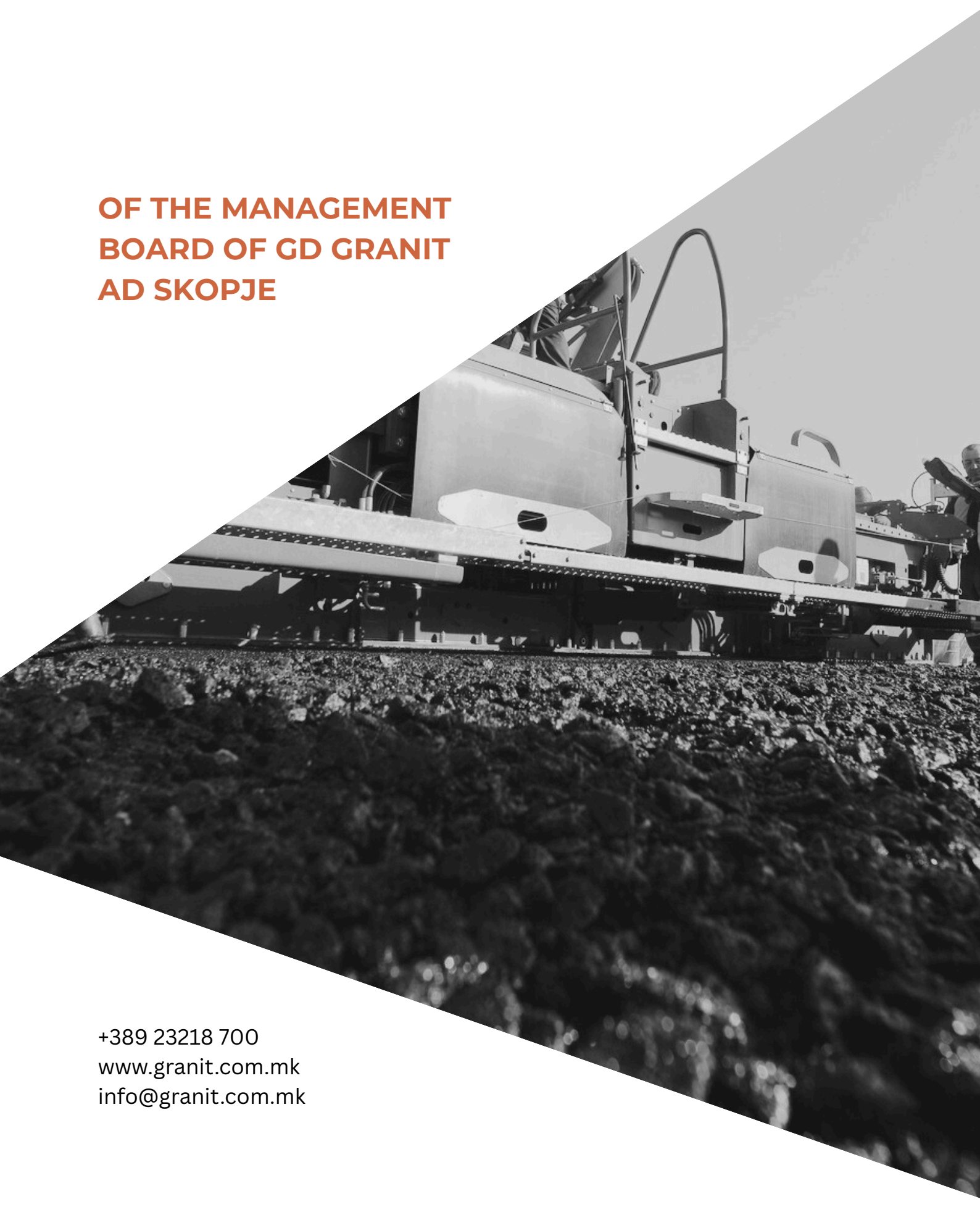


ANNUAL REPORT 2025

**OF THE MANAGEMENT
BOARD OF GD GRANIT
AD SKOPJE**

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About Us

GD Granit AD Skopje

GD Granit AD Skopje is one of the leading construction companies in the Republic of North Macedonia, with a tradition and experience spanning more than 70 years. Throughout its existence, Granit has built a strong reputation as a symbol of quality, reliability, and professionalism, both in domestic and international markets.

The company's core activities include construction works in civil engineering, building construction, and hydraulic engineering, with civil engineering representing the dominant segment. In addition, GD Granit AD Skopje has established several wholly owned subsidiaries, both domestically and abroad, engaged in the trade of construction machinery, construction materials, and the provision of other related services.

The quality delivered by the company is the result of many years of successful management and adherence to key values—safety, quality, ethics, integrity, and sustainable development. GD Granit AD Skopje continuously strives to improve its operations through innovation and by establishing a sustainable value system, with the aim of enhancing quality of life and creating long-term value for the community.

The company's reputation is built on the trust of its clients and partners, as well as on the value it creates through its projects.

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



282+

Construction Machinery and
Transport Vehicles

26+

Plants and Facilities (Concrete
and Asphalt)

Vision

Granit continues to grow and move forward in order to maintain its position as a leading and recognizable construction company in the region, representing a synonym for the execution of complex construction projects, while setting new standards in civil and building construction through quality, innovation, and sustainable development.

We strive to strengthen our position as a trusted partner in the delivery of complex infrastructure and residential-commercial projects, offering solutions that are energy-efficient, technologically advanced, and environmentally responsible.

Our vision is to lead the transformation of the construction sector through digitalization, modernization of processes, and continuous investment in the development of our employees, thereby creating value for shareholders and security for clients.

Through responsible management and the application of ESG principles, we aim to contribute to a sustainable future and an improved quality of life in the communities in which we operate, while remaining a symbol of stability, trust, and long-term success.



Mission

1. Growth and Development of Shareholders' Capital
2. Quality that leaves lasting values
3. Application of the most modern technologies and construction methodologies, with particular emphasis on environmental protection and the health and safety of employees



SOCIO-ECONOMIC CONDITIONS AND THE COMPANY'S OPERATIONS WITHIN THOSE CONDITIONS

During 2025, the economy of the Republic of North Macedonia continued to record moderate but stable growth, under conditions of global economic uncertainty, energy pressures, and geopolitical risks.

