

# Annual Report 2024

Prepared by:

**Management Board  
of GD Granit AD  
Skopje**

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[www.granit.com.mk](http://www.granit.com.mk)

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# Who we are

GD Granit AD Skopje is the largest construction company in the Republic of North Macedonia, with a long tradition and extensive experience in the construction industry. For 72 years, Granit has been synonymous with quality and responsibility in North Macedonia, building its reputation both in the domestic and international markets.

The primary activity of GD "Granit" AD Skopje is construction work in civil, structural, and hydraulic engineering. In addition to its core business, GD Granit AD Skopje has established wholly owned subsidiaries in the Republic of North Macedonia and foreign markets, which are engaged in the trade of construction machinery, building materials, and other services.

The main activity of GD Granit AD Skopje is civil engineering.

The quality that GD Granit AD Skopje offers is a tradition and a direct result of successful leadership and uncompromising adherence to our values – safety, quality, ethics, integrity, and long-term sustainability and development. Therefore, GD Granit AD Skopje continuously strives to establish a sustainable value system, innovation, and improvement in the quality of life, as the reputation of our company depends on the value we hold in the eyes of those for whom we build.

The shares of GD Granit AD Skopje have been listed on the official market of the Macedonian Stock Exchange since January 22, 2003.

# Our Vision

"To build and leave mark of lasting values, which will maintain our connections with investors, shareholders, and employees."



# Our Mission

1

Growth and development of shareholders' capital

2

Quality that leaves lasting values

3

Application of the most advanced construction technologies and methodologies with a particular focus on environmental protection and the safety and well-being of employees



# Social and economic circumstances of operation

The year 2024 was the year in which stabilization and measures to mitigate the consequences of social and military instabilities and risks were racing against inflation in a complex socio-economic environment. The global economy showed, on the one hand, that it is capable of adapting to the actions of various geopolitical crisis situations, finding a way to operate, but this was taking place through a slow recovery process, with rising prices and living costs.

The Macedonian economy and industry were certainly not immune to these external risks, compounded by political changes, which particularly affected investments in construction and capital projects. As a result, growth proceeded at a slower pace, and the expectations for reducing inflation did not achieve the anticipated results. These inflationary trends led to an increase in the costs of resources for work, particularly in a sector where prices are fixed as a key element of contracts, posing challenges whose successful management depended on the survival of the companies.

This inevitably reflected on the company's operating results, where the focus was on achieving a positive outcome and the realization of already secured projects, but with a reduced volume of new future investments that would dictate future results. In such circumstances, the company followed the trend of adapting to these conditions, taking activities and measures to rationalize costs and increase efficiency in operations, with a focus on investments for improved efficiency, planning the renewal of resources that are key to the company's growth and development in critical periods, while utilizing the announced investment projects that should support the continued operation of Macedonian companies in these specific circumstances.

**Nevertheless, construction as an industry, through individual investments, supported the growth of the gross domestic product, but capital investments were slowed down and made more difficult by political changes, which always influenced the pace and opportunities for growth and development, especially for the companies that are key participants in their realization.**

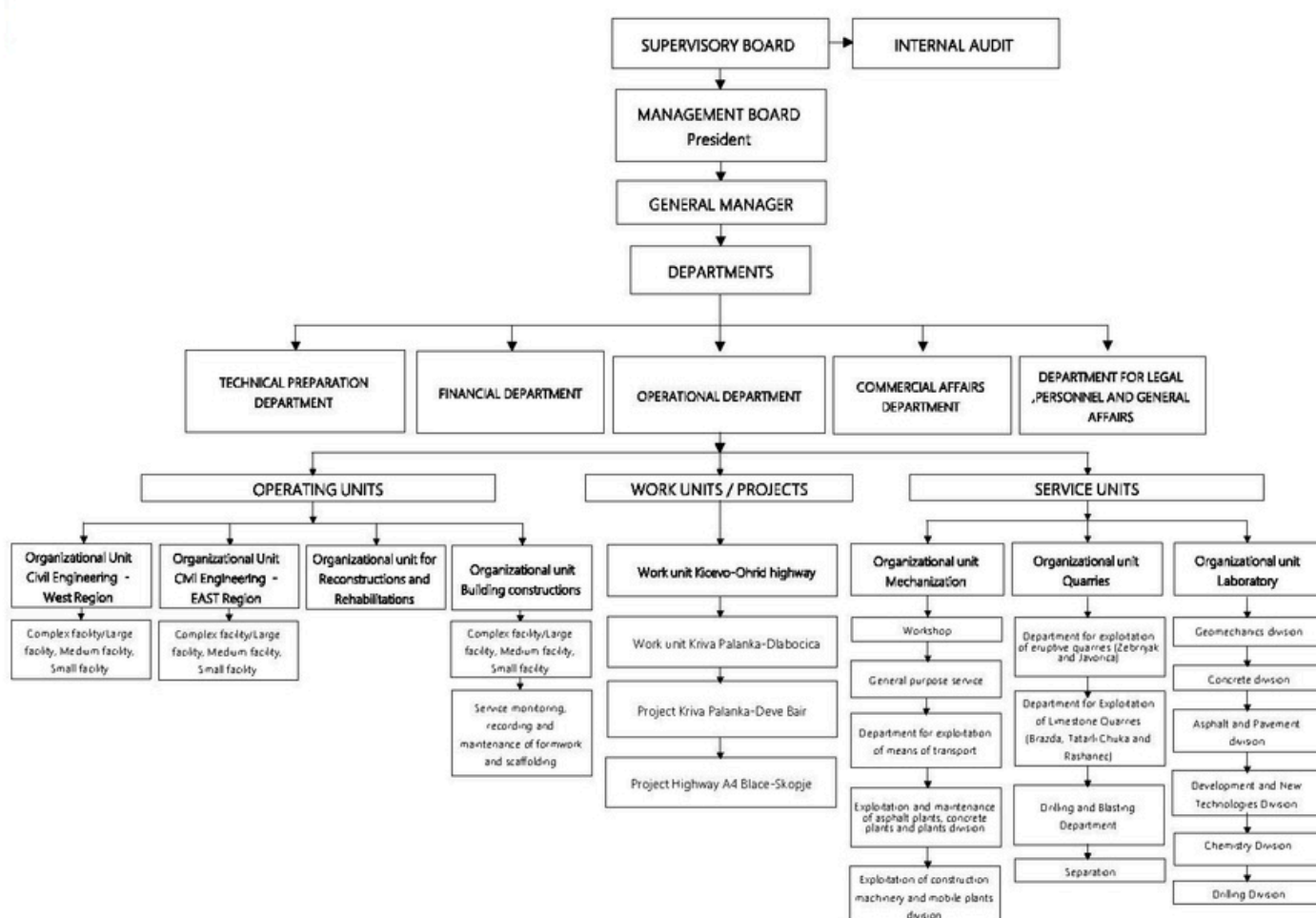


# Organizational Structure

The corporate governance system is based on legal regulations and the Statute of GD Granit AD Skopje and, as such, ensures efficient and transparent management of the Company through an established two-tier management system – the Supervisory Board and the Management Board.

