

**A DECADE OF  
ELECTRICITY  
TRANSMISSION**  
FOR A SMART AND  
SUSTAINABLE  
**FUTURE**



# 2024





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# 01 Introduction



# 1. Summary of the comprehensive report for 2024



## PRODUCTION CAPITAL

TL length:

**+1%** 2024: **3,160 km**  
2023: 3,114 km

No. of substations:

**+1%** 2024: **68**  
2023: 67

Power transformers:

**=** 2024: **33**  
2023: 33

Phase shifter:

**=** 2024: **1**  
2023: 1

Battery storage units on the transmission network:

**=** 2024: **2**  
2023: 2

Percentage of green investments:

**+11%** 2024: **72**  
2023\*: 61



## HUMAN CAPITAL

– EMPLOYEES

Employees:

**+1%** 2024: **610**  
2023: 604

Percentage of women:

**+1%** 2024: **24**  
2023: 23

Satisfaction:

**+4%** 2024: **4.85 points**  
2023: 4.66 points

No. of training hours / employees:

**+25%** 2024: **20**  
2023: 16

Added value per employee:

**+5%** 2024: **EUR 191.8 thousand**  
2023: EUR 182.8 thousand



## SOCIAL CAPITAL

The disbursement of the profit share to the owner:

**=** 2024: **/**  
2023: **/**

Electricity offtake:

**=** 2024: **11,025 GWh**  
2023: 11,077 Gwh

Electricity input:

**+7%** 2024: **13,816 GWh**  
2023: 12,956 GWh



## INTELLECTUAL CAPITAL

Value of intangible assets:

**-22%** 2024: **EUR 21.2 million**  
2023\*: EUR 27.1 million

Self-assessment using the EFQM model:

**+2%** 2024: **603 points**  
2023: 590 points



## NATURAL CAPITAL

Expenses for environmental protection:

**-33%** 2024: **EUR 1.2 million**  
2023: EUR 1.8 million

Carbon footprint (in thousand tonnes of the CO<sub>2</sub> equivalent):

**+2%** 2024: **200**  
2023: 196

Energy consumption (in MWh):

**-2%** 2024: **7,189**  
2023: 7,304



## FINANCIAL CAPITAL

Operating revenue:

**+1%** 2024: **EUR 611.3 million**  
2023: EUR 605.9 million

EBIT:

**-4%** 2024: **EUR 14.2 million**  
2023: EUR 14.8 million

EBITDA:

**+4%** 2024: **EUR 69.0 million**  
2023: EUR 66.4 million

Net profit or loss:

**-6%** 2024: **EUR 9.5 million**  
2023: EUR 10.1 million

Capital:

**+2%** 2024: **EUR 472.2 million**  
2023: EUR 465.0 million



# 1.1 Significant events

## March

18 companies, organisations and municipalities signed the consortium contract for the establishment of a hydrogen ecosystem from low-carbon sources. The consortium of stakeholders with common interests comprised the Slovenian-Japanese business world, the Engineering Academy of Slovenia, and ELES.

The Hungarian electricity exchange HUPX joined the ADEX Group to strengthen and expand the regional electricity exchange in CE and SE Europe (CEE-SEE).

## June

ELES received the national Energy Globe award for the successful implementation of the international project SINCRO.GRID; the award has been given for exceptional performances in sustainable development and environmental protection for twenty years by the international Energy Globe Foundation.

## September

The reliability of powering the north Primorska region has improved significantly following the successful conclusion of the construction of the transmission line and activation of TL 2 x 110 kV Gorica-Divača.

## October

ELES commemorated its 100th anniversary of electricity transmission in Slovenia in 2024. The century of transmission was marked throughout 2024 and the central event was a ceremony in Laško where they built a TSS and the first 80 kV connection from the 77 km distant HPP Fala in 1924.

ELES and Siemens Energy Digital Grid signed the cooperation memorandum and concluded a strategic partnership. Both companies therefore undertook to develop advanced digital technologies and sustainable solutions for the international electricity sector.

The analysis of the 100% RES scenario in the Slovenian electricity sector: Aleksander Mervar, MSc, found in his analysis that "there is no scenario that would lead us into the future without problems."

The ELEScast – energy podcast went live. In the first episode, the host Anja Hreščak spoke with the ELES director, Aleksander Mervar, MSc, about the future of the Slovenian energy sector, and in the second episode, she spoke about network charges with Darko Kramar, MSc.

JANUAR	FEBRUAR	MAREC	APRIL	MAJ	JUNIJ	JULIJ	AVGUST	SEPTEMBER	OKTOBER	NOVEMBER	DECEMBER
	<p><i>April</i> ELES established the new 110kV electricity transmission loop between the transmission system substations (TSS) of Divača, Koper, Izola and Lucija.</p>					<p><i>July</i> ELES enabled the first public and real insight into the production and consumption of all renewable energy sources connected to the electricity power network in Slovenia.</p> <p>A comparative analysis, made by ELES director Aleksander Mervar, MSc based on the official data, discloses that electricity consumption has reduced in the last couple of years.</p>				<p><i>December</i> ELES is concluding two major investments at TSS Maribor, with which we will significantly improve the power reliability of the entire Styria region and the Slovenian electricity system. The total value of both projects concluded in 2025 is EUR 25 million.</p>	



## 1.2 Events after the end of the financial year

- On 6 February 2025, the National Assembly adopted the Act Determining Measures to Mitigate the Consequences of High Network Charges for Households (ZNUOPOVO). As per the provisions of the Act, the tariff network charges of electricity operators for January and February 2025 were reduced in time slot 1 to the value of time slot 2. The network charge deficit for 2025 that occurred due to the aforementioned measure is to be covered by ELES.
- At its 123<sup>rd</sup> regular session on 17 April 2025, the EA Council adopted the Legal Act on the methodology for determining the regulatory framework for the electricity distribution system. The change refers to the change of criteria for calculating the recognised controlled operating and maintenance costs, updating performance indicators in the scope of regulating on the basis of the performance of investments into smart grids and the related minor supplementation of definitions for local markets with flexibility. The process provisions of research and innovation schemes have also been updated minimally, as well as the process provisions for promoting investment projects into smart grids.



## 1.3 Director's address

### An intensive year for the electricity sector

After the health and energy crisis, **last year** was yet again characterised as **one of the more turbulent periods for the Slovenian electricity sector in modern history**, which, as opposed to the previous years when these were due to broader geopolitical happenings and turbulences, was mainly due to internal political decisions and reforms.

The year that passed showed with all its brutality that the previous paradigm directed towards green transition preparations is flawed. The green transition is here and now; it is happening with full intensity, which was undoubtedly shown in 2024. I can say with great satisfaction that ELES met it prepared and with open arms. It completely strengthened its importance within the electricity distribution sector and established itself as the backbone of the green transition and as a cornerstone that all the other companies in the electricity distribution sector lean on.

Perhaps the largest change we noticed in 2024 was the implementation of the new network charge reform, which, after two delays of the Energy Agency (EA), finally entered into force in October. The EA also formed new tariffs for the use of the electricity power networks. **Network charge revenue** is **one** of the two key **revenue sources** of ELES; therefore, each change requires an immediate response, adjustments and re-planning of investments, as well as other activities of the Company. Due to the assessed negative impacts, we were not optimistic about the network charge reform,

and I am giving greater attention to it in this address after a comprehensive analysis of its implementation and consequences.

### The impact of the reform on ELES revenue

In addition to the classification of grid users, the five time blocks, the EA also defined the high season (January, February, November and December) and low season periods (from and including March to and including October) in its methodology. ELES is particularly concerned about the fact that the sum of the network charge revenue shall not be increased with the tariffs for our company, or for the five electricity distribution companies. In fact, due to the new network charge model, ELES **will realise EUR 52.0 million less revenue in the first year of the reform**. Even though the public believed that ELES would obtain more funds immediately after the reform implementation, this is not true. The Act Determining the Measures to Mitigate the Consequences of High Network Charges for Households led to an additional loss in network charge revenue in the amount of EUR 18.6 million, which will be covered by ELES. Such risks are additionally strengthened by the fact that as of 2023, ELES will cover the purchase of electricity for covering losses in the distribution grid and the deficit in the regulatory network charge revenue of the electricity distribution companies. The costs for covering energy losses in the transmission and distribution grid therefore represent the highest uncertainty for ELES. Following the latest calculations, ELES will allocate EUR 456.0 million for electricity distribution needs.

In 2024, ELES covered the losses of network charge revenue of electricity distribution companies in full, and the sustainability of



”

Today, ELES is one of the most modern and high-tech companies in Slovenia, and one of the most sophisticated electricity transmission network operators in the European Union; it is the most accurate and advanced energy and analysis hub in this region.

Aleksander Mervar, MSc  
Company Director, ELES, d. o. o.

such an arrangement is definitely questionable in terms of time and costs.

Even though the revenue from network charges paid by Slovenian consumers should finance the operation, investments and maintenance of the Slovenian (distribution and transmission) electricity power network, this revenue has not been sufficient for years. In the last five years, the legislators lowered the network charge revenues of ELES and five electricity distribution companies twice before with an intervention act. In 2020, we thus had a loss of network charge revenue in the amount of EUR 31 million, and EUR 94.7 million in 2022. ELES warned the public about this, but our formal competencies in determining the network charge tariffs and methodologies are limited.

I advocate the viewpoint that the network charge reform is urgent because the green transition requires major investments into the grid, whereby the network charge is one of the two sources for financing the necessary investments. Each new reform leads to resistance from the public or part of the public, even though this fuels the opposition of one sole consumption group. Notwithstanding the opinion of the public, I advocate the fact that this network charge reform is just the first necessary step to a comprehensive reform, and I have been advocating for years that the tariffs for the use of the grid will need to be increased significantly.

### Activities of ELES for balancing network charge deficiencies

At this point, I would like to emphasise the other side of this story. As is known, **in addition to the network charges**, ELES **obtains revenue from auctions of cross-border transmission capacities (CBTC)** paid by international vendors for trading electricity across the territory of the Republic of Slovenia. In 2024, ELES

recognised EUR 96.5 million of revenue from network charges for the transmission grid in Slovenia, and EUR 194.8 million from auctions for cross-border electricity transmission. Revenue from both sources is managed as **network charge revenue** and is classified under the regulated activity. Thus **ELES has been covering the network charge revenue losses from revenues generated through auctions of CBTC**. It is only due to the successful activities of ELES



**At this point, the commitments of ELES employees are mitigating the pressure on Slovenian consumers and retaining relatively low network charge rates and they are also enabling the continuity of the investment cycle into the grid.**

that the revenue from these auctions has been significantly higher than planned, and 2024 is no exception. Even though we recognised record revenue from the allocation of CBTC in 2022 and 2023 (these amounted to EUR 126.3 million in 2023), these records were also exceeded in 2024, and we also exceeded the planned revenues. I believe that the reason lies in specific conditions on the European market, which were reflected in the form of significantly low prices of electricity in France. We planned EUR 81.0 million from CBTC auctions, which we exceeded already in July. We realised an astounding EUR 194.8 million from CBTC trading by the end of the year, which means that we exceeded the plans by 140 percent. However, due to the merger of the CORE regions and Italy nord, these revenues will be significantly lower in 2027.

At this point, the commitments of ELES employees are mitigating the pressure on Slovenian consumers and retaining relatively

low network charge rates (network charge levies in Slovenia for household and non-household consumers are among the lowest in the EU), and they are also enabling the continuity of the investment cycle into the grid. If no revenues had been realised from CBTC auctions, the network charge would be 40 percent too low considering the tasks determined by the EA for the operator of the transmission and distribution grid. However, if the wholesale prices on the European market and the difference between individual markets remain low, less revenue will be generated by ELES and therefore there will be more pressure for the increase of the network charge tariffs. I believe that the surpluses generated and allocated by ELES for the needs of the electricity distribution companies will be consumed in 2026 and 2027, which is when the issue of increasing the network charge tariffs will be most relevant.

### ELES and its integration into the electricity sector

The network charge reform was only an introduction to a turbulent autumn and an even more turbulent winter, which was characterised by strong political and economic happenings, which also included ELES. In October, only ten days after the introduction of the network charge reform, the members of the National Assembly voted for the decree on the consultative referendum on the construction of the second nuclear power plant block (JEK 2) with 65 votes for and 7 against. Even though ELES is not and will not be an investor and notwithstanding the fact that the referendum call was cancelled at the end of November, the company I am leading was intensively part in the interservice harmonisation processes, public discussions and pre-referendum confrontations linked to the investment into JEK 2. ELES was somewhat more active in the interservice harmonisations, the preparation of bases for the appropriate legislative arrangements (Act on the prior financing of the accelerated and fair abandonment of coal) and public controversies concerning the



status transformation of the Šoštanj thermal power plant (TPP) from an electricity-generating plant to a plant responsible for the remote supply of thermal energy, whereby electricity would be a secondary product. Our constant and intensive participation in all these projects and public discussions is also reflected in the statistics of media exposure, which also broke records in 2024. In 2024, ELES appeared in 2,570 media publications, which is a 17.7 percent growth compared to 2023 (2,183 publications). The number of planned media publications also increased significantly (351), which was due to the proactive media strategy of ELES because the share of these publications in 2024 was 90.8 percent higher than in 2023 (184). The new network charge billing system was undoubtedly at the forefront of media publications in 2024 (453 publications). I believe that a more accurate segmentation within the electricity distribution sector began to form gradually in the broader public space in 2024 and that the general public began to better understand the role and importance of ELES. The well-accepted and watched podcast entitled ELEScasti contributed significantly to the above, which was launched by the company in autumn and contributed to the popularisation of the electricity distribution sector and the general public understanding of the relationships between individual companies within this sector.

## Projects for the future

ELES celebrated its one hundredth birthday last year. The foundations of our company were set **a hundred years ago**, and the **first electricity transmission** over long distances was made. Electricity ran from its source at the hydro power plant (HPP) Fala to TSS Laško. This was the moment when the course of history in these lands changed and I am convinced that **ELES has constantly been paving the way** ever since and is the **harbinger of a better future**.

Today, ELES is one of the most modern and high-tech companies in Slovenia, and one of the most sophisticated electricity power

network operators in the European Union; it is the most accurate and advanced energy and analysis hub in this region. Due to our advanced analytics, we at ELES also have the best idea what our electricity distribution future will look like in a couple of years and decades. Employees are using artificial intelligence, virtual reality and state-of-the-art digital platforms and solutions every day. In our ELES security operations centre (VOC), we are using artificial intelligence to improve the capacity and efficiency in predicting, detecting and neutralising cyber threats throughout the cyberspace of core energy service providers for the transmission and distribution of electricity.

In addition to both the concessions that we have (ELES is the **sole combined operator of the transmission and distribution network in Europe**), we are expecting a third concession, namely for providing and managing the supporting infrastructure and connection capacities in high-voltage charging parks for quick charging purposes, where the output power is at least 3 MW. ELES will thus unite three public utility services, thereby taking the first important step towards the electrification and cleaning of the traffic sector. We are therefore actively creating a clean and sustainable future for future generations.

SUMO, FutureFlow, SincroGrid and NEDO are projects we spoke about a lot in previous years because they contributed significantly to the infrastructure for the transmission of electricity becoming smarter and better adjusted to the needs of modern times.

In 2024, the biggest advancement was with the **GreenSwitch Project**, which contributed to the more efficient use of the existing energy infrastructure and allowed the integration of new technologies and advanced functionalities into the transmission and distribution networks in Austria, Croatia and Slovenia. Part of this project will also include the infrastructure for the high-voltage charging parks (up to 3 MW), which ELES will place in Novo mesto

and Kranj in the scope of the GreenSwitch project. The first activities for the placement of the charging infrastructure began in 2024. We can also boast of the new research and development partnership with the company Siemens Energy, which is enabling bilateral benefits at several technical and technological areas which are important for the future of the electricity distribution sector. This partnership gives ELES access to top technologies in early, frequently even prototype phases of development and a direct dialogue with the international research teams. ELES is thus being given an invaluable insight into the development trends and is forming solutions that are precisely tuned to the requirements of the modern electricity systems (EES).

We have also long known at ELES that we need to bet on the **technologies of the future**, which is why we signed the concession agreement in March 2024 and became the leading partner in what is economically the strongest consortium ever created in the Republic of Slovenia – the consortium for establishing the **hydrogen ecosystem from low-carbon sources**. I am convinced that such sustainable solutions and advanced innovations will lead the Slovenian society into a **green future**.

Ljubljana, 17 June 2025



ELES, d. o. o.  
Company Director  
Aleksander Mervar, MSc



## 1.4 Core Data

### ELES COMPANY PROFILE

Name	ELES, d. o. o., operator of a combined transmission and distribution electricity power network
Abbreviated name	ELES, d. o. o.
Registered office	Hajdrihova ulica 2, Ljubljana
E-mail address	info@eles.si
Website	<a href="http://www.eles.si">http://www.eles.si</a>
Main activity code	35,130 Transmission of electricity
Formation of the Company	November 1990
Registration	District Court in Ljubljana, entry no. 1/09227/00
VAT ID	SI20874731
Registration number	5427223
Share capital	EUR 105,214,575.01
Business accounts	Nova Ljubljanska banka d. d., Ljubljana: SI56 0292 4001 7900 956 Unicredit Banka Slovenija d. d., Ljubljana: SI56 2900 0005 2003 012 Banka Intesa Sanpaolo d. d., Koper: SI56 1010 0006 0143 293 OTP banka d. d., Ljubljana: SI56 0400 1004 8890 317
Founder and owner	100 percent the Republic of Slovenia
Company Director	Aleksander Mervar, MSc





## 1.5 Mission, vision and values

### Mission

**With our reliable management of the electricity system, we are ensuring the stable and efficient development of the Company and the transfer to a low-carbon Slovenia and region.**

Due to the specific role of the transmission system and state ownership, the mission of ELES serves as the basis for its vision. The strategic importance of the reliable management of an electricity system is so important for the country and all the civil society members that it overrides the narrow business interests of ELES that are written in its vision. The mission defines ELES as a key part of stability, because there is no stable society without the constant availability of electricity. It also allows for the development of the Company, mainly in the direction of a low-carbon company, both for energy systems and for users.

### Vision

#### Effectively connected energy systems and users

Energy systems and users are the key part of the vision, and the role of ELES in this is to connect efficiently. ELES is generating revenue from the realisation of this benefit, because it does not produce electricity on its own, nor does it trade with it. Ensuring the availability of electricity, which is a functional promise, can only be achieved by realising a vision that is sufficiently open to allow for the development of methods to ensure this connectedness in line with the technological and other changes in the environment. The vision recognises ELES' place at the very top of the intersectoral managed energy.

### Values

#### Reliability

We provide transfer services, with which we ensure an electricity supply and the successful operation and sustainable development of the entire society. As the owner and responsible infrastructure operator,

we are the factor of predictability and accessibility. As colleagues, co-workers and partners, we are the most reliable part of any team, project or partnership.

#### Flexibility

We are dynamically integrated into the local, regional, international and global flows and we thus manage the risks of rigidity and inaccessibility. As a system operator, we are responsive in detecting the needs of stakeholders and flexible in introducing the necessary changes. Every day, we operate as agile individuals with an understanding that reaches across the limits of each process.

#### Public interest

We are the actors of public interest for the energy area. Our business and technological decisions are reflected in the understanding of the functioning and needs of the broader society, even in terms of long-term sustainable development. As informed individuals, we are administering the horizontal view and proposing solutions that are relevant (suitable) in the broader context in which we are taking part.

#### Connectivity

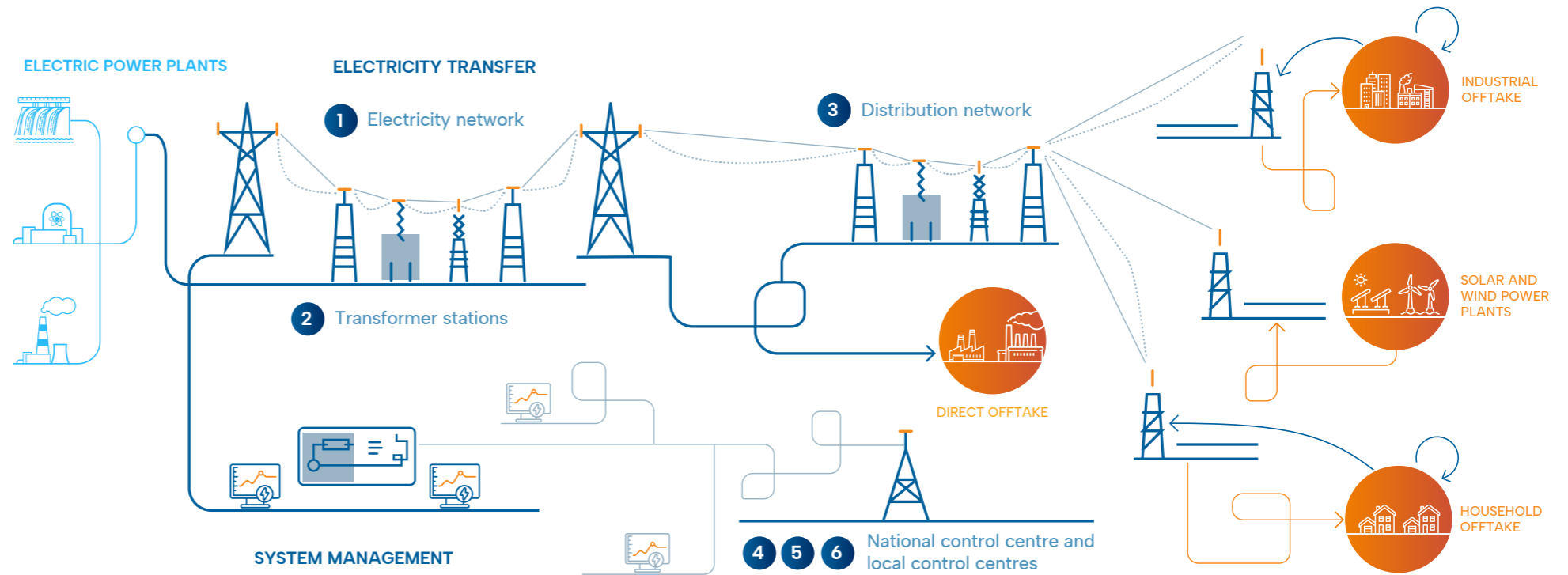
We are the bridge that connects sources and users, the local and national infrastructure, and the Slovenian and international networks. As a business entity, we are triggering connections that are necessary to realise the long-term ambitions and commitments within and outside the energy sector. As the proposer of solutions, we are working as an inclusive entity and therefore achieving faster, more efficient and more sustainable development impacts. As co-workers, we are working as a bridging entity and in harmonisation with others.

## 1.6 Position and management

ELES ensures the flawless operation of all transmission lines at the 400 kV and 220 kV voltage levels and for a part of the 110 kV transmission network.

Two closely interlinked activities are evident in the area of operations:

- ensuring the transmission of electricity from sources to consumers;
- ensuring a balance between consumption and production, ensuring supply.



### TRANSMISSION ACTIVITY

**1.** Electric power plants are connected to the ELES transmission network, which supplies the produced electricity through the network.

**2.** Electricity is transferred through the high-voltage transmission network and transmission system substations to the low-voltage networks.

**3.** Five distribution companies then take over the electricity network from the transmission network in the scope of SODO, five major consumers, so-called direct consumers, and four major consumers (iron works and Talum) with the status of a closed distribution system.

### ELECTRICITY SYSTEM MANAGEMENT

**4.** As a system operator, ELES ensures the stable and safe operation of the electricity system, allowing for the safe and continuous transfer of electricity from production sources to consumers and exchanges with foreign networks.