According to data from the State Statistical Office, Gross Domestic Product (GDP) in 2025 achieved growth of approximately 3.5%, maintaining positive trends across several quarters.

Economic growth was supported by increased private consumption, rising investments, and a gradual recovery of exports. Domestic demand remained the key driver of economic activity, with final consumption accounting for a significant share of GDP structure.

In such conditions, the construction sector stands out as one of the most dynamic segments of the economy. During 2025, it recorded significant growth, with a 14.6% increase registered in the fourth quarter alone, driven particularly by civil engineering activities and infrastructure projects.

Construction traditionally represents an important pillar of the economy, contributing around 6–7% to GDP, and serving as a key factor for employment and related industries such as construction materials production, transport, and energy.

At the same time, the sector also faced certain challenges, including fluctuations in construction material and energy prices, limited availability of labor, and increased labor costs.

However, overall construction activity demonstrated high resilience and adaptability to market conditions, with periods recording growth in construction output of up to approximately 19% on an annual basis.

In a broader economic context, North Macedonia continued to face structural challenges, including the need to increase productivity, improve the investment climate, and accelerate infrastructure development. At the same time, economic developments in the region and the European Union, as well as global energy and financial trends, had a significant impact on the domestic economy.

Looking ahead, economic growth is expected to continue at a moderate pace, with the construction sector remaining one of the key drivers of economic activity, particularly through the implementation of capital investments and infrastructure projects.

In conditions of pronounced market uncertainty and increased costs of energy and construction materials, the Company succeeded in achieving a positive financial result during 2025. These results are attributed to the timely identification of risks, their appropriate management, and careful planning of business activities.

Through disciplined financial management, cost optimization, and a focus on profitable projects, the Company managed to mitigate the negative impacts of the external environment and maintain its stable market position.

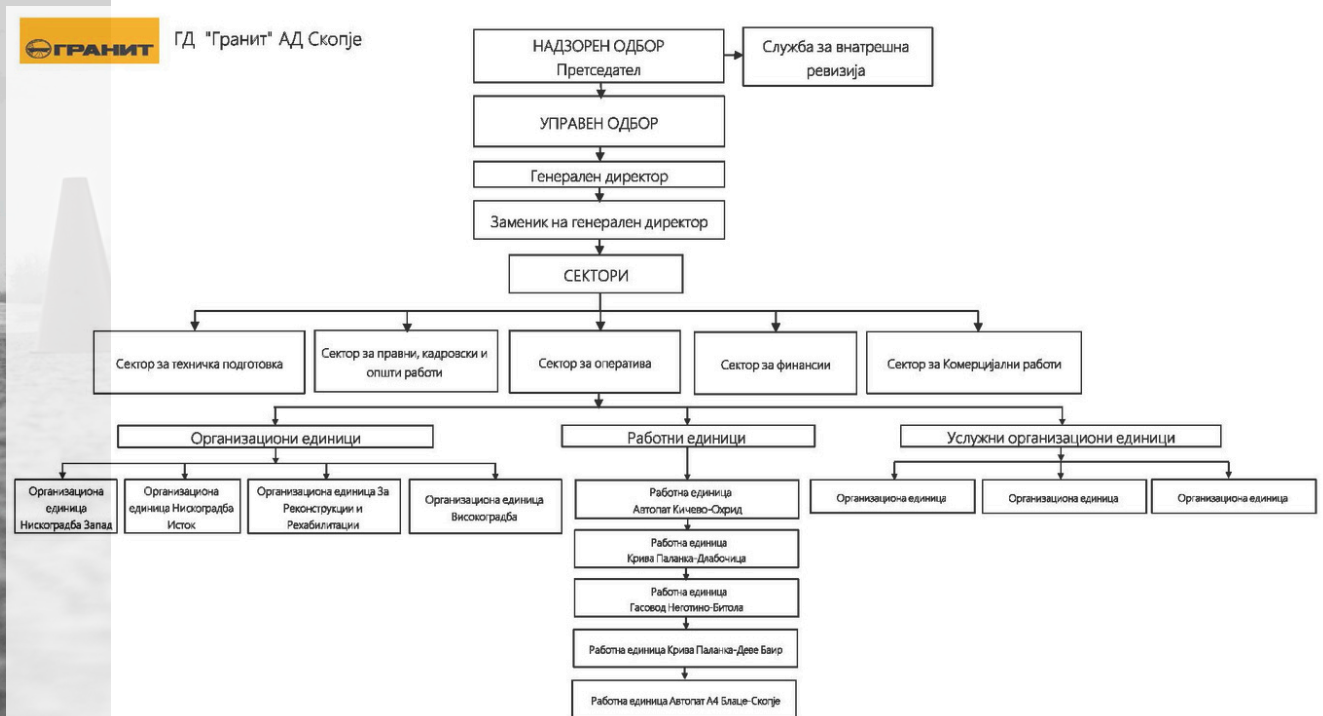
Nevertheless, given the ongoing economic trends and uncertainties related to resource prices and investment dynamics, these challenges remain relevant in the coming period. The Company will continue to closely monitor developments and proactively manage risks in order to ensure sustainable operations and stable results in the period ahead.

Corporate Governance

The corporate governance system is based on the 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 governance system – the Supervisory Board and the Management Board.

The Shareholders' Assembly, as the highest governing body, decides on matters regulated by law and those 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, departments, and sectors operating within the Company. Meanwhile, part of the other activities that do not fall within its core business are performed through companies fully owned by GD "Granit" AD Skopje.



Strategy and Fundamental Principles of Operation

Business concept – focused on creating sustainable value for investors, shareholders, and employees.

Compliance principle – application of all legal and sub-legal regulations, as well as standards of good corporate governance.

Analytical concept – analysis, comparability, and risk assessment.

Innovative concept – monitoring trends and continuous improvement.

Shareholders' Assembly

Granit carries out its operations through the Shareholders' Assembly, as the highest governing body of the Company, through sessions at which key decisions concerning the Company and the shareholders are regularly adopted. The Supervisory Board acts as the body responsible for overseeing the financial operations and management of the Company by the Management Board. The Management Board, within its powers, rights, and obligations, is responsible for conducting, implementing, and monitoring the management of the business process and ensuring its compliance with legal regulations, corporate provisions, and ethical standards.

