

VALJAONICA BAKRA SEVOJNO a.d
Supervisory Board
NO.: 49/1
29 May 2026
SEVOJNO

Pursuant to Sections 442 and 399. Law on Economy (Official Gazette of RS, No. 36/2011, 99/2011, 83/2014 - other law and 5/2015) and Article 57. of the Company's Statute (Official Bulletin of the Company 407 of 11.09.2024), the Supervisory Board of the Company, at the session held on 29 May 2026, determines the following:

REPORT OF THE SUPERVISORY BOARD ON THE OPERATIONS OF THE VALJAONICA BAKRA SEVOJNO A.D. AND THE SUPERVISION OF THE WORK OF THE EXECUTIVE BOARD IN 2025

The Supervisory Board of the Valjaonica bakra Sevojno a.d., composed of: Desko Nikitović, Toplica Spasojević, Mirko Petrović, Slavoljub Dabić and Slavko Carić, was elected by the Decision of the Assembly of the Company No. 56/2 of 21.12.2023, with a term of office of 4 years.

By the Decision of the Supervisory Board No. 33/2 of December 21, 2023, Desko Nikitovic was elected President of the Supervisory Board, with a term of office of 4 years.

1. Report of the Supervisory Board on accounting and financial reporting practices of Valjaonica bakra Sevojno a.d.

The Supervisory Board is familiar with the accounting practices based on the application of the International Financial Reporting Standard and the adopted accounting policies. These policies have been applied in the preparation of the 2025 financial statements and detailed disclosures in the Notes to the 2025 Financial Statements.

The applied accounting policies are in accordance with the legal regulations of the Republic of Serbia, which means that the financial statements are also in accordance with the regulations. The Supervisory Board considered the Auditor's Report of KPMG d.o.o. Belgrade on the Annual Financial Statements for 2025 and determined the Financial Statements for 2025, which are further submitted to the Assembly of the Company for adoption.

The Supervisory Board has continuously considered and determined the business policy, profitability of the Company's operations expressed through revenues and expenses and the financial condition of the Company.

In addition to the financial result of the parent company Valjaonica bakra Sevojno a.d., as a legal entity, the consolidated result for the Company and other subsidiaries of the system was also reported.

2. Report of the Supervisory Board on compliance of the Company's operations with the Law on Companies and other regulations

The operations of the Valjaonica bakra Sevojno a.d. in 2025 were carried out in accordance with the Law on Companies, the Law on Accounting and Auditing, the Labor Law and other regulations regulating the work of the Company.

The Company regularly monitors all changes in laws and bylaws and timely harmonizes its internal acts and operations with these changes.

The Supervisory Board determined that the organization and operation of the Company were in accordance with the Code of Corporate Governance.

3. Report on the qualifications and independence of the Company's auditors in relation to the Company, which performs audits of the separate financial statements and consolidated financial statements

Valjaonica bakra Sevojno a.d. in accordance with the Law on Accounting and Auditing, was classified into large legal entities, so at the session of the Assembly held on October 6, 2025, a decision was made on the selection of auditors for the audit of separate financial statements and consolidated financial statements for 2025, in accordance with legal regulations and international auditing standards. The auditing company KPMG d.o.o. Belgrade was selected for the audit, in accordance with the proposal of the Supervisory Board, which gave an opinion on its expertise and independence in relation to the Company.

The above-mentioned auditing and accounting services company audited the separate financial statements and consolidated financial statements in accordance with the Law on Accounting and Auditing, international auditing standards, and on the basis of the documentation on the financial transactions performed by the Company, the auditor's report was considered at the session of the Supervisory Board and was sent for consideration to the session of the Assembly of the Company.

4. Report of the Supervisory Board on the contracts concluded between the Valjaonica bakra Sevojno a.d. and the Executive Directors, as well as with persons related to them within the meaning of the Law on Companies

During the reporting period, there were no other contracts concluded between the Valjaonica bakra Sevojno a.d. and the General Manager and Executive Directors, as well as with persons related to them within the meaning of the Law on Companies, except for the already existing Contracts regulating the rights and obligations of the General Manager and Executive Directors.

The Executive Board with the General Manager performed tasks in accordance with the Law and the powers of the Supervisory Board and in its work successively reported to the Supervisory Board on the one hand, and on the other hand, the Supervisory Board continuously controlled the work of the Executive Board and the General Director.

5. Report of the Supervisory Board on the decisions made in the period from 1 January till 31 December 2025


The Supervisory Board held 8 meetings in the period from 1 January 2025 to 31 December 2025. The Supervisory Board made its decisions at regular sessions and telephone sessions, as well as based on the consent of the members of the Supervisory Board. The Supervisory Board made 30 decisions.

The decisions relate to the adoption of the Report of the Central Census Commission, the appointment of the Secretary of the Company, the adoption of preliminary annual business report, the adoption of the annual business report and separate financial statements, the acceptance of KPMG's auditors' reports for separate financial statements, the proposal to the General Assembly that the Company's profit remains undistributed, the acceptance of consolidated financial statements, the acceptance of KPMG's auditors' reports for consolidated financial statements, debts with banks, consent to the Executive Board to purchase real estate in the name and account of the Company, proposal for KPMG to be the auditor for 2025 as well, approval of awards to the Executive Board, adoption of minutes and others.

Members of the Supervisory Board have performed their duties conscientiously, with the care of a good businessman, in the reasonable belief that they are acting in the best interest of the Company and thus expressed their readiness to always provide full support to the Company and the Company's shareholders.



CHAIRMAN OF THE SUPERVISORY BOARD


Desko Nikitović