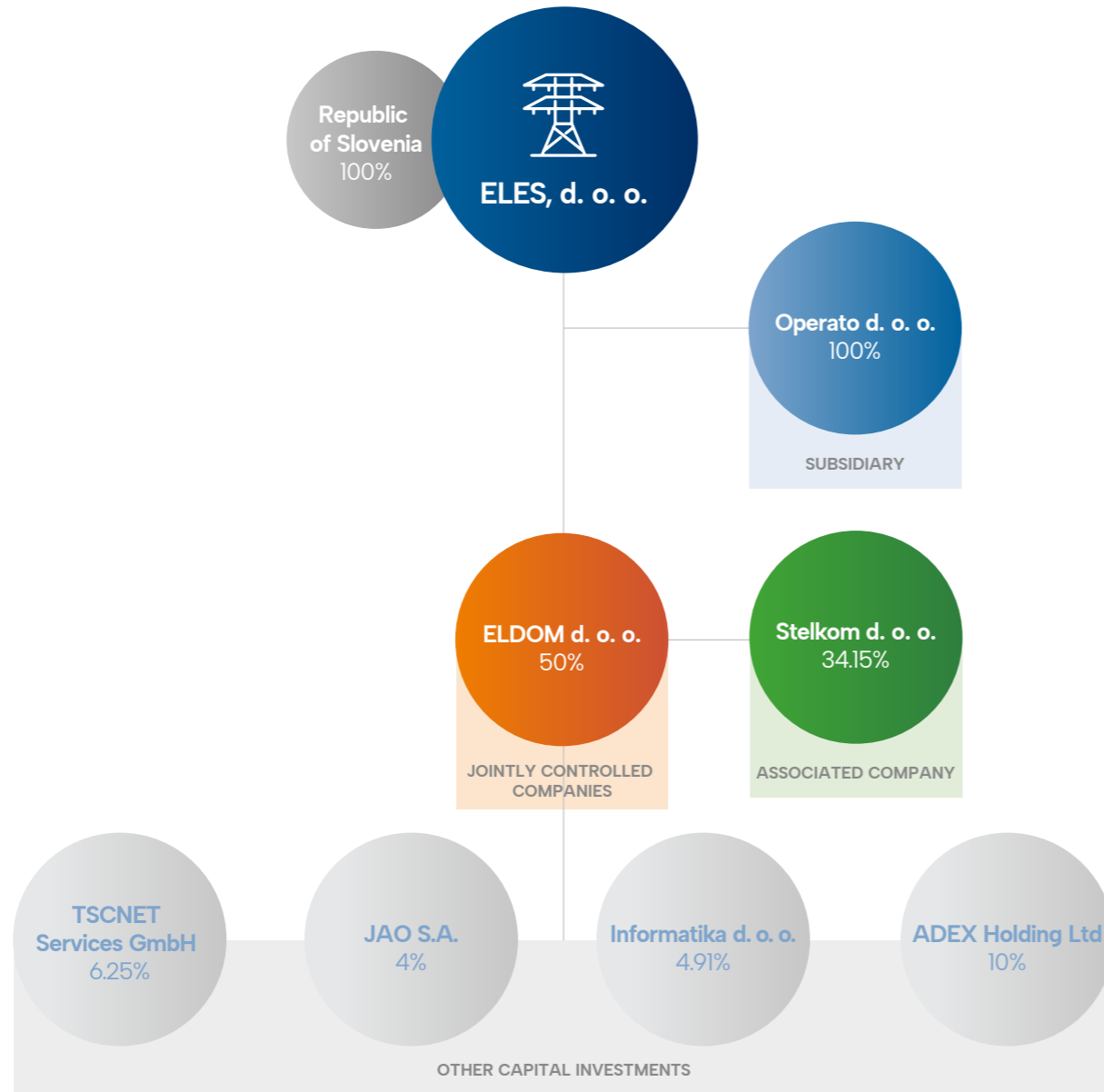
**5.** The expected schedules of electricity consumption and production are created based on the electricity market laws. In real-time, ELES offtakes all deviations between the current consumption and production with the help of system services and covers losses in the system. The expected power balances in the electricity system are also verified all the time on the basis of its own consumption and production forecasts of dispersed sources.

**6.** Operators in the national control centre (NCC) and three local control centres (LCC) in Beričevo, Nova Gorica, and Maribor use state-of-the-art technology and tools to monitor and manage the electricity system in order to ensure the stable and safe operation of the Slovenian electricity system. They operate 24 hours per day, 7 days a week to make sure electricity is always available to consumers.



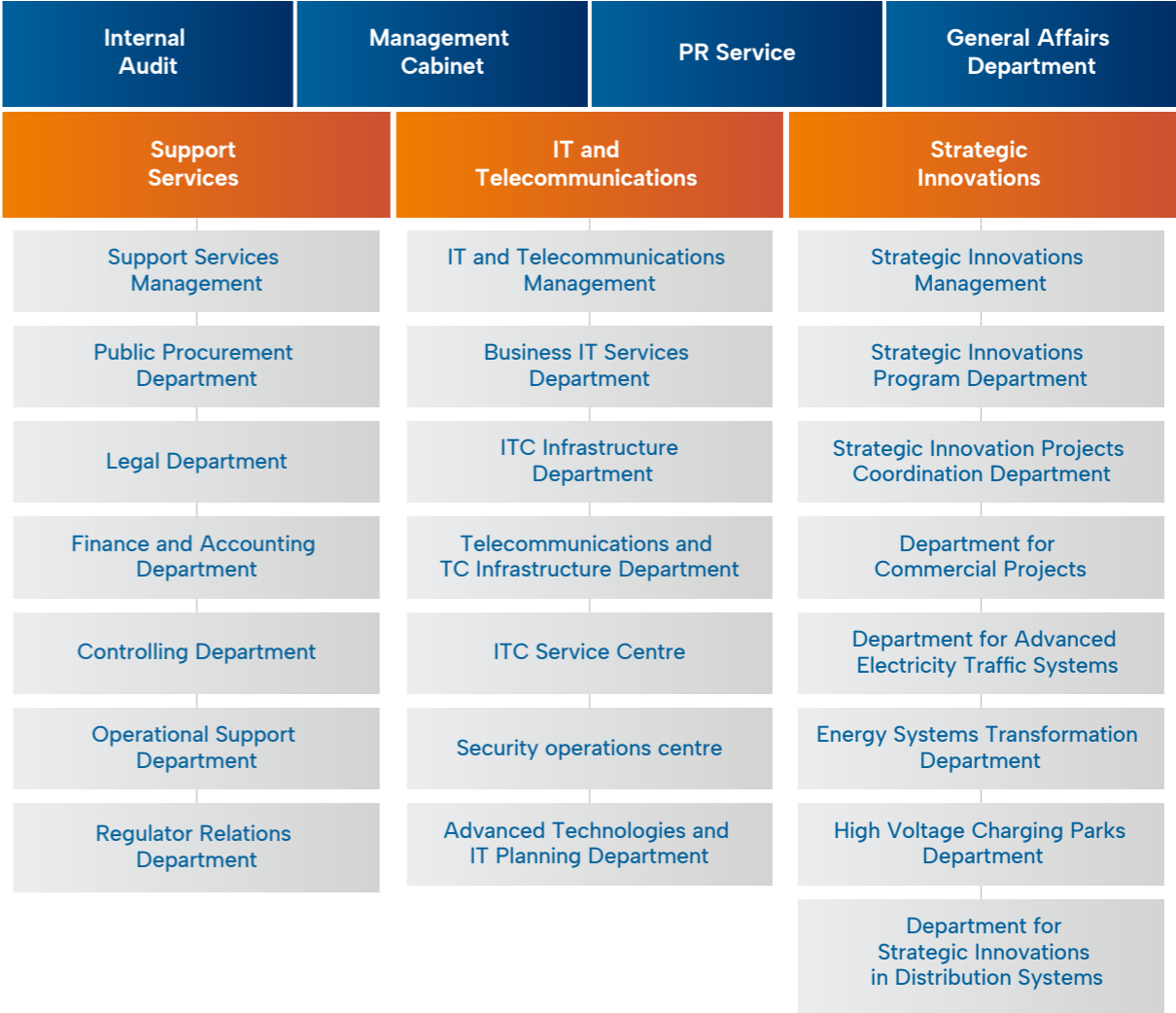
# 1.7 Organisation

## ELES Group





# 1.8 Organisational structure





## 1.9 Compliance with the Regulatory Requirements

The EA represents the interests of various stakeholders in the electricity distribution system, namely:

- the transmission grid users (producers and end consumers of electricity),
- the distribution grid users (producers and end consumers of electricity),
- the electricity market participants (aggregators and suppliers) and electricity system operators (system/distribution operator or, now, a combined operator).

Its role is also to monitor activities for the establishment of market mechanisms in the electricity supply area as defined by the European and summarised by the Slovenian legislation. Each group of the aforementioned stakeholders has its own economic interests and needs that need to be considered in a balanced fashion.

Regulatory requirements are the core regulatory factor of operations ensuring the framework of sustainable operations and the transparent management of the electricity distribution operations.

For the preparation of the financial statements, ELES has considered the provisions of Article 113 of the Electricity Supply Act (hereinafter: ZOEE). This basis is used to annually determine deviations from the regulatory framework reflected in the surplus or deficit of the collected network charges.

In addition to the national regulations, the Company must also comply with Article 19 of Regulation (EU) 2019/943, which defines the methodology for using revenue from congestion.

Below is the comprehensive regulatory framework that defines the eligible costs and sources for their coverage.

REGULATORY FRAMEWORK	
ELIGIBLE COSTS	SOURCES FOR COVERING ELIGIBLE COSTS=REGULATED REVENUE
Costs of operations and maintenance	Network charge for using the transmission system
Costs of electricity for network losses	Network charge for using the distribution system
Costs of system services	Network surplus/deficit from the previous period
Amortisation	Other revenue
Regulated return on assets	
Research and innovations	
Incentives	
Eligibility of investments into smart grids	

Eligible costs are costs that are a direct condition and consequence of performing the regulated activity of an electricity system transmission and distribution operator. They are determined in such a way that they promote the cost efficiency of operations and use of the system.

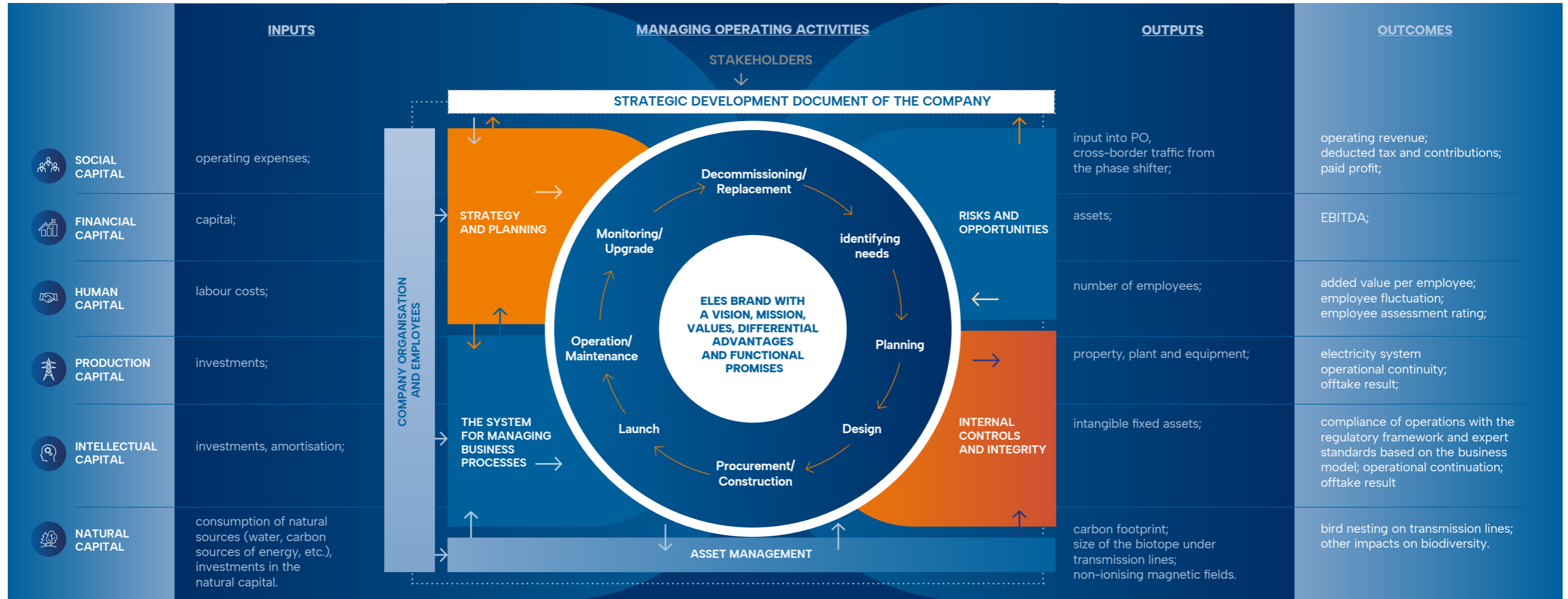
Recognised sources for covering eligible costs are specified by the EA for the next regulatory period in the year preceding the start of the regulatory period. It is intended to cover the recognised eligible costs of the system and distribution operator, regulated return on assets and initiatives. Regulated revenue for the current period is decreased by excess revenue from previous years and other revenue.



# 1.10 Business model, importance and value chain

## 1.10.1 ELES sustainable business model

The ELES sustainable business model is a mechanism for the realisation of the value chain, which defines the materiality framework within the six capitals and management, as well as the KPI below.



The sustainable business model connects the value chain into one scheme (input, process, output and outcome) and the process model of ELES.



## 1.10.2 Materiality

In recognising the material impacts, risks and opportunities that are most significant for ELES operations, we drew on sustainable challenges (chapter 1.11.2), our understanding of the electricity distribution market, our own expert judgement based on experience, and our own risk and opportunities assessment. The double materiality assessment procedure included activities related to two main activities of the Company – the transmission and distribution of electricity – because other activities have only a slight contribution in terms of finances and impact materiality. The process of implementing double materiality within the ESRS framework is described in chapter IRO-1 (chapter 3.1.11).

For the identification of the double materiality, we followed the methodology of the European Sustainability Reporting Standards (ESRS), whereby we drew on individual topics, subtopics and sub-subtopics from the ESRS 1 AR 16 that refer to the map of stakeholders, important challenges, impacts, risk and opportunities catalogue, and materiality assessment. During the implementation of double materiality, the information of the risk catalogue, as well as the quantitative data for each disclosure that the Company had been monitoring and reporting on were considered, as were the assessment of the impacts and measures from the register of environmental aspects, possible violations and sanctions.

A group of eleven ELES professionals with a range of know-how (directors from all seven Company areas, the head of the corporate security service and head of the HR management and development service, the adviser to the company director for corporate management and the adviser to the company director for sustainable development) used 136 potential impacts, risks and opportunities and created a set of 26 materialities that are key in terms of sustainable and responsible operations, including those defined by the ESRS and that are shown separately in chapter 3. In the next phase, we also included a broad circle of external stakeholders in the assessment of the materiality of impacts, risks and opportunities, where 121 representatives of various public groups

participated, of which 87 responses were valid. The sample included media, civil society groups or users of energy services. The assessments of the external stakeholders were reasonably considered in assessing the impacts in the double materiality assessment. Such an aggregated result on a scale of 1-5 contributed to the total weight of the impact. In the next step, a list of 26 materialities was connected to the list of 72 risks and opportunities that represent the risk and opportunity matrix, which, based on the established analysis spanning years, forms the basis for managing risks and opportunities. Therefore, each of the 26 materialities was given a financial materiality and impact materiality.

### Risk and opportunities matrix

Sustainability challenge	Materialities	Financial materiality	Impact materiality
Continuous electricity transmission and distribution			
Response to changing needs by system services due to the restructuring of production sources and energy consumption	Q3a	4.4	4.5
Development of the electricity power network for the inclusion of new production units of renewable sources	Q3b	4.3	4.0
Preparation of measures for the various scenarios of changes in the environment due to green transition adjustments	Q3c	4.4	4.0
Impact on the network charge price	Q3d	4.0	3.0

Sustainability challenge	Materialities	Financial materiality	Impact materiality
Resilience			
Cybersecurity based on a competent team and employee awareness	Q4a	4.6	4.8
Resilience of electricity facilities to extreme weather events	Q4b	4.0	5.0
The resilience of ELES and the electricity distribution system to social changes	Q4c	4.2	4.0
Qualification of employees, the provision of work equipment and work conditions for safety and health at work and for protection against fire	Q4d	4.2	4.5
Efficiency of investments into the electricity distribution system	Q4e	4.5	4.6
Continuous provision of cash flows to ELES	Q4f	4.4	3.7
Managing changes on the Company level	Q4g	4.1	4.2
Expanding controlling competencies to cover the area of efficiently implementing internal processes in the Company	Q4h	4.6	4.2



Sustainability challenge	Materialities	Financial materiality	Impact materiality
Biodiversity and placing electricity distribution facilities			
Managing biodiversity	Q5a	4.0	3.0
Digital transformation			
Introducing new digital tools and artificial intelligence	Q6a	4.5	4.0
Development of own IT solutions	Q6b	3.8	3.0
Comprehensive data management	Q6c	4.3	4.0
Introducing digital ambassadors	Q6d	3.6	3.0
Development of competencies			
Transfer of organisational know-how and development of employee competencies	Q7a	4.4	3.0
Adjusting HR policies to demographic changes and the labour market	Q7b	4.1	3.0
Improving internal cooperation	Q7c	4.2	3.0
Intersectoral linking of competencies with external stakeholders	Q7d	4.4	3.0

Sustainability challenge	Materialities	Financial materiality	Impact materiality
Active management of Company decisions			
Q8a is equal to Q3a and Q3d	Q8a		
Increasing the transmission capacities of transmission lines on existing paths	Q8b	4.0	4.0
Co-design of energy and spatial legislation	Q8c	4.5	3.5
Co-design of regulatory legislation	Q8d	4.5	4.5
Co-design of the ENTSO-E rules	Q8e	3.2	3.5
Company reputation			
Company reputation	Q9a	4.3	3.6

As indicated, it has been subsequently found that Q8a is already covered by Q3a and Q3d, so the materiality number was reduced from 27 to 26.

The double materiality matrix is presented in chapter 3.

The materiality list defines all the materialities for the sustainable operations of ELES. That part of the materiality that refers to the ESRS requirements is defined in chapter 3 through the impacts, risks and opportunities under the specific ESRS methodology.

The directions and procedures that ELES established and is implementing on all levels to manage impacts, risks and opportunities linked to financial, sustainable and tax reporting, on the basis of which we ensure reliable information for decision-making and reporting processes, are internal controls. Their purpose is to ensure the reliability of reporting and compliance with the legislation and regulations. The management is responsible for establishing the mechanism of internal controls and management of the impacts, risks and opportunities, as well as transparent reporting in line with the regulations and good practice.

In the area of sustainable reporting, we drew on the current good practices of sustainable reporting and focused mainly on establishing internal controls in obtaining data, its analysis and disclosure when we upgraded the reporting process in line with the ESRS standards. The prepared content was reviewed and approved by responsible persons in specific professional areas, carriers for the preparation of the sustainability statement, and the head responsible for sustainability. This content serves as the basis for the decision-making processes directed towards the realisation of sustainability targets set in the strategy. We will continue to upgrade the internal controls in the sustainability area in the coming years.

Area directors, heads of services and the head responsible for sustainability are all included in the internal controls system in relation to the process of the double materiality assessment, who review and approve the results. The management also reviews and approves them. The process of defining, assessing and managing sustainable impacts, opportunities and risks in line with the ESRS is included in the Company management process during the preparation of the development strategy and long-term plans.

ELES is reporting on the impacts, risks and opportunities in line with the ESRS requirements for the first time, therefore any changes based on previous periods of reporting on the materiality of impacts, risks and opportunities will be disclosed in the coming years. Audits of the materiality assessments will probably be carried out on an annual basis.



### 1.10.3 Value chain

Due to the ESRS requirements, the value chain is presented in chapter 3.

### 1.10.4 Map of stakeholders

Due to the ESRS requirements, the map of stakeholders is presented in chapter 3.1.9.

### 1.10.5 Intangible assets

ELES has identified the following intangible assets that are key for successful Company operations and represent a long-term value that allows the Company to generate revenue and create added value.

Intangible asset	Role in the business model and value generation
Goodwill and reputation	With the long-term reliable management of the electricity system, we are ensuring the stable and efficient development of the Company. Through cooperation and the successful implementation of international projects, we are increasing our reputation in the European and global space. This allows us to acquire new partnerships and European financing sources.
Relations with suppliers	We are strengthening correct business relations with the suppliers of goods and services by respecting the contractual commitments and issuing payments in due time.
Concessions and certificates	The issued concessions for performing the public utility service of a transmission network system operator and electricity distribution grid operator in the territory of Slovenia serve as the cornerstone for the Company's long-term operations.  The obtained certificates (e.g. ISO 9001, 14001, 27001, 45001, 55001 and 17020) reflect the Company's commitment to high-quality and safety standards in services and business processes, which is boosting the trust of business partners and represents the basis for long-term cooperation.
Know-how	Employees have highly specialised technical, engineering and regulatory know-how in areas of providing a reliable supply of electricity, access to the grid, the rules of the internal market with electricity and public procurement area, which increases the procedural efficiency and generates added value.
Specialised software	Dedicated information solutions for the Company's activities serve, first and foremost, for the undisturbed and efficient operation of the electricity distribution system and cost reduction; they also allow the internal and external public to be notified and provide harmonisation with the regulations and regulatory requirements.



## 1.11 ELES Group sustainable strategy and plans

In the first months of 2020, ELES defined the sustainable strategy of the Company until the year 2050. The aim is to ensure a solid basis for adopting strategic documents, such as the Long-Term Strategic Operating Plan (hereinafter: LSP) and the implemented LSP plan. The Sustainability Strategy of ELES (SSE), which defines all the core topics, risks and opportunities for comprehensive development and also includes the sustainability part prescribed by the Corporate Sustainability Reporting Directive (CSRD), represents a framework of the annual sustainability report. The basis of the sustainable strategy is the sustainable model of the ELES Group.

Sustainable model of the ELES Group



The basis of the sustainable strategy is the challenges that stem from global megatrends (in the context of sustainable operations and global milestones) in the context of ELES' business model or position and management system. The materialities, risks and opportunities stem from this framework as the central operating levers of Company development defined through the key performance indicators (hereinafter: KPI). Transition scenarios and plans define the necessary changes in operations for achieving targets, while reporting defines the system for providing sufficient information and the inclusion of the key stakeholders.

Between June 2024 and February 2025, the Company carried out an internal audit of its sustainability strategy and redefined its strategic challenges, targets, materialities, risks and opportunities. Reporting has also been redefined due to the CSRD. The position and management did not change significantly in 2024.



## 1.11.1 Global strategic challenges in the context of sustainable operations

1. Demographic decline and public ageing
  - Population projections: The work-able population in the EU will reduce from 264 million in 2022 to 207 million by 2050, which will pose significant challenges for social security systems and public finances.
  - Population ageing: The share of individuals aged 65 and older increased in the EU from 16.2% in 2003 to 21.3% in 2023, and forecasts show that it will increase to 30.0% by 2050.
2. Energy security and the green transition
  - Carbon neutrality goal: The EU is striving to achieve climate neutrality by 2050 by moving to an economy with zero net greenhouse gas emissions (GHG).
  - Investment needs: Significant investments are needed to achieve this target, and projections show that the EU and Norway must invest EUR 67 billion every year into their grid infrastructure to support the decarbonisation commitments.