The Annual Shareholders' Assembly in 2025 was held on 23.05.2025, at which, in accordance with the Company's Statute, decisions were made on matters within its competence. The organization, conduct, and decision-making of the Annual Assembly were fully aligned with legal requirements and the Code of Corporate Governance for listed companies of the Macedonian Stock Exchange, resulting in the adoption of 11 resolutions.

In accordance with the Law on Trade Companies, each shareholder registered in the share register as of the date of registration is entitled to participate in the work of the Assembly and to exercise voting rights.

As of 31.12.2025, the Company had a total of 3,839 shareholders.

Each shareholder has the right to participate and vote at the Shareholders' Assembly, either in person or through a proxy. The Company does not impose any additional requirements or conditions for participation and voting at the Shareholders' Assembly, other than those prescribed by law.

In accordance with the resolutions, the Company made the dividend payment for 2024 on 24.09.2025 to shareholders holding ordinary shares, who were recorded in the share register as of 09.06.2025, out of the total calculated dividend for 2024 in the amount of 105,267,752 MKD.

The dividend per share amounted to a gross value of 38.00 MKD.

During 2025, the Company did not acquire any new treasury shares.

The Company's sources of funds consist of equity in the amount of 7,761,072,677 MKD, or 83% of the Company's total assets, while the remaining 17% relates to liabilities towards creditors (16.7%) and banks and leasing companies (0.3%).



Supervisory Board

The Supervisory Board continuously monitored and controlled the Company's operations, financial position, management, and results throughout 2025. In the period from January to December 2025, it held a total of 6 regular sessions in full composition.

Particular emphasis was placed on the Company's financial performance, including the review of unaudited and audited separate and consolidated financial statements for the previous year. Each quarter, a dedicated session was held to monitor business performance based on reports submitted by the Management Board and relevant financial indicators. For these purposes, Management Board members Катерина Ѓердовска and Андреа Серафимовски attended the Supervisory Board sessions.

In this manner, cooperation between the two highest governing bodies of the Company was achieved, whereby the Supervisory Board, based on the results, assessed the management as positive. On the basis of the submitted Management Board reports, as well as explanations provided by the Management Board member present at the sessions supported by financial results, the Supervisory Board carried out an individual evaluation of the Management Board members and concluded that the size, composition, and functioning of the Management Board enable effective and successful management of the Company.

The sessions were timely convened by the Chairperson of the Supervisory Board, and all members attended all sessions, at which a total of 31 decisions and 3 conclusions were adopted.

In the performance of its duties with due care and diligence, the Supervisory Board exercised control and oversight over the Company's financial operations through continuous monitoring of profitability and liquidity, the condition of assets, cash holdings, securities, and by ensuring the implementation of the business policy adopted by the Shareholders' Assembly.

It continuously monitored risk management in the Company's operations, taking into account the interests of shareholders and other stakeholders. The Supervisory Board regularly followed developments in the construction sector, the general economic conditions, and all matters affecting the Company's operations.

Within the scope of internal audit, the semi-annual and annual reports were reviewed and approved, whereby they were adopted as appropriate and effective internal control systems for the Company's operations.

No separate committees or bodies regarding assessment and remuneration policy were established, given that the Supervisory Board successfully performed these functions within its own structure.

The implementation of best international practices in the field of corporate governance remains a key focus of the Supervisory Board in 2026, with the aim of protecting the interests and ensuring the rights of shareholders, investors, clients, suppliers, employees, and other stakeholders, as well as the continuous advancement of the Company's strategic priorities.

The succession plan was adopted by the Supervisory Board in 2022 and has not undergone any changes. In accordance with the corporate governance rules established by the Macedonian Stock Exchange, it is attached to this Report.

Supervisory Board

The Supervisory Board consists of two women and one man, all professionals in their respective fields. In line with its composition of experts, the members of the Supervisory Board possess the necessary knowledge, skills, experience, and support. One member is an independent member, not affiliated with management or the majority shareholders of the Company.

The Supervisory Board is composed of the following members:

The Chairperson of the Supervisory Board, Ms. Ivana Milkovska Simeva, is a graduate architect and is also a member of the Supervisory Board of Komercijalna Banka AD Skopje.

Mr. Goran Markovski is a graduate economist who served as an independent member of the Supervisory Board until May 2025, when he resigned.

At the Shareholders' Assembly held in May 2025, a new independent member was elected, Mr. Prof. Dr. Aleksandar Stojkov, a full professor of economic sciences, who is also an external non-executive member of the Board of Directors of the Central Securities Depository (CSD) AD Skopje.

Ms. Violeta Bozhinoska is a graduate lawyer. With this composition of professionals from different fields, all key aspects for efficient, professional, and adequate control and supervision of the Company's operations are covered.

The monthly remuneration of the Supervisory Board members, in accordance with the decision of the Shareholders' Assembly, amounts to 115% of the average monthly net salary per employee in GD Granit AD Skopje, paid in the last three months.

Internal Audit Department

The Internal Audit Department, as an independent organizational unit, assists the Company in achieving its objectives through additional verification of operating systems and procedures, risk mapping, and the identification of measures and activities for process improvement in management. For this purpose, the Internal Audit Department timely prepared its semi-annual and annual reports and work plans, in accordance with the Law on Trade Companies, which were adopted by the Supervisory Board.

The Internal Audit Department supports the Company in exercising 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. They are presented to the management and have been fully accepted.

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



Management Board

The Management Board is the governing body of the Company with the broadest powers in management, namely in carrying out all activities related to the conduct of business and the Company's day-to-day operations. The Management Board is responsible for managing and organizing the Company's operations in order to support its long-term success. In performing its functions, the Management Board acted in the best interests of the Company and all its shareholders, while also taking into account the interests of employees and other stakeholders. The Management Board acted with due care, applying high standards of reliability, responsibility, and professionalism in its work.

The Management Board held regular meetings, and in 2025 a total of 10 regular sessions were held, at which decisions and conclusions were adopted in accordance with the discussions. For certain day-to-day operational matters, in order to ensure effective management, decisions were also made without holding formal sessions. Within its competencies, the Management Board reviewed and approved the Company's annual accounts, both separate and consolidated, as well as the annual accounts of subsidiaries established by GD Granit AD Skopje. It also addressed current operational matters related to organization, planning, and coordination of construction activities, ensuring proper allocation of Company resources and their rational use.

