus business policy and strategic decision-making.

The independent auditor "Moore Stephens" Skopje, after the audit, determined that the separate and individual consolidated financial statements present fairly and objectively, in all material respects, the consolidated financial position of the Company as of December 31, 2024, as well as its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ending in accordance with accounting standards accepted in the Republic of North Macedonia.

Therefore, and taking into account the findings and the continuous supervision it exercised throughout the period in question, the Supervisory Board determined that the operating results correspond to the data presented in the financial statements, which is why it assessed that the audit was successful and comprehensively performed, in accordance with the accounting records of the Company.



The Supervisory Board also recognized the timely activities of the Management Board, which are aimed at timely identification and constant monitoring of possible risks in the operation. It noted that both the Management Board and all competent departments have successfully dealt with all difficulties and circumstances that represent risk management, which particularly affect the assessment of credit, market and liquidity risks, changes in prices and interest rate risks, and have acted in a timely manner in order to overcome the possible impacts on the operations and profitability of the Company.

In addition, the Management Board has continuously and closely monitored the financial results of all Organizational and Working Units and wherever it recognized that there is a need, has provided guidance and proposed appropriate measures, in order for the Company to achieve positive results in its operations.



2.4. CONSIDERATION OF TRANSITIONAL TASKS FOR WORK IN 2025

Through the Reports and Work Plans of each of the Organizational and Working Units of the Company, the Supervisory Board reviewed their transitional tasks for 2025.

They envisage the fulfillment of plans and economic growth and conditions for the future development of the Company, in parallel with continuous monitoring of trends and adjustment to market conditions.

The Company will also take all measures and necessary actions in 2025 to optimize operations and achieve positive results.



3. WORK OF THE INTERNAL AUDIT SERVICE



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Based on the legal obligations arising from the Law on Trade Companies of the Republic of North Macedonia, in accordance with Articles 415-a, 415-b and 415-c, the Supervisory Board approved and adopted:

- Annual Work Plan of the Internal Audit Department in 2025;
- Six-month report on the work of the Internal Audit Department for the period January-June 2024;
- Annual report on the work of the Internal Audit Department in 2024.

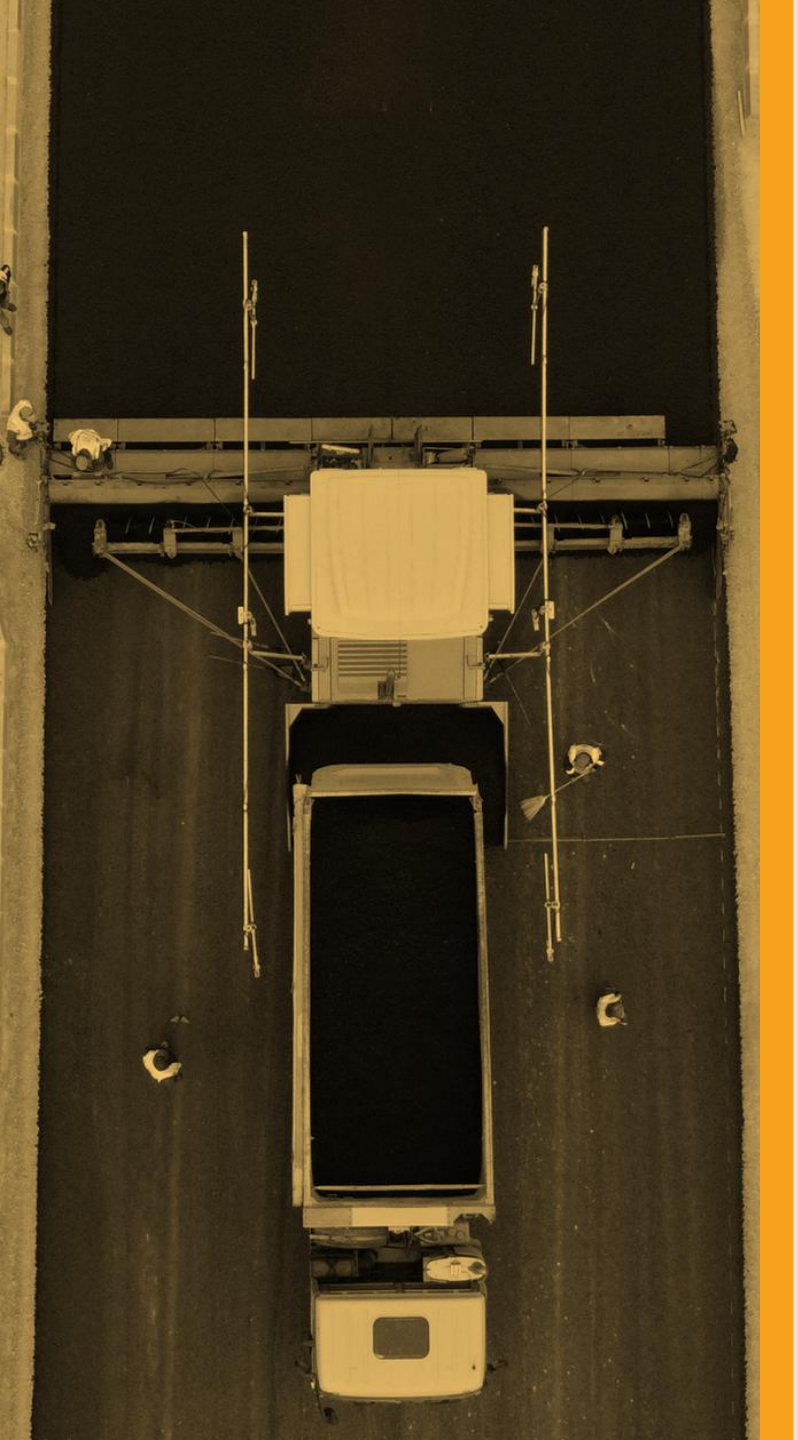
The review of the above documents confirmed that the Department performs a systematic review and assessment of risk management in the current operations of the Company and regularly prepares a review of the measures and recommendations addressed to the Sectors, Organizational and Working Units in the direction of their implementation and increased effectiveness and efficiency.



