BOSQAR INVEST

REPORT ON THE SUPERVISION OF BUSINESS OPERATIONS FOR BUSINESS YEAR 2025

The Supervisory Board of BOSQAR d.d.

Zagreb, April 24, 2026

CONTENT

1. INTRODUCTION

The Supervisory Board of BOSQAR d.d., Zagreb, Ulica grada Vukovara 23, registered in the court register of the Commercial Court in Zagreb under the company's (court) registration number (MBS): 081210030, OIB: 62230095889 (the "**Company**"), delivers to shareholders:

i. The Report on the supervision of the Company's business operations in 2024, as provided for in Article 263, paragraph 3 of the Companies Act (Official Gazette 111/93 - 136/24; "**Companies Act**");
ii. The Report on the results of the examination of the annual financial statements of the Company and the Group, the Report on the state of the Company and its subsidiaries, and the proposal of the decision on the use of profit in 2024, as provided by Article 300c paragraph 2 of the Companies Act.

2. COMPOSITION OF THE SUPERVISORY BOARD

At the time of the preparation of this Report, the Supervisory Board comprises five (5) members:

i. Ms. Tamara Sardelić, President of the Supervisory Board;
ii. Mr. Philipp Rösler, Deputy President of the Supervisory Board;
iii. Mr. Gordan Kolak, Member of the Supervisory Board;
iv. Mr. Ulf Gartzke, Member of the Supervisory Board;
v. Ms. Ana Babić, Member of the Supervisory Board - representative of the workers.

The Supervisory Board is composed mostly of independent members of the Supervisory Board, where the chairman and deputy chairman of the Supervisory Board are independent members of the Board.

During 2025, there were changes in the composition of the Supervisory Board. Joško Miliša resigned from his position as a member of the Company's Supervisory Board with effect from 10 June 2025. By a decision of the Company's General Meeting dated 16 June 2025, Gordan Kolak was appointed as a new member of the Company's Supervisory Board.

3. SUPERVISORY BOARD COMMITTEES

There are several committees of the Supervisory Board operating in the Company, which provide professional support to the Supervisory Board, in accordance with legal regulations and internal rules of the Company – the Audit Committee, the Remuneration Committee, and the Nomination Committee.

3.1. Audit Committee

The Audit Committee was established to ensure the objectivity and credibility of information and reports submitted to the Supervisory Board by monitoring and supervising the areas of existence and operational effectiveness of internal controls, adequacy of risk management processes, reliability of financial reporting, application of legislation and regulations, and relevant areas and issues related to the external and internal audit process.

As at the date of issuance of this Report, the Audit Committee consists of three members: Mr. Boris Borzić, Chairman of the Committee, Mr. Ulf Gartzke, member of the Committee, and Mr. Ante Vrančić, member of the Committee. During 2025, the composition of the Committee changed. Joško Miliša resigned from his position as a member of the Audit Committee effective 10 June 2025, and Ulf Gartzke was appointed as a member of the Committee by a decision of the

Company’s Supervisory Board effective 11 June 2025 for a term of four years. Ante Vrančić was reappointed by a decision of the General Meeting dated 16 June 2025 as a member of the Audit Committee who is not a member of the Company’s Supervisory Board, for a term of four years. In accordance with the definition of independence set out in Appendix A of the Code, the Audit Committee is composed predominantly of independent members, namely one independent member of the Supervisory Board and one external member who is also considered independent, while one external member is not independent. The Company considers that the current composition ensures an appropriate level of expertise and independent judgment, and will take into account further alignment with the recommendations of the Code in future appointments.

In 2025, the Audit Committee regularly monitored and supervised the Company's operations and achieved exceptional cooperation with the Management Board and the Supervisory Board of the Company and its certified external auditor, as well as internal audit. The attendance of all members of the Committee was 100%.
The Committee held five sessions and two correspondence votes. During these, discussions took place, and decisions were made on the following topics:

- Annual audited financial statements for 2024,
- External auditor's report for 2024,
- Annual Report on the work of the Audit Committee in 2024,
- Recommendations related to the external auditor for 2024,
- Work plan of the external auditor for 2025 and 2026,
- Approval for providing non-audit services to an external auditor,
- Quarterly and semi-annual unaudited financial statements,
- Internal Audit Charter and Internal Audit Strategy
- Annual work plan of the internal audit for 2026, following to the received report for the year 2025, and
- Evaluations of the effectiveness of the internal control and risk management system, the effectiveness of the publication and approval of related party transactions, and the effectiveness of the procedure for reporting violations of laws and internal rules,
- Topics that were subject to review by the Company’s Internal Audit.

3.2. Nomination Committee

The Nomination Committee has the duty to nominate candidates for member positions in the Management Board and the Supervisory Board and supervise the appointment process itself, monitor the progress of achieving the target percentage of female members on the Management Board and the Supervisory Board, as well as other prescribed responsibilities.