Adapting to current operating conditions, the Management Board adopted a number of decisions regarding changes in the management of internal organizational units and work units, with the aim of rationalizing costs while maintaining the quality of staff essential for achieving the planned results. The performance and results of individual organizational and work units were reviewed separately, and appropriate guidelines and measures were defined to improve their operations. Analysis and adjustments of price lists were also carried out in line with the increase in costs and prices, in order to properly determine operating costs.

Within its operations, the Management Board also reviewed proposals submitted by shareholders and duly explained them, making them available through its website. The Chairperson of the Supervisory Board, Ivana Milkovska-Simeva, attended all Management Board sessions.

The Chairman of the Management Board, Zoran Milkovski, who is also the General Director of the Company, is a member of the Management Board of the Economic Chamber of North Macedonia, where he directly participates in and is involved in the formulation of general guidelines and decisions presented and represented by the Chamber in cooperation with relevant representatives of the Government, Ministries, and state public enterprises, which are among the Company's largest investors. The Management Board member Zoran Milkovski is also a member of the Supervisory Board of Euroins Insurance AD Skopje.

The Management Board member Andrej Serafimovski is the President of the Association of Construction Companies within the Economic Chamber of North Macedonia and a member of its Assembly, as well as Vice President of the Society of Structural Engineers, where he regularly attends meetings and shares information with other companies in the industry that act as business partners, suppliers, and/or service users of the Company in achieving common objectives.

The monthly remuneration for participation in the Management Board, as determined by the Supervisory Board's decision, amounts to 115% of the average monthly net salary per employee in GD Granit AD Skopje, paid over the last three months.

The decision on the appointment of the members of the Management Board was adopted by the Supervisory Board at its first constitutive session held on 12.05.2020.

The Management Board consists of 5 (five) members, representing a combination of experience and the energy of younger driving forces, with different professional backgrounds, as follows: the Chairman of the Management Board, Mr. Strasho Milkovski, with long-standing experience as a graduate architect engineer; Mr. Zoran Milkovski, Master of Natural Sciences, Mathematics and Computer Sciences; Ms. Катерина Ѓердовска, graduate economist; Mr. Andrej Serafimovski, graduate civil engineer; and the external member Mr. Venko Zafirov, graduate electrical engineer.

The members of the Management Board, each authorized within their respective field and profession, held meetings and maintained written correspondence with stakeholders such as clients, suppliers, investors, and employees, thereby directly monitoring and reporting on the status of the Company's undertaken obligations and rights.

Mutual Cooperation between the Supervisory Board and the Management Board



The cooperation between the Supervisory Board and the Management Board is carried out continuously through mutual information sharing, reporting, and support in the assessment and adoption of decisions relevant to the Company's operations. This cooperation is implemented in such a way that the Chairperson of the Supervisory Board regularly attends all Management Board sessions, while various members of the Management Board attend Supervisory Board sessions for topics within its scope. The Supervisory Board is in constant communication and cooperation with the Management Board in the best interest of the Company and in accordance with the laws and internal acts of the Company.

The Company continuously works on the training of managerial staff, with the aim of developing management skills, particularly among female employees, in order to establish and promote gender equality. In this direction, the Company has successfully implemented such practices within the Supervisory Board, with the further objective of achieving the same level of gender equality in the Management Board.

The meetings of the Supervisory Board and the Management Board are supervised and followed by a Corporate Secretary, a graduate lawyer, with the purpose of ensuring proper application of good corporate governance practices. The Corporate Secretary effectively monitors the work of both bodies, advises the Chairs on their responsibilities and legal obligations, organizes the Shareholders' Assembly, and ensures a clear procedure for communication with shareholders regarding the exercise of their rights.

In 2025, a gross amount of 73,637,633 MKD was paid to the members of the governing and supervisory bodies as remuneration, salaries, bonuses, and participation fees.

In 2025, no related-party transactions or significant transactions were concluded. In accordance with the Law on Trade Companies, one member of the Supervisory Board is an independent member. In 2025, a change in the composition of the Supervisory Board was made due to the resignation of the independent member Goran Markovski in May 2025. Since the Shareholders' Assembly was held in the same month, a new candidacy for an independent member, Prof. Dr. Aleksandar Stojkov, was submitted. After evaluation by the Supervisory Board, he met all the criteria defined by law and the Corporate Governance Code for listed companies, and was confirmed and elected by the Shareholders' Assembly in May 2025.

Within the Management Board, one member is an external person. No separate committees or boards were established, as their responsibilities were successfully carried out directly through the Supervisory Board, the Internal Audit Department, and the Management Board.

2025 The member of the Management Board – Venko Zafirov, an independent member, is employed at Koner Computers DOO Skopje, where he earns compensation from his employment in a gross amount of 947,410 denars.

The member of the Supervisory Board – Goran Markovski, an independent member who held this position until May 2025, is employed at KB Publikum Invest AD Skopje, where he earns compensation from his employment in a gross amount of 6,898,486 denars.

The member of the Supervisory Board – Aleksandar Stojkov, an independent member, is employed as a full professor of economic sciences at the Faculty of Law "Iustinianus Primus" at Ss. Cyril and Methodius University in Skopje, where he earns a salary in a gross amount of 2,443,717 denars and additional compensation in the amount of 545,380 denars.

Corporate Governance

G.D. "Granit" AD Skopje, as a listed company on the Macedonian Stock Exchange, in the course of its operations has adopted its own Corporate Governance Code. In addition to the Code, the Company has also adopted its own Code of Ethics, whereby every employee of the Company is obliged to familiarize themselves with its content and commit, by signed declaration, to comply with its provisions.

G.D. "Granit" AD Skopje duly responded to the Questionnaire and provided information on its corporate governance, respecting the principles of transparency in operations, and this information is published on the website of the Macedonian Stock Exchange.

The Code, as well as other important rules of management and decision-making, are publicly available in physical form at the administrative building and registered office of the Company at Dimitrie Chupovski Street No. 8, as well as on the Company's website for inspection by all interested investors and shareholders.

The Company continued its previous practice of applying good business practices, whereby all decisions relating to price-sensitive information and matters important for the Company's operations were duly published on the Company's website and submitted to the Macedonian Stock Exchange. In this way, the Company has identified the appropriate values and steps towards ensuring corporate governance that contributes to good corporate practices and positive business performance. In 2022, the Management Board adopted the Stakeholder Relations Policy, which established the basic mechanisms for their identification and the fundamental principles of cooperation with them. The implementation of this Policy was carried out through joint meetings, information disclosure, quarterly controls of the work of organizational units, working units, and sectors, and through such activities the Management Board reported to the Supervisory Board on the undertaken actions. Also, in 2022, the Supervisory Board Succession Plan was adopted in order to ensure continuity and quality in the functioning of the Supervisory Board.