The Shareholders' Assembly, as the highest body, decides on matters regulated by law and entrusted by the Statute of GD Granit AD Skopje.

The internal organizational structure of the Company is based on the division of tasks into organizational units, work units, services, and sectors operating within the Company, while some other activities, which do not fall within its core business, are carried out through subsidiaries wholly owned by GD Granit AD Skopje.



# Corporate Governance

The corporate governance system is based on legal regulations, the Code of Corporate Governance for joint-stock companies, and the Statute of GD Granit AD Skopje. As such, it ensures efficient and transparent management of the Company through an established two-tier management system – the Supervisory Board and the Management Board.

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## Shareholders' Assembly

## Supervisory Board

Internal Audit  
Department

### Core Values

- Professionalism
- Integrity
- Dedication
- Creativity

## Management Board

## Strategy and Fundamental Principles of Operation

**Business Concept** - Focused on creating lasting value for investors, shareholders, and employees.

### Analytical Concept

Analysis, comparability, and risk assessment

### Principle of Compliance

Application of all legal and by-law acts and standards of good corporate governance

### Innovative Concept

Monitoring trends and continuous improvement



# Shareholders' Assembly

Granit conducts its operations through the Shareholders' Assembly as the highest governing body of the Company, holding sessions where key decisions are made regarding the Company and its shareholders. The Supervisory Board is responsible for overseeing the financial operations and governance of the Company as managed by the Management Board. The Management Board, within the scope of its authorizations, rights, and responsibilities, adopts, implements, and monitors the management of operational processes and ensures compliance with legal regulations, corporate provisions, and ethical standards.

The Annual Shareholders' Assembly in 2024 was held on May 23, 2024, where, in accordance with the Company's Statute, decisions were made on matters within its competence. The organization, implementation, and decision-making of the Annual Assembly were fully aligned with legal requirements and the Corporate Governance Code for listed companies on the Macedonian Stock Exchange, resulting in the adoption of 11 resolutions. In accordance with the Law on Trade Companies, every shareholder registered in the shareholders' register as of the record date had the right to participate in the Assembly and the right to vote.

In accordance with the adopted decisions, on September 27, 2024, the Company distributed dividends for the year 2023 to shareholders holding ordinary shares, as recorded in the shareholders' register on June 7, 2024. The total calculated dividend for 2023 amounted to 116,348,568.00 MKD. The gross dividend per share was 42.00 MKD.

As of December 31, 2024, the Company has a total of 3,839 shareholders.

During the year 2024, the Company did not acquire any new treasury shares. The sources of the Company's funds are its own capital, amounting to 7,718,117,737 MKD, or 84% of the total assets of the Company, while the remaining 16% consists of liabilities to creditors (15.9%) and banks and leasing companies (0.1%).

# Supervisory board

Throughout 2024, the Supervisory Board continuously monitored and controlled the operations of the Company, its financial condition, management, and results. From January to December 2024, a total of 5 regular sessions were held in full composition.

Special emphasis was placed on the financial operations of the Company, including reviewing the unaudited and audited individual and consolidated financial statements for the previous year. Every quarter, a separate session was held to monitor the operational results based on the report submitted by the Management Board and relevant financial indicators. For these purposes, the members of the Management Board, Katerina Gjerdovska and Andrea Serafimovski, attended the Supervisory Board meetings. In this way, cooperation between these two highest governing bodies of the Company was achieved, and the managing of the Company was accepted as positive by the Supervisory Board, based on the results.

Based on the reports submitted by the Management Board, as well as the explanations provided by the members of the Management Board present at the meetings, supported by financial results, the Supervisory Board conducted individual assessments of the work of the Management Board members and concluded that the size, composition, and functioning of the Management Board allow for effective and successful management of the Company.

The sessions were convened in a timely manner by the Chairman of the Supervisory Board, and all members attended all sessions, during which a total of 27 decisions were adopted. Additionally, 2 decisions were adopted without holding a meeting on matters within the competence of the Supervisory Board. The Succession Plan was adopted by the Supervisory Board in 2022 and has not undergone any changes. According to the corporate governance rules set by the Macedonian Stock Exchange, this plan is an appendix to this Report.

As part of the joint session of the Management Board and the Supervisory Board, the Company's financial plan through 2028 was reviewed and approved. Within the scope of department for internal audit, the semi-annual and annual reports were also reviewed and approved, and were deemed appropriate and effective systems for internal control of the Company's operations.

Special committees and commissions regarding evaluation and remuneration policy were not established, as the Supervisory Board effectively performed these functions within its own composition.



# Supervisory Board

The Supervisory Board is composed of two women and one man, all professionals in their respective fields. The Chairwoman of the Supervisory Board, Ms. Ivana Milkovska Simeva, is a graduated architect. The other members are Mr. Goran Markovski, a graduate economist, and Ms. Violeta Bozhinoska, a graduate lawyer. This composition ensures coverage of all key areas essential for the proper functioning, control, and comprehensive oversight of the Company's operations.

The profile of the Supervisory Board is published on the Company's website.



Supervisory Board member Ivana Milkovska Simeva is also a member of the Supervisory Board of Komercijalna Banka AD Skopje.

Supervisory Board member Goran Markovski is an independent member of the Supervisory Board of Makedonijaturist AD Skopje.

The monthly gross compensation received by the members of the Supervisory Board amounts to 68,610 MKD, which represents 38% of the average monthly gross salary per employee in the Company.

# Internal Audit Department

The Internal Audit Department, as an independent organizational unit, supports the Company in achieving its objectives by conducting additional checks of systems and operating procedures, mapping risks, and identifying measures and actions to improve management processes. For this purpose, the Internal Audit Department prepared its semi-annual and annual reports and work plans in a timely manner, in accordance with the Law on Trade Companies, which were adopted by the Supervisory Board.

The Internal Audit Department assists the Company in fulfilling its rights and obligations within the framework of legal provisions and best corporate practices. The findings and recommendations identified by the Internal Audit Department are aimed at further improving operational efficiency. These have been presented to the management and fully accepted.

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The Manager of the Internal Audit Department maintained regular communication and reporting to the Supervisory Board regarding the progress, findings, and recommendations issued within the scope of their legal duties and role within the Company. As part of their activities, a total of 5 audits were conducted.

# Managment Board

The Management Board is the governing body of the Company with the broadest authority in management, overseeing all matters related to the operation and day-to-day activities of the Company.

The Management Board met regularly, holding 9 regular sessions in 2024, during which decisions and conclusions were adopted based on the discussions held. For certain matters related to ongoing operations, decisions were also made without convening formal meetings to ensure effective governance.