- Diversification of energy sources: In order to reduce dependencies on Russian energy, the EU is planning to increase imports of liquefied natural gas (LNG) from countries such as the USA and Qatar, and it will also accelerate its expansion of renewable energy sources (RES).
3. Economic and technological competitiveness
    - Productivity setback: The growth of the European GDP (gross domestic product) per capita has lagged significantly behind US growth since the fall of the Berlin Wall, which is attributable to factors such as expenses for social security and regulatory regimes.
    - Technological gaps: The EU is facing challenges relating to the digital revolution because the fragmentation, excessive regulations and inappropriate support for research and innovation are hindering competitiveness compared to the USA and China.
    - Political recommendations: To tackle these challenges, recommendations include the reduction of excessive regulations, the promotion of a more connected uniform market, and the establishment of cohesive energy and defence policies.

## 1.11.2 Sustainability challenges of ELES 2030–2050

On the basis of the global strategic challenges and the specificity of ELES operations, we defined seven sustainability challenges to which ELES must respond by defining the materiality within each of the six capitals and management by defining and quantifying the impacts, risks and opportunities for each one.

TI1	Continuous electricity transmission and distribution
TI2	Resilience
TI3	Biodiversity and placing electricity distribution facilities
TI4	Digital transformation
TI5	Development of competencies
TI6	Active management of Company decisions
TI7	Company reputation and stakeholder satisfaction



### 1.11.3 Long-term strategic plan 2021-2025

The 2024 report also refers to the LSP 2021-2025. This LSP contains 31 SGs, which are divided by the six capitals of ELES: human, intellectual, natural, social, financial and production capital.

The strategy for the implementation of the SG has been formed, as well as the indicators for measuring their realisation and the recognised risks that could prevent the realisation of SG. All the SGs of the Company are evident in the LSP, therefore they are not discussed in detail in the annual report.

The SG realisation rate (in percentages) by capitals as at 31 December 2024



### 1.11.4 Strategic Asset Management Plan for 2022-2025

In 2024, ELES successfully obtained the certificate “Managing Electricity Power Network Assets” under ISO 55001:2014. The strategic plan of managing assets for the 2022-2025 period is one of the more important requirements of the standard and the first document of its kind in the Company that translates the sustainability policies and strategic goals of the Company into a series of activities that are implemented on the level of physical asset management, and it also defines the asset management system, sets strategic asset management goals and the method for generating value with assets.

In line with the core topics from the sustainability strategy that represent long-term policies, and the strategic goals of the Company that represent medium-term policies, the strategic plan for asset management includes two strategic goals for asset management:

- SG asset management 1: Efficient management of phases in the lifecycle of funds;
- SG asset management 2: Reliable, flexible and responsible transfer of electricity.



## 1.12 Sustainability targets

The table below establishes the connection between the material and sustainability targets, which will serve as the basis for the LSP of the Company for 2025–2030.

### Connection between material and sustainability targets

Material	Sustainability targets
Response to changing needs by system services due to the restructuring of production sources and energy consumption	Q3a Provided the required quantity of EE during shortage periods
Development of the electricity power network for the inclusion of new production units of renewable sources	Q3b Guaranteed connection of all the interested parties
Preparation of measures for the various scenarios of changes in the environment due to green transition adjustments	Q3c To become the backbone of the green transition
Impact on the network charge price	Q3d To enable the competitiveness of the Republic of Slovenia
Cybersecurity based on a competent team and employee awareness	Q4a To prevent cyber attacks
Resilience of electricity facilities to extreme weather events	Q4b Grid adjusted to weather impacts
Appropriate response of ELES and the resilience of the electricity distribution system to social changes	Q4c Ensured sufficient operation of the Slovenian EDS outside the European EDS
Qualification of employees, provision of work equipment and work conditions for safety and health	Q4d A safe and healthy work environment
Efficiency of investments into the electricity distribution system	Q4e Fulfilled method for planning investments

Material	Sustainability targets
Continuous provision of cash flows to ELES	Q4f Financial management of all sources and expenses
Managing changes on the Company level	Q4g Zero opposition to the necessary changes
Expanding controlling competencies to cover the area of efficiently implementing internal processes in the Company	Q4h Data management for efficient management
Managing biodiversity	Q5a Developed know-how on impacting biodiversity
Introducing new digital tools and artificial intelligence	Q6a Use of state-of-the-art IT tools
Development of own IT solutions	Q6b Developed own IT know-how
Comprehensive data management	Q6c Reliable access to the correct data
Introducing digital ambassadors	Q6d Efficient transfer of IT know-how
Transfer of organisational know-how and development of employee competencies	Q7a Efficient internal training

Material	Sustainability targets
Adjusting HR policies to demographic changes and the labour market	Q7b Competitiveness on the labour market
Improving internal cooperation	Q7c Harmonised vertical and horizontal management
Intersectoral linking of competencies with external stakeholders	Q7d Efficient linking with external know-how
Q8a is equal to Q3a and Q3d	Q8a
Increasing the transmission capacities of transmission lines on existing paths	Q8b Optimised grid yield
Co-design of energy and spatial legislation	Q8c Legislation that also considers our limitations
Co-design of regulatory legislation	Q8d Legislation that considers our financial limitations
Co-design of the ENTSO-E rules	Q8e ENTSO-E rules that consider our needs and costs
ELES reputation with all public groups	Q9a ELES: the innovative backbone of the Slovenian energy sector



## 1.13 Operating risk and opportunities management

The system for managing risks and opportunities is directly reflected in the double materiality matrix in line with the requirements of the Corporate Sustainability Reporting Directive. Those risks and opportunities that are specifically linked to the ESRS requirements are defined separately in chapter 3.





### 1.13.1 Operating risk management

ELES management is directed towards achieving the set targets through efficient operations. Regardless of our operating targets, we are always exposed to various risks during our operations that may threaten their realisation. The task of the management body is to appropriately respond to risks and thus increase the probability of achieving the set targets. The task of managing risks is to manage the exposure to risks and limit the risks to an acceptable level. Managing the exposure to operating risks means that exposure elements need to be defined, the identified risks need to be evaluated and classified based on their probability and weight of the possible consequences, and using the aforementioned analysis to establish a suitable system for their management. In carrying out the aforementioned activities, we at ELES act in line with Article 21 of the Memorandum of Association of ELES, the ZGD-1, the Ordinance on the state-owned assets management strategy and consequently the Corporate Governance Code for Companies with Capital Assets of the State, as well as the Recommendations and Expectations of the Slovenian Sovereign Holding (SSH). It is on this basis that we at ELES have established a risk management system in the scope of the comprehensive risk management system, which is defined in the internal acts in which the rules used to manage risks are set.

The activities and measures for risks with financial consequences are presented at the end of each chapter on capital (chapters Key risks and opportunities in social, financial, production, natural, human and intellectual capital) and in chapter 4.9. The aforementioned chapter includes a detailed clarification of financial risk management (liquidity, credit and interest rate).

The main methodology for managing risks is based on the strategic and process risks where the risk is the uncertainty in achieving a target and where the risk is assessed based on the sum of its frequency and damage.

#### Risk assessment

Scope of damage		Risk frequency	
1	Insignificant < EUR 10,000	1	Very rare up to 1x every 10 years
2	Low EUR 10,000-100,000	2	Rare up to 1x every 5 years
3	Average EUR 100,000-1 mil	3	Occasional up to 1x every 2 years
4	High EUR 1-5 mil	4	Frequent up to 1x per year
5	Catastrophic > EUR 5 mil	5	Very frequent more than 1x per year

To assess risks stemming from the various legislative methodologies and standards, we have tasked certain individuals from our organisation's pool who are responsible for ensuring the compliance of the assessment with the required methodologies. Information security risks, risks of material services, corporate integrity risks, internal audit risks, and sustainability risks are assessed differently under the ESRS standards, the bases of which stem from the risks recognised on the basis of the main methodology.

### 1.13.1.1 Operating risk matrix

In 2024, we focused on the content of individual risk types, defined and managed by risk administrators and process sponsors within the process system, and the consequent results on the Company level. For this purpose, we especially considered key risks, exposed risks for further discussion, newly recognised risks, deleted risks, and realised risks with assessed damage, which we confirmed in more detail in the scope of the findings and results in the regular annual risk catalogue for 2024 completed as at 10 January 2025.

In defining the risks for further discussion, we used the acceptability matrix and the set criteria to determine the acceptability threshold and therefore preserved the same matrix as in the previous year. With the risk acceptability threshold per the sum of damage and frequency set at the value of 10, under the condition that the damage assessment does not achieve levels 4 or 5, we defined 72 risks for further consideration out of the 506 total recognised risks. The share of all risks for further discussion is 14%, which corresponds to the recognised good practices.

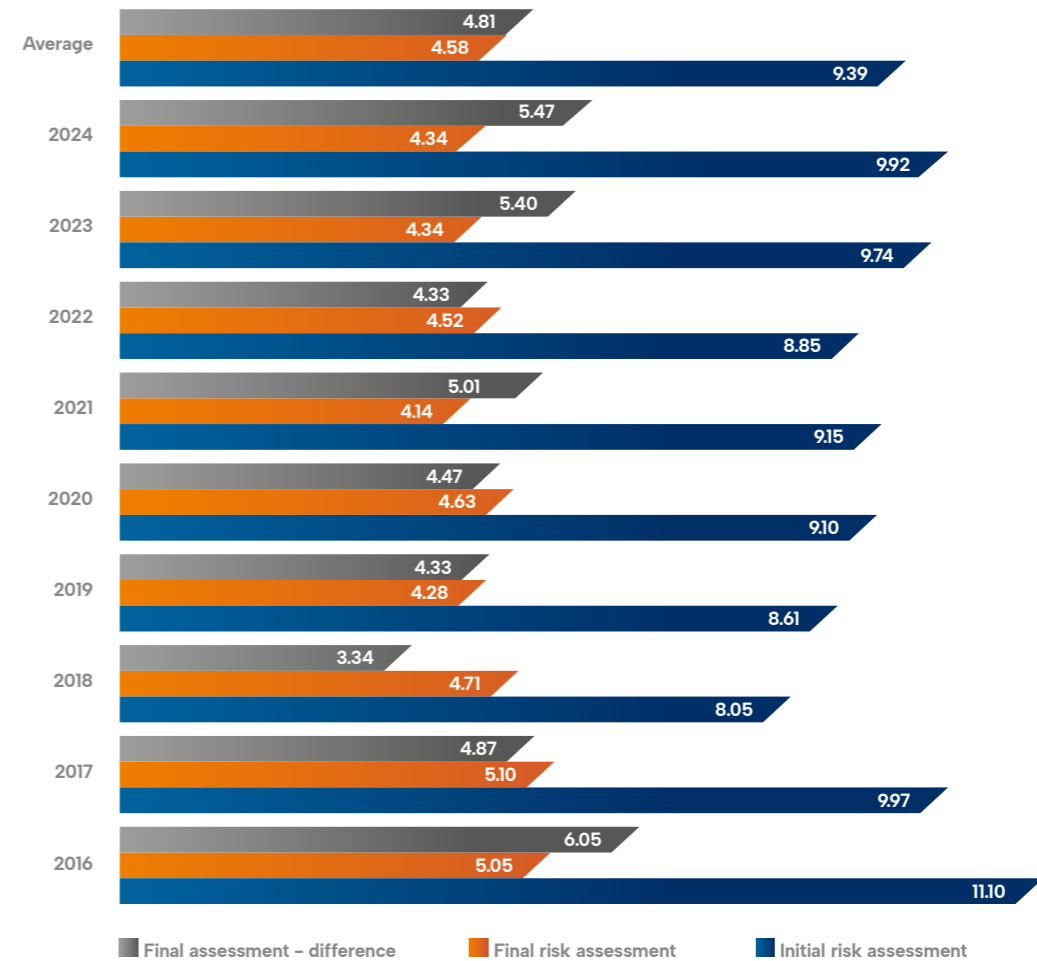
#### Risk matrix

FREQUENCY	1 <€10,000	2 €10,000-100,000	3 €100,000-1m	4 €1m-5m	5 >€5m	DAMAGE
5=more than 1x per year	Acceptable risk 5	Acceptable risk 10	Unacceptable risk 15	Unacceptable risk 20	Unacceptable risk 25	
4=1x per year	Acceptable risk 4	Acceptable risk 8	Unacceptable risk 12	Unacceptable risk 16	Unacceptable risk 20	
3=1x per 2 years	Acceptable risk 3	Acceptable risk 6	Acceptable risk 9	Unacceptable risk 12	Unacceptable risk 15	
2=1x per 5 years	Acceptable risk 2	Acceptable risk 4	Acceptable risk 6	Unacceptable risk 8	Unacceptable risk 10	
1=1x per 10 years	Acceptable risk 1	Acceptable risk 2	Acceptable risk 3	Unacceptable risk 4	Unacceptable risk 5	

We at the Company recognised four key operating risks that we are quantifying and that we may also manage in terms of solvency and liquidity should

they come to realisation. The initial risk assessment of the Company is 9.92, which is below the risk acceptability threshold (10 on the scale of 1-25).

#### Risk assessment by years



The measures laid down reduce the level of exposure of Company operations by 55.1 percent from the initial average risk assessment of 9.92 to 4.45 of

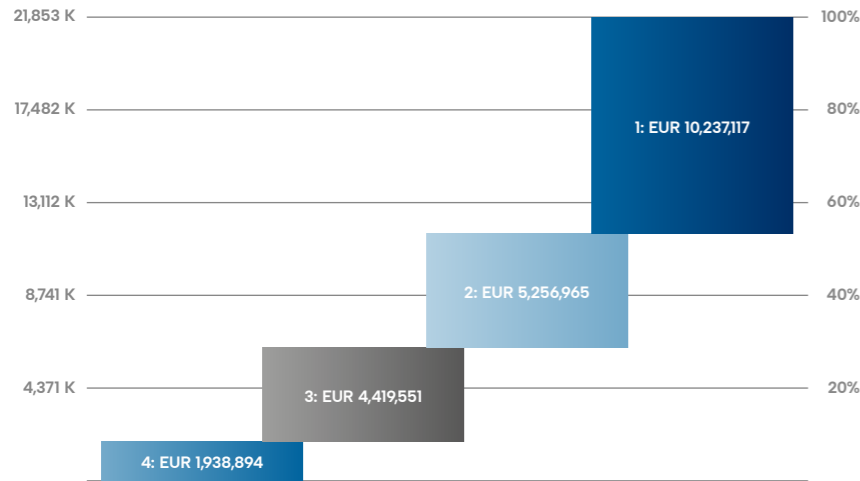
residual risk when all measures aimed at reducing the risks are 100 percent realised.



### 1.13.1.2 Key operating risks

A key risk is, according to the adopted definition, a risk that could prevent the continuous implementation of the main activity of the Company, causing major/catastrophic economic damage (more than EUR 5 million) to the Company and to electricity consumers in the regional and/or international area.

Aggregation of key risks – solvency overview



	Risk title	Contribution %	Contribution EUR
1	Lower auction revenue than expected (uncertainty).	46.9	10,237,116.79
2	Damage and/or loss of individual EEN facilities and devices.	24.1	5,256,964.87
3	The electricity management system is part of the critical infrastructure in the Republic of Slovenia. Its exposure to cyber threats and other process risks is an important risk factor in terms of the continuity of electricity supply in the country.	20.2	4,419,550.77
4	Cyber-attack, Company network and/or information system hack.	8.8	1,938,893.83
<b>Total</b>			<b>21,852,526.26</b>

The risk of lower auction revenue than planned (uncertainty) stands out as one of the key risks that could have a negative impact on Company liquidity. It is a risk linked to the ever-changing conditions on the European electricity market, and to changes of CBTC amounts due to different operational statuses in the Slovenian and foreign EES. This risk is managed by promptly making forecasts of revenues, reporting to the Company management in due time and revising costs in the event of less revenue than was planned. Among all the key risks, this is the only risk of a federal nature, which means that the situation needs to be monitored daily. Even though the total revenue from the CBTC has been increasing in the last couple of years and remains at a high level, the risk due to their uncertainty and volatility remains relevant.

### 1.13.1.3 Exposed business risks for further discussion

Despite the measures, we detected 22 business risks (excluding 3 key ones) that remain above the threshold level in the event of 100% implemented measures. They have been given a 4 or 5 damage mark, while 3 risks were assessed with a joint risk assessment of 12 or more. These are mostly risks that the Company cannot manage in full with its own measures since the source or cause of such risks are external factors where the Company has a limited or negligible impact. The table below shows only those exposed risks for further discussion that stem from the main activity of the Company.

Risks for further discussion from the main activity of the Company

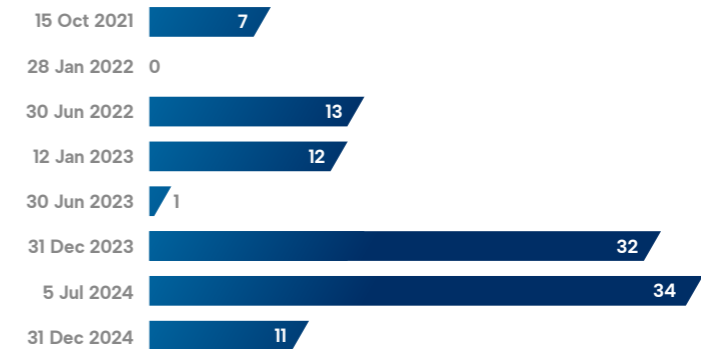
Risk description	Risk cause or source	Scope of damage post-measure
The risk of reallocating or losing revenue from congestion based on the provisions of the ACER (Agency for the Cooperation of Energy Regulators) methodology on the use of congestion revenue stemming from Regulation EU 2019/943 (Article 19).	Because ELES does not consider congestion revenue a priority target, as Regulation (EU) no. 2019/943 so requires, there is a risk that future legislative changes will lead to the reallocation of these revenues to the north of Europe where the needs to make the grid more resilient are better recognised.	5
The legislative framework will not allow the formation of competition, e.g. the free determination of prices.	Regulatory measures on the market due to limited competition and consequently regulated prices of system services.	4
ELES remains in two regions (CORE and NIB).	Adopted CSAM methodology, Articles 21 and 27, noting the requirement for the interregional division of re-dispatching costs.	4



Risk description	Risk cause or source	Scope of damage post-measure
Non-recognition of costs relating to the purchase prices of electricity to cover losses by EA.	Wrong time for purchasing losses on the market.	5
Risks stemming from insider trading prohibitions, disclosures of internal information to third parties and the use of internal information to recommend contract conclusions to other persons, unauthorised access to information, leakage and their counterfeiting.	Control of the balancing market, which is not in line with Regulation (EU) no. 1227/2011 on wholesale energy market integrity and the corresponding guidelines (REMIT). Handling inside information in a way that is not compliant with the REMIT requirements.	5
Implementation of regional methodologies for dividing re-dispatching costs in the CORE region and Italy North.	Ensuring the reliability of operations, meeting the 70% criteria, ...	4
Increasing costs for leasing RPF offset power due to RES growth.	Rapid growth of installed solar power plant (SPP) power in the EES.	4
Increasing costs for leasing RPF offset power due to the cancellation of the operating agreement of Slovenia – Croatia – Bosnia and Herzegovina (SHB).	Withdrawal of one of the contractual partners, demand of one of the NRA.	4

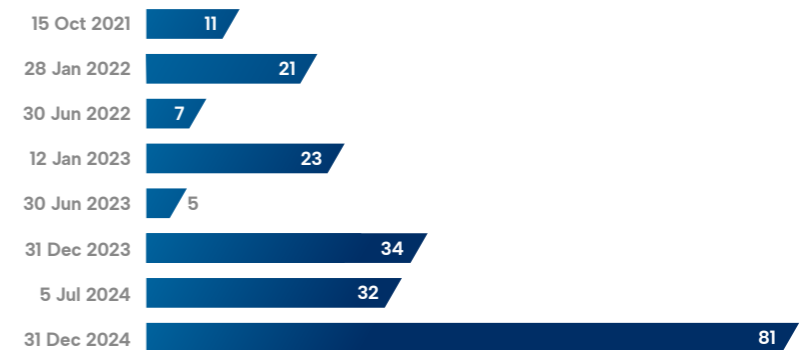
Risk description	Risk cause or source	Scope of damage post-measure
Risks of an unsustainable regulatory framework	The source of risk is unfavourable provisions of the energy legislation and the subordinate Legal Act on the methodology for determining the regulatory framework for the electricity distribution system. The key risk is not recognising all the eligible costs of the regulatory period due to new tasks that ELES needs to carry out due to the requirements of the European legislation, development or changed circumstances, and recognising the planned instead of the actual inflation. The efficiency factor is also unsuitable because it is currently based on the general productivity per employee, whereas ELES, due to the specificity of its operations, is not comparable to other companies. These may also be caused by exceptional occurrences and decisions of the competent ministry and EA when, due to an emergency situation in the external environment (energy crisis or breakdowns), they may lower the eligible operating costs and yield, thereby causing a loss of revenue from network charges that has an impact on company profitability.	4

**New recognised risks**



In terms of company operations, these are mainly risks that stem from the increased dynamics of changes in 2024 and the uncertainty of future conditions in the electricity sector and the coming changes to the regulatory and environmental requirements.

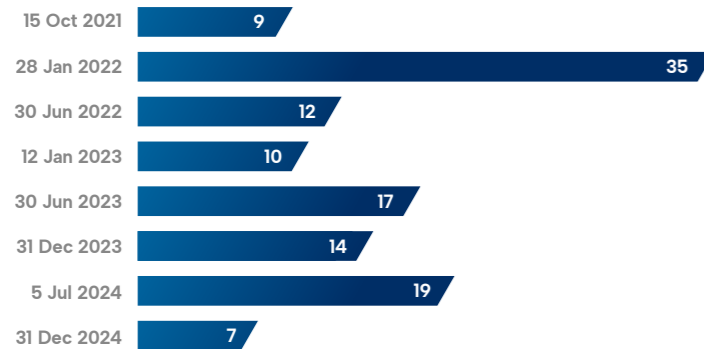
**Eliminated risks**



In 2024, we eliminated 113 risks. The reasons for elimination vary, from the fact that they had been 100% realised, to the fact that the risks are managed in full through the internal controls, all the way to the merger of two risks due to the renewal of the risk catalogue.



#### Realised risks



A total of 26 risks were realised in 2024, of which the assessed damage was in the range of EUR 873.4 thousand, whereby in addition to the poor management of voltages due to the large transfer of reactive energy from the south and the concurrent limited scope of system services, the majority of the assessed damage was due to the loss of the shifting transformer in Divača.

Comprehensive risk management makes it possible for us to reliably manage the EES, to take care of the stability and efficient development of the Company and therefore to ensure a controlled and systematic transition to a low-carbon company of the twenty-first century, which is the mission of ELES. The results show that the Company is sufficiently managing the risks through constant adjustments of the internal control system and appropriate measures, with which it allows the undisturbed performance of its activities.

## 1.13.2 Opportunities management

It was not until the end of 2024 that opportunities management was linked to managing opportunities in line with the Sustainability Reporting Directive and ESRS standards. Due to the new materialities and connections, we defined 95 opportunities (before: 29) linked to the six capitals in the value change and governance. This novelty is defined in the new ELES Sustainability Strategy (SSE). As opposed to a risk management system that could quantify each risk based on the established methodology, we were unable to uniformly quantify the opportunities through a methodology. This part of the task shall be performed in the scope of the LSP draft of ELES by autumn 2025.

### 1.13.2.1 Development opportunity highlights

Strategic development opportunities are directly linked to sustainability challenge (chapter 1.11.2), from which specific challenges are derived for ELES for the period up to 2050 (see above), and from these we have developed their materiality and the 95 related opportunities.