The Company has also adopted a special Rulebook on establishing an internal reporting procedure and has established procedures for handling whistleblower reports in cases of reasonable suspicion or knowledge of criminal, unethical, or other unlawful conduct that violates or endangers the public interest. The Company continuously monitors and implements developments in the area of personal data protection; in this regard, it has adopted a Personal Data Protection Rulebook and policies arising from the law and by-laws on personal data protection. In view of the above, the Company is committed to adhering to all principles set out in the Corporate Governance Code and declares and confirms this through its transparency, respect for laws, ethical principles, and best corporate practices.

The Annual Report is a complete and detailed report on the Company's operations in the year 2025, with reference to all essential elements defined by the Law on Trade Companies and the Corporate Governance Code of joint-stock companies listed on the Macedonian Stock Exchange.

Key activities

Regular disclosure of price-sensitive information

Completed and published corporate governance questionnaires

Publication of materials and draft resolutions for the Annual General Meeting on the Macedonian Stock Exchange and the Company's website

2025

Statements



We are building a future with lasting values

Together, in accordance with all principles of good corporate governance, we will turn challenges into opportunities for growth and introduce innovation in our operations!

Statement of the Members of the Management Board in accordance with the Listing Rules

STATEMENT

We, the members of the Management Board of GD Granit AD Skopje, hereby declare that GD Granit AD Skopje, in its operations, applies the Corporate Governance Code for joint-stock companies of the Macedonian Stock Exchange AD Skopje, published on the Stock Exchange's website www.mse.mk.

GD Granit AD Skopje applies the principles and best practices of corporate governance set forth in the Code in accordance with the "comply or explain" approach, through the completion of questionnaires whose form and content are prescribed by the Code. With this Statement, we confirm that the questionnaires are published on SEI-NET and on the website of GD Granit AD Skopje, and that the responses contained therein are accurate, truthful, and faithfully reflect the application of the principles and best practices of corporate governance by GD Granit AD Skopje as prescribed by the Corporate Governance Code.

Statement of the Members of the Management Board pursuant to Article 348-a of the Law on Trade Companies

STATEMENT

The members of the Management Board of GD Granit AD Skopje, in accordance with Article 348-a of the Law on Trade Companies, hereby issue the following statement confirming that:

In the operations of GD Granit AD Skopje, a Corporate Governance Code is applied, registered under no. 12-9534/1 dated 09.11.2021, 2nd edition, published on the Company's website granit@granit.com.mk;

The Company also applies the Corporate Governance Code for joint-stock companies of the Macedonian Stock Exchange, which is implemented according to the "comply or explain" principle through questionnaires whose form and content are mandatory, and which are published in accordance with the requirements of the Code;

These two codes are applied by the Company within its organizational governance framework, with the intention of full implementation and further development, especially of ESG principles through the adoption of new legal regulations and harmonization of the Company with them once such obligations are defined within a legal framework. This also includes reporting on remuneration within the scope of available information that is not classified as a business secret. Regarding the committees prescribed by the Code, they were not established, as the Supervisory Board, collectively and individually through its members, as well as through the internal audit department, taking into account the scope and specifics of the Company's operations and the particular expertise and knowledge, independently performed those tasks.

MAJOR CONSTRUCTION ACTIVITIES IN 2025

Construction of the Kičevo–Ohrid motorway



During 2025, the activities on the Kičevo–Ohrid motorway project were intensively focused on the installation of BNS asphalt in sections where there were no landslide issues. Significant progress was also achieved on Sections 1 and 2, where approximately 70% of the route has already been paved with BNS asphalt and 17% with the final AB asphalt layer, including the diversion near Knežino and the road to Lavčani. The implementation of stabilization measures for conditionally stable slopes has also begun, as well as the construction of a gallery for landslide stabilization at 15+690 and the unloading of part of the landslide areas. In parallel with the works along the route, final construction activities on structures were carried out – including final concreting and installation of protective “New Jersey” barriers, with the aim of fully preparing the route for the next construction phases: installation of drainage systems, surfacing, and expansion joints.



Construction works for improvements of local road infrastructure in selected municipalities in accordance with prepared basic projects – Tender II, Part I

The project Tender 11 – Construction works for the improvement of local road infrastructure in selected municipalities in accordance with prepared basic projects – Part 1, relates to the reconstruction of local roads in 17 municipalities in the Republic of North Macedonia and includes 25 separate structures.

This project covers the rehabilitation of existing local roads across the country, rehabilitation or construction of pedestrian and bicycle paths, construction of stormwater drainage systems, installation of electrical systems and street lighting, as well as the installation of vertical and horizontal road signage.

The works are carried out in accordance with the projects prepared by the end users, and the contract is financed by the Ministry of Transport through a loan from the International Bank for Reconstruction and Development – World Bank.

Construction of the Tetovo bypass via Treboš interchange to Neprošteno

The construction of the bypass includes the execution of a completely new route with a length of 5.4 km and the construction of an overpass with a span of 26 m over a railway line. It also includes drainage channels as well as irrigation channels for the surrounding agricultural fields.

The project includes 3 (three) interchanges, 1 (one) roundabout, and a pumping station for irrigation of the Xhepçishko Field, as well as regulation of the riverbed of the Porojski Jaz with crushed stone over a length of 800 meters.

MAJOR CONSTRUCTION ACTIVITIES IN 2025

Residential complex Olympic Village



The Olympic Village complex is designed and constructed to provide comfortable and pleasant living in a green environment at the foothills of Mount Vodno.

By applying modern construction techniques and smart technology, through the implementation of shared experience in design and execution, and by incorporating high-quality materials from proven global manufacturers, this complex has been created to ensure a pleasant stay and high-quality housing, representing another successful project of G.D. Granit AD Skopje.

The complex is located in an exclusive area, well connected and close to the city center, yet still in a green environment, away from urban air pollution and noise. Through this own investment, the Company will increase its value through direct participation in the real estate market.