The Management Board reviewed and decided on the approval of the Company's annual financial statements—both individual and consolidated—as well as the financial statements of the subsidiaries established by GD Granit AD Skopje. It also dealt with the organization, planning, and direction of procedures and the implementation of construction works, ensuring appropriate resource allocation and their efficient use.

Within its competencies and based on an analytical and comprehensive planning approach, the Management Board adopted a financial plan for the period through 2028, which was published on the Macedonian Stock Exchange website. Additionally, with prior approval from the Supervisory Board, the Management Board proceeded with investments in new companies, including the acquisition of LEP KOP DOOEL Skopje—a company holding a sand concession license. Through this move, the Company continues to invest in securing and producing its own resources, thereby strengthening its position in the construction market.

Adapting to current operational conditions, the Management Board passed several decisions regarding changes in the leadership of internal organizational and work units, aiming to optimize costs while maintaining the quality of personnel crucial for achieving planned results. The performance of organizational and work units was individually reviewed, and appropriate measures were determined to improve operations. Pricing policies were analyzed and adjusted in response to rising costs, to ensure accurate cost determination.

The Management Board also made decisions on various donations and sponsorships in line with the Company's commitment to social responsibility. Furthermore, it reviewed proposals submitted by shareholders, provided appropriate explanations, and made them publicly available through the Company's website.

The Chairwoman of the Supervisory Board, Ivana Milkovska-Simeva, attended all sessions of the Management Board.

# Management Board

The decision for the appointment of the members of the Management Board was made by the Supervisory Board at its inaugural session held on May 12, 2020.

The Management Board is composed of five (5) members, combining the experience of senior professionals with the energy of younger driving forces, representing various professions: the President of the Management Board, Mr. Strašo Milkovski, a graduate architect with many years of experience; Mr. Zoran Milkovski, Master of Natural Sciences, Mathematics and Computer Science; Ms. Katerina Gjerdovska, a graduate economist; Mr. Andrea Serafimovski, civil engineer; and the external member, Mr. Venko Zafirov, electrical engineer.

Each member of the Management Board, authorized within their area of expertise, held meetings and engaged in written correspondence with stakeholders such as clients, suppliers, investors, and employees. Through this, the Management Board members directly monitored and reported on the status of the Company's assumed obligations and rights.

Mr. Zoran Milkovski, a member of the Management Board and General Director of the Company, is also a member of the Management Board of the Economic Chamber of North Macedonia, where he actively participates in setting general directions and decisions presented by the Chamber in cooperation with relevant government representatives, ministries, and state-owned public enterprises—key investors in the Company. Mr. Milkovski also serves as a member of the Supervisory Board of Euroins Insurance AD Skopje.

Mr. Andrea Serafimovski, a member of the Management Board, is President of the Association of Construction Companies within the Economic Chamber of the Republic of North Macedonia and a member of its Assembly. He is also Vice President of the Association of Structural Engineers, where he regularly attends meetings and shares information with other companies in the industry—whether business partners, suppliers, or users of the Company's services—toward achieving shared goals.

The monthly gross compensation for participation in the governing body received by the members of the Management Board amounts to 109,778 MKD, representing 37% of the average monthly gross salary per employee in the Company.

# Supervisory and Management Board

The company continuously works on training its management staff, with the aim of developing managerial skills, particularly among female employees, to establish and promote gender equality. The company successfully implements this direction within the Supervisory Board, with the further goal of achieving the same gender equality in the Management Board of the company.

The meetings of the Supervisory and Management Boards are led and monitored by a Corporate Secretary for each board separately, both of whom are women with law degrees, ensuring the proper monitoring and application of good corporate practices.

In 2024, the total gross amount paid to the governing and supervisory bodies for salaries, rewards, and allowances for participation in governance bodies amounted to 68,052,140 denars.

In 2024, no related party transactions or major transactions were made.

According to the Law on Trade Companies, one member of the Supervisory Board is an independent member. In the Management Board, one member is an external person.



Special Committees and Boards were not formed, as the responsibilities of these were successfully carried out directly through the Supervisory Board and the Management Board.

Member of the Management Board – Vanko Zafirov, independent member, is employed at the company Koner Computers LLC Skopje, where he receives gross compensation in the amount of 829,472 MKD from his employment.

Member of the Supervisory Board – Goran Markovski, independent member, is employed at KB Publikum Invest AD Skopje, where he receives gross compensation in the amount of 5,683,964 MKD from his employment.



# Corporate Governance

GD "Granit" AD Skopje, as a listed company on the Macedonian Stock Exchange, has adopted its Corporate Governance Code as part of its operations. In addition to the Corporate Governance Code, the company has also adopted an Ethical Code. Every employee of the company is required to familiarize themselves with the contents of the Ethical Code and commit to it by signing a Declaration to adhere to its provisions.

GD "Granit" AD Skopje has responded appropriately to the Questionnaire and provided information regarding its corporate governance practices, in line with the principles of transparency, and this information has been published on the Macedonian Stock Exchange website.

The Code, along with other key management and decision-making rules, is publicly accessible in physical form at the company's headquarters located at Dimitrie Chupovski Street No. 8, as well as on the company's website for review by all interested investors and shareholders.

The company has continued its practice of applying good business practices, ensuring that all decisions concerning significant price-sensitive information and matters vital to the company's operations are properly disclosed on the company's website and submitted to the Macedonian Stock Exchange.

In this way, the company has identified the correct values and steps toward ensuring corporate governance that will contribute to good corporate practices and the positive operation of the company. In 2022, the Management Board adopted the Policy for Relations with Stakeholders, which established the basic mechanisms for identifying stakeholders and the fundamental principles for cooperation with them. The implementation of this policy was carried out through joint meetings, the publication of information, quarterly controls of the operations of Organizational Units, Work Units, and Sectors, with reports on these activities being provided by the Management Board to the Supervisory Board.

In addition, in 2022, the Succession Plan for the Supervisory Board was adopted to ensure continuity and quality in the functioning of the Supervisory Board.



# Corporate Governance Code

The company has also adopted a Regulation for Establishing the Procedure for Internal Reporting, and has implemented procedures for handling reports from whistleblowers in cases of reasonable suspicion or knowledge of criminal, unethical, or other improper conduct that may harm or jeopardize the public interest.

The company continuously monitors and implements new developments in the area of personal data protection. In this regard, it has adopted a Regulation for the Protection of Personal Data and established policies in line with the relevant laws and regulations for the protection of personal data. Given the above, the company is committed to adhering to all principles set out in the Corporate Governance Code and demonstrates its commitment to these principles through transparency, respect for laws, ethical standards, and best corporate practices.

## Statement of Compliance with the Corporate Governance Code

We, the members of the Management Board of the company, declare that GD Granit AD Skopje applies the Corporate Governance Code for joint-stock companies listed on the Macedonian Stock Exchange AD Skopje, as published on the Stock Exchange's website at [www.mse.mk](http://www.mse.mk).