## 1.14 Reporting and communicating

Sustainability reporting considers the ESRS methodology. This means that reporting includes the ESRS items in line with the developed double materiality matrix. Because the ESRS standards do not cover all the materialities of ELES, the Company sustainability reporting is broader than that prescribed by ESRS.

Due to the core principles of reporting, which require:

- a strategic focus,
- information connectivity (integration),
- relevance for all important stakeholders,
- clearly defined materialities,
- reasonableness or relevance,
- comprehensiveness,
- credibility,
- responsibility,

ELES has been preparing a business report that is completely sustainable and that fully follows the principles of reporting, and clearly links this report to the requirements from the Delegated Regulation (EU) 2023/2772 and with the ZGD-I (ZGD-IM).

The reporting system at ELES is reasonably based on the Code of internal reporting and the Rules on prudent accounting.

The Controlling Service (CS) is responsible for analysing and reporting on the operations of the Company and of the ELES Group, which prepares monthly, quarterly, annual and occasional reports based on the current needs and in line with the financial data and deviations from the annual and dynamic plan and the long-term plan of operations (for external and internal stakeholders). The CS also prepares analyses on the basis of the directions of the management and the Director's board meeting (KDD) resolutions that concern the reporting area.

Reporting tools: annual reports, operating reports, Transmission and Distribution System Development Plan of the Republic of Slovenia 2023-2032, Intranet, the Naš stik magazine and portal, the ELES website, LinkedIn, Facebook, Instagram, YouTube, collegial bodies, work meetings and workshops.

### 1.14.1 Link between ESG directions and the value chain



### 1.14.2 Compliance with the comprehensive reporting directions

In its reporting, ELES has been complying with the directions of the International Integrated Reporting Council since 2017, the Value Reporting Foundation since 2022, the IFRS Foundation since 2023 or the Integrated Reporting Framework and Sustainability Accounting Standards Board. We are pursuing the following principles in the implementation of comprehensive reporting:

- strategic focus and direction into the future,
- information connectivity,
- conciseness,
- inclusion of stakeholders,
- reliability and completeness.



### 1.14.3 Compliance with the UN sustainability guidelines

Sustainable development goals of the United Nations	Sustainable activities	Disclosure location in this business report	Sustainable development goals of the United Nations	Sustainable activities	Disclosure location in this business report	Sustainable development goals of the United Nations	Sustainable activities	Disclosure location in this business report
	Maintaining employment of disabled persons and workers with a reduced work capacity.	Human capital		Including renewable resources with low emissions.	Context of sustainable operations and strategic challenges Natural capital		Efficient use of resources and circular economy	Natural capital Production capital
	Employee health and safety at work in the value chain	Human capital		Creating a supportive environment for employing and developing personnel.	Financial Capital Human capital		Managing impacts on the environment and biodiversity Reducing losses in the transmission grid.	Natural capital Production capital
	Training employees and other stakeholders Efficient knowledge transfer, training and upgrading key competencies of employees. Cooperation with faculties (efficient transfer of know-how and putting theory to practice).	Human capital Social capital		Development of potential talent of the ELES innovations culture.	Participation in expert meetings Social capital Natural capital Intellectual capital		Building replacement habitats due to the construction of transmission lines in the Natura 2000 zones and degradations of the natural habitat.	Natural capital
	Providing work-life balance for employees. Promoting a healthy and safe work environment for employees of all generations, enabling diversity, equal opportunities and respect of human rights.	Human capital		Increasing added value per employee. Employment, development and retention of competent and motivated employees.	Human capital		Strategic research and innovation partnerships.	Cooperation with stakeholders Participation in expert meetings
	Preserving water resources.	Context of sustainable operations and strategic challenges		Sustainable operations, sustainable grids, providing a primary and healthy life environment to local communities. The strategic research and innovations partnership Smart Grids and Communities.	Sustainability strategy and plans of the ELES Group Social capital Financial capital Production capital Natural capital Human capital Intellectual capital			



# 02 Business report



## 2. Value chain realisation in 2024

### 2.1 The business environment and the impact on operations

#### Economic and legislative environment in Slovenia

The year 2024 is a transitional year for ELES. As in the previous couple of years, it has been marked by a dynamic business environment and important systemic changes on both the macroeconomic and microeconomic levels. Multiple factors had an impact on us as a combined operator – from macroeconomic trends where the main factor was the stabilisation of financial conditions, to microeconomic changes such as changes to regulations that had a material impact on the activities of ELES in the financial year and the high revenue from the CBTC, which achieved a record level in 2024 and represented an important part of all the revenue of the Company.

The key milestone on the macroeconomic level was the start of the cycle of reduced interest rates of the European Central Bank (ECB), beginning in June 2024. This represented a response to and decline of the inflation and cooling of economic activities in the Eurozone. Despite the start of easement, interest rates remained on historically high levels in the first half of the year. High financing costs required concrete activities in terms of managing the stability of future cash flows and interest risks, which moved the costs of financing existing debts to a manageable level in the long run. In April 2024, the National Assembly adopted the new Energy Act (EZ-2), which defines the energy policy of the government with the aim of transitioning to non-fossil energy sources. The Act governs several areas, including the management of the energy policy on the state and local levels, EA operations, expropriation processes for the public benefit, as well as measures during crisis events concerning energy supply. In addition, the Act is introducing the foundations for the more efficient allocation of incentives for investments into renewable energy sources (RES) and efficient energy use.

An important provision for ELES is that of Article 152 of the EZ-2, which allows the EA to offset any surpluses and deficits of the network charge between the transmission and distribution system in order to mitigate any significant increases of the network charge. Notwithstanding Article 109 of the ZOEE, the EA may, when determining the regulatory

framework, plan the network charge deficits that the electricity system operator must cover from its own free sources.

The new network charge methodology came into effect in the last quarter of the year. The main novelties include the introduction of five time blocks, determination of the agreed power based on the use in the past, and the option of monthly adjustments of the agreed power. The purpose of the changes is the fairer division of network costs based on the actual use and promoting an efficient use of electricity. Due to the new methodology, there were no revenue losses in 2024 as initially planned because the start of the implementation was moved from the initial 1 March 2024 to 1 October 2024. Thus, the calculation only included one low season month and two high season months, due to which the difference in network charge revenue was positive. The expected impact of the new methodology in the coming years will require accurate monitoring of the behaviour of consumers and adaptations of ELES' revenue model. The plan also included analyses of the impacts of the tariff structure on various user segments, which will serve as the basis for the formation of the long-term network charge revenue management strategy.

#### The electricity environment in Slovenia

In 2024, Slovenia marked its 100<sup>th</sup> anniversary of the first electricity transfer between two locations. Electricity was transferred for the first time from its source at HPP Fala to TSS Laško one hundred years ago. The event triggered the electrification process on the Slovenian territory, enabling an industrial revolution. Modern energy supply is linked to the import dependency of electricity and also to the increased integration of renewable energy sources, which bring several challenges in ensuring the stability of the electricity power network. The Company will play a greater role in the coming years because the dependency of Slovenia on imports is estimated to increase. In 2024, the majority of the electricity in Slovenia (40%) was generated at the Krško Nuclear Power Plant (NEK), while 36% was generated at HPP and 24% at thermal power plants (TPP). The total electricity fed by Slovenian producers into the transmission network in 2024 amounted to 13,817 GWh, which

is an increase of 860 GWh or 6.6% compared to 2023. Offtake from abroad amounted to 9,969 GWh, which is 855 GWh or 9.4% more than the year before. The total electricity offtake from the transmission network by direct consumers, closed distribution systems and electricity system operators was 11,025 GWh in 2024, which was about the same as in 2023. Electricity input abroad amounted to 12,375 GWh in 2024, which is an increase of 1,755 GWh or 16.5% compared to the previous year. The average price on the day market in Slovenia was EUR 91.29/MWh in 2024, which is 12.5% less than in 2023. Just like in 2023, we were again witness to the easing of the situation on the electricity market in 2024.

Geopolitical tensions were the key factor behind the energy volatility in 2024. The green transition throughout Europe has seen an intensive increase of renewable sources of electricity. Slovenia stands out negatively, mainly in the construction of wind power plants, where we are severely lagging behind other EU member states. On the other hand, we had our own true “boom” in the construction of solar power plants in 2023 due to the financially lucrative annual net metering scheme. This financially lucrative scheme for investors has negative impacts on ELES and the electricity distribution companies in the form of the loss of network charge revenues and higher stability balancing costs of the electricity system because it is more difficult to forecast electricity production from solar power plants. ELES responded to these challenges by developing its own RES production models and by improving its cooperation with the regulator and EDP.



## 2.2 Social capital

### 2.2.1 Important Results and Key Indicators

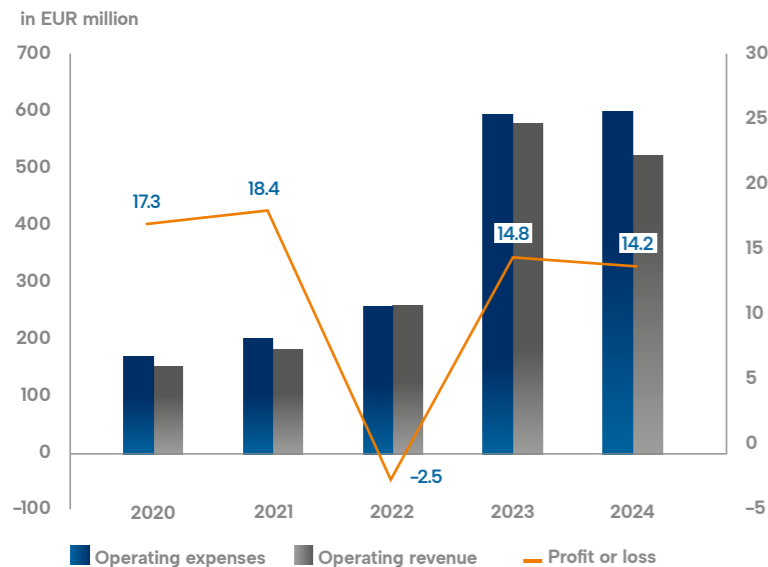
Indicators	Unit of measurement	Achived	Achived	Achived	Achived	Achived	Estimated	Estimated
		2020	2021	2022	2023	2024	2024	2025
<b>INCOME STATEMENT</b>								
Operating revenue	million EUR	173.4	205.7	264.3	605.9	611.3	586.8	614.9
Operating expenses	million EUR	156.2	187.3	266.8	591.1	597.1	573.6	602.3
Operating profit – EBIT	million EUR	17.3	18.4	-2.5	14.8	14.2	13.2	12.6
Operating profit + depreciation/amortisation + write-offs – EBITDA	million EUR	52.9	54.7	39.0	66.4	69.0	78.4	77.3

In 2024, ELES generated EUR 592.0 million of net revenue from sales, which is 1 percent more than in 2023 and 5 percent more than planned in the AP 2024. The operating profit or loss (EBIT)

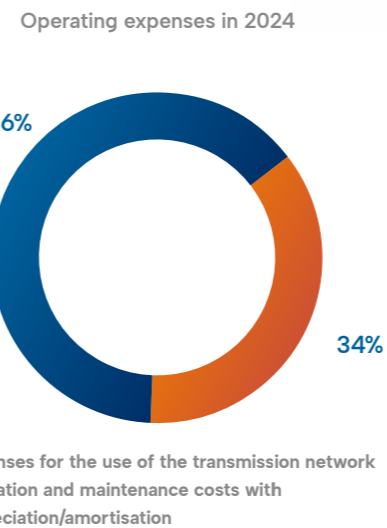
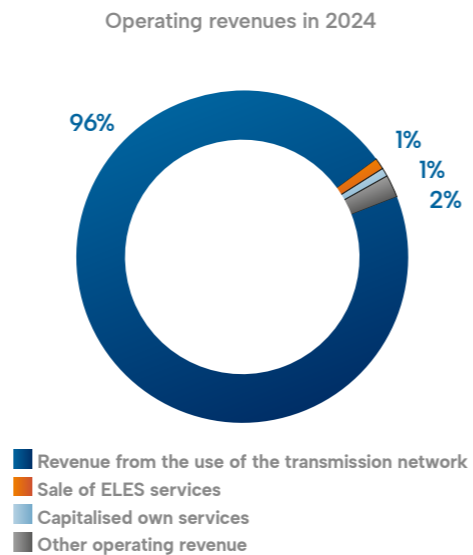
amounted to EUR 14.2 million, which was lower by 0.6 million compared to 2023 and 1.0 million higher than planned in the annual plan.

#### Operating revenue and expenses

Operating revenue, expenses and operating profit or loss between 2020 and 2024



Operating revenue and expenses in 2024



## 2.2.2 Material and sustainability targets

Material		Impact	Risk/ opportunity	Sustainability targets
Impact on the network charge price	Q3d	4.0	3.0	To enable the competitiveness of RS
The resilience of ELES and the electricity distribution system to social changes	Q4c	4.2	4.0	Ensured sufficient operation of the Slovenian EES outside the European EES
Intersectoral linking of competencies with external stakeholders	Q7d	4.4	3.0	Efficient linking with external know-how
Co-design of energy and spatial legislation	Q8c	4.5	3.5	Legislation that also considers our limitations
Co-design of regulatory legislation	Q8d	4.5	4.5	Legislation that considers our financial limitations
Co-design of the ENTSO-E rules	Q8e	3.2	3.5	ENTSO-E rules that consider our needs and costs
Company reputation	Q9a	4.3	3.6	ELES: the innovative backbone of the Slovenian energy sector

## 2.2.3 Key risks and opportunities

Risk	Opportunity	Estimate (R,O)
Insufficiently purchased scopes/ poor quality of individual SS types.	Incentives for the establishment of new SS sources.	12.4
Delays in the implementation of network codes.	As a last resort, the European Commission may institute legal proceedings against a member state for failure to comply with the legislation.	12.4
Inability to call in professionals on standby at home.	Introduction of radio communication channels.	8.4
Inability to use agreements on sharing reserves in common platforms (ESRS).	Increase of costs due to the more expensive offset energy in Slovenia.	5.5
Unavailability of EES elements that are part of the infrastructure.	Strengthening of the system, which will allow operations in the ever-changing conditions and also offer larger reserves.	4.4

No material risks were realised in 2024.

The company is taking note of the social and environmental impacts of its projects on local communities, especially during the construction of new facilities – transmission lines and transmission system substations. The inclusion of local inhabitants and open communications on environmental impacts are key for the successful spatial placements.

With its non-discriminatory transmission and distribution of electricity to all system users and allowing participants in the electricity market to carry out their business activities under the same conditions, ELES is making its contribution to access to reliable and affordable energy for all users.

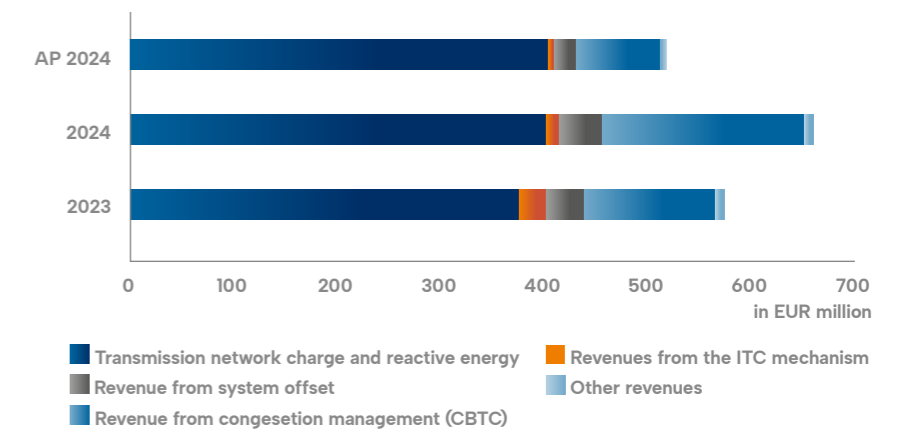
## 2.2.4 Other disclosures

### Operating revenue

In 2024, ELES generated **EUR 611.3 million in operating revenue**, which is 1 percent more than in 2023 and 4 percent more than in the annual plan.

The majority of the operating revenue stems from the use of the EE grid, whereby two-thirds fall on the network charge for the EE grid, which is divided into the transmission and distribution grid charge. The latter is three times higher than the former. Nearly one-third of the operating revenues stem from congestion (CBTC), the remainder are revenues from the ITC (International Transmission Capacity) transit, revenues from the system offset, and other grid revenues. Revenues from the EE grid network charges are intended for the purchase of electricity to cover losses in the grid, leasing system services and covering the cost of operation and maintenance with a regulatory return. More on operating revenue in chapter 4.6.2.

Revenue from using the EE grid for 2023 and 2024 and the AP 2024



Note: The chart shows the revenue from the use of the transmission system before taking into account the regulatory framework as per the Electricity Supply Act (hereinafter: ZOEE).

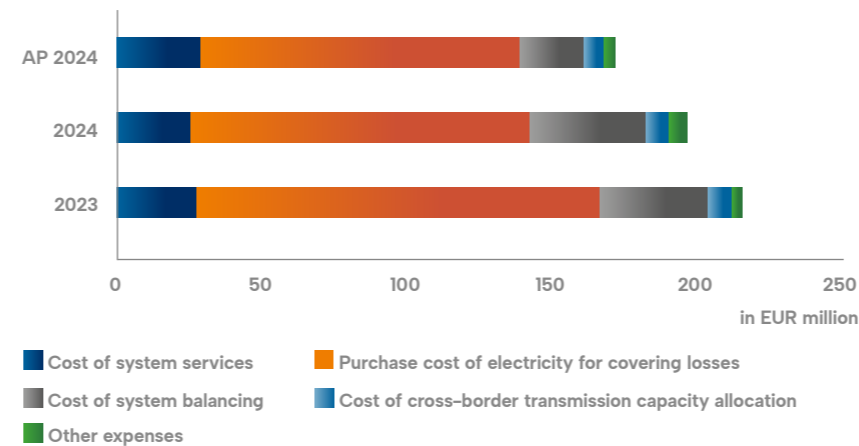
Revenue from the use of the EE grid was higher in 2024 compared to the previous year due to the new network charge methodology and higher CBTC revenue. The new network charge methodology was introduced on 1 October 2024 and not on 1 March 2024 as had been initially planned; therefore, only two high season months and one low season month were included in the calculation of the network charge. CBTC revenue was 54 percent higher compared to 2023 and was generated from the allocation of CBTC in yearly, monthly, daily and intraday auctions.

The enormous growth of revenue was especially due to the low prices in France, due to which ELES generated very high revenue from the so-called slack zone. This revenue occurs due to commercial transfers originating within the CORE region, though the transfer is then performed across borders outside the CORE region. In our case, this means crossing the Slovenian-Italian border, which is in the Italy North region (e.g. the export from France to Slovenia is commercially done within the CORE region, however, physically speaking, the transfers are performed through the Italy North region in the direction of Italy-Slovenia instead of Austria-Slovenia).

## Operating expenses

**Operating expenses of EUR 597.1 million** were 1 percent higher in 2024 compared to 2023, and 4 percent higher than in the AP. 34 percent are expenses from the EE grid and the rest are operating and maintenance costs with amortisation/depreciation, of which 68 percent are costs of EEI leases and services of EEI owners. Also disclosed in chapter 4.6.4.

Expenses from using the EE grid for 2023 and 2024 and the AP 2024



**System service costs** were somewhat lower compared to 2023 and compared to the plan. Costs that service providers charge us as per the concluded contracts are being covered with the revenue from network charges for the transmission grid. The reasons for the lower costs lie mainly in the increased competition among the offtake service providers, mainly in the segment of manual reserves for frequency restoration (rRPF). An additional reason is the fact that we were able to reduce the lease of RPF+ power from 300 to 250 MW in the SHB block due to the agreement.

**The costs of purchasing electricity to cover losses** and provide supply are covered with the revenue from network charges for the grid, ITC mechanism, etc. Losses in the grid depend on the technical parameters of the grid elements and depend on the grid's load, as well as the environmental status in which the transmission and distribution grid elements are located (temperature, etc.). In 2024, the costs of covering losses due to the aforementioned general drop of price levels were lower compared to 2023. The increase of costs compared to the plan is mainly due to the fact that ELES took over the coverage of losses for two additional distribution companies (Elektro Celje and

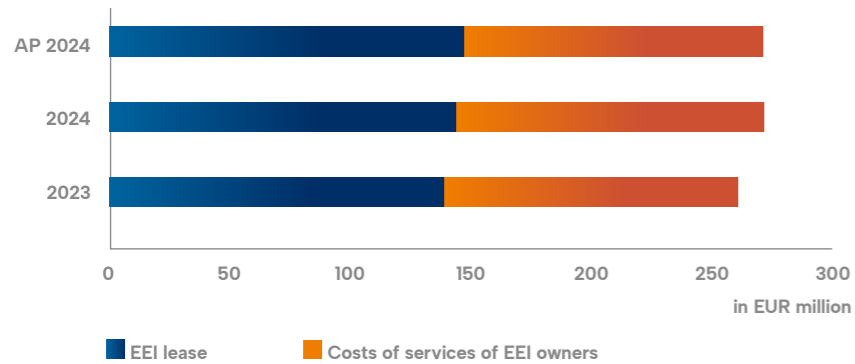
Elektro Primorska) following the merger of SODO (Electricity distribution system operator) in 2024.

The **system offset costs** are the costs of activating the offset energy from the automatic and manual frequency restoration reserves of energy on the market for system offsetting needs. The aforementioned costs were higher in 2023, and the reasons lie mainly in the fact that approximately 20 percent more offset energy was activated in the positive direction in 2024 compared to 2023. Similarly, cost deviations from the AP were due to the increased share of RES, which, due to how difficult they are to predict, are causing major deviations in the system.

**CBTC management costs** also include BSP (Regional Energy Exchange) commission fees and were somewhat higher than those realised in 2023, and higher than planned, which is mostly due to the intensive process of legislative development and implementation from grid codes. In 2024, we consider the implementation of pan-European intraday auctions as key, as well as the development of the methodology for the division of costs of reallocating production in the CORE region, the development of long-term CBTC allocation based on power, etc. An additional pressure on costs also means an increased scope of trading in the framework of merging markets, which increases costs in the reimbursement of costs to the energy exchange. The higher operating costs of TSCnet and JAO are also contributing to the increase of operating costs due to the introduction of new services in providing reliability and the market.

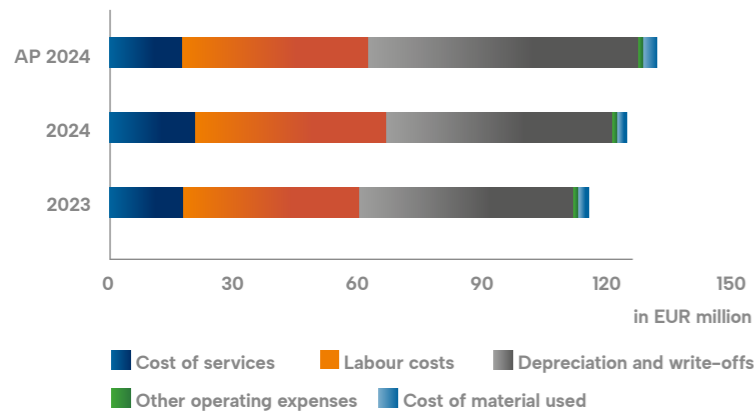
**Other costs** include expenses from the emergency supply of electricity, unjustified offtake and incorrect measures, as well as compensation of SO for performing EA tasks and other costs.

Costs of EEI leases and services of EEI owners for 2023 and 2024 and AP 2024



Due to the merger of SODO, there were costs of EEI leases and services of EEI owners. Compared to 2023, these were higher by 4 percent, as planned. Growth is due to higher contractual prices in line with the EA Decision for RF 2024-2028. The aforementioned costs are covered with network charge revenue for the distribution grid.

