

VALJAONICA BAKRA SEVOJNO a.d
Supervisor board
No: 42/5
30.06.2025.
SEVOJNO

On the basis of Article 442 and Article 399 of the Law on Economy ("Official Gazette of RS" no. 36/2011, 99/2011, 83/2014 - Dr. Law and 5/2015) and Article 57 of the Company's Statute (Official Bulletin of the Company 407 of June 29, 2015), the Supervisory Board of the Company at its meeting on 30.06.2025. year, determines the following:

REPORT OF THE SUPERVISORY BOARD ON THE BUSINESS OF THE VALJAONICA BAKRA SEVOJNO AD SEVOJNO AND THE EXECUTIVE BOARD'S SUPERVISION

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

By Decision of the Supervisory Board No. 33/2 of 21.12.2023. Desko Nikitović was elected president of the Supervisory Board, with a mandate of 4 years.

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

The Supervisory Board is familiar with the accounting practice based on the application of the International Financial Reporting Standard and the adopted accounting policies. Those policies were applied when compiling the financial statements for the year 2024 and detailed disclosure in the Notes to the financial statements for the year 2024.

The applied accounting policies are in accordance with the legal regulations of the Republic of Serbia, which means that the financial reports are also in accordance with the regulations. The Supervisory Board considered the Report of the auditor KPMG d.o.o. Belgrade on the Annual Financial Statements for the year 2024 and determined the Financial Statements for the year 2024, which are further submitted to the Assembly of the Company for adoption.

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

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 dependent companies from the system was also presented.

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

Business of the copper rolling mill Sevojno a.d. in 2024, it took place in accordance with the Law on Business Companies, the Law on Accounting and Auditing, the Labor Law and other regulations regulating the Company's work.

The company regularly monitors all changes in the legal and by-law regulations and performs timely harmonization of its internal acts and operations with those changes.

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

3. Report on the qualification and independence of the Company's auditors in relation to the Company, who audit the financial report and the consolidated financial report.

Valjaonica bakra Sevojno a.d. according to the Law on Accounting and Auditing, is classified into large legal entities, so at the session of the Assembly held on June 30, 2024 a decision was made on the selection of auditors for the audit of financial statements and consolidated financial statements for the year 2024, in accordance with legal regulations and international audit standards. Audit firm KPMG d.o.o. Belgrade was chosen for the audit, according to the proposal of the NO, which gave an opinion on its expertise and independence in relation to the Company.

The aforementioned company for auditing and accounting services audited financial statements and consolidated financial statements in accordance with the Law on Accounting and Auditing, international auditing standards, and based on the documentation of the Company's financial transactions and the auditor's report, it was discussed at the meeting of the Supervisory Board and referred to the meeting of the Assembly of the Company for consideration.

4. Report of the Supervisory Board on the contracts concluded between Valjaonica bakra Sevojno a.d. and Executive Directors, as well as with persons associated with them in terms of the Law on Business Companies.

During the reporting period, there were no other contracts concluded between Valjaonica bakra Sevojno a.d. both the General Director and Executive Directors, as well as with persons related to them in the sense of the Business Companies Act, except for the already existing Agreements that regulate the rights and obligations of the General Director and Executive Directors.

The Executive Board with the General Director 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 decisions made in the period 01.01.2024. until 30.06.2025.

The Supervisory Board in the period 01.01.2024. until 30.06.2025. held the 9th session. The Supervisory Board made its decisions at regular meetings and telephone meetings, as well as based on the consent of members of the NO. The Supervisory Board made 38 decisions.

Decisions refer to the adoption of the Report of the Central Census Commission, the adoption of preliminary annual reports on operations, the adoption of semi-annual reports on operations, the adoption of annual reports on operations and individual financial reports, the acceptance of the KPMG auditor's report, the proposal to the Assembly that the Company's profits remain undistributed, the adoption of consolidated financial statements, the adoption of a business plan, the decision on the establishment of a branch, the approval of the Board of Directors to purchase real estate on behalf and on behalf of the Company, the election of members of the executive board and the general director and the extension of the employment contract, the adoption of a decision on credit debt, approval of awards to the executive board, approval of minutes and others.

The members of the Supervisory Board performed their tasks conscientiously, with the attention of a good businessman, in the reasonable belief that they were acting in the best interest of the Company and thus expressed their readiness to provide full support at all times to the Company and the Company's shareholders..

VALJAONICA BAKRA SEVOJNO AD
Supervisory board

Desko Nikitović