

KONČAR Inc. (KONČAR d.d.)
Fallerovo šetalište 22
ZAGREB
GENERAL ASSEMBLY

REPORT OF THE SUPERVISORY BOARD
TO THE GENERAL ASSEMBLY OF KONČAR Inc.

During 2025, the Supervisory Board supervised the Company's operations in accordance with the provisions stipulated by law and the Company's Articles of Association.

Until 12 June 2025, the Supervisory Board operated with the following composition:

Joško Miliša	Chairman of the Supervisory Board
Darko Horvatin	Deputy Chairman of the Supervisory Board
Zdravko Kačić	Member of the Supervisory Board
Igor Filipović	Member of the Supervisory Board
Maja Martinović	Member of the Supervisory Board
Lovro Jurišić	Member of the Supervisory Board
Zvonimir Savić	Member of the Supervisory Board
Danko Škare	Member of the Supervisory Board

On 12 June 2025, the General Assembly of KONČAR Inc. elected two members of the Supervisory Board and established that Supervisory Board member Mario Radaković had tendered his resignation from the office of member of the Supervisory Board as of 31 December 2024, and that Supervisory Board member Danko Škare had tendered his resignation from the office of member of the Supervisory Board as of 31 May 2025. Rosa Marić and Dubravka Sinčić were elected as new members of the Supervisory Board for the period from 12 June 2025 to 12 July 2028.

As of 12 June 2025, the Supervisory Board operated with the following composition:

Joško Miliša	Chairman of the Supervisory Board
Darko Horvatin	Deputy Chairman of the Supervisory Board
Igor Filipović	Member of the Supervisory Board
Zdravko Kačić	Member of the Supervisory Board
Maja Martinović	Member of the Supervisory Board
Lovro Jurišić	Member of the Supervisory Board
Rosa Marić	Member of the Supervisory Board
Zvonimir Savić	Member of the Supervisory Board
Dubravka Sinčić	Member of the Supervisory Board

In 2025, nine meetings of the Supervisory Board were held. All members of the Supervisory Board participated in decision-making at all meetings in person, by participating in videoconferences or in writing, as provided for in the Rules of Procedure of the Supervisory Board.

The Management Board and the Supervisory Board cooperate closely for the benefit of the Company and the Group, both through meetings held and through other communication channels whenever necessary. The Management Board regularly informed the Supervisory Board of all major business developments, the course of business, income and expenses, and the general position of the Company and the Group. Within the statutory deadlines, the Management Board submitted quarterly, semi-annual and annual written business reports to the Supervisory Board, to which the Supervisory Board had no objections and which were adopted unanimously. In addition, the Management Board informed the Supervisory Board of the corporate strategy, planning, business developments, risk management, compliance, all deviations of business developments from original plans and estimates, as well as significant business transactions involving the Company and its affiliated companies.

The Supervisory Board carried out a self-assessment of the profiles and competencies of the members of the Supervisory Board and the members of its Committees. The self-assessment was conducted by the Chairman of the Supervisory Board with the assistance of the relevant Committees and without engaging an external auditor. The Supervisory Board operates with an optimal number of nine members, with its members jointly possessing the knowledge, ability and professional experience required for the proper performance of their duties. The assessment of the members of the Supervisory Board and its Committees confirmed that each individual makes an effective contribution, demonstrating commitment to their role and devoting time to the performance of that duty.

Administrative support in the preparation of Supervisory Board meetings is provided by the Company Secretary in an efficient and timely manner.

Of the total of nine members of the Supervisory Board, the percentage of women on the Supervisory Board for the greater part of the year (as of 12 June 2025) was 33.3%. The Supervisory Board supports the aspect of diversity, while primarily taking into account the necessary professional expertise of candidates when proposing appointments to the Supervisory Board of the Company.

Four committees operate within the Supervisory Board and support the work and activities of the Supervisory Board through their own work: the Audit Committee, the Strategic Development and Business Improvement Committee, the Appointments Committee and the Remuneration Committee. In all committees, all members are appointed from among the members of the Supervisory Board.

In accordance with the changes in the composition of the Supervisory Board during 2025, changes were also made to the composition of the expert committees, with the Supervisory Board appointing new members to all committees at its meeting held on 30 July 2025.

The Audit Committee consists of three members. Until 30 July 2025, the Committee was chaired by Darko Horvatin, and its members were Maja Martinović and Joško Miliša. Due to changes in the composition of the Supervisory Board, by decision

adopted at the Supervisory Board meeting held on 30 September 2025, the following persons were appointed as members of the Committee: Darko Horvatin as Chairman, and Igor Filipović and Joško Miliša as members. In 2025, three meetings of the Audit Committee were held. All members of the Audit Committee participated in decision-making at all meetings. In the meetings, the members discussed and decided on, and on that basis issued recommendations to the Supervisory Board concerning, the Internal Audit Work Plan, reports on the implementation of the annual internal audit plan, the Risk Management Report, the implementation of the policy on the provision of non-audit services for 2025, the supervision performed over the statutory audit, and the consolidated and separate annual financial statements for 2025, including recommendations for the adoption of those statements.

The Strategic Development and Business Improvement Committee consists of five members. The Strategic Development and Business Improvement Committee was chaired by Joško Miliša, and its members were Zvonimir Savić, Igor Filipović and Maja Martinović. Due to changes in the composition of the Supervisory Board, by decision adopted at the Supervisory Board meeting held on 30 July 2025, the following persons were elected as members of the Committee: Joško Miliša - Chairman, and Lovro Jurišić, Zvonimir Savić, Igor Filipović and Maja Martinović - members. In 2025, no meetings of the Strategic Development and Business Improvement Committee were held.