Expenses arising from operating and maintenance with amortisation for 2023 and 2024 and AP 2024



Service costs, materials used and other operating expenses were 11 percent higher in 2024 compared to 2023 and 8 percent higher than in the annual plan. Compared to 2023, the higher costs were due to: ongoing maintenance, consulting services, studies, insurance, maintenance of commercial premises, and labour. Value write-offs were 6 percent higher in 2024 compared to 2023 and 16 percent lower than planned. Amortisation was higher in 2023 mainly due to more activations at the end of 2024, and lower than planned because the actual activations deviated from those planned. Operating and maintenance costs with amortisation also include costs that are incurred during the performance of the existing and the planning of new international projects. The Company is aware of the importance of cooperating with other system operators of the electricity power network and other organisations and companies in the development of the transmission activity, which is why it is giving it a lot of attention.

Labour costs were 8 percent higher in 2024 compared to 2023 and 3 percent higher than in the AP.

### Company activities

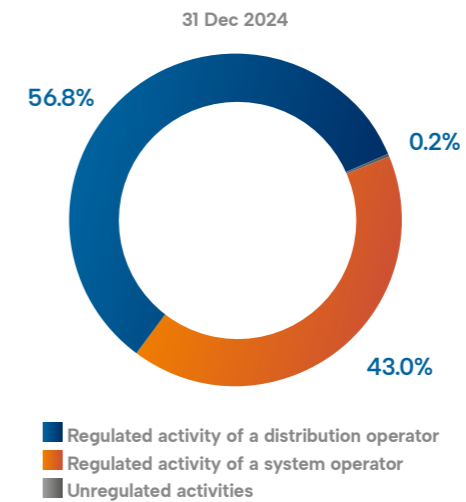
#### Public utility service activity

The Company has two regulated activities, i.e. the regulated activity of a system operator and the regulated activity of a distribution operator. In 2024, these two activities were joined by the non-regulated activity under the ZIAG (Act on Infrastructure for Alternative Fuels and the Promotion of the Transition to Alternative Fuels) to support the development of e-mobility.

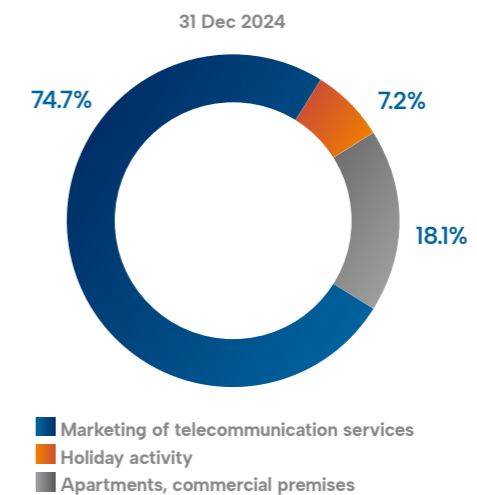
#### Other Company activities

The company has five more unregulated, non-electricity activities. These are: leisure activities, leasing out apartments and commercial premises, marketing telecommunication services, EU research projects, and the management of long-term financial investments into stocks and shares.

The structure of operating revenue from regulated activities



The structure of operating revenue from unregulated activities



Note: The Company does not show any operating revenue from managing long-term financial investments and EU research projects.



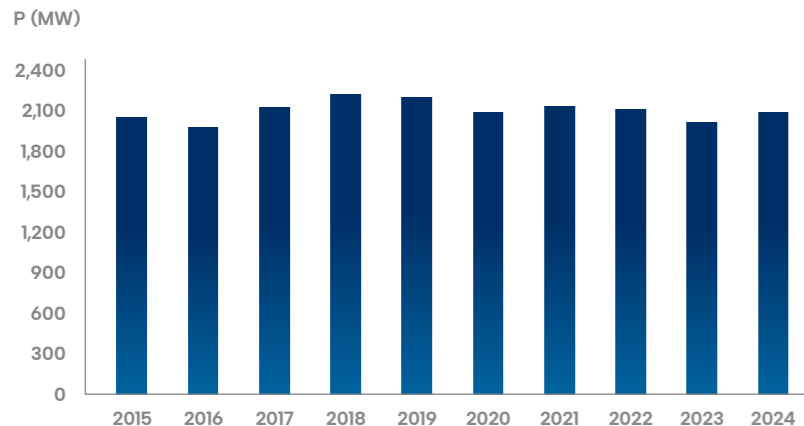
Non-regulated activities in company assets represent a share of less than one percent. The majority falls on the unregulated activity of marketing available telecommunication services. More on this in chapter 4.10.

## Transmission network loads

Peak load is the maximum hourly load average (not taking into account losses) that takes place in the relevant year. In the last ten years, peak loads have changed on an ongoing basis without a significant trend, with the exception being after 2017, when the peak load began to visibly increase, achieving its highest value in 2018. In 2016, 2019, 2020, 2022 and 2023, a negative trend in peak loads was recorded, while a positive one was recorded in the remaining years of the ten-year analysis.

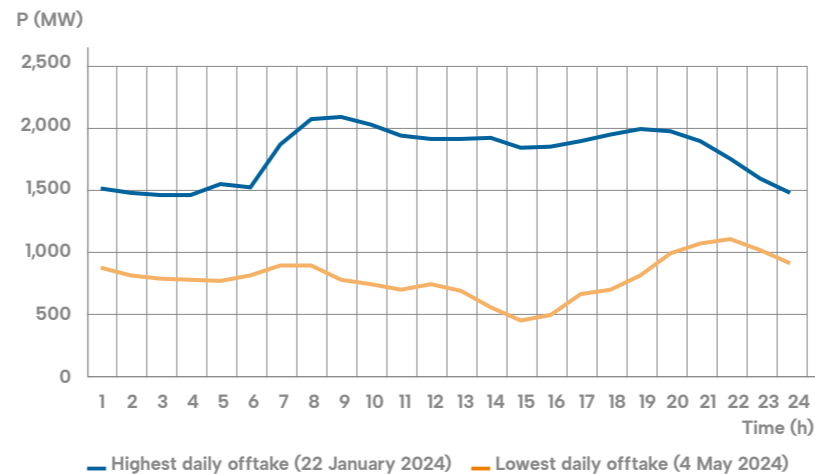
Peak loads take place in the winter months, while peak hours have shifted from afternoon and evening to the early morning hours since 2021. In 2024, the peak was recorded at 9 a.m.

### Peak loads on the transmission network between 2015 and 2024



The peak load **in 2024 was at 2,100 MW** and was approx. 4 percent higher than the peak load in 2023 when it was at 2,025 MW. In 2024, the peak load was recorded on 22 January.

### Maximum and minimum electricity offtake from the transmission network in 2024



## Quality of electricity transmission

Operation within the scope of the permitted electrical values of the entire electricity system is one of the most important factors affecting the quality of electricity transmission. It is ensured through appropriate control infrastructure, the control of electricity system plants and adequate sources for taking action in critical situations. It is also important to have quality communication and cooperation with the owners of all parts of the electricity system, which is laid down in the European and Slovenian legislation with contracts, agreements, operating procedures and so on.

Data from the continuous monitoring of transmission network voltage quality shows that quality voltage in the TN is, on average, ensured for all the quality parameters other than the flicker value, which is

exceeded in some of the metering points practically throughout the year. Increased flicker levels appear in three areas where large consumers are located (electric arc furnaces), from which users purchase intermittent current of an inductive character, i.e. throughout the Upper Carniola region, in the Carinthia region and, with a somewhat smaller impact, in the area surrounding Celje. Following the renovation of the SVC at Jeklarna Jesenice at the end of 2020, the conditions were improved throughout Upper Carniola. Thus they have the greatest impact on the entire flicker at EES Železarna Ravne, which is causing such inconvenience in the broader area of Carinthia.

Pursuant to the System operating instructions for the electricity transmission network (SONPO), the maximum number of short disconnections (shorter than 3 minutes) and the total duration of long disconnections (longer than 3 minutes) has been laid down for each change of title point in a particular year. Only one short disconnection is permitted for each change of title point, while the maximum allowed duration of long disconnections amounts to 150 minutes.

Three short interruptions were detected in 2024 due to own causes (TSS Železarna Ravne, TSS Ravne and TSS Jesenice) and one long interruption (TPP Šoštanj 400 kV).

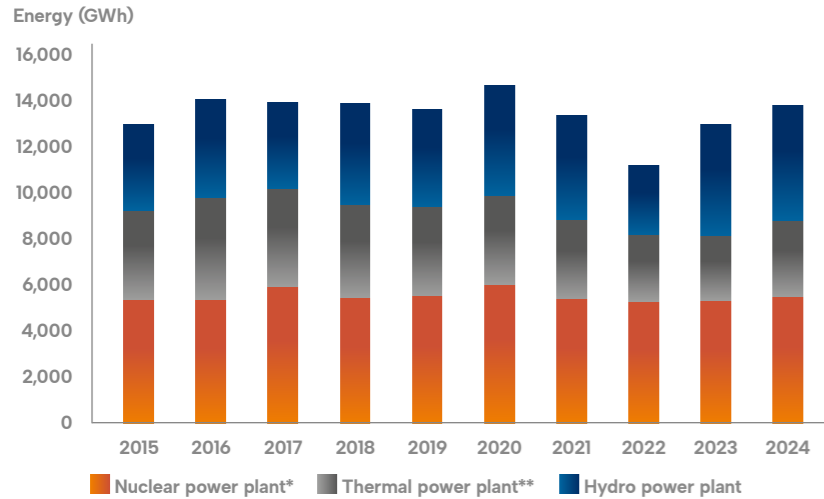
## Electricity offtake and input in the transmission network in 2024

The total electricity fed by producers to the transmission network in 2024 amounted to 13,816 GWh, which is 860 GWh more than in 2023. HPPs fed 5,026 GWh of electricity into the transmission network, which was 234 GWh more than in 2023. Thermal power plants (with the considered RES and CHP production up to 2015) fed in 3,246 GWh, which is 405 GWh more than in 2023, while the nuclear power plant fed 5,544 GWh of electricity into the transmission network, which is 221 GWh more than in 2023. The increase of electricity input in 2024 can be attributed mostly to the very good hydrology because production exceeded all the previous years, with the exception of 2014 when



the hydrology was extreme. The input of HPP in 2014 thus amounted to 5,794 GWh, approx. 770 GWh more than in 2024.

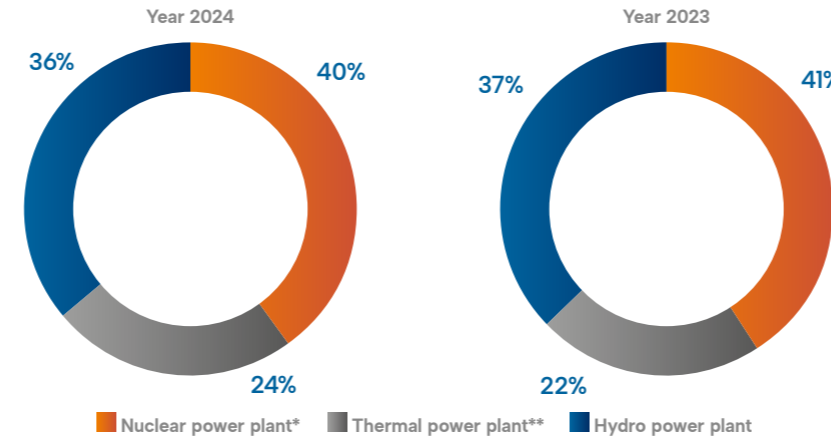
### Electricity input to the transmission network between 2015 and 2024 (in GWh)



Notes:  
 \* Taking into account the 100% share of the nuclear power plant  
 \*\*Taking into account RES and CHP production (up to 2015).

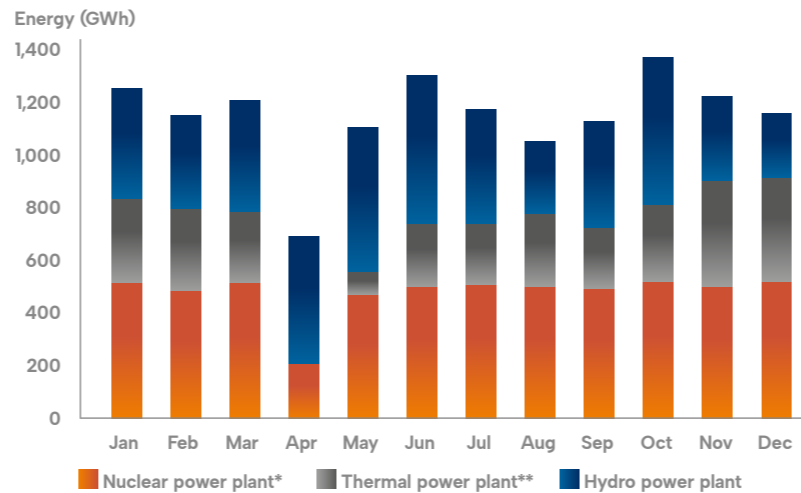
In the last 10 years, the electricity input structure in the transmission network has changed somewhat. Due to the construction of additional power plants on the lower Sava river and favourable hydrology characteristics, the electricity fed in by hydropower plants increased, while that fed in by the thermal power plants has somewhat decreased in recent years.

### The structure of electricity input in the transmission network in 2024 and 2023



Notes:  
 \* Taking into account the 100% share of the nuclear power plant  
 \*\*Taking into account RES and CHP production (up to 2015).

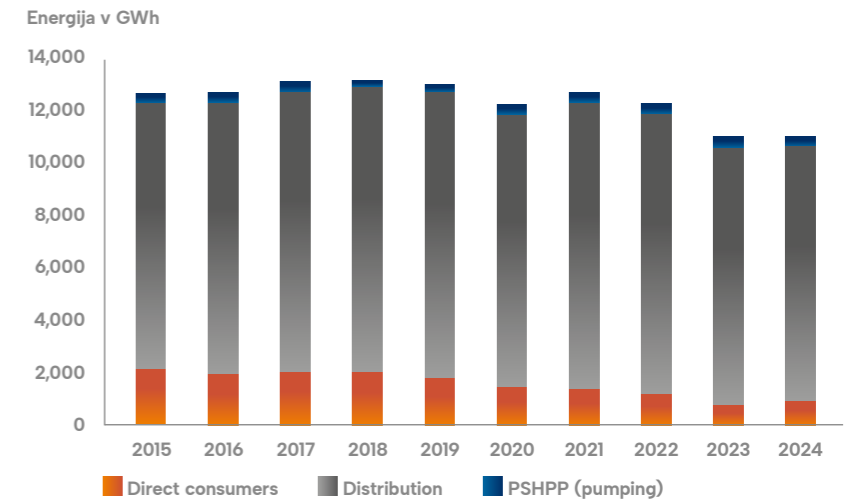
### Electricity input to the transmission network in 2024 by month



Notes:  
 \* Taking into account the 100% share of the nuclear power plant  
 \*\*Taking into account RES and CHP production (up to 2015).

The total energy offtake from the transmission network excluding losses amounted to 11,025 GWh, 903 GWh of which was taken off by direct consumers and in closed distribution systems (CDS), 9,740 GWh was distributed and 382 GWh was taken off by a pumped storage plant (PSP) for the purposes of pumping. The ten-year average has shown that the electricity offtake was changed without a significant trend and was reduced in 2024 by approx. 9.8 percent compared to 2015, from 12,226 GWh to 11,025 GWh.

### Electricity offtake from the transmission network between 2015 and 2024

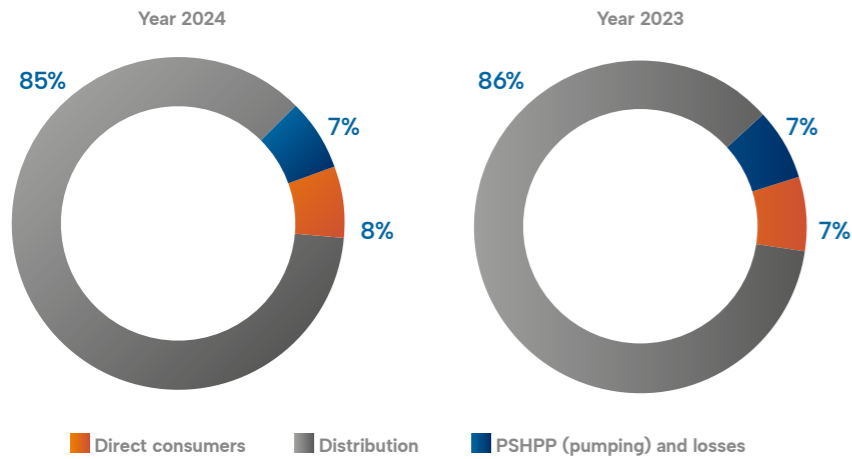


The electricity offtake from the TN in the last couple of years has been very constant, though a major reduction (5.5 percent) happened in 2020 and 9.7 percent in the last year. The reduction of offtake from the TN in 2020 can mainly be attributed to the tight situation in the economy due to the measures that were adopted by countries around the world to manage the pandemic. In 2021, measures were being relaxed and had a less negative impact on the economy than the year before, which is why offtake increased again somewhat, but it did not match the offtake from 2019. In 2022, we have again seen a reduction of offtake from the TN (by a little less than 4 percent), the reduction increased additionally in 2023, which is mainly attributable to the tight

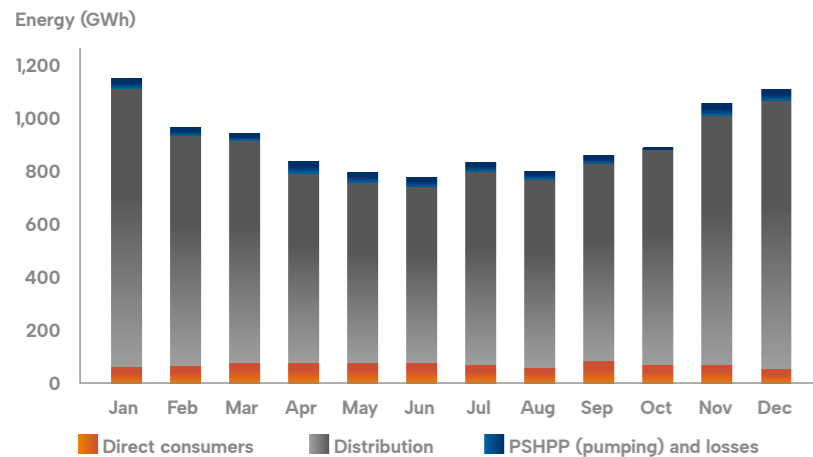


situation on the energy markets. We have been recording an increase of installed production units (mainly solar power plants) on the distribution grid in the last two years, and especially in 2024, which is further reducing the offtake of electricity from the transmission grid.

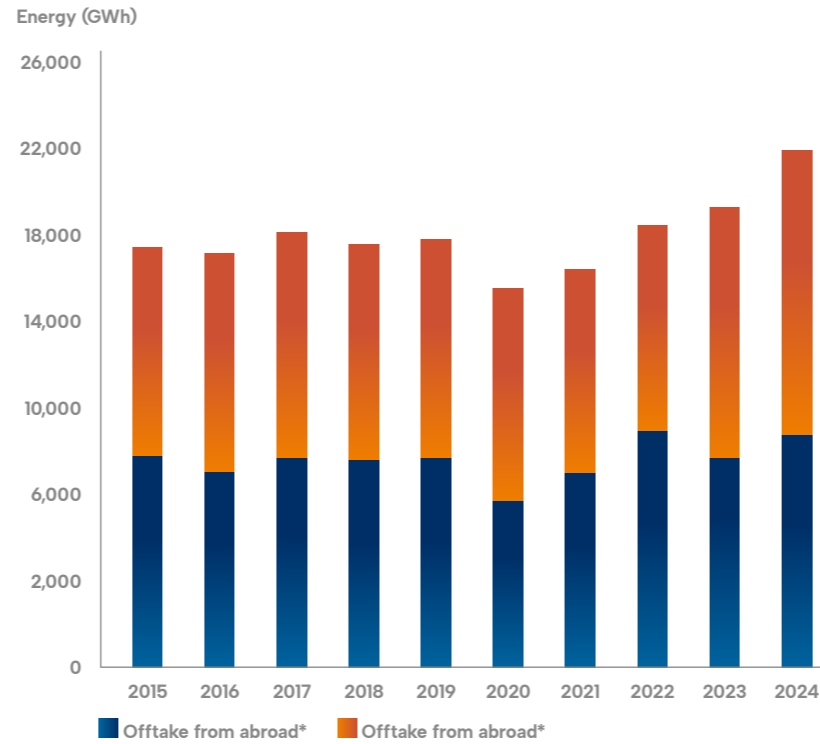
Structure of electricity offtake from the transmission network in 2024 and 2023



Electricity offtake from the transmission network in 2024 by month



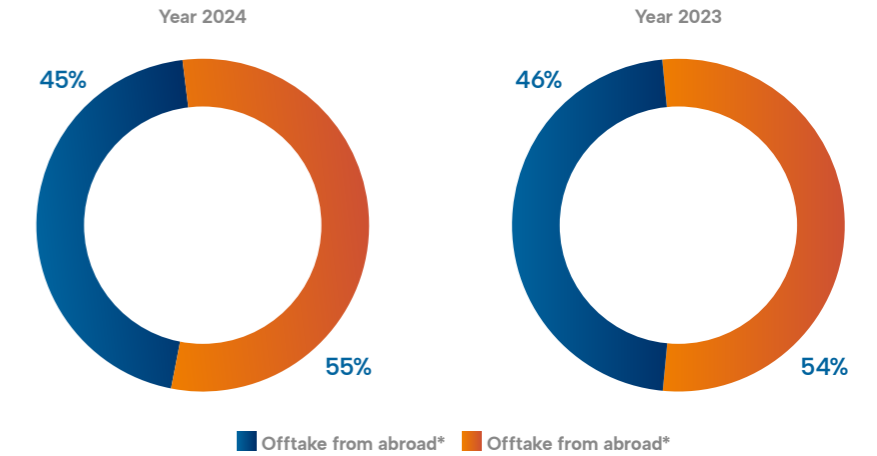
Electricity input and offtake from abroad between 2015 and 2024



Note: \* Flow at a virtual border metering point.

The cumulative electricity input and offtake from abroad increased in 2024 as well (by 2,610 GWh compared to 2023). In 2024, 12,375 GWh of electricity was input abroad and 9,969 GWh was taken from abroad.

The structure of electricity input and offtake from abroad in 2024 and 2023



Note: \* Flow at a virtual border metering point.

The physical flows of electricity to/from the neighbouring EES in 2024



\* Input abroad: 12,374.7 GWh. \*\* Offtake from abroad: 9,968.8 GWh  
Note: The calculated threshold virtual points are taken into consideration.



## 2.2.5 Communication with the public

In terms of communications, organisational changes occurred in 2024 that were reflected in a more uniform organisational structure and therefore in more concrete and strategically oriented communications.

The primary communication goal of the Company in 2024 is still in the area of developing the ELES brand, increasing Company recognisability, and strengthening activity recognition, ELES area of operations and projects among the general public, and mainly to establish clear boundaries between ELES' activity and the activities of other electricity companies.

### Corporate Communications

The year 2024 was very turbulent in corporate communications and the Company especially strengthened its media presence. This happened due to certain events that affect ELES indirectly and on which the Company had no direct influence: the planned and later cancelled referendum on the construction of the second nuclear power plant block at Krško (NPP 2), implementation of a new network charge reform, and the announcement of a changed regime of TPP Šoštanj (TEŠ) operations in the last quarter. Regardless of the fact that ELES had no direct impact on any of these decisions/topics, every such decision/topic has an indirect impact on the Company as the combined transmission and distribution system operator; therefore, individuals were very active in public debates and they commented on every topic. Some leading individuals of the Company, with the Company Director, Aleksander Mervar, MSc, at the forefront, were very much exposed in the media and heavily cited.