GD Granit AD Skopje applies the principles and best practices of corporate governance outlined in the Code according to the "comply or explain why not" approach, by completing questionnaires whose format and content are prescribed by the Code.

With this statement, we confirm that the questionnaires are published on SEI-NET and on the company's website [granit.com.mk](http://granit.com.mk) and that the responses provided are accurate and truthful, faithfully reflecting the application of the principles and best practices of corporate governance by the company as prescribed by the Corporate Governance Code.

Date: 10.04.2025

Declared by: Signed by Management Board members

Regular Disclosure of Price-Sensitive Information

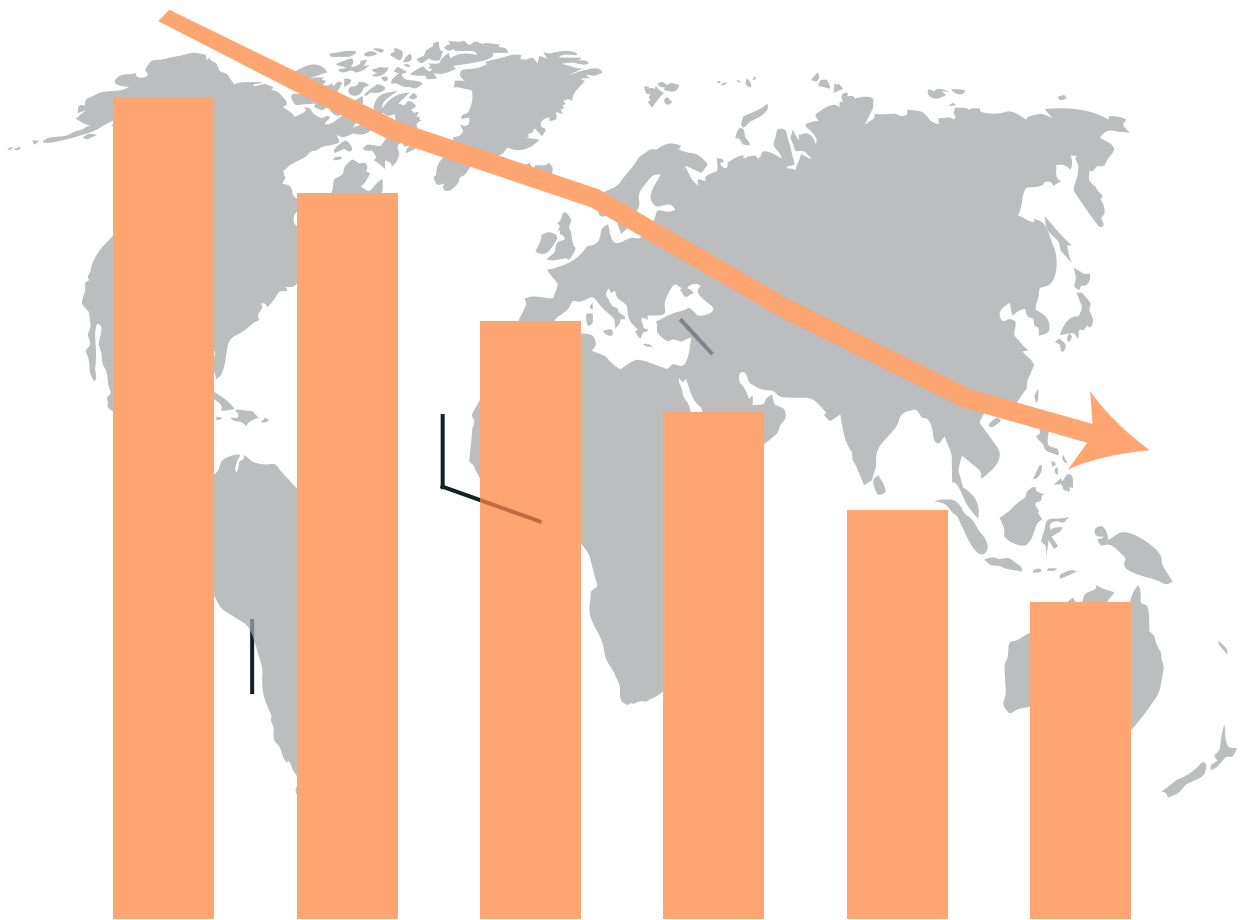


Publication of Materials and Proposal of Decisions for the Annual General Meeting on the Macedonian Stock Exchange and the Company's Website



Answered and Published Corporate Governance Questionnaires





## Adapting to Social Conditions

Due to the social and political circumstances, along with the reduced number of capital investments during this period and the significant inflation rate, the company based its ongoing operations on continuous planning, research, development, and implementation of the planned activities. In this way, GD Granit AD Skopje, calculated with risk assessments, proceeds with the implementation of its plans, following the outlined procedures that provide a clear picture and forecasts regarding the course, development, and results of operations. This approach helps in anticipating risks and taking timely measures to minimize or fully overcome them. Increased costs of already contracted works have driven growth and profit, but measures for efficiency and rationality have ensured positive results.

In such a system, GD Granit AD Skopje operated in 2024 on a total of 20 projects, completing and finishing 6 of the planned projects on time.



# Main Projects

## Motorway A4, Section GB Blace - Subsection 1

In 2024, the construction activities on the A4 Highway, Border Crossing Blace, Subsection 1, were successfully completed in accordance with the contract.

With the realization of this project, one of the complex sections of this highway stretch was constructed, including protected slopes with nets and anchors, a reinforced embankment wall with a height of 18 meters, complemented by two roundabouts connected through four ramps and an additional four service roads. This infrastructure aims to provide smooth and efficient vehicle flow, facilitating easier access and enhancing the development of international exchanges with the Republic of Kosovo.



## Motorway Kicevo Ohrid Subsection 1 and Subsection 2 (KM0+00-KM17+910)

-Throughout 2024, the activities for the Kichevo–Ohrid Highway project were intensively focused on the laying of BNS (bituminous concrete layer) asphalt on sections of the road where there were no issues with landslides. Significant progress was made on both Subsections 1 and 2, with approximately 70% of the route already paved with BNS, including the deviation near Knežino. In parallel with the work on the roadway, final activities were also carried out on the structures. These included final concrete pouring and the installation of protective barriers of the New Jersey type to ensure the road is fully prepared for the next construction phases. These efforts represent a major step forward in completing the highway, bringing it closer to full functionality, and ensuring safety for future road users. The finalization of these phases will allow for the continuation of the remaining works on the highway.



# Main Projects

## Expressway A2, LOT 2 – Section Kriva Palanka – Dlabocica

The project was completed in December 2024 within the agreed timeframe, with the road construction over a length of 9 km being handed over. This marks a significant infrastructure project, representing the first section for the construction of a modern and contemporary infrastructure connection between North Macedonia and Bulgaria.