Construction of Project: 2 (two) school sports halls

The works on the sports halls are progressing according to the planned schedule. As of December 2025, 40% of the works on the "Kuzman Josifovski Pitu" sports hall have been completed, and 61% on the "Goce Delchev" sports hall have been completed.

Rehabilitation of state road A2, Kriva Palanka bypass

Rehabilitation of state road A2, Kriva Palanka Bypass – State road A2 is one of the key corridors in the country, starting from the Deve Bair border crossing with the Republic of Bulgaria, passing through Kriva Palanka, Kumanovo, Skopje, Tetovo, Gostivar, Kičevo, and Struga, and connecting the country with the Republic of Albania at the Qafasan border crossing.

The project included the reconstruction and rehabilitation of the existing asphalt structure of the Kriva Palanka Bypass over a length of 4.50 km, as well as strengthening and repair of the structure of two reinforced concrete bridges and six reinforced concrete slab culverts.

The project was completed within an exceptionally short timeframe, and throughout the entire execution period it was carried out under an approved temporary traffic regime.

Construction of an antenna system for control and monitoring of radio frequencies on Mount Vodno

The construction activities are in the final phase, and in 2026 this facility will be completed, becoming a significant landmark of the City of Skopje.

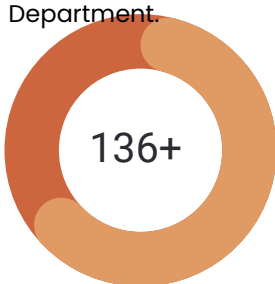


SERVICE ORGANIZATIONAL UNITS AND DEPARTMENTS

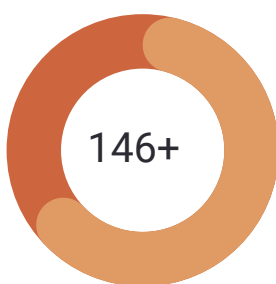
The execution of all these complex construction projects requires exceptional dedication and the organization of multiple different parts to function as a single unified whole. For this purpose, within the Company's structure, service organizational units and departments have been established within the sectors, providing support and ensuring the smooth operation of construction sites in fulfilling their contractual obligations.

Organizational Unit – Mechanization

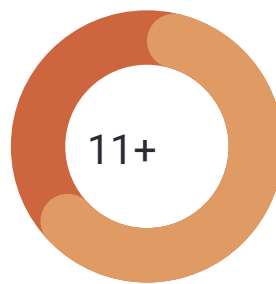
Within the Organizational Unit Mechanization, several departments have been established for efficient and rational management of fixed assets and monitoring of their performance, namely: the Construction Machinery Operation Department, the Transport Vehicles Operation Department, the General Purpose Service, the GPS Department, and the Asphalt and Concrete Plants Operation and Maintenance Department.



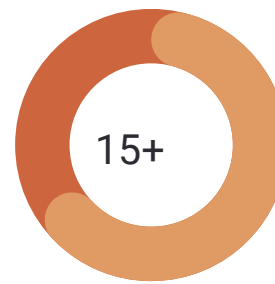
CONSTRUCTION MACHINERY



TRANSPORT VEHICLES



PLANTS AND PLANT COMPONENTS



CONCRETE AND ASPHALT PLANTS

Organizational Unit – Laboratory

Within this organizational unit operates the Company's accredited laboratory, which continuously monitors and verifies quality according to the highest standards. This organizational unit also manages six (6) quarries over which the Company holds exploitation concessions for materials, namely four (4) limestone quarries (Brazda, Sloeshtica, Rasanec, and Ostrets) and two (2) of eruptive origin (Javorica and Zebnrjak).

Through the company Lep Kop DOOEL Skopje, which is fully owned by the Company, it also holds a concession for sand. In this way, the Company ensures controlled and high-quality materials for its products and construction works.



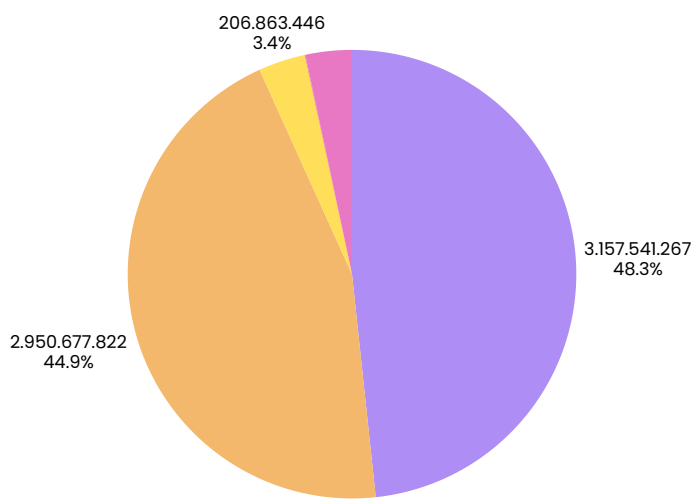
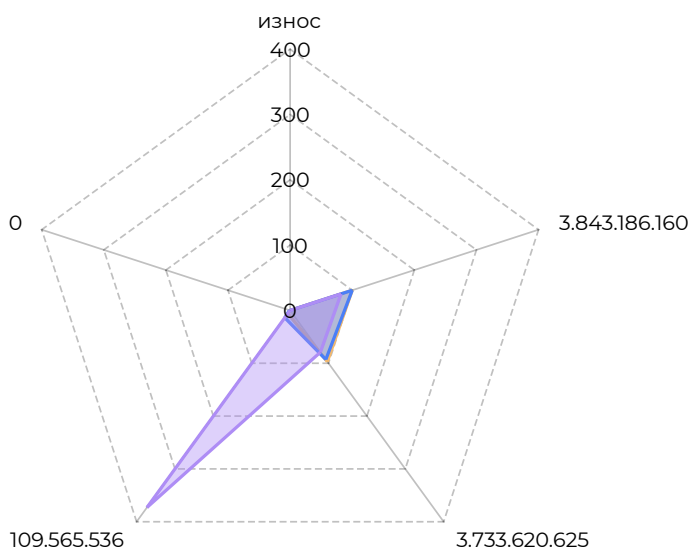
FINANCIAL DATA

In the 2025 financial year, G.D. "Granit" AD Skopje achieved positive financial results. Total revenues amounted to 3,157,541,267 denars, and compared to the same period in 2024, they recorded a decrease of 18%. Total expenses followed the trend of total revenues, recording a decrease of 21% and amounting to 2,950,677,822 denars.