Corporate communications were primarily directed towards strengthening the reputation of ELES, building and managing the ELES brand, and improving Company recognisability, which is also reflected in the easier implementation of business activities (e.g. construction/reconstruction of transmission lines), and also towards building the

trust and loyalty of employees who are ELES ambassadors. For many years, research has shown that the public has poor knowledge of ELES activities, area of operations, purpose and projects (source: Nina-media), and that there is no clear segmentation within the electricity sector between ELES and others, especially state companies within the sector; this is primarily where the Company communication activities have been directed.

The key in pursuing the target and building a permanent (even sustainable) and credible brand are organised, regular and permanent relationships with the media, who are one of the channels through which the public can be addressed. As large as their impact is on establishing the goodwill of the Company, they have an even larger impact on its destruction, which is why maintaining good relations with the media and the journalists is a priority task of the PR service. Communications with the media was performed through public events and media conferences in 2024, as well as through meetings with journalists, unofficial media briefings, and especially one-on-one meetings (interviews, unofficial meetings, etc.) and through the comprehensive proactive communication for the Company.

### Presence in the media

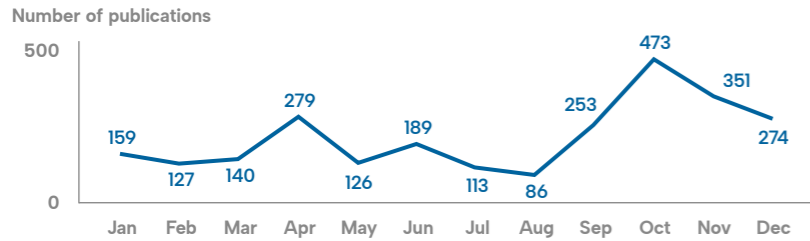
In 2024, ELES appeared in 2,570 media publications, which is a 17.7 percent growth compared to 2023 (2,183 publications). We identified 2,335 neutral publications (90.9%), 173 favourable (6.7%) and 62 unfavourable publications (2.4%). The total value of the publications doubled compared to the previous year and amounted to EUR 1,592.8 thousand. The significantly higher number of planned media publications (351) was due to the proactive media strategy of ELES because the share of these publications in 2024 was 90.8 percent higher than in 2023 (184). Whereas media communications were limited to a more passive role in previous years (responding to ongoing media questions, a so-called reactive role), these became very proactive in 2024, directed towards agenda-setting and determining the media and highlighted topics. Thus the Company also wrote and published

63 educational articles on the projects, activities and achievements of ELES using purchased media spaces.

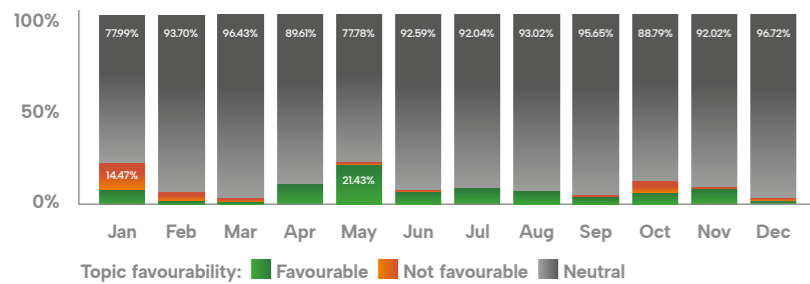
In 2024, the Company significantly improved its communications with the public through press releases. Press releases were summarised in 354 media publications with an average reach of 126,959 people. The most notable was the message on the analysis of a 100% RES scenario in the electricity sector of Slovenia for the year 2044, performed by ELES director Aleksander Mervar, MSc (155 publication) on the order of the Ministry of the Environment, Climate and Energy (MECE). The press release "There is no scenario for a care-free path to the future" is also linked to the study "What are the study messages of Aleksander Mervar?" (52 publications).

More frequent mentions of ELES in the media have especially been noticed in October (473 publications) due to the planned media campaigns and the high share of planned contributions (148). In addition to the publication of the study, October saw the enforcement of the amended method for network charges, and the NEK 2 topic was also hot in that month. ELES also celebrated the one hundredth anniversary of the first transfer of electricity over long distances, which was also covered well by the media.

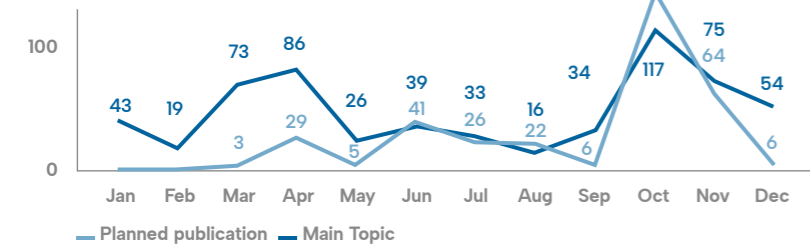
Number of media publications by month in 2024



Number of publications



Number of publications

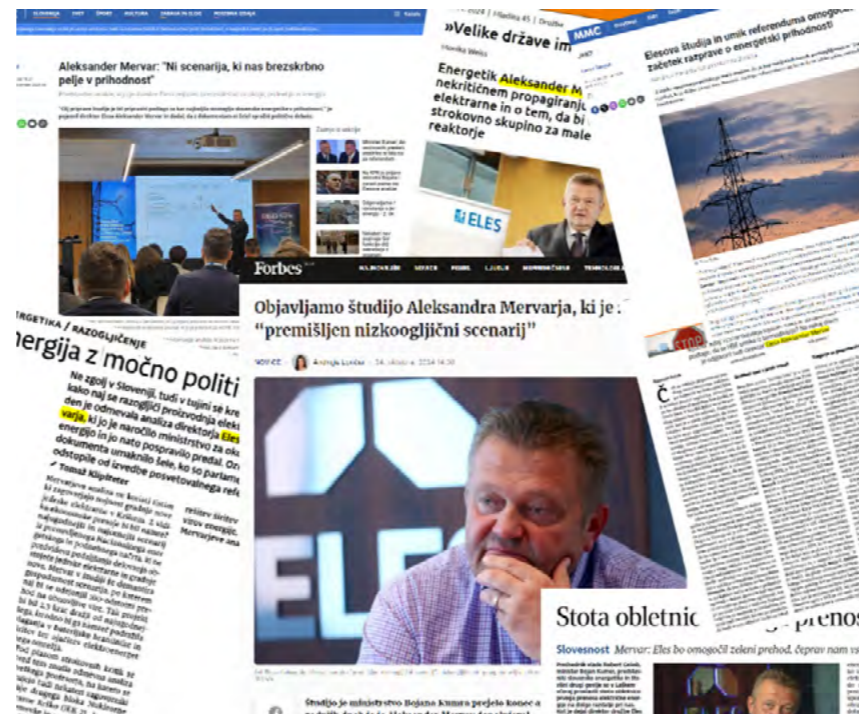


Source: Klipping

Company Director Aleksander Mervar, MSc, was the most media-exposed representative of ELES in 2024 (978 publications), partly due to the Mervar study, which was presented to the public on 5 November at TS Beričevo (206 publications).

The director of operations at ELES, Jurij Klančnik, PhD, was mentioned in 48 neutral publications, mainly in the context of the new network charge system. The director for strategic innovations at ELES, Uroš Salobir, MSc, was mentioned in 26 positive media publications, which mainly covered the tender ELES 3000: Creative project in the public space.

A selection of media publications in 2024



Source: the media/screen capture

Advertising

We took advantage of the lease of media space and cooperation with the most important media organisations in 2024 to publish articles of an educational nature and the launch of content, projects and activities that are important for the Company. At ELES, we do not publish commercial advertisements.

The lease of the media space is being done in line with the prior professional and reasoned needs of ELES. ELES is acting as a prudent manager and is allocating funds exclusively for the benefit of its projects, which it is carrying out as a public service utility, respecting the ever-changing and specific needs of the Company.

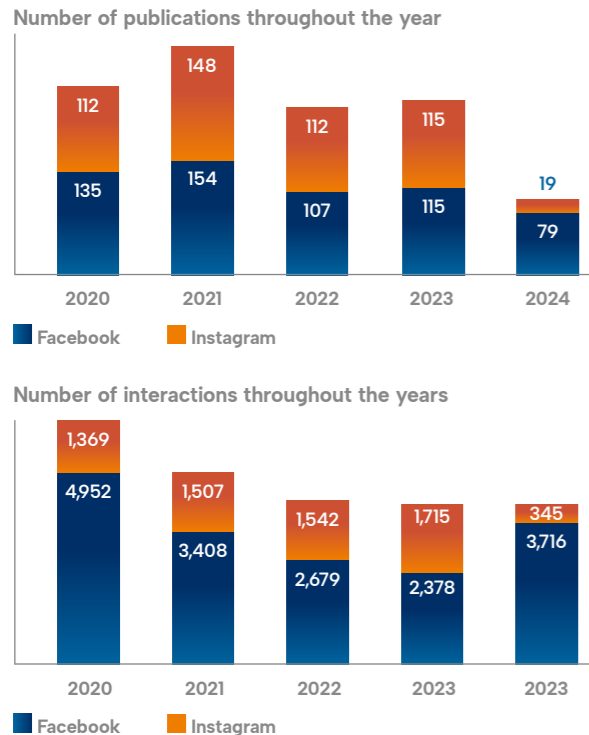
ELES concluded contracts or advertisement agreements with the chosen media in line with its internal acts and after an in-depth analysis, which includes the analysis of the media's range of coverage based on the defined needs of the Company and the offered price. The partner cooperation or advertisement was again linked to priority projects of the Company in 2024, which was defined in detail in contracts (the 100<sup>th</sup> anniversary of electricity transfer, the construction of PSP Kozjak, the ELES-Siemens energy partnership, the E8 chargers projects, Pentlja, etc.). All contractual partners had to prove their fulfilment of the contractual provisions.

Due to the unclear segmentation in the electricity sector, ELES is the target of opposition from local communities (Renče, for example) and civil initiatives even in projects where it has yet to play an investment role (PSP Kozjak). Targeted education in local areas is therefore the first target subordinate to the general targets, whereby the target public is narrowed and limited to the local environment. Communication is not limited to members of civil initiatives, but also to opinion leaders, mayors and local media personalities, and it must be carried out in cooperation with the professional public and non-governmental organisations, as well as with international organisations in which the Company is a member when the opportunity arises. Communication actions in educational institutions (visits to TS Beričevo, Elektrofest, school visits, etc.) on all levels are key.

## Social networks

When communicating and strengthening the ELES brand, the strategic and targeted use of the new platform and social media (Facebook, Twitter or X, LinkedIn, TikTok, YouTube, etc.) and the coordinated launch of the chosen content through these platforms is key, which is why we were proactive in this area in 2024 as well. We are introducing the principles of an integrated communication strategy, which means that communicating through social media is harmonised in terms of messages, but adjusted to the specificities of each medium.

### Publication analysis in some social media in 2023 and 2024



Source: Kliping

The new key project in 2024 was the introduction of the ELEScast podcast, which positioned itself as a key communication medium for ELES.

We are also attracting new talent through social media and raising awareness about electricity vocations. The Company is providing interesting and relevant content to visitors to all ELES profiles and podcast listeners, which exceed the sole activity of the Company and deal with the broader electricity industry, thus having an educational role in this context (the slogan of ELEScast is Clarifying the Electricity Systems).

### Recording of the first ELEScast episode



Photo: Mare Bačnar/ELES

In 2024, the Company published 79 publications on Facebook, which is 31.3% fewer publications compared to the previous year (115), and the same holds true for Instagram. The smaller number of publications on Facebook is due to the profile access block, which we managed to resolve after months of trying. Despite the lower number of publications, these generated many more interactions (3716) compared to the previous year, mostly through the following statement of Company Director Aleksander Mervar, MSc (1027 interactions): "We are lucky that ELES has been sorting out the network charge in this country for the past two years." (Facebook, 22 November 2024).

### Organisation of events

Events for the public organised by ELES are meant to support the core communication target: increase the Company recognisability and reputation and to strengthen the Company as the socially responsible carrier of the green transition, to use the Company reputation as the key professional institution in the field of electricity in Slovenia. For this purpose, the Company organised three major events (the traditional ELES Day, the commemorative one hundredth anniversary of electricity transfer for business partners, and the traditional New Year's meet for company employees), several independent and joint press conferences (with EA, the company BSP/ADEX, and MECE), and the international event at the conclusion of a partnership between ELES and Siemens Energy.



## 2.3 Financial Capital

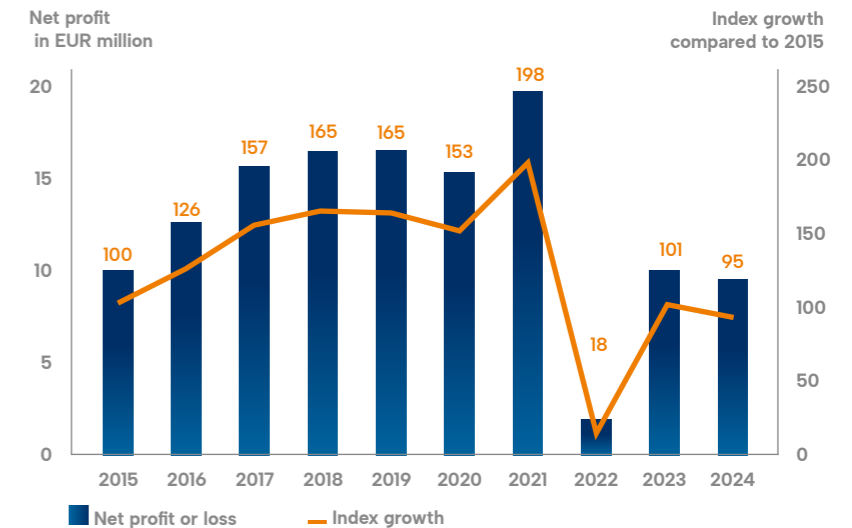
### 2.3.1 Important Results and Key Indicators

#### Key indicators

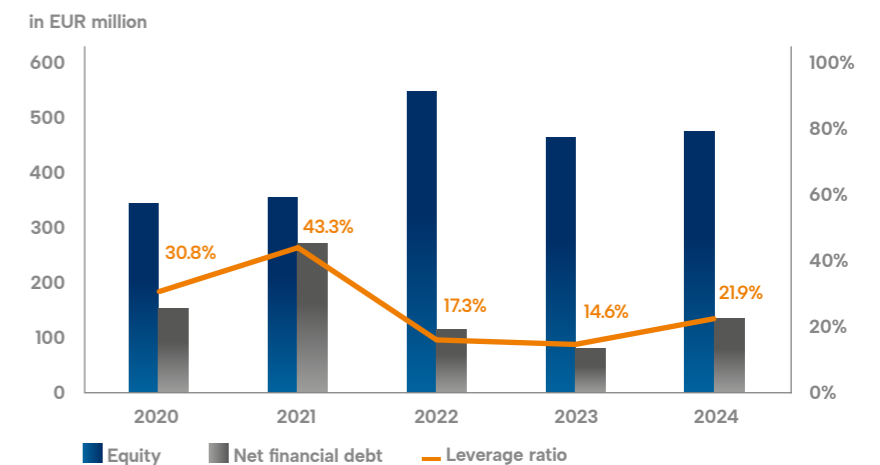
Indicators	Unit of measurement	Achived 2020	Achived 2021	Achived 2022	Achived 2023	Achived 2024	Estimated 2024	Estimated 2025
<b>INCOME STATEMENT</b>								
Net profit for financial year	million EUR	15.3	19.8	1.8	10.1	9.5	8.9	6.4
<b>FINANCIAL POSITION STATEMENT AS AT 31 Dec</b>								
Assets	million EUR	746.5	890.8	1,260.9	1,158.0	1,168.0	1,145.0	1,142.5
Equity	million EUR	343.7	355.4	548.2	465.0	472.2	325.2	308.7
<b>PERFORMANCE INDICATORS</b>								
Return on equity (ROE)	%	4.6	5.8	0.4	2.0	2.1	2.3	2.1
Return on assets (ROA)	%	2.1	2.4	0.2	0.8	0.8	0.8	0.6
Operation efficiency		1.110	1.098	0.991	1.025	1.024	1.023	1.021
Net financial debt (NFD) *	million EUR	153.3	271.5	114.9	79.7	132.3	134.5	297.8
Net financial debt/capital		0.45	0.76	0.21	0.17	0.28	0.41	0.96
Net financial debt/EBITDA		2.90	4.97	2.95	1.20	1.92	1.72	3.85
<b>OTHER IMPORTANT INFORMATION</b>								
Investment risks	million EUR	94.9	153.2	79.4	74.6	74.0	124.6	120.4

Note: \* The NFD includes network surpluses (without the subsequent contribution), which are part of the long-term and short-term ADLI, if shown.

The net profit or loss during the period of 2015-2024 and its index growth compared to 2015



Capital, net financial debt and the leverage ratio between 2020 and 2024





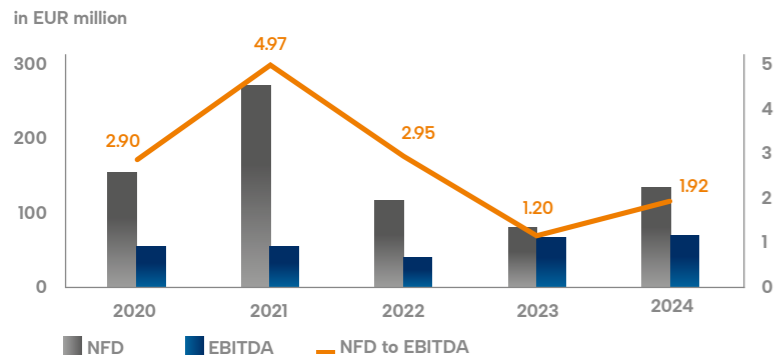
**Equity** increased by 2 percent or EUR 7.2 million and amounted to **EUR 472.2 million**. The net profit of EUR 9.5 million in 2024 had an impact on the increase of the capital, and the fair value revaluation of EUR 2.3 million had an impact on its decrease.

The high index growth of the capital in 2022 compared to 2021 was due to the increase of the share capital by EUR 19.3 million following the entry of SODO and the increase of capital reserves by EUR 170.0 million with the contribution of the RS to cover electricity losses.

**The net financial debt (NFD)** in 2023 amounted to EUR 79.7 million, which increased by EUR 52.6 million at the end of 2024 and **amounted to EUR 132.3 million**. The key factors that had an impact on its increase are network charge surpluses from RF deviations in the amount of EUR 67.2 million, lower short-term financial investments by EUR 11.9 million, and lower funds by EUR 6.1 million in 2024 compared to 2023, while lower financial liabilities in the amount of EUR 32.6 million had an impact on its reduction.

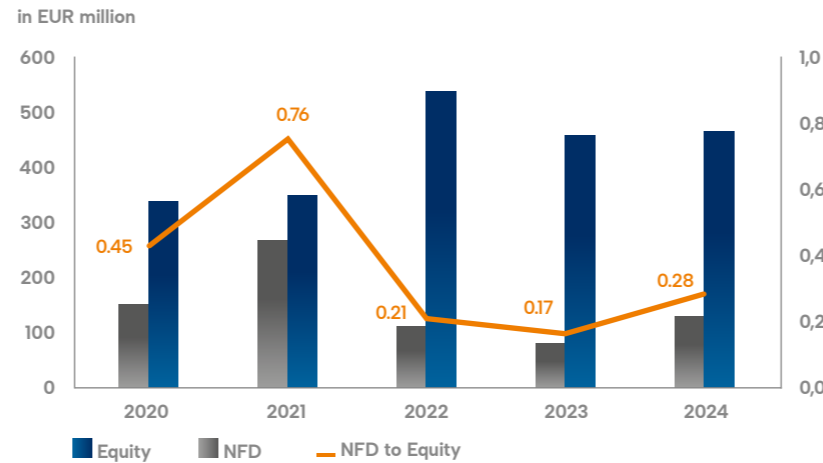
**The financial leverage ratio increased by 7.3 percentage points** compared to 2023 due to the higher net financial debt, which increased more than the capital sum and financial debt in 2024 compared to 2023.

Net financial debt/EBITDA between 2020 and 2024



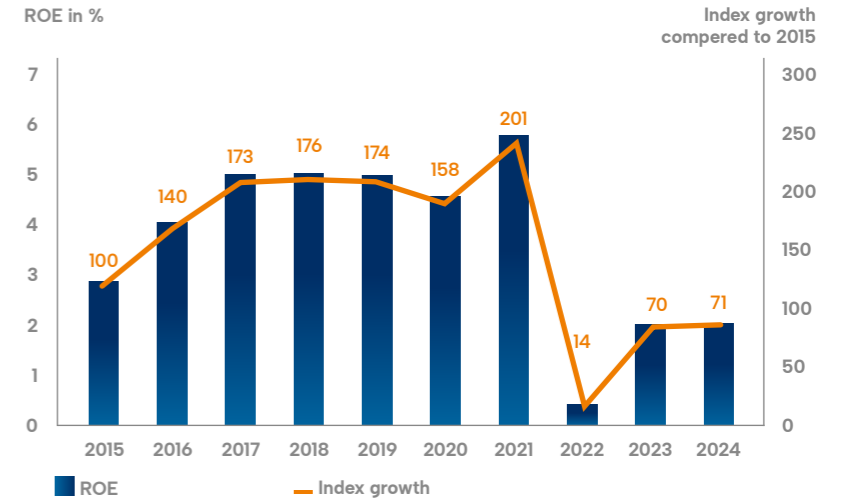
**The net financial debt/EBITDA ratio was increased by 0.72 percentage points** compared to 2023, which was mainly due to the increase of the NFD (by 66 percent) in 2024 compared to 2023.

Net financial debt/capital between 2020 and 2024



**The net financial debt/capital ratio was increased by 0.11 percentage points** compared to 2023, which was due to the increase of the net financial debt (by 66 percent), which increased more than the capital (by 2 percent).

ROE between 2015 and 2024 and its index growth compared to 2015



**Return on equity (ROE)** stood at **2.1 percent** in 2024 and was 0.1 percentage points higher compared to 2023. ELES generated a profit in 2024 that was 6 percent lower than in 2023. Compared to 2023, the average capital was also lower in 2024, by 8 percent. The average capital calculation in 2023 was influenced by the capital in 2022 after the merger with SODO, as well as the increase of capital reserves by EUR 170.0 million through the contribution of RS for the purpose of covering electricity losses. The low capital yield in 2022 was mainly due to the low net profit or loss of the Company.