At the date of the publication of this Report, the Nomination Committee comprised three (3) members: Ms. Tamara Sardelić, President of the Committee, Ms. Ana Babić, Member of the Committee, and Mr. Ulf Gartzke, Member of the Committee. Mr. Ulf Gartzke is a new member of the Committee pursuant to the decision of the Supervisory Board dated 11 June 2025, whereby he was appointed as a new member following the resignation of Mr. Joško Miliša from his membership in the Committee effective 10 June 2025. The Committee is composed of a majority of independent members and the President of the Committee is an independent member.

During 2025, the Nomination Committee held two meetings at which it adopted the Report on the Committee’s work for 2024 and approved the proposal for the reappointment of the current members of the Company’s Management Board, the proposal for the appointment of new members of the Company’s Management Board, and the proposal for the appointment of a new member of the Company’s Supervisory Board. All members were present at the sessions.

3.3. Remuneration Committee

The Remuneration Committee has the duty to propose the Policy on the remuneration of the members of the Management Board and the Supervisory Board which is decided on by the General Assembly, to supervise the preparation of the statutory and mandatory annual Report on the remuneration of members of the Management Board and the Supervisory Board, as well as other prescribed responsibilities.

At the date of the publication of this Report, the Remuneration Committee comprised three (3) members: Ms. Tamara Sardelić, President of the Committee, Ms. Ana Babić, Member of the Committee, and Mr. Ulf Gartzke, Member of the Committee. Mr. Ulf Gartzke is a new member of the Committee pursuant to the decision of the Supervisory Board dated 11 June 2025, whereby he was appointed as a new member following the resignation of Mr. Joško Miliša from his membership in the Committee effective 10 June 2025. The Committee is composed of a majority of independent members and the President of the Committee is an independent member..

During 2025, the Remuneration Committee held two meetings at which it adopted the Report on the Committee’s work for 2024, analysed the approved revised Remuneration Report for members of the Management Board and Supervisory Board for 2024, issued a recommendation for amendments to the Remuneration Policy for members of the Management Board, and approved a proposal for the employment contract of a new member of the Company’s Management Board. All members of the Committee were present at the sessions.

4. REPORT ON SUPERVISION OF THE COMPANY'S OPERATIONS IN 2024

In 2025, the Supervisory Board carried out regular supervision over the business operations of the Company and the Group, in accordance with the Company's Articles of Association, the Rules of Procedure of the Supervisory Board, other internal rules of the Company as well as legal regulations.

In 2025, a total of 15 sessions of the Supervisory Board were held, most of which were held via video call or correspondence, all in accordance with the Rules of Procedure of the Supervisory Board. The total participation rate at the sessions was 100%, and the records of the presence of each member of the Supervisory Board and their participation rate at the meetings are as follows:

Member of the Supervisory Board	Participation	Participation rate
Tamara Sardelić	15/15	100%
Philipp Rösler	15/15	100%
Ulf Gartzke	15/15	100%
Joško Miliša	9/9	100%
Ana Babić	15/15	100%
Gordan Kolak	5/5	100%
	TOTAL	**100%**

The Supervisory Board accepted all proposals of the Management Board submitted in 2025 and made decisions that were not within the jurisdiction of the Management Board and the General Assembly of the Company.

During the supervision, the Supervisory Board paid special attention to examining the legality of operations in terms of compliance with the applicable legislation of the Republic of Croatia, internal legal regulations of the Company, including the Company's Articles of Association and decisions of the General Assembly, and the rules and Code of Corporate Governance of the Zagreb Stock Exchange and the Croatian Financial Services supervisory agency (“HANFA”).

The Supervisory Board conducted an evaluation of its effectiveness and composition in 2025 and the effectiveness and composition of the Supervisory Board committees, including the individual results of the members. The evaluation was led by the President of the Supervisory Board, and all Supervisory Board members participated in the evaluation. No external evaluators were hired to carry out the evaluation process, nor were any consultations conducted with third parties. The Supervisory Board has determined that the Supervisory Board and its committees continue to operate effectively, with a balanced composition and members' expertise aligned with the Company's business requirements. It has been assessed that the board members possess the necessary skills, knowledge, and experience to perform their roles, ensuring high-quality decision-making.

Additionally, it has been confirmed that the committees continue to include members of different genders, ages, profiles, and experiences, contributing to diverse perspectives in their work. The committees also maintain an appropriate level of member independence, enabling objectivity and efficiency in supervisory and advisory functions. The Supervisory Board currently consists of five members, two of whom are women, representing 40% of the total composition. This meets the established goal of at least 40% representation of the underrepresented gender. However, there is still room for improvement in gender balance within certain committees. Specifically, the Audit Committee currently has no female members. In response, the Supervisory Board will continue to take actions to further enhance diversity, particularly in committees where gender imbalance exists, to ensure a broader range of perspectives and greater inclusivity in board activities.

The current Management Board consists of two members, both men (100%). While applicable legal requirements do not mandate gender balance for a two-member board, the Company remains committed to diversity and inclusion in future appointments and recognizes the importance of gender representation in governing bodies.