Gross profit for the period amounted to 206,863,446 denars, while profit after taxation amounted to 205,072,692 denars.

The structure of the achievements is as follows:

Position	2024		2025		index
	amount	%	amount	%	
Total revenue	3.843.186.160	100	3.157.541.267	100	82
Total expenses	3.733.620.625	97	2.950.677.822	93	79
Gross profit	109.565.536	3	206.863.446	7	187
Income tax	0	0	1.790.754	0.1	/
Net profit	109.565.536	3	205.072.692	6.9	186



THE CONSOLIDATED ANNUAL FINANCIAL STATEMENT

STRUCTURE OF ACHIEVEMENTS COMPARED FOR 2024 AND 2025 ACCORDING TO THE CONSOLIDATED ANNUAL ACCOUNT

The achieved indicators from the consolidated annual financial statement of G.D. "Granit" AD Skopje for its operations in 2025 are as follows:

Position	2024		2025		index
	amount	%	amount	%	
Total revenue	3.865.350.119	100	3.238.812.345	100	84
Total expenses	3.826.651.784	99	3.040.824.783	94	80
Gross profit	38.698.334	1	197.987.562	6	507
Income tax	1.924.598	1	3.128.946	0.1	163
Net profit	36.773.736	9	194.858.616	5.9	527

G.D. "Granit" AD Skopje prepares consolidated financial statements, which also include the following subsidiaries:

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

The external auditor Moore Stephens DOO Skopje, for the year 2025, performed an audit of the individual and consolidated annual financial statements, as well as of the Company's policies, and was engaged exclusively for the purpose of conducting the external audit.



Business policies



Company's investment policy

The Company continuously invests in tangible and intangible assets that support the maintenance and successful operation of the Company. Namely, in 2025, the Company invested 264,532,472 denars in new fixed assets.

Sources of funds of the Company

The Company continuously monitors its indebtedness through appropriate analysis, whereby as of 31.12.2025, the debt ratio amounts to 2.03% of the Company's total capital. The Company finances its operations from its own sources of funds as well as through the use of long-term and short-term loans.

Policy on the ratio of long-term debt to the Company's share capital

The Company's policy is to finance its operations independently and to take loans from banks when necessary or for investments in fixed assets. The banks with which the Company works are mainly used to provide bank guarantees required for the Company's current operations.

Dividend policy

The Company will continue with the regular payment of dividends this year as well.

The Company enters into various transactions arising from its day-to-day operations, relating to customers, suppliers, and creditors. The main risks to which the Company is exposed, as well as the risk management policies, are as follows:

Market risk Foreign exchange rate risk;

The Company enters into foreign currency transactions arising from sales and purchases in foreign markets, whereby it is exposed to daily changes in foreign exchange rates. The Company does not have a specific policy for managing this risk, given that in the Republic of North Macedonia there are no specific financial instruments available to avoid this type of risk. Accordingly, the Company is exposed to possible fluctuations in foreign currencies. The Company is mainly exposed to the Euro and the US Dollar.

Price risk;

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.

Credit risk

The Company is exposed to credit risk in cases where its customers are unable to meet their payment obligations. The Company is exposed to credit risk from its customers, who are primarily state institutions and investors in large infrastructure construction projects (ministries, agencies, and public enterprises), while for other customers of construction materials there is no concentration of credit risk, given that these are a large number of smaller customers.

Liquidity risk

Liquidity risk exists when the Company is unable to regularly meet its obligations to its creditors using its cash resources. This risk is mitigated by continuously ensuring the necessary cash flow to service its obligations, and the Company does not face such problems in its operations.

WE RESEARCH, DEVELOP, APPLY, IMPROVE



Competitiveness is a challenge that can only be overcome, and in which G.D. "Granit" AD Skopje distinguishes itself on the market through continuous investment in fixed assets that follow the trends of modern, advanced construction technology and service execution. In this regard, in 2025 investment activities were carried out, particularly in construction machinery and plants, as well as partly in transport vehicles.

Total investments in fixed assets in 2025 amounted to 264,532,472 denars, as follows:

- intangible investments: 13,746,906 denars;
- tangible investments: 250,785,566 denars.
-

Investments in fixed assets		
	position	in denars
1	Intangible assets	
1.1	Total intangible assets	13.746.906
2	Total intangible assets	
2.1	Total intangible assets	0
2.2	Total intangible assets	11.157.216
2.3	Total intangible assets	191.201.530
2.4	Total intangible assets	33.043.728
2.5	Total intangible assets	304.904
2.6	Total intangible assets	15.078.188
3	Total intangible assets	264.532.472

Strategic objectives for 2026

To successfully achieve its strategic objectives for 2026, G.D. "Granit" AD Skopje has defined the following measures and activities:

- Higher profitability in the execution of works within the Company's core activities;
- Continuous monitoring of the quality of construction works;
- Increasing the level of equipment with fixed assets;
- Human resource management to ensure higher quality in operations;
- Ensuring economical and efficient execution of works;
- Improvement of software solutions for rational task execution and enhanced control over operations.

The scale of projects undertaken by the Company is socially significant and specific, requiring the incorporation of innovations and new working methods. For this reason, in 2026 the Company will invest in new technical solutions and further modernization of construction machinery, in order to ensure competitiveness and increase the Company's capacities both in the domestic and foreign markets.



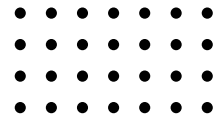
Continuous monitoring of costs

Given the market's dependence on global economic developments, the Company, as a strategic objective, will focus on continuous monitoring and optimization of operating costs. In this direction, measures will be taken to rationalize and improve efficiency, aiming to reduce operating costs by a realistic and sustainable percentage, in accordance with market conditions and business activities.

Increasing productivity

A key tool in reducing costs is increasing productivity. In this regard, special emphasis will be placed on increasing productivity through improving the organization of work processes and more efficient use of available resources.

CARE FOR EMPLOYEES, THE ENVIRONMENT, AND THE QUALITY OF SERVICES AND PRODUCTS.



Transparent and ethical conduct in accordance with national legislation and international standards contributes to sustainable development and care for the expectations of stakeholders, which is fully integrated into all segments of the Company's operations.

Above all, corporate social responsibility is integrated into the Company's business policy and is accepted as an extremely important corporate value. By practicing corporate social responsibility, the Company is fully committed and focused on positively influencing all aspects of society, including the economic, social, and environmental spheres.