## Other performance indicators

IMPORTANT INDICATORS		31 Dec 2023		31 Dec 2024	
		base in million EUR		base in million EUR	
<b>Financing ratios</b>					
<b>1. Equity financing rate in %</b>	capital/	465.0	<b>40.2</b>	472.2	<b>40.4</b>
	liabilities in the broader sense	1,158.0		1,168.0	
<b>2. Debt financing rate in %</b>	debt/	334.5	<b>28.9</b>	281.6	<b>24.1</b>
	liabilities in the broader sense	1,158.0		1,168.0	
<b>3. Long-term financing rate in %</b>	sum of capital, long-term debts and provisions/	933.0	<b>80.6</b>	1,035.7	<b>88.7</b>
	liabilities in the broader sense	1,158.0		1,168.0	
<b>Investment indicators</b>					
<b>1. Basic investment rate in %</b>	fixed assets (at the carrying amount)/	844.6	<b>72.9</b>	863.4	<b>73.9</b>
	assets	1,158.0		1,168.0	
<b>2. Long-term investment rate in %</b>	sum of fixed assets (at the carrying amount), long-term financial investments and long-term operating receivables/	852.8	<b>73.6</b>	870.0	<b>74.5</b>
	assets	1,158.0		1,168.0	
<b>Horizontal financial structure ratios</b>					
<b>1. Equity to operating fixed assets ratio</b>	capital/	465.0	<b>0.551</b>	472.2	<b>0.547</b>
	fixed assets (at the carrying amount)	844.6		863.4	
<b>2. Current ratio</b>	short-term assets/	258.1	<b>1.592</b>	257.4	<b>2.025</b>
	short-term liabilities	162.2		127.2	
<b>3. Quick ratio</b>	sum of liquid assets and short-term receivables/	255.3	<b>1.574</b>	254.2	<b>1.999</b>
	short-term liabilities	162.2		127.2	
<b>4. Acid test ratio</b>	liquid assets/	179.7	<b>1.108</b>	161.6	<b>1.271</b>
	short-term liabilities	162.2		127.2	
<b>Operating efficiency ratios</b>					
<b>1. Operating efficiency ratio</b>	operating revenue/	605.9	<b>1.025</b>	611.3	<b>1.024</b>
	operating expenses	591.1		597.1	
<b>Return ratios</b>					
<b>1. Return on equity (ROE) in %</b>	net profit in the financial year/	10.1	<b>2.0</b>	9.5	<b>2.1</b>
	average capital	501.6		463.9	
<b>2. Return on assets (ROA) in %</b>	net profit in the financial year/	10.1	<b>0.8</b>	9.5	<b>0.8</b>
	average assets	1,209.4		1,163.0	
<b>Investments ratio</b>					
<b>1. Level of investments in %</b>	realised investments and reconstructions/	74.6	<b>67.6</b>	74.0	<b>59.4</b>
	planned investments and reconstructions	110.3		124.6	

Note: The indicators have been calculated by items considering Article 113 of the ZOEE.

## Financing ratios

The capital increased by 2 percent in 2024. The net profit in 2024 had an impact on the increase and the fair value revaluation had an impact on the decrease in the capital. The total liabilities in a broader sense increased somewhat in 2024 compared to the previous year, so the level of equity financing in 2024 increased by only 0.2 percentage points compared to 2023. The equity-debt rate decreased by 4.8 percent in 2024 compared to 2023 because the debt decreased more than the total liabilities in the broader sense. The long-term financing rate was 8.1 percentage points higher in 2024 compared to 2023, mainly because the sum of capital, long-term debts and long-term provisions increased by 11 percent, while the total liabilities in a broader sense increased by only one percent compared to 2023. The Company financed 88.7 percent of its assets with long-term sources and 11.3 percent with short-term sources.

## Investment indicators

The operating fixed assets rate in 2024 was only 1.0 percentage point higher than the rate in 2023, amounting to 73.9 percent, whereas the long-term assets rate, which amounted to 74.5 percent, was also higher compared to last year, namely by 0.9 percentage points. Fixed assets as at 31 December 2024 had increased by 2 percent compared to 31 December 2023. Fixed assets increased more than the total assets of the Company, mainly because investments in this period were higher than the calculated amortisation value.

## Horizontal financial structure ratios

The equity to operating fixed assets ratio shows the share of equity financing of fixed assets. The ratio decreased by 0.004 percentage points due to the fact that the equity in 2024 increased less than the fixed assets as at the end of 2023. The current ratio in 2024 compared to 2023 increased by 0.433 percentage points. The amount of short-term assets increased minimally, and short-term liabilities decreased to



a larger extent. The quick ratio increased by 0.425 percentage points. The sum of liquid assets and short-term receivables remained at approximately the same level as in 2023, whereas short-term liabilities were reduced by 22 percent. Due to less funds and short-term investments and the concurrent lower short-term liabilities in 2024 compared to 2023, the acid test ratio increased by 0.16 percentage points.

### Operating efficiency ratios

The operating efficiency of Company operations was satisfactory in 2024 because it amounted to more than 1.000, meaning that the operating revenue was higher than operating expenses. Compared to 2023, this was reduced by 0.001 percentage points because operating revenue increased less than the operating expenses compared to 2023.

### Return ratios

The return on equity (ROE) in 2024 was increased by 0.1 percentage points compared to 2023 and amounted to 2.1 percent. In addition, just like in 2023, the return on assets (ROA) amounted to 0.8 percent in 2024.

### Investments ratio

The achieved investment rate concerning the planned investments was reduced in 2024 by 8.2 percentage points. The scope of realised investments in 2024 is comparable to the investment scope in 2023, but it has not achieved the planned targets. The delay of investments was due to delays in the implementation of works, project changes and changes to the project documentation, longer public contract (PC) procedures, and longer preparations of the necessary documents, which then led to the delay of the works.



### 2.3.2 Material and sustainability targets

Material		Impact	Risk/ Opportunity	Sustainability targets
Efficiency of investments into the electricity distribution system.	Q4e	4.5	4.6	Fulfilled method for planning investments.
Continuous provision of cash flows to ELES .	Q4f	4.4	3.7	Financial management of all sources and expenses.

### 2.3.3 Key risks and opportunities

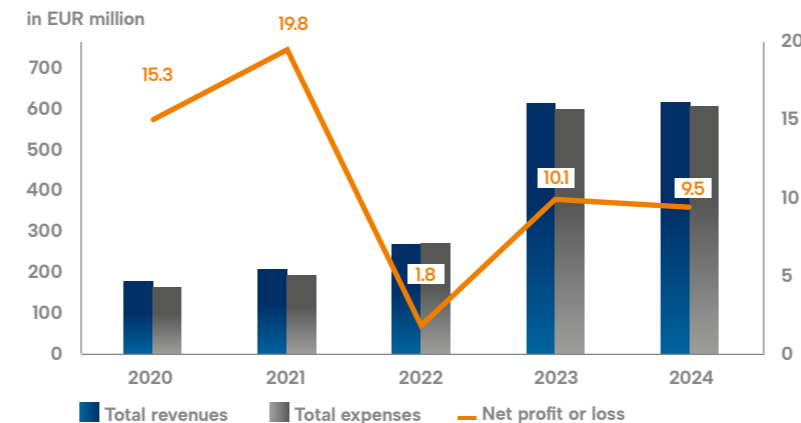
Risk	Opportunity	Estimate (R,O)
Lower auction revenue than expected (UNCERTAINTY).	A clear indicator of a higher network charge for the transmission network.	15.5
Insufficiently purchased scopes/ poor quality of individual SS types.	Incentives for the establishment of new SS sources.	12.4
Delays in the implementation of network codes.	As a last resort, the European Commission may institute legal proceedings against a member state for failure to comply with the legislation.	12.4
Long-term inoperation of the schedules system (ESRS).	Closure of the electricity market, leading to the loss of auction revenue and damage to market participants due to their inability to trade.	6.3

No material risks were realised in 2024.

### 2.3.4 Other disclosures

#### Total Company revenue and expenses

Total revenue, total expenses and the net profit or loss between 2020 and 2024



99 percent of EUR 616.5 million of the total revenue is operating revenue. The total revenue increased by 1 percent compared to 2023. We should note here that due to the merger of SODO, the total revenue and the total expenses increased by more than twofold in 2023 compared to 2022. The higher total revenue stems mainly from the higher total revenue from network charges from the transmission network (by 5 percent) and distribution network (by 8 percent), as well as from congestion (by 54 percent). As per the EA regulations, revenue in 2024 was reduced due to the RF harmonisation in the amount of EUR 0.3 million, reduced by the network surplus of the current period in the amount of EUR 159.6 million and increased by the draw-down of the surplus in prior years in the amount of EUR 54.9 million. Also disclosed in chapter 4.6.1.

The **total expenses of EUR 605.3 million** were higher by 1 percent compared to 2023, mainly due to higher service costs. Operating

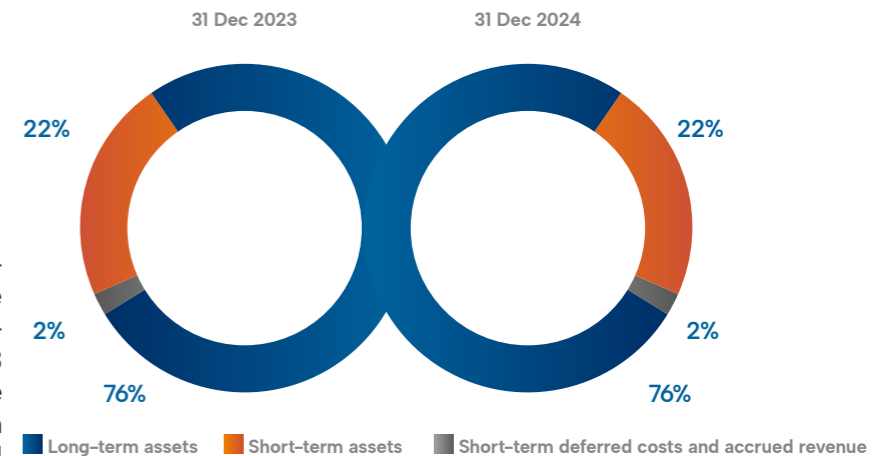
expenses in the structure account for 99% of all expenses. Also disclosed in chapter 4.6.3.

#### Analysis of the Company's financial position

The Company's balance sheet total as at 31 December 2024 amounted to EUR 1,168.0 million, increased by EUR 10.1 million or one percent compared to 2023.

#### Company assets

The structure of the Company assets at the end of 2023 and 2024



The majority of the assets (76 percent) are long-term assets amounting to EUR 884.6 million, which increased in 2024 by EUR 11.2 million. The largest share among the long-term assets are intangible assets and property, plant and equipment (PPE). The reason for the increase is the investments in power facilities.

88 percent of the intangible assets are long-term asset rights, 12 percent are goodwill, and other things include other long-term accrued and deferred asset items.

The majority of the property, plant and equipment are buildings (45 percent) and production devices and machinery (42 percent), while the rest are land, other devices and equipment, and assets in acquisition.

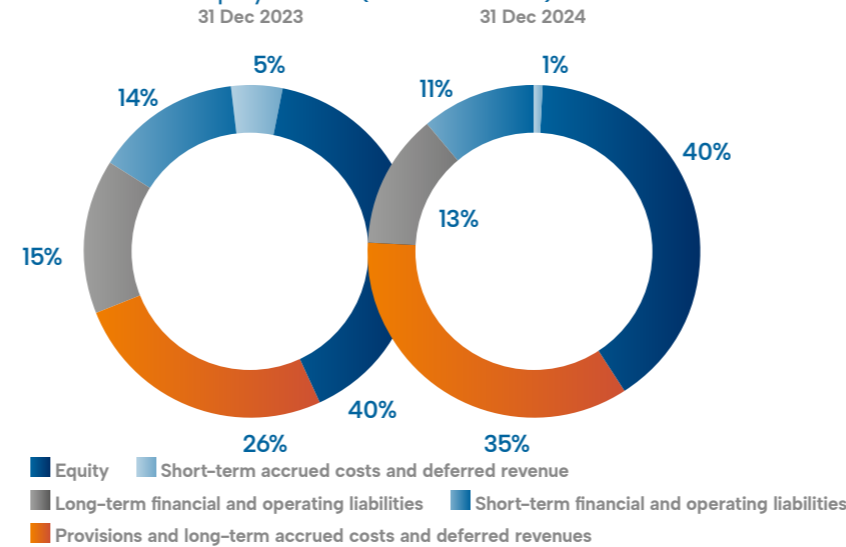
Long-term financial investments and loans amount to EUR 6.6 million and include investments in companies in the amount of EUR 5.0 million, while long-term loans amount to EUR 1.6 million, whereby the largest part is the long-term deposit for hedging the interest rate swap in the amount of EUR 1.2 million. Also disclosed in chapter 4.5.1, 4.5.2 and 4.5.3.

In short-term assets of EUR 257.4 million, 53 percent is cash in the amount of EUR 135.3 million, which includes short-term deposits of up to 91 days (EUR 98.0 million), cash on transaction accounts (EUR 22.7 million), the rest are assets on accounts for special purposes (EUR 14.6 million). 10 percent of the short-term assets include short-term financial investments, i.e. short-term deposits exceeding 3 months in the amount of EUR 26.4 million. Also disclosed in chapter 4.5.7 and 4.5.5.

Short-term accrued and deferred asset items amounted to EUR 26.0 million and were lower by EUR 0.4 million compared to the end of 2023. They mainly comprise added revenue of the ITC mechanism in the amount of EUR 6.4 million (where we have detected a decrease of EUR 8.5 million), EUR 7.0 million are short-term accrued revenues from the surplus of the imbalance settlement (which were shown in 2023 in the amount of EUR 5.4 million), accrued revenues from energy bookkeeping in the amount of EUR 5.1 million, the network deficit of the previous years in the amount of EUR 5.3 million, and other short-term deferred costs and accrued revenue. This is also disclosed in chapter 4.5.8.

## Liabilities in the broader sense

The structure of Company liabilities (in a broader sense) at the end of 2023 and 2024



Among the liabilities in a broader sense, the capital of the Company represents 40 percent of the share and amounted to EUR 472.2 million as at the end of 2024. With respect to the previous year, it increased by EUR 7.2 million. The share capital and capital reserves did not change in 2024. Fair value reserves were increased by EUR 2.0 million. They include revaluations of interest rate collars, interest rate swaps, revaluations of the long-term investments of Zavarovalnica Triglav, and actuarial losses. The remaining difference in the capital increase is the net profit for the financial year.

Provisions and long-term accrued and deferred liability items (ADLI) increased by EUR 113.5 million compared to the end of 2023 and amounted to EUR 409.0 million. Provisions for pensions and jubilee benefits increased by EUR 2.0 million, and provisions for decommissioning and other provisions decreased by EUR 0.9 million and amounted to EUR 18.2 million. The long-term ADLI increased by

EUR 112.4 million and amounted to EUR 390.9 million. They are represented by amounts of long-term deferred revenue from regulation A in the amount of EUR 247.2 million (long-term provisions for investments in the amount of EUR 122.7 million and a long-term network charge surplus of 2024 in the amount of EUR 124.5 million), connective power network charges in the amount of EUR 47.5 million and grants in the amount of EUR 96.2 million. Also disclosed in chapter 4.5.10.

Long-term liabilities amounted to EUR 154.4 million as at 31 December 2024 and were 10 percent lower than at the end of 2023. The majority are long-term financial liabilities; the remainder are long-term operating liabilities and deferred tax liabilities.

The long-term financial liabilities to banks are long-term loans – the loan taken in 2010 for a period of 25 years in the amount of EUR 25.8 million, the loan taken in 2017 for a period of 10 years to finance the takeover of the 110kV power grid in the amount of EUR 8.3 million, the long-term loan taken in 2020 for a period of 18 and 25 years to co-finance investments in the amount of EUR 62.7 million, and the long-term loan taken in 2021 that matures in 2046, taken to co-finance investments in the amount of EUR 54.7 million.

Other long-term financial liabilities of EUR 2.5 million include long-term liabilities from leases in the amount of EUR 0.8 million and long-term interest rate swap liabilities in the amount of EUR 1.7 million. More in chapter 4.5.11.

Short-term liabilities amounted to EUR 127.2 million at the end of 2024 and were thus lower by 22 percent compared to 2023.

Short-term financial liabilities decreased by 57 percent compared to the end of 2023 and amounted to EUR 15.3 million. They include the short-term part of the long-term loan repayments in the amount of EUR 15.1 million; the rest are short-term liabilities from leasing properties and equipment.

Short-term operating liabilities were reduced by EUR 15.0 million compared to the situation as at 31 December 2024, amounting to EUR 111.9 million. The major part of these liabilities are short-term operating liabilities to suppliers, which amounted to EUR 91.8 million and were 14 percent lower compared to the end of 2023, as well as other short-term operating liabilities amounting to EUR 20 million, which increased in 2024 by EUR 0.3 million compared the end of 2023. The lesser part of the short-term operating liabilities represents short-term operating liabilities on the basis of received advances. This is disclosed in chapter 4.5.12 and 4.5.13.

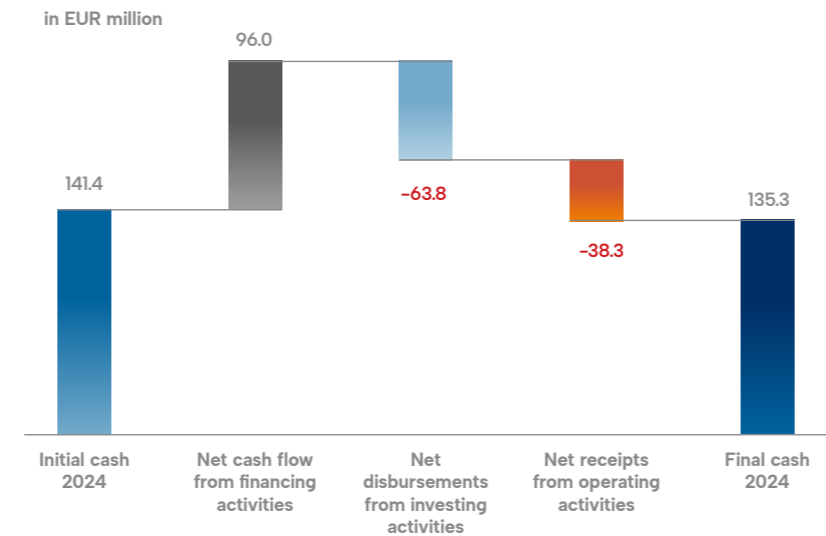
Short-term accrued and deferred liability items amounted to EUR 5.2 million and decreased by EUR 57.6 million compared to 2023, mainly due to the reduced short-term deferred revenue from regulations, which amounted to EUR 57.4 million at the end of 2023, and we are not disclosing them in 2024. Short-term accrued and deferred liability items include EUR 1.7 million of accrued costs for unused holiday leave at the end of 2024, accrued costs from energy bookkeeping in the amount of EUR 1.2 million, accrued costs for the purchase of electricity for losses and supply in the amount of EUR 1.2 million, demarcations of EU projects in the amount of EUR 0.6 million, and other short-term deferred revenues or accrued costs for Company operations. Also disclosed in chapter 4.5.14.

**Contingent liabilities** include liabilities of EUR 37.1 million, of which EUR 35.0 million are liabilities for the undrawn part of long-term revolving loans, and EUR 2.1 million are unsorted easement rights. Also disclosed in chapter 4.5.15.

### Cash flow statement

In 2024, ELES had a positive operating profit or loss in the amount of EUR 96.0 million, a negative result in investments in the amount of EUR 63.8 million, and a negative cash result in financing in the amount of EUR 38.3 million.

### Cash flow statement



The positive cash result in operations and financing was not sufficient to cover all the investment and financing expenses in 2024, therefore the cash result in 2024 was negative and amounted to EUR -6.1 million. This was mostly influenced by expenses for long-term financial liabilities and outflows for interest payments referring to financing, outflows for the acquisition of property, plant and equipment, and outflows for obtaining financial investments. The final balance of cash and cash equivalents amounted to EUR 135.3 million as at 31 December 2024. Also disclosed in chapter 4.7.



## 2.4 Production capital

### 2.4.1 Important Results and Key Indicators

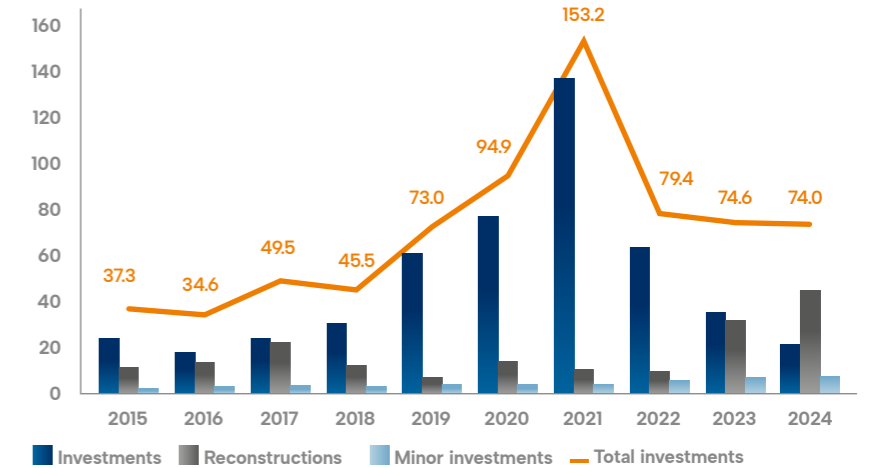
	2024		2023	
	Present value in million EUR		Present value in million EUR	
	in km	in km		
<b>System length of the transmission network conduits owned by ELES</b>	<b>3,160.4</b>	<b>3,113.9</b>		
400 kV transmission lines	828.0	144.7	828.0	149.5
220 kV transmission lines	328.1	5.0	328.1	5.4
110 kV transmission lines	1,962.0	107.5	1,926.5	80.2
110 kV cable conduits	42.3	36.1	31.3	5.5
<b>Fibre optic network</b>	<b>2,205.3</b>	<b>14.7</b>	<b>2,171.7</b>	<b>14.2</b>
	number	number		
<b>Facilities*</b>	<b>68</b>	<b>67</b>		
TSS, SS, TS, PSS	53	299.0	52	283.8
switchyards at TPP, NPP, HPP, PSP	15	14.1	15	13.5

\*All the corresponding equipment in the facilities.

	2024		2023	
	number	Present value in million EUR	number	Present value in million EUR
<b>Power transformers</b>	<b>33</b>		<b>33</b>	
400/220 kV (400 MVA)	2	0	2	0
400/110 kV (300 MVA)	12	32.9	12	29.5
220/110 kV (150 MVA)	8	0.2	8	0.3
110/35 kV	3	0.8	3	0.8
110/20 kV ESU (15 MVA)	2	0.8	2	0.8
110/20 kV OC (4 MVA)	6	1.9	6	2.0
Phase shifter (PST)	1	27.4	1	28.2
Regulation damper (VSR)	2	7.0	2	7.2
Energy condenser with a damper circuit (MSCDN)	1	1.1	1	1.2
Static synchronous compensator (STATCOM)	1	5.8	1	6.0
400/51.5 kV (150 MVA) for powering STATCOM	1	3.2	1	3.4
Electricity storage units (ESU) in the transmission network	2	18.9	2	20.0
Electricity storage units (ESU) in the distribution network	2	3.6	2	4.0

Investments from 2015 to 2024 by type

Total investment in EUR million





## Investments by group

Investments and reconstructions		Real. 2023	Real. 2024	AP 2024	Index r24/r23	Index r24/AP24
in million EUR		1	2	3	4(2/1)	5(2/3)
<b>1.</b>	<b>Transmission lines</b>	<b>45.7</b>	<b>44.2</b>	<b>42.0</b>	<b>97</b>	<b>105</b>
1.1	400 kV TL	7.7	1.6	1.4	21	111
1.2	220 kV TL	0.1	0.2	0.6	170	36
1.3	110 kV TL	37.9	42.4	40.0	112	106
<b>2.</b>	<b>TSS, SS</b>	<b>14.1</b>	<b>16.0</b>	<b>36.3</b>	<b>113</b>	<b>44</b>
2.1	400/x kV	4.1	5.0	8.1	122	62
2.2	220/x kV	0.1	0.3	0.8	381	40
2.3	110/x kV	10.0	10.7	27.4	108	39
<b>3.</b>	<b>Major investments in operations</b>	<b>3.2</b>	<b>3.0</b>	<b>10.2</b>	<b>96</b>	<b>30</b>
<b>4.</b>	<b>Secondary equipment</b>	<b>2.8</b>	<b>1.2</b>	<b>7.1</b>	<b>45</b>	<b>18</b>
<b>5.</b>	<b>Telecommunications</b>	<b>0.1</b>	<b>0.0</b>	<b>2.5</b>	<b>1</b>	<b>0</b>
<b>6.</b>	<b>Improvement of information services</b>	<b>3.5</b>	<b>3.8</b>	<b>8.9</b>	<b>107</b>	<b>43</b>
<b>7.</b>	<b>Commercial buildings</b>	<b>0.8</b>	<b>1.6</b>	<b>10.1</b>	<b>198</b>	<b>16</b>
<b>8.</b>	<b>Development of new technologies and know-how</b>	<b>0.3</b>	<b>0.6</b>	<b>3.8</b>	<b>182</b>	<b>16</b>
<b>9.</b>	<b>Small investments</b>	<b>4.0</b>	<b>3.5</b>	<b>3.8</b>	<b>86</b>	<b>91</b>
<b>10.</b>	<b>TOTAL</b>	<b>74.6</b>	<b>74.0</b>	<b>124.6</b>	<b>99</b>	<b>59</b>



## 2.4.2 Material and sustainability targets

Material		Impact	Risk / opportunity	Sustainability targets
Response to changing needs by system services due to the restructuring of production sources and energy consumption.	Q3a	4.4	4.5	Provided the required quantity of EE during shortage periods.
Development of the electricity power network for the inclusion of new production units of renewable sources.	Q3b	4.3	4.0	Guaranteed connection of all the interested parties.
Resilience of electricity facilities to extreme weather events.	Q4b	4.0	5.0	Grid adjusted to weather impacts.
Introducing new digital tools and artificial intelligence.	Q6a	4.5	4.0	Use of state-of-the-art IT tools.
Increasing the transmission capacities of transmission lines on existing paths.	Q8b	4.0	4.0	Optimised grid yield.