## Rec. and reh. of State road A2, Section Kriva Palanka – Deve Bair

In February 2024, the state road A2 was handed over, marking a significant investment in improving the current infrastructure connection to the Republic of Bulgaria.





# Main Projects

## Tour Vodno

In September 2024, access to the project was secured, allowing construction activities to continue. It is expected that the project will be completed in 2025 and will become a significant landmark for the city of Skopje.



## Construction of the Tetovo Bypass via Treboš Interchange to Neprošteno

The construction of the Tetovo Bypass includes the creation of an entirely new 5.4 km long route, which is designed to improve the traffic flow around the city. In addition to the new road segment, the project will also involve the construction of an overpass with a span of 26 meters.



## What is next?

At the beginning of 2024, GD "Granit" AD Skopje started preparatory activities for the construction of a residential complex on "Salvador Allende" Street in Skopje. Through this self-financed investment, the company aims to increase its value by directly participating in the real estate market.

Continuously, in 2024 and 2025, rehabilitation works on local roads are being carried out through agreements for the rehabilitation and improvement of local roads with the Ministry of Transport.

In 2025, the construction of two sports halls also began, with the Ministry of Education being the contracting authority.

These projects represent an ongoing effort by GD Granit AD Skopje to diversify its portfolio, contribute to the development of local infrastructure, and support educational and recreational facilities in the region.



## Service organizational units and departments

The construction of all these complex projects requires exceptional dedication and organization, where various components must function as a single cohesive unit. To this end, within the company's structure, service organizational units and departments have been formed within sectors that ensure support and smooth operation of the construction sites in achieving their contractual obligations.

For these purposes, the company, through its service organizational units and departments, manages:

### 6 (Six) CONCESSIONS FOR QUARRIES

The company holds 6 (six) concessions for the exploitation of materials from quarries, including two of limestone origin (Brazda, Sloeshtica, Rashanec, and Ostrec) and two of eruptive origin (Javorica and Zebrnjak). Through the company Lep Kop DOOEL Skopje, which is fully owned by the company, it also holds a concession for sand extraction.

### CONCRETE and ASPHALT PLANTS

The company operates through 6 concrete plants with a capacity ranging from 20 to 120 m<sup>3</sup>/hour and 5 asphalt plants with a capacity ranging from 40 to 240 tons/hour.

### CONSTRUCTION MECHANIZATION, TRANSPORT VEHICLES AND PLANTS

Construction works are carried out using 183 pieces of construction machinery of various types, 151 different types of transport vehicles, as well as 6 crushing plants and 2 screening units.

## Continuous Quality Assurance

In 2024, the service organizational unit Laboratory successfully completed the accreditation process according to the standard MKS EN ISO/IEC 17025:2018 and achieved the status of an accredited testing laboratory. This recognition is a confirmation of technical competence, compliance with internationally accepted standards, and commitment to providing quality and reliable testing results.



# Finance data

## Financial Performance for 2024

In the business year 2024, GD „Granit“ AD Skopje achieved a positive financial result.

- Total revenues amounted to 3,843,186,160 MKD.
- Total expenses were 3,733,620,618 MKD.
- 

The gross profit for the period stands at 109,565,536 MKD, and the net profit after taxation also amounts to 109,565,536 MKD, as there is no corporate tax due to tax exemptions according to the corporate income tax law.

### Revenue Structure

|   | Елементи                           | 2023          |       | 2024          |        | Index  |
|---|------------------------------------|---------------|-------|---------------|--------|--------|
|   |                                    | Amount        | %     | Amount        | %      |        |
| 1 | Total income                       | 5.264.381.386 | 100   | 3.843.186.160 | 100.00 | 73.00  |
| 2 | Total Expenses                     | 5.111.855.634 | 97.10 | 3.733.620.624 | 97.15  | 73.04  |
| 3 | Gross profit = 1-2                 | 152.525.752   | 2.90  | 109.565.536   | 2.85   | 71.83  |
| 4 | Profit tax                         | 0             | 0.00  | 0             | 0.00   | 0.00   |
| 5 | Net profit =3-4                    | 152.525.752   | 2.90  | 109.565.536   | 2.85   | 71.83  |
| 6 | Net remaining comprehensive income | 284.250.000   | 5.40  | 1.603.283.700 | 41.72  | 564.04 |
| 7 | Total comprehensive income= 5+6    | 436.775.752   | 8.30  | 1.712.849.236 | 44.57  | 392.16 |

# Financial data

## CStructure of Revenues

|   |                    | 2023        | 2024        | Index  |
|---|--------------------|-------------|-------------|--------|
| 1 | Operating Income   | 106.751.752 | 10.721.000  | 10.04  |
| 2 | Financial Income   | 45.774.000  | 98.844.536  | 215.94 |
| 3 | Gross Profit = 1-2 | 152.525.752 | 109.565.536 | 71.83  |

## CONSOLIDATED FINANCIAL RESULTS

GD "Granit" AD Skopje prepares consolidated annual financial statements, which include the following subsidiaries:

- Hotel "Granit" DOOEL Ohrid
- "Car Wash" DOOEL – Skopje
- "Granmac" Germany
- "Granmac" Austria
- GD "Granit" DOO Banja Luka
- Branch of GD "Granit" Banja Luka
- Lep Kop Invest DOOEL Skopje

The achieved figures from the consolidated annual financial statement of GD "Granit" AD Skopje for the operations in 2024 are as follows:

| Elements                       | 2023          | 2024          |
|--------------------------------|---------------|---------------|
| Total revenue                  | 5.326.260.281 | 3.865.350.119 |
| Total expenses                 | 5.197.794.821 | 3.826.651.785 |
| Gross profit                   | 128.465.460   | 38.698.334    |
| Income tax                     | 1.348.034     | 1.924.598     |
| Net profit                     | 127.117.426   | 36.773.736    |
| Net other comprehensive income | 284.259.000   | 1.603.283.700 |
| Total comprehensive income     | 411.376.426   | 1.640.057.436 |

# Business Operating Policies

## Business Operating Policies

In its operations, the company applies policies through which it manages financial risks, which are focused on assessing the unpredictability of financial markets and aims to find ways to minimize potential negative effects in a timely manner. Risk management is performed by the financial sector, based on guidelines approved by the Management Board.

## Investment Policy of the Company

The company continuously invests in tangible and financial assets that support the maintenance and success of the company's operations. Specifically, in 2024, the company invested new 229,293,213 MKD in new fixed assets.

## Sources of Funds for the Company

The company continuously monitors its debt through appropriate analysis. As of December 31, 2024, the debt ratio is very low, as there are no credit obligations to banks, except for financial leasing obligations.