Additionally, in accordance with the amendments to the Law on Trade Companies, the Service determined that the Company consistently and continuously applies and practices all the principles of corporate governance, as regulated in the Corporate Governance Code.

In this way, the Supervisory Board identified areas where the organizational process, as well as the control and management process, can be improved, based on which it made appropriate decisions and proposed taking appropriate measures and activities for their implementation.

The Supervisory Board of GD Granit AD Skopje appreciates that the Internal Audit Service continuously achieves successful cooperation with the Sectors, Services, Organizational and Working Units that operate within GD Granit AD Skopje.



4. EVALUATION OF THE OPERATION OF THE MANAGEMENT BOARD IN 2024

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In accordance with the recommendations of the Corporate Governance Code of the Macedonian Stock Exchange, the Supervisory Board in 2024 performed continuous supervision over the work of the members of the Management Board.

The Management Board of GD Granit has 5 members. They were appointed on 12.05.2020, with a mandate of 6 years, i.e. until 12.05.2026, as follows:

- Strasho Milkovski, graduate engineer architect – President of the Management Board,
- Zoran Milkovski, master of natural sciences, mathematics and computer science – General Manager and Member of the Management Board,
- Andrea Serafimovski, graduate civil engineer – Member of the Management Board,
- Katerina Gjerdovska, graduate economist – Member of the Management Board,
- Venko Zafirov, graduate electrical engineer – Member of the Management Board.

The Management Board is composed of members with different educational profiles and specific knowledge and expertise from different fields, different job positions, professional careers, with different ages and genders, which allows for a comprehensive approach to the management of the Company.





1. STRASHO MILKOVSKI – PRESIDENT OF THE
MANAGEMENT BOARD

Strasho Milkovski is a graduate engineer architect. Leading the Company as President of the Management Board and General Manager, for many years he was the strategist who successfully kept Granit at the top of the construction industry.

As a proven and recognized successful manager, he has knowledge and understanding of the established corporate governance and the role of the Management Board and is dedicated to continuous improvement, following and studying all the innovations in the application of corporate governance.

With his many years of experience and extensive knowledge of the construction industry, but also his rich life experience, Strasho Milkovski is the key figure in creating the Company's strategies and successful multi-decade operation.

The President of the Management Board takes care to inform the Supervisory Board about each session of the Management Board, through the Corporate Secretary of the Management Board. In the information, he informs it in detail about the results of the Company's operations and the decisions made that relate to the scope of the Supervisory Board.




2. ZORAN MILKOVSKI – GENERAL MANAGER AND MEMBER OF THE MANAGEMENT BOARD

Zoran Milkovski is a Master of Science in Natural Sciences, Mathematics and Computer Science who has been a member of the Management Board for more than 10 years, and has successfully performed the function of General Manager.

In addition, since 2015 he has been a member of the Management Board of the Economic Chamber of Macedonia and a member of the Assembly of the Economic Chamber of Macedonia, and since 2020 he has been a non-executive member of the Supervisory Board of Euroins Macedonia. Such engagements are an added value to the education and professional experience in Granit and an important factor contributing to the successful leadership and management of the Company.

It is undeniable that as General Manager, based on his experience and professional knowledge, Zoran Milkovski plays a key role in creating the strategies and policies of the Company and successfully manages it, as confirmed by the positive financial results of the Company, even in difficult economic conditions both in the Macedonian and global markets.

3. ANDREA SERAFIMOVSKI – MEMBER OF THE MANAGEMENT BOARD



Andrea Serafimovski is a graduated civil engineer, who has been a member of the Management Board for a decade, responsible for the management and organization of the construction operations, both in building construction and in the construction of highways, airports and other civil engineering facilities, service activities such as mechanization, quarries, concrete and asphalt bases.

In 2015, he was elected, and in 2020, he was re-elected as President of the Association of Construction, Building Materials and Non-Metals Industry at the Economic Chamber of Macedonia. Representing the Association, he also participates in several domestic and international events, conferences and expert debates, being a member of working groups for amending the legal framework in the field of the construction sector and representing the interests of member companies before institutions and the wider public.