The Appointments Committee is a working body of the Supervisory Board formed for the purpose of preparing decisions adopted by the Supervisory Board. The Committee is responsible for discussing and proposing to the Supervisory Board decisions on the appointment and election of members of the Management Board of the Company. The Chairman of the Committee was Danko Škare, and its members were Darko Horvatin and Zvonimir Savić. Due to changes in the Supervisory Board, by decision of the Supervisory Board of 30 July 2025, the following persons were elected as members of the Committee: Zdravko Kačić - Chairman, and Darko Horvatin and Zvonimir Savić - members. In 2025, no meetings were held.

The Remuneration Committee proposes the content of contracts with members of the Management Board and the structure of their remuneration. The Committee is responsible for preparing and drafting the Remuneration Policy for members of the Management Board and the Supervisory Board. The Chairman of the Remuneration Committee was Zdravko Kačić, and its members were Maja Martinović and Igor Filipović. By decision of 30 July 2025, the Supervisory Board appointed Rosa Marić as Chairwoman of the Remuneration Committee and Maja Martinović and Dubravka Sinčić as members.

In 2025, five meetings were held, attended by all members of the Committee. At the meetings held, the Committee accepted the proposal for the new Rules on Long-term Remuneration, approved the Remuneration Report for members of the Management Board and Supervisory Board for 2024, approved amendments to the Remuneration Policy and the proposed calculation of the variable portion of the salary of the members of the Management Board of KONČAR Inc. for 2024, and also gave its consent to the proposal for, and conclusion of, share award and transfer agreements for 2024.

By decision of the Supervisory Board of 18 October 2024, effective as of 1 January 2025, Mario Radaković was appointed as a member of the Management Board of KONČAR - Electrical Industry Inc. for manufacturing and services for the period from 1 January 2025 to 21 January 2028.

During 2025, the Management Board of the Company operated with the following composition: Gordan Kolak, President of the Management Board, and Mario Radaković, Miki Huljić, Petar Bobek and Ivan Paić - members of the Management Board.

Members of the Management Board of the Company also attend Supervisory Board meetings and, within the business areas for which they are responsible and in charge, report on individual matters and provide the Supervisory Board with all requested additional explanations, so that the Supervisory Board may thoroughly discuss all agenda items and take positions on them, or adopt the necessary decisions. In this respect, the Supervisory Board assesses its cooperation with the Management Board as successful.

The Supervisory Board assessed the effectiveness of the mechanisms of cooperation between the Supervisory Board and the Management Board, as well as the adequacy of the support and information it receives from the Management Board.

The Supervisory Board finds that cooperation was successful and that the Management Board provided timely and complete information and adequate support for the work of the Supervisory Board

In accordance with its duty and obligations, the Supervisory Board performed supervision and examined the business records and documentation of the Company, and established that KONČAR Inc. operates in accordance with the law, the Articles of Association and other internal documents of the Company, and the decisions of the General Assembly.

The Supervisory Board reviewed the reports of the auditor, KPMG Croatia d.o.o., Zagreb, Ivana Lučića 2a, which examined the annual reports of the Company for 2025, and the Board accepts the submitted auditor' reports.

The Report of the affiliated company's Management Board on relations with affiliated companies for 2025 was examined and approved by the Supervisory Board of the Company. The auditor audited the Report and issued a conclusion expressing reasonable assurance in relation to the examination of the Report on the Company's Relations with Affiliated Companies for 2025. In the auditor's opinion, the statements made in the Report are accurate in all material respects and, in the legal transactions referred to in the Report, according to the circumstances known at the time when the transactions were undertaken, the value of the consideration provided by the Company was not, in any material respect, inappropriately high.

After reviewing the annual financial statements of the Company for 2025 submitted to it by the Management Board of the Company, the Supervisory Board established that the annual financial statements of KONČAR Inc. for 2025 were prepared in accordance with the balances recorded in the business records of the Company and that they correctly present the assets, financial position and operating results of the Company. Consequently, the Supervisory Board granted its approval thereto. Accordingly, pursuant to Article 300d of the Companies Act, these financial statements are deemed adopted.

The Supervisory Board approved the annual report on the position of KONČAR Inc. for 2025 and the financial statements.

The Supervisory Board received the proposal of the Management Board of KONČAR Inc. on the use of the profit generated in 2025:

The net profit of KONČAR Inc. generated in financial year 2025 amounts to EUR 80,142,080.29. The generated net profit of the Company in 2025 shall be allocated as follows:

I It is proposed that the General Assembly of KONČAR Inc. adopt a decision on the payment of a dividend to the shareholders of the Company, holders of ordinary shares with the designation KOEI- R-A, in the gross amount of EUR 4.00 per share.

II The amount of EUR 4,007,104.01 is to be allocated to other reserves, of which EUR 26,665.36 relates to unamortised development costs.

III The amount of EUR 65,940,632.28 is to be allocated to retained earnings.

The Supervisory Board agrees with this proposal of the Management Board on the use of profit and proposes that the General Assembly adopt such decision.

The Supervisory Board adopted the Remuneration Report for the members of the Management Board and the Supervisory Board of KONČAR Inc. The Report was audited by KPMG, which expressed limited assurance in relation to the examination of the Remuneration Report and issued a conclusion, based on the procedures performed and evidence obtained, that nothing had come to its attention that would cause it to believe that the Remuneration Report for 2025, in all material respects, had not been prepared in a manner that includes the information referred to in Article 272r(1) and (2) of the Companies Act.

The Remuneration Report was approved by the Remuneration Committee and the Supervisory Board, and the Supervisory Board proposes that the General Assembly adopt the Remuneration Report.

Zagreb, 16 April 2026

Chairman of the Supervisory Board
Joško Miliša