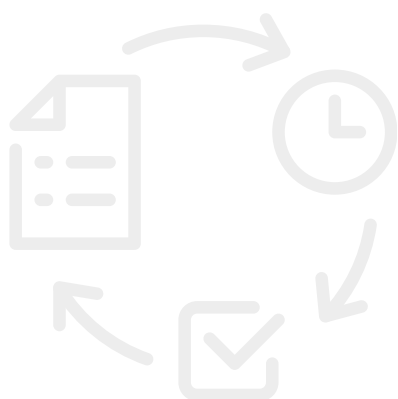
The company finances its operations from its own sources of funds, with a combination of short-term or long-term loans as needed.

## Policy on Long-Term Debt to Shareholders' Equity

The company's policy is not to over-borrow from banks and to independently finance its operations. The banks the company works with are mainly used to secure bank guarantees necessary for its current operations.

## Dividend Policy

This year, the company will continue with the regular payment of dividends.





# Business Operating Policies

## Risk Management Policy of the Company

The company engages in various transactions arising from its daily operations, which relate to customers, suppliers, and creditors. The main risks to which the company is exposed and the management policies for these risks are as follows:

- Market Risk
- Risk of Currency Exchange Rate Changes:

The company engages in foreign currency transactions arising from sales and purchases on foreign markets, and is exposed to daily fluctuations in foreign currency exchange rates. The company does not have a specific policy to manage this risk, as there are no specific financial instruments in the Republic of North Macedonia to hedge against this type of risk. Therefore, the company is exposed to potential fluctuations in foreign currencies. The company is primarily exposed to the Euro and US Dollar.

## Risk of Price Changes:

The company is exposed to the risk of changes in the prices of investments available for sale, and this risk is beyond the company's control. Exposure to the risk of price changes in equity investments is represented through the ownership of shares in Komercijalna Banka AD Skopje and shares in open investment funds held by GD Granit AD Skopje.

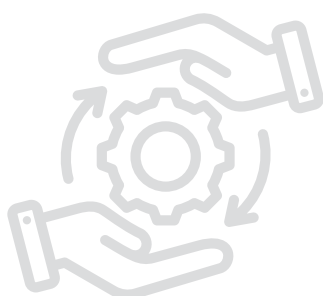
## Credit Risk:

The company is exposed to credit risk in the event that its customers are unable to meet their payment obligations. The company does not have significant concentration of credit risk, as its customers include a large number of companies both domestically and abroad, as well as state institutions (ministries, agencies, and public enterprises).

## Liquidity Risk:

Liquidity risk arises when the company is unable to meet its obligations to creditors due to insufficient cash flow. This risk is mitigated by constantly ensuring the availability of cash to service its obligations, and the company does not face such issues in its operations.

All of these policies were reviewed and confirmed by the external auditor, Moore Stephens DOO Skopje, for the year 2024, who were exclusively engaged for the purpose of conducting the external audit.



# We Research, We Apply, We Invest

Competitiveness is a challenge that can only be overcome, and in this aspect, G.D. „Granit“ AD Skopje distinguishes itself in the market through continuous investments in its fixed assets, which follow the trends of modern, complex construction technology and service execution. In this regard, in 2024, significant investments were made, particularly in construction machinery, plants, and some investments in transport vehicles.

The total investments in fixed assets in 2024 amounted to 229,293,213 MKD, broken down as follows:

- Intangible investments: 12,044,945 MKD
- Tangible investments: 217,248,268 MKD

## Investments in Fixed Assets:

| Investments in Fixed Assets |                                       |             |
|-----------------------------|---------------------------------------|-------------|
|                             | Item                                  | MKD denars  |
| 1                           | <b>Intangible Assets</b>              |             |
| 1.1                         | Intangible assets total               | 12.044.945  |
| 2                           | <b>Tangible Assets</b>                |             |
| 2.1                         | Land                                  | -           |
| 2.2                         | Construction projects                 | 33.566.132  |
| 2.3                         | Plants and construction equipment     | 87.790.055  |
| 2.4                         | Transpor vehicles                     | 70.367.930  |
| 2.5                         | Tools, Office Equipment, and Supplies | 6.784.723   |
| 2.6                         | On going investments                  | 18.739.428  |
| 3                           | Total investments                     | 229.293.213 |

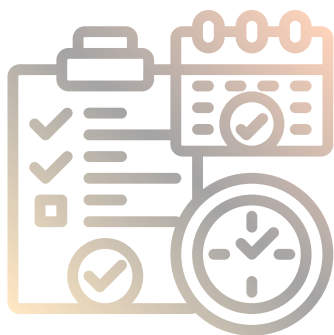
In 2024, significant investments were made in several key fixed assets, such as a new asphalt base, additional construction machinery, and transportation vehicles. This trend will continue in line with the needs, as reinvestment in new fixed assets is a key factor for maintaining competitiveness and keeping up with trends in the construction market. These investments ensure that G.D. "Granit" AD Skopje remains at the forefront of technology and operational efficiency, positioning itself strongly in a competitive marketplace.

## STRATEGIC GOALS FOR 2025

To successfully achieve its strategic goals for 2025, G.D. "Granit" AD Skopje has established the following measures and activities:

- Higher profitability in executing tasks within the company's business operations;
- Constant monitoring of quality in carrying out construction work;
- Increasing the level of equipment with fixed assets;
- Human resources management to ensure higher quality in operations;
- Ensuring economic and efficient execution of tasks;
- Improvement of software solutions for rational task execution and ensuring control over operations.

The size of the projects the company aims to execute is socially significant and specific, requiring the incorporation of innovations and new working methods. For this reason, in 2025, the company will invest in new technical solutions and further modernize construction machinery to ensure competitiveness and increase the company's capacity both in the domestic and foreign markets.



# Care for Employees, the Environment, and the Quality of Services and Products

Transparent and ethical behavior, in accordance with national legislation and international norms, contributes to sustainable development and addresses the expectations of stakeholders. This approach is fully integrated into all segments of the company's operations. Primarily, corporate social responsibility (CSR) is embedded in the company's business policy, and as such, it is recognized as an essential corporate value.

By practicing corporate social responsibility, G.D. "Granit" AD Skopje is fully committed to making a positive impact on all aspects of society, including the economic, social, and environmental spheres. The successfully implemented and maintained Integrated Management System (IMS) for standards is a clear indicator of the company's dedication, particularly in ensuring the safety of its employees and stakeholders. This is achieved through the implementation of the Occupational Health and Safety Management Standard ISO 45001, continuous monitoring, and adherence to the requirements of the Environmental Management Standard ISO 14001, and the focus on social aspects during project execution. The company also emphasizes the improvement of the quality of services and products through the ongoing monitoring of ISO 9001.