The successfully implemented and maintained Integrated Management System (IMS) is an indicator of the Company's commitment, above all, to ensuring the safety of employees and stakeholders through the implemented Occupational Health and Safety standard ISO 45001, continuous monitoring and fulfillment of the requirements of the Environmental Management standard ISO 14001 related to the social aspects in project implementation, as well as the improvement of the quality of services and products through continuous monitoring of ISO 9001.

The Company continuously takes appropriate actions to retain existing and attract new staff, through maintaining an adequate level of salaries and benefits, professional development, team-building activities, and other benefits. Regarding the health and well-being of its employees, the occupational health and safety department continuously conducts employee training, and regular systematic medical examinations were carried out. The Company also supported employees in participating in the Skopje Marathon 2025, with the aim of strengthening healthy habits and team spirit.



СЕРТИФИКАТ

за систем за управување согласно
ISO 9001 : 2015

Со ова титло за сертификација TUV NORD CERT GmbH се потврдува резултатот на ревизија, промената и контролата на сертификационите системи ISO/IEC 17021:2015, дена организацијата

Г.Д. ГРАНИТ А.Д. Скопје
Ул. Димитар Чуповски бр.8
1000 Скопје
Република Северна Македонија

Иди систем за управување согласно барањата на ISO 9001 : 2015 и за време на траењето на сертификатот од 3 години ќе биде надгледувано за конформност.

Област на валидност
Извешај 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

Идентификационен бр. на сертификатот 44 100 16 43 0011
Бр. на ревизијата извешај 39023 1308



Плочки, 2023-08-14

TUV NORD CERT GmbH Ам ТОВ 1 4307 Essen www.tuv-nord-cert.com





СЕРТИФИКАТ

за систем за управување согласно
ISO 45001 : 2018

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Идентификационен бр. на сертификатот 44 126 20 32 0153
Бр. на ревизијата извешај 39263 1310



Плочки, 2023-08-14

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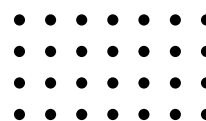


Плочки, 2023-08-14

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We operate according to the highest standards to protect the environment, as well as the health and safety of employees.



All production facilities (asphalt plants, concrete bases, and crushing installations), in accordance with the Environmental Law, hold A and B Integrated Environmental Permits, based on which continuous monitoring and measurements are carried out by accredited environmental measurement laboratories. Through this mechanism, the Company demonstrates that it takes care of and protects the environment, meaning that the prescribed maximum allowable concentrations are not exceeded.

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

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

During the execution of construction activities, a team of occupational health and safety specialists, environmental engineers, and a waste management supervisor daily monitor all aspects related to the safety of all stakeholders, environmental management, and social aspects connected with the community. This confirms the Company's main strategic policy – healthy workers and a clean environment.



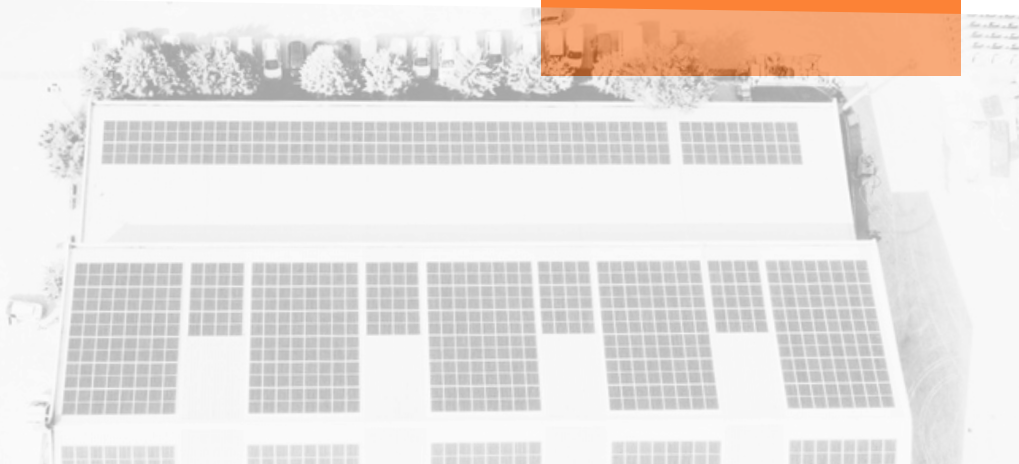
WE OPERATE IN ACCORDANCE WITH THE LAW



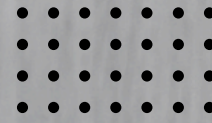
WE FULFILL



WE PROVIDE TRAINING AND CONDUCT MONITORING/CONTROL



We are part of the community, a socially responsible company.



Donations as a vital part of corporate social responsibility continued throughout 2025 through the implementation of significant program activities and initiatives. The Company continuously strives to meet the needs of employees and the wider community, thereby maintaining its reputation and enhancing its standing.

Development and research, as key factors for progress and competitiveness, were supported by the Company, which acted as a supporter, donor, and contributor to events in professional fields related to the research work of the Society for Geotechnics of Macedonia, as well as the XVI Professional Consultation with international participation in the field of surface and underground exploitation of mineral resources PODEKS – POVEKS 2025, and the 21st Symposium of the Society of Construction Engineers.

We are especially proud to have continued our mission as a significant corporate donor to SOS Children's Village, where during the year the Company donated financial resources for their project activities, as well as provided a summer vacation for the youth from SOS Children's Village and their mentors, as well as for the children from the Children's Embassy "For All Children in the World."

A grievance and complaints mechanism for stakeholder and employee engagement is continuously implemented within the Company's operations, in order to take into account the concerns and expectations of all participants and stakeholders connected to the Company's work. Through this system, close interaction with the local community is maintained, and mechanisms for improving performance from a social aspect are successfully implemented and monitored.

No child should grow up
alone.

ГРАНИТ АД Скопје



ANNUAL REPORT

The Annual Report presents the Company's yearly operations as prepared by the management, based on the requirements of the Law on Trade Companies and represents an assessment of the information on the reported position and results in the financial statements. An annex to the Report is the Board Succession Plan from May 2022.

THANK YOU!

MANAGEMENT BOARD OF GD "GRANIT" AD SKOPJE

2026

PREPARED