The current composition of the Management Board includes four members, three men and one woman (25%), resulting in a total of 33% women at the level of executive and non-executive functions.

During 2025, the Company prepared and in 2026 adopted a new Diversity, Equality and Inclusion Policy, which, among other things, focuses on ensuring a balanced representation of both genders in board-level positions. As before, the Company continues its efforts to promote diversity across the Group, where women represent approximately 70.5% of total employees, while maintaining the strategic target of 51% female representation in management teams across the Group.

5. REPORT ON THE EXAMINATION OF THE COMPANY'S ANNUAL FINANCIAL STATEMENT AND CONSOLIDATED ANNUAL FINANCIAL STATEMENT OF THE GROUP

The Company's Management Board prepared the annual financial report and the consolidated annual financial report of the Group within the legal deadline. The two reports were audited by the independent auditor Deloitte d.o.o., Zagreb.

In accordance with the best knowledge of the Supervisory Board and based on the submitted data, the annual financial report of the Company and the consolidated annual financial report of the Group present an objective view of the state and results of operations of the Company and its subsidiaries. It determines that the reported business data correspond to the business status stated in the business books of the Company and its subsidiaries. It also presents an objective, complete, and true presentation of the assets and liabilities of the Company and its subsidiaries.

The Supervisory Board has no objections to the auditor's report on the examination of the annual financial statements for the business year 2025.
The Supervisory Board accepted the annual financial audited reports and gave its consent to the reports. The Management Board was informed of the given consent at the session of the Supervisory Board.

6. OPINION OF THE SUPERVISORY BOARD ON THE PROPOSAL OF THE DECISION OF THE MANAGEMENT BOARD ON THE USE OF PROFIT

Based on the annual financial report, the Management Board has prepared and presented to the Supervisory Board a proposal for the allocation of the realized profit, in accordance with applicable regulations.

The Supervisory Board has no objections to the Management Board's proposal for the use of profit and considers it to be in line with the company’s business results and plans. The Supervisory Board grants its approval of the proposed decision on the use of profit and will submit it to the General Assembly for adoption.

7. EXAMINATION OF THE MANAGEMENT BOARD'S REPORT ON THE STATUS OF THE COMPANY AND ITS SUBSIDIARIES

The Management Board has prepared and submitted to the Supervisory Board the Annual Report on the state of the Company and the Group, which includes a report on the status of subsidiaries and relations with subsidiaries, a report on the application of the corporate governance code, and a sustainability report.

To the best of the Supervisory Board’s knowledge, the Annual Report on the state of the Company provides an objective representation of the Company's condition and business results, as well as those of its subsidiaries. It offers a transparent, objective, and comprehensive insight into the Company's operations, its impact on the environment and society, and its approach to risk management and sustainable development. The Supervisory Board has accepted the report and granted its approval, as the business results align with expectations.

7.1. Cooperation and Evaluation of the Management Board's Effectiveness

The Supervisory Board assesses that the cooperation with the Management Board in 2025 was transparent, constructive, and effective. The Management Board demonstrated maximum engagement in fostering collaboration and support for the Supervisory Board by actively participating in all Supervisory Board meetings and regularly and promptly informing the Board about the Company’s and Group’s business results and status, corporate strategy and planning, business development, regulatory compliance, risk status and management, as well as organizational and other changes related to the Company's and Group's operations.

During the reporting period, the Management Board conducted a self-assessment of its effectiveness, as well as the effectiveness of its individual members, and reported the results to the Supervisory Board. The Management Board confirms that it has managed the Company’s affairs independently and at its own responsibility, making decisions solely based on its own judgment, except in cases requiring explicit prior approval from the Supervisory Board.

It is also confirmed that the Management Board has acted exclusively in the best interests of the Company and its shareholders while considering the interests of employees and all other stakeholders of the Company and the Group.

In conclusion, the Supervisory Board believes that the existing cooperation and information-sharing mechanisms between the Supervisory Board and the Management Board are effective and contribute to high-quality corporate governance and the long-term sustainability of the Company.

8. CONCLUSION OF THE SUPERVISORY BOARD

The Supervisory Board reached the following conclusions:

- the examination of the annual financial report and the consolidated annual financial report of the Group, the Report on the status of the Company and its subsidiaries, and regular monitoring conducted during 2025 established that the Management Board acted in accordance with the applicable legislation of the Republic of Croatia, Zagreb Stock Exchange, HANFA, internal acts of the Company (including the Articles of Association), and decisions of the General Assembly. It respected the guidelines and instructions of the Supervisory Board. Therefore, the Supervisory Board has no objections to the annual financial statements, the Report on the status of the Company and its subsidiaries, and the proposal on the use of profit;
- there are no objections to the Report and the opinion of the independent auditor on the annual financial statements and on sustainability report;
- it approves the annual financial statements, the Report on the status of the Company and its subsidiaries, and the proposal of the Decision on the use of profit.

Tamara Sardelić, President of the Supervisory Board