The company is actively engaged in retaining existing staff and attracting new talent by maintaining competitive salaries and benefits, offering professional development opportunities, conducting team-building activities, and providing additional benefits. With a strong focus on the health and well-being of its employees, the company's health and safety department continuously conducts employee training sessions and regularly organizes health screenings for all staff. Furthermore, the company supported its employees' participation in the Skopje Marathon 2024, aiming to foster healthy habits and strengthen team spirit.

Through the implementation of these policies and practices, G.D. "Granit" AD Skopje remains committed to its role as a socially responsible company, striving to make a positive impact on society and ensuring long-term sustainability in its operations. This commitment is reflected not only in the company's internal practices but also in its ongoing contributions to the broader community, creating a responsible and ethically driven business environment.



## СЕРТИФИКАТ

за систем за управување согласно  
ISO 45001 : 2018

Со ова телото за сертификација TÜV NORD CERT GmbH го потврдува резултатот на ревизијата, проценката и одлуката за сертификација согласно ISO/IEC 17021-1:2015, дека организацијата

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1000 Скопје  
Република Северна Македонија

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не биде надгледувана за конформност.

Област на важење

Изведба на градежни објекти од нискоградба, високоградба и хидроградба,  
производство на градежни материјали и полуфабрикати за сопствени потреби  
и за пазар, контрола на квалитетот на производите

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Валиден до 2026-08-14  
Прво сертификање 2014 (BS OHSAS 18001)

Место на сертификација  
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и за пазар, контрола на квалитетот на производите

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Бр. на ревизијата и ревизија 39923 1309

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Валиден до 2026-08-14  
Прво сертификање 2014

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Бр. на ревизијата и ревизија 39923 1308

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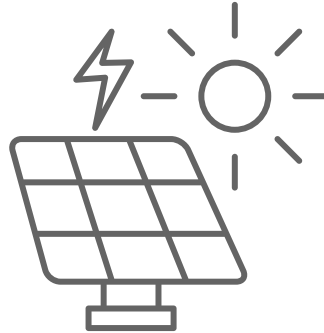


## We Operate According to the Highest Standards to Protect the Environment, Health, and Safety of Employees



All installations (asphalt and concrete plants, and quarries) possess A and B Integrated Environmental Permits in accordance with the Environmental Law. These permits serve as the basis for continuous monitoring and measurement conducted by accredited environmental measurement laboratories.

Through this mechanism, the Company demonstrates that it does not have a negative impact on the environment, meaning that the prescribed maximum allowed concentrations are not exceeded.



The Company has installed a photovoltaic system on the roof of its business facility in Kozle, as well as on the roof of the administrative business building at the Machinery Unit, thereby reducing electricity consumption and preventing CO2 emissions.

Considering these benefits, the Company has also approved an investment in a photovoltaic system on the roof of the Hotel Granit DOOEL Ohrid, which is fully owned by Granit AD Skopje.



During the execution of construction activities, a team of experts in occupational health and safety, environmental engineers, and waste managers conducts daily monitoring of all aspects related to the safety of all stakeholders, environmental management, and social aspects related to the community.

This confirms the Company's main strategic policy – healthy workers and a clean environment.





## WE ARE PART OF THE COMMUNITY, SOCIALLY RESPONSIBLE COMPANIES



Donating as a vital part of corporate social responsibility continued throughout 2024 through the implementation of significant programs and activities. The company continually strives to meet the needs of its employees and the wider community, thus maintaining its reputation and enhancing its standing. Development and research were supported by the company, which had an active participation and contribution to the research efforts of the Geotechnical Society of Macedonia and the Society of Civil Engineers of Macedonia.

We are particularly proud to have continued our mission as a significant corporate donor to SOS Children's Village, where, throughout the year, the company donated financial resources for their project activities and also provided a vacation for the children of SOS Children's Village and their mentors, as well as for the children of the "Children's Embassy of All the Children of the World."

The company continuously implements a mechanism for complaints and feedback from stakeholders and employees to address their concerns and expectations regarding the company's operations. This system helps maintain close interaction with the local community, successfully executing and monitoring mechanisms to improve social performance.



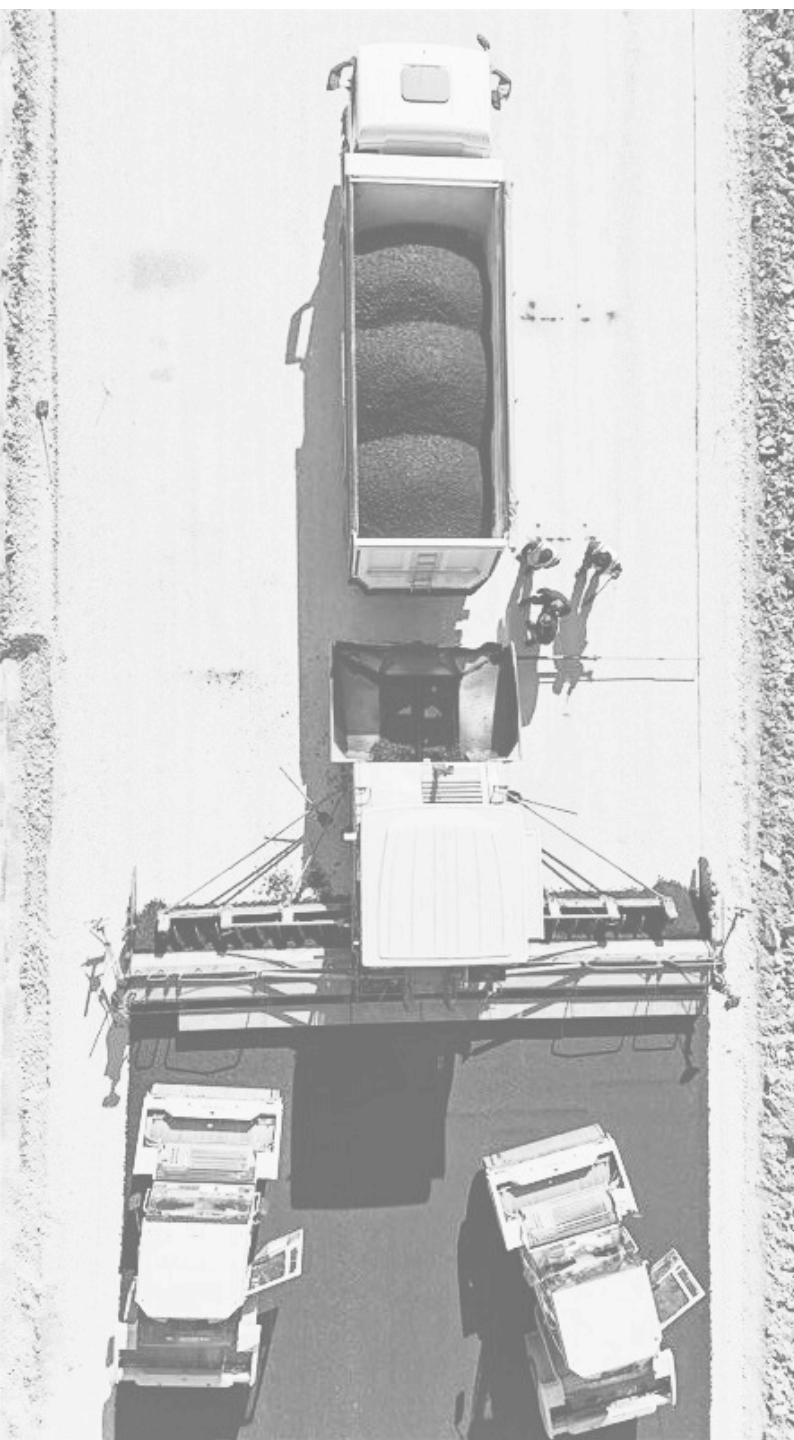
ГРАНИТ АД  
СКОПЈЕ

The annual report represents the annual operations of the Company as presented by the management, which is based on the requirements of the Companies Legal Act, and it provides an assessment of the information related to the stated data and results in the financial statements.