He also represents the interests and problems faced by the Association in carrying out its activities.

At the invitation of the President of the Supervisory Board, he attends meetings of the Supervisory Board and informs him about the results of the Company's operations.



4. KATERINA GJERDOVSKA – DIRECTOR OF THE
FINANCE DEPARTMENT AND MEMBER OF THE
MANAGEMENT BOARD

Katerina Gjerdovska is a graduate economist and member of the Management Board, fully responsible for the finances and accounting of the Company. She was elected as a member of the Management Board in 2020.

With her professional experience and comprehensive knowledge of accounting and finance regulations, which she continuously renews through visits to professional conferences and symposiums, she plays a key role in planning investments, predicting risks and proposing measures to overcome and minimize negative effects.

Katerina Gjerdovska also regularly attends the meetings of the Supervisory Board, where she elaborates in detail the results of the Company and answers all questions from the members of the Supervisory Board, enabling the Supervisory Board to smoothly fulfill its legal obligations.



5. VENKO ZAFIROV – MEMBER OF THE MANAGEMENT BOARD

Venko Zafirov is a graduate electrical engineer and a member of the Management Board of the Company since 2008.

With his specific professional knowledge, he provides guidance for the improvement of ICT security and the continuous digital transformation of business processes.

As a member of the Management Board responsible for the improvement, monitoring and organization of information technology and all innovations in that area, he has a key role in the digitalization of the Company's operations and strongly contributes to the creation of the strategic directions along which the Company will be guided and developed.



CONCLUSION:

The Supervisory Board evaluated the work of the Management Board in 2024, collectively and individually for each of its members, and concluded that the Management Board demonstrated solid capabilities in strategic management, decision-making and leadership.

The members worked dedicatedly, honestly, professionally, in accordance with the long-term goals of the Company and within the framework of their authorizations, and in the best interest of the Company, which resulted in the achievement of positive financial results and a successfully completed year.



5. COOPERATION WITH THE MANAGEMENT BOARD OF GD GRANIT AD SKOPJE



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The Company has established a corporate governance system that is based on both legal regulations and the latest international practices, which is particularly evident from the continuous and close cooperation between the Supervisory and Management Board of the Company.

During 2024, the Management Board regularly and promptly informed the Supervisory Board about the achieved results of the Company's operations, as well as about all circumstances and situations that may be of importance for its decision-making. All necessary documents and acts were also submitted to the Supervisory Board, in accordance with the positive legal regulations and the currently determined needs of the Company.

Additionally, at the invitation of the President of the Supervisory Board, the meetings of the Supervisory Board were also attended by members of the Management Board, who reported in more detail on the results of the Company's operations and answered all questions from the members of the Supervisory Board.



6. RECOMMENDATIONS FROM THE SUPERVISORY BOARD TO THE ANNUAL SHAREHOLDERS' MEETING



6. RECOMMENDATIONS FROM THE SUPERVISORY BOARD TO THE ANNUAL SHAREHOLDERS' MEETING

The continuous insight and supervision of the Company's operations in 2024 enabled the Supervisory Board to carry out control and assessment and based on the same, the Supervisory Board concluded that the given indications, decisions, recommendations and conclusions were implemented in the Company's operations in a timely manner by the Management Board of GD Granit AD Skopje.

The Supervisory Board reviewed and confirmed the decisions made by the Management Board for the Shareholders' Assembly, and in accordance with Article 480 paragraph 3, adopted them and proposes to the Assembly to adopt the Decisions on:

1. Annual and consolidated annual accounts of Granit for 2024;
2. The separate and consolidated financial statements for the operations of Granit in 2024;
3. The Annual Report for the operations of Granit in 2024;
4. The Independent Auditor's Report and the Separate and Consolidated Financial Statements of Granit for 2024;



5. Report on the work of the Supervisory Board for 2024;
6. Decision on the distribution of the profit of GD Granit AD Skopje realized in the Annual Accounts for 2024;
7. Decision on the payment of dividends for 2024,
8. Report on the work of the Internal Audit Department in GD Granit AD Skopje in 2024;
9. Proposal for the election of the Auditor of the Annual Accounts and Financial Statements of GD Granit AD Skopje for 2025.



7. CONCLUSION



The members of the Supervisory Board of GD Granit AD Skopje, within the framework of the established competencies arising from the provisions of the Law on Trade Companies, the Company's Statute, the Rules of Procedure and other general acts for the implementation of the regular business activity of GD Granit AD Skopje, during 2024 actively contributed and participated in decision-making, transparently, through objective, competent and comprehensive analysis.

In 2025, the Supervisory Board of GD Granit AD Skopje remains committed to the strategic priorities and business development policy that will be determined by the Management Board of GD Granit AD Skopje, as well as other plans for further economic growth, successful implementation of the projects undertaken in 2024 and overcoming the challenges faced by the global economy.

Skopje, April 2025

President of the Supervisory Board
Ivana Milkovska Simeva, signed
Official round seal of the company GD Granit AD Skopje, affixed



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