An annex to the Report is the Succession Plan of the Supervisory Board from May 2022.

**THANK YOU!**  
**MANAGEMENT BOARD OF GD GRANIT AD SKOPJE**

Skopje 2025



+389 3218 700



Dimitrije Cupovski no.8 Skopje



granit.com.mk

## **SUPERVISORYY BOARD SUCCESSION PLAN**

**of GD Granit AD Skopje**

**- First Edition –**

**November, 2022**

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## **INTRODUCTION**

GD Granit AD Skopje, as a joint-stock company, has established a two-level management system, consisted of a Supervisory Board and a Management Board.

The Supervisory Board of the Company exercises the competences determined by law, by-laws, the Members of Association and other acts of the Company.

Accordingly, members of the Supervisory Board have a key role in supervising the management of the Company, appointing and dismissing members of the Management Board, approving the strategy, business plan and budget of the Company, organizing the Internal Audit Service, appointing and dismissing its members and the approval of the policies and procedures for performing internal audit, as well as other matters in accordance with the legal and by-law regulations, the Members of Association and other acts of the Company.

The members of the Supervisory Board are elected for a period of 6 (six) years.

This Plan aims to support the existing criteria regarding the engagement and performance of the members of the Supervisory Board, in the case of the election of new members, in order to enable the smooth functioning of the Company.

## **1. OBJECTIVES OF THE SUCCESSION PLAN**

This Plan aims to ensure continuity in the operation of the Supervisory Board, by identifying and selecting potential candidates in case of complete, planned or unforeseen exclusion of any of its members.

The purpose of the Plan is to:

- Gave instructions in order to ensure the readiness to replace any of the members of the Supervisory Board, taking into account the principle of good work;
- To ensure that there are appropriate and proactive procedures for the recruitment and selection of suitable candidates, which are in accordance with the laws, by-laws, the Members of Association and other acts of the Company;
- To ensure that there is a framework that identifies the necessary knowledge, skills and experience that will contribute to the general knowledge, skills and experience of the Supervisory Board, in order for it to be able to perform the obligations arising from the laws, by-laws, the Members of Association of The Company, the Rules of Procedure of the Supervisory Board and other acts of the Company;
- To ensure continuity through a smooth succession of any of the members of the Supervisory Board, which will ensure a balance between a fresh perspective and independence and the experience and institutional memory of the Board;
- It will ensure compliance with the best corporate practices, legal frameworks, and especially the Law on Trading Companies, the Company's Members of Association, the Company's Corporate Management Codex and the Supervisory Board's Rules of Procedure.



## 2. MANAGEMENT FRAMEWORK AND RESPONSIBILITIES

The members of the Supervisory Board are elected and dismissed by the Assembly of Shareholders. The members on The Supervisory Board then select The Assembly. During the selection it is appointed which member is chosen as an independent member. The Assembly selects the members on The Supervisory Board by publicly voting. A natural person can be elected as a member of the Supervisory Board who is capable of doing business and against whom no penalty has been imposed, i.e. a misdemeanor sanction, a ban on performing a duty, which is partially or fully covered in the subject of the Company's operations, while that ban lasts. The members of the Supervisory Board are elected for a period of six years. The members of the Supervisory Board can be re-elected.

Shareholders who own at least 20% of the total number of shares with voting rights. The nomination list must indicate which member is proposed as an independent member. The proposal is submitted in writing no later than 10 days before the Assembly and must be signed by the proposers. The proposal is submitted to the authority that convenes the Assembly. For all proposed candidates, the authority convening the Assembly announces in writing data on age, gender, education and other professional qualifications and skills, work experience and how he acquired it, in which companies he is or was a member of a management body, i.e. the Supervisory Board and other important functions he performed, his social status, the number of shares he owns in the Company and other companies as well as the loans and other obligations that he has towards the Company. Such data must be available to shareholders 7 (seven) days before the Assembly approaches elections.

The vote it implements Commission for implementation secretly voting, elected from the order on the shareholders on itself Assembly. For the results from the vote, the Commission submits report before The Assembly. For members on The Supervisory Board everything selected the candidates from the list which received more from half from those present voices. By the way neither one proposal list for members on The Supervisory Board nor it received the necessary majority votes, voting everything repeats. Prior to the again voting for selected everything counts the one list which received the most voices.

When proposing and voting for new members of the Supervisory Board, among other things, the following criteria are especially taken into account:

- Competences that are necessary for the member of the Supervisory Board to possess, according to the dynamics and challenges of the Company's operations that the member may face during his work,
- Independence and impartiality as determined and required by the law, the by-laws, the Company's Members of Association and the Rules of Procedure of the Supervisory Board, as well as in other acts of the Company;
- Possession of analytical skills, ability to make decisions, knowledge of construction and financial operations, as well as the applicable regulation and good corporate practices.

## 3. GUIDING PRINCIPLES

1. An appropriate university education degree, in order to determine that the member of the Supervisory Board possesses the necessary skills and knowledge to perform the duties of such a position. In addition, the member of the Supervisory Board is expected to have a sufficient level of expertise in the field, with which he will contribute to a better and more effective operation of the Board.

2. In addition to everything already stated, the goal of the Supervisory Board is to ensure diversity where a balanced gender representation would be possible in the direction of providing expert professionals, regardless of their ethnicity, race, religion, sexual orientation, political views and other determinations.

#### 4. PLAN UPDATE

The Supervisory Board will revise and update this Plan, always and as often as the need arises.

#### 5. PUBLICATION AND EFFECTIVENESS

This Succession Plan for the members of the Supervisory Board of the Company is published on the website of the Company, in order to be available for familiarization by all interested parties.

The provisions of this Plan enter into force on the day of the adoption of the Decision on the adoption of the Plan by the Supervisory Board of GD Granit AD Skopje.

Претседател на Надзорен Одбор  
Ивана Милковска Симева