## 2.4.3 Key risks and opportunities

Risk	Opportunity	Estimate (T,€)
Cyber-attack, Company network and/or information system hack.	The active inclusion of VOC in the cybersecurity risk management group on the basis of recognised vulnerabilities of the Company's cyberspace.	20.5
The SOC/VOC means of action is not defined and neither is its role in the Company.	The placement of VOC into the LSP – with a clear vision of development and strategy of operations with defined strategic targets.	20.5
The electricity management system is part of the infrastructure in the Republic of Slovenia. Its exposure to cyber threats and other process risks is an important risk factor in terms of the continuity of electricity supply in the country (ESRS).	The establishment of the ADS system means an opportunity to work with state-of-the-art technology that increases the level of technical excellence in the Company.	15.5
Loss of data that was created and handled in the cloud.	The implementation of new SLA agreements in contracts with external providers in which requirements for cloud services are included in line with ISO/SEC 27001.	15.5
The probability of identity fraud, unauthorised access, uncontrolled access, and poor monitoring of workplace changes in terms of managing rights and roles. Poor overview in monitoring accesses of external providers in relation to the applicable contracts.	The timely update of tools for the control, detection and recognition of weaknesses in the cyberspace of the Company in line with the planned funds in TSDP 2025–2034.	12.4

No material risks were realised in 2024.

## 2.4.4 Other disclosures

### Development of the transmission network

The main activities for the largest projects:

- I125–256: KBV 110 kV Koper–Izola and ZOK and fields at TSS Koper  
In 2023, a contract was signed for the construction works and works were initiated. All the building and electricity works were carried out. The cable line has been in operation as of April 2024. In December, a technical inspection was carried out and an operating permit was obtained.
- I610–001: TSS Maribor – construction of the operational facility and replacement of the secondary equipment  
In 2024, the construction of the new operational facility was completed and all the technological equipment in the building was activated. Replacement of the secondary equipment in the 400kV and 110kV switchgear was carried out, and a PID was drafted. All the technological equipment was removed from the old building and the surroundings were tidied.
- I777: GreenSwitch projects  
ELES is carrying out the projects “Power Control System (SSSC)” and “DTR SUMO II” in the area of regulating flows and increasing transmission capacities. In 2024, public tenders were carried out for both projects; the DTR SUMO II tender was concluded with the signing of contracts in December, whereas the public tender for the “Power Control System (SSSC)” project is in its final stage. For the project “Excess heat dissipation from HV transformers”, a contract was signed in December 2024 with the chosen equipment provider and works provider. The last scope of the projects refers to HV connections for high-load charging stations and rapid charging stations. For the projects “HV connections for rapid chargers within ELES RTPs” and “HV connections for the high load charger in Novo mesto”, investment documentations were created in 2024.

The project “HV charging station connections of high loads in Kranj” was transferred to the stage of implementation, the acquisition and partial installation of equipment in 2024.

- R187-554: Reconstruction works at TL 2x 110kV Gorica-Divača (Renče)

In 2024, existing pillars were demolished, construction works were performed for the cable line, new pillars were supplied and installed, and electricity works were carried out on the cable line and the corresponding connections for the overhead transmission lines. The cable transmission line through Renče has been in operation since September 2024.

- R267-266: TL 2x110 kV Divača-Pivka-Ilirska Bistrica (TL+OPGW)

In 2024, construction works were carried out, steel constructions were raised and electricity works were carried out at TL 2x110kV Pivka – Ilirska Bistrica. The TL 110kV Pivka – Ilirska Bistrica was put into operation.

- R611-001: TSS 400/110 kV Maribor–replacement of TR41, construction of the 110/20 kV transformation for OC

TR T411 was replaced in 2024, the new 400kV Zvezno polje was put in operation and the new 400kV Obhodno polje was constructed at the old spot. An operating permit was obtained for the construction of 400kV Zvezno polje and 110/20kV transformation. All project works have been concluded and PIDs issued.

- R721-001: TL 110 kV Hudo–Kočevje

The construction of TL 110kV Hudo–Kočevje began in 2024 (access path, foundations and the installation of steel foot construction parts). A total of 90% of the construction works were completed by the end of the year; electricity equipment was also obtained.

## Transmission network maintenance

In 2024, all the important preventive maintenance works were carried out at all electricity facilities (68) and transmission lines in line with the electricity situation.

All corrective maintenance works were also carried out. The following important corrective maintenance works were carried out:

- TL 2x110 kV Krško–Brežice–HPP Brežice: restoration of damaged conductors SPOT 38–39,
- TSS Divača, T441 and T442: malfunction resolution (grommet replacement, electricity works behind the service cabinet, etc.),
- TSS Okroglo, 110 kV IG bays: replacement of supporting isolators.

There were a total of 102 interventions of on-call staff due to ED losses, the needs of the local management of facilities, and other various reasons.

In the framework of reconstruction and construction works, many more electrical installation works were done with our own staff, including:

- TSS Maribor: electricity works in the scope of the R611-001 project: Replacement of TR 41, construction of the 110/20 kV transformation for OC,
- TL 2x110 kV Ajdovščina–Divača: resolution of EoL vibrations,
- TL 110 kV Dravograd–Železarna Ravne: section portal – SPOT2: replacement of conductors and hanging equipment due to breakdowns in the scope of the project R678-021.

## Takeover activities of the 110kV network

In order to ensure the single central management of the 110 kV network, which has the characteristics of a transmission network, the company continued with the activities for the takeover of the said equipment

of this network in 2024, following the Decree on the division of the 110 kV network into the distribution and transmission systems. In line with the provisions of the Decree on the division of the 110 kV network into the distribution and transmission systems, which entered into force on 27 February 2021, the scope of the takeovers was increased by seven facilities. There were no physical offtakes of the 110kV transmission equipment in 2024 due to the adopted measure of ELES for the neutralisation of adverse effects stemming from Article 4 of the Act Determining the Measures to Mitigate the Consequences of Rising Energy Prices. One of the measures was: “A moratorium shall be in place for unrealised offtakes in the 110kV network owned by others until further notice.” Considering the demands of the decree that the Company, as the electricity transmission system operator, has the obligation to ensure the single central management of the 110 kV network, it will not be able to consistently fulfil such an obligation until it takes over the entire 110 kV transmission network.



## 2.5 Natural capital

### 2.5.1 Important Results and Key Indicators

Indicator/year	2020	2021	2022	2023	2024
Carbon footprint – location method (in thousand tonnes of CO <sub>2</sub> equivalent)*	116	112	113	196	200
Carbon footprint – market method (in thousand tonnes of CO <sub>2</sub> equivalent)				380	388
Carbon footprint without EDP emissions – location method (in thousand tonnes of CO <sub>2</sub> equivalent)	116	112	113	91	94
Carbon footprint without EDP emissions – market method (in thousand tonnes of CO <sub>2</sub> equivalent)				209	211
Total volume of SF <sub>6</sub> in high-voltage devices (in kg)	13,898.0	18,421.2	19,256.6	19,794.1	19,794.1
Amount of collected, recycled and reused SF <sub>6</sub> gas in HV devices (in kg)	0.0	364.8	60.1	96.0	60.0
Electromagnetic field monitoring at 110 kV, 220 kV and 400 kV power facilities (no. of facilities)	25	28	18	20	6
Operational monitoring for noise sources for 110 kV, 220 kV and 400 kV transmission system substations (no. of stations)	0	1	2	0	5
Hazardous waste (in tonnes)	182	876	281	183	436
Non-hazardous waste (in tonnes)	103,298	48,317	15,852	13,293	40,293
Communal waste (in tonnes)	310	257	330	287	266
Water consumption (in m <sup>3</sup> )	13,475.8	7,633.7	19,108.0	8,657.8	8,236.0
Water consumption costs (in EUR)	110,572.2	107,433.9	136,238.6	107,308.3	108,342.5
Energy consumption (in MWh)	6,079	7,610	8,114	7,304	7,189
Investment into environmental protection (in thousand EUR)	1,827.3	21,357.4	945.9	1,231.4	443.2
Ongoing expenses due to environmental protection (in thousand EUR)	438.2	515.1	556.1	567.4	710.8

\* The carbon footprint increase in 2023 and 2024 was due to the purchase of electricity to cover losses in the distribution network.

### 2.5.2 Material and sustainability targets

Material	Impact	Risk/ Opportunity	Sustainability targets	
Resilience of electricity facilities to extreme weather events.	Q4b	4.0	5.0	Grid adjusted to weather impacts.
Managing biodiversity.	Q5a	4.0	3.0	Developed know-how on impacting biodiversity.

### 2.5.3 Key risks and opportunities

Risk	Opportunity	Estimate (R, O)
Lack of resources for environmental management (ESRS).	Decrease of environmental impacts.	3.3
Incomplete register of environmental aspects.	Upon the introduction of environmentally-friendly innovations and investments, to respect the sustainability strategy and inform employees after each change of circumstances.	2.1

No material risks were realised in 2024.

ELES must adapt to the increasing share of renewable energy sources, mainly from solar and wind power plants. Changes in weather patterns, such as droughts that affect hydro power plants, and other weather events that are causing fluctuations in the production of solar and wind power, are increasing the risks to the grid's stability and provision of a reliable energy supply. The Company must ensure the expansion of the grid and thus enable the connection of new RES production sources, as well as new technologies aimed at ensuring the stability of the grid and supporting the green transition.

In line with the European and national GHG emission reduction targets, the Company is investing in energy-efficient technologies, smart grids and loss reductions during transfers. The construction of infrastructure projects may lead to negative impacts on the environment; therefore, the Company is carrying out all spatial placement procedures in line with the legislation and is implementing preventive and mitigation measures to reduce the negative impact.



Natural disasters, such as river floods, wildfires, landslides, heavy snowfalls and ice, high winds and other extreme weather events, may have an impact on the grid's stability. With its investments, ELES is increasing the resilience of the infrastructure to protect it against extreme weather events and is on constant standby for quick repair works to restore the grid after disasters, which is how it is guaranteeing a reliable supply of electricity.

With the timely and appropriate development of the electricity system, the Company is enabling the industry, companies and households to participate in the green transition process. By increasing the usability of smart measuring devices, the dynamic balancing of energy consumption and through the promotion of using renewable sources at end points, the Company may contribute to improved energy efficiency and sustainable development.





## 2.6 Human capital

### 2.6.1 Important Results and Key Indicators

Employee data	2022	2023	2024
Number of employees 31 December	566	604	610
Average number of employees in the year	567	602	604
Average number of employees based on hours worked*	537.86	596.28	600.85
Average age	48	47	47
Average length of service in years	24	24	24
Share of employed men	79%	77%	76%
Share of employed women	21%	23%	24%
Share of women who progressed in their career vs men	23%	20%	27%
Employees employed for an indefinite term	563	601	602
Employees employed for a fixed term	3	3	8
Full-time employees	562	602	609
Part-time employees	4	2	1
Employees who used parental leave	8	11	12
Share of employed disabled persons	3%	3%	2%
Share of employees with at least a higher education	61%	64%	66%
Added value per employee (in EUR)	140,570	182,810	191,843

Note: \* The calculation of the average number of employees from working hours without considering any refunds in 2022 and refunds in 2023 and 2024

### 2.6.2 Material and sustainability targets

Material		Impact	Risk/ Opportunity	Sustainability targets
Cybersecurity based on a competent team and employee awareness.	Q4a	4.6	4.8	To prevent cyber attacks.
Qualification of employees, provision of work equipment and work conditions for safety and health.	Q4d	4.2	4.5	A safe and healthy work environment.
Introducing digital ambassadors.	Q6d	3.6	3.0	Efficient transfer of IT know-how.
Transfer of organisational know-how and development of employee competencies.	Q7a	4.4	3.0	Efficient internal training.
Adjusting HR policies to demographic changes and the labour market.	Q7b	4.1	3.0	Competitiveness on the labour market.
Improving internal cooperation.	Q7c	4.2	3.0	Harmonised vertical and horizontal management.
Intersectoral linking of competencies with external stakeholders.	Q7d	4.4	3.0	Efficient linking with external know-how.

### 2.6.3 Key risks and opportunities

Risk	Opportunity	Estimate (R,O)
Intentional or unintentional abuse of administrator rights.	Accelerated introduction of project I670-001 – Establishment of the identity management system in IS in the production environment and training/ certifying own system engineers.	20.4
Unavailability of the operating staff due to sickness.	In addition to a sufficient number of staff, teams may be formed that operate at different locations, which reduces the risk of spreading diseases between the operations personnel.	12.4
Partial problem-solving with no comprehensive view on data management.	1. Introduction and implementation of processes for making backups of data for services operating in the cloud. 2. Consistent functioning of the group for creating reports (to CAB for creating reports for operational support and data/ code management).	12.3
Insufficient implementation of the process of introducing and maintaining supporting tools for efficient asset management.	Additional reinforcement of the staff structure of ED with new staff with appropriate competencies.	12.3
Problems with understanding the concept of a comprehensive approach to the management of cyber threats, technologies, people and processes, which are mandatory for successful defence against cyber threats and attacks (ESRS).	Preparation of tender documentation for the comprehensive energy VOC and for the introduction of new tools for detecting and eliminating cyber vulnerabilities.	10.5

No material risks were realised in 2024.



## 2.6.4 Other disclosures

### Establishment of the succession and mentorship policy

The company has 65 qualified mentors who are sharing their knowledge and experience with their younger colleagues. The job position Assistant Director or the job position Assistant Head of Service is the position of a potential successor who is being trained, monitored and evaluated. In addition to leadership and managerial job positions, the succession policy also includes key job positions that are important for the performance of ELES' main activity. The succession policy for these job positions is being implemented with the help of the talent management programme, carried out during student work at ELES.

### Scope of sick leave

YEAR/ working hours	Sickness allowances at the expense of the Company	Sickness allowances at the expense of ZZS	Sickness allowances total	Share of sickness allowances in the working hours fund (in %)
2022	23,036	45,785	<b>68,821</b>	5.9
2023	27,601	32,156	<b>59,757</b>	4.8
2024	29,313	33,549	<b>62,862</b>	5.0

In 2024, we recorded 62,862 hours of sick leave, which is 3,105 hours more compared to the previous year.

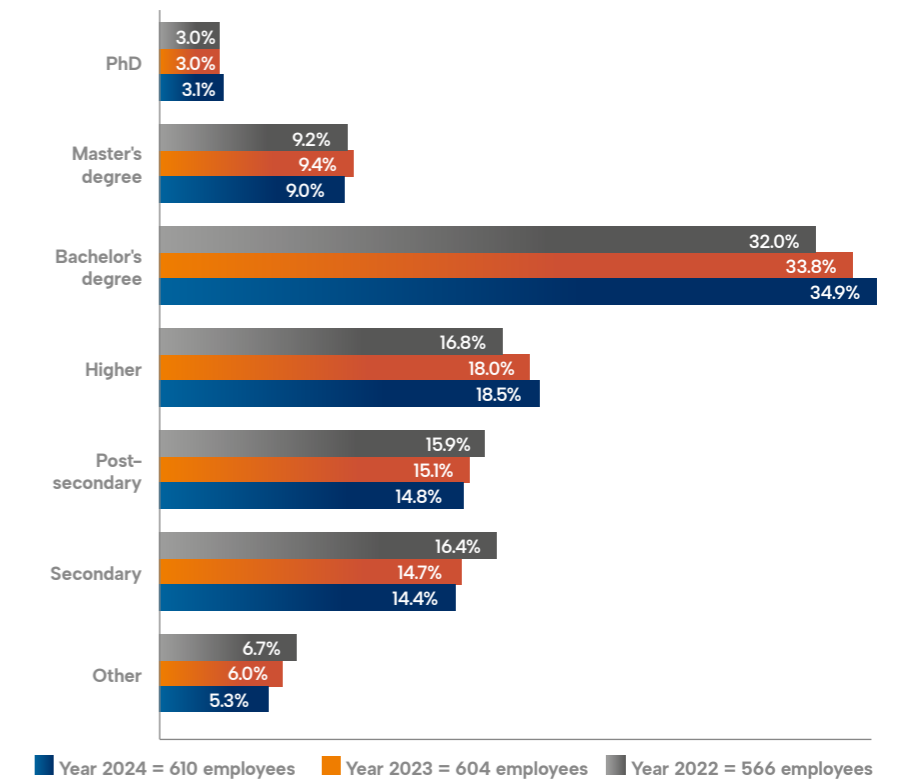
### Employee arrivals and departures by gender and age group

	Total		Age groups (in years)														
			to 20		from 21 to 30		from 31 to 40		from 41 to 50		from 51 to 60		from 61 to 70		from 71		
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
<b>Arrivals</b>	<b>30</b>	<b>11</b>	1	0	9	4	7	4	13	3	0	0	0	0	0	0	0
<b>Departures</b>	<b>29</b>	<b>6</b>	0	0	1	0	0	0	2	3	12	0	14	3	0	0	0

### Number of employees by location

Location	2022	2023	2024
Ljubljana Hajdrihova	162	154	160
Ljubljana Kleče	33	35	38
Ljubljana Beričevo	224	228	225
Maribor	59	90	88
Podlog	35	39	38
Nova Gorica	12	12	14
Divača	41	46	47
<b>Total</b>	<b>566</b>	<b>604</b>	<b>610</b>

### Educational structure





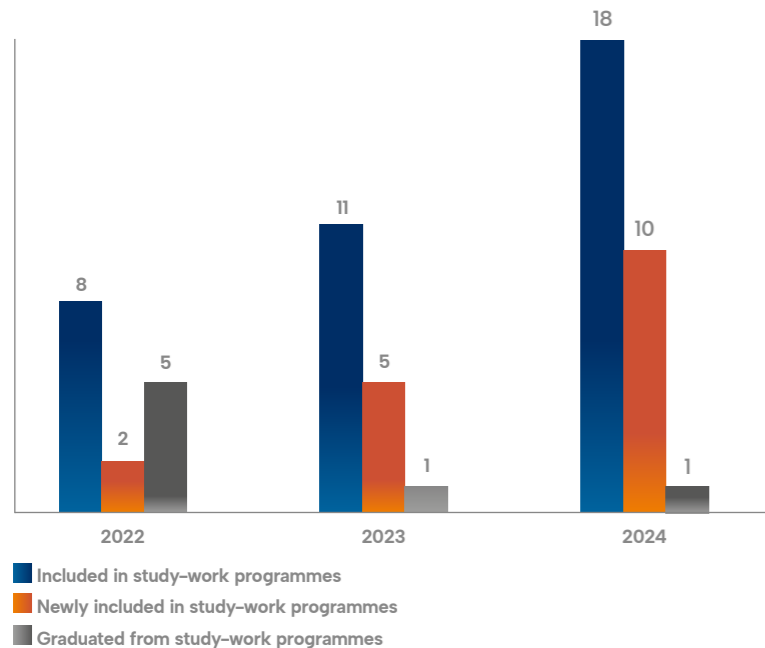
## Training

### Training hours and costs

Training hours and costs	2022	2023	2024
No. of training hours	5,880	9,590	11,907
Total training costs (in EUR)	220,060	329,257	407,455
Hours of training per employee	10	16	20
Training costs per employee (in EUR)	388	545	668

## Work-study programmes

### Work-study programmes (no. of employees)



## Internal communications

The key purpose of the internal communications activities at ELES in 2024 is to connect employees and inform them of the Company activities with the aim of improving the commitment and motivation of employees and therefore make ELES operations a success. At ELES, we are communicating with employees through the tools offered by the intranet design (online news), the monthly online e-newsletter and direct messaging through e-mail, through co-management bodies (Workers' Council) and unions, and especially through individual gestures, which have an important impact on the motivation of employees and on improving the atmosphere within the Company (e.g. chocolates for female employees on Women's Day). Our magazine Naš stik remains an important communications medium.

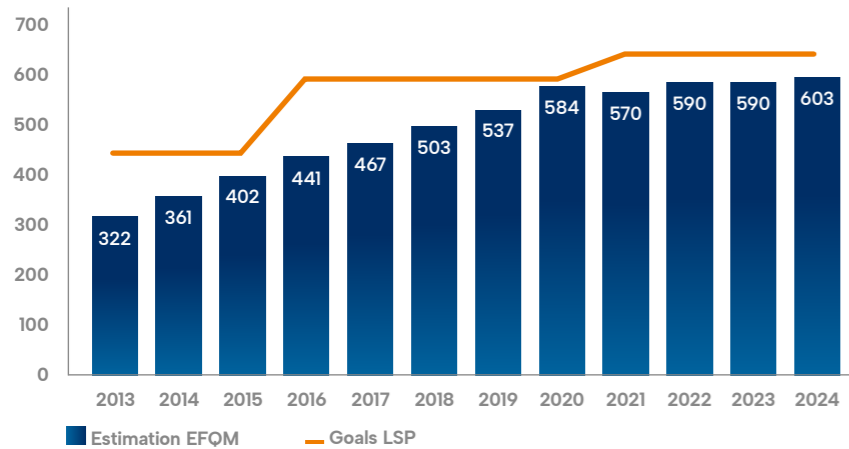
The traditional events of the Company play a key supporting and bridging role. ELES has organised events that contributed to strengthening the corporate connection of employees: The Open Day event for children, the visit of Father Frost (both in line with the title Family-Friendly Company), 12<sup>th</sup> Elektrofest (together with the Milan Vidmar Electric Power Research Institute, the Faculty of Electrical Engineering at the University of Ljubljana, and GEN energija), meeting retired people, Company Day and the New Year's gathering, and the 13<sup>th</sup> ELES Strategic Conference (14 and 15 November 2024).



## 2.7 Intellectual capital

### 2.7.1 Important Results and Key Indicators

Self-assessment using the EFQM model



### 2.7.2 Material and sustainability targets

Material	Impact	Risk/ Opportunity	Sustainability targets
Introducing new digital tools and artificial intelligence	4.5	4.0	use of state-of-the-art IT tools
Development of own IT solutions	3.8	3.0	developed own IT knowledge
Comprehensive data management	4.3	4.0	reliable access to the correct data
Introducing digital ambassadors	3.6	3.0	efficient transfer of IT know-how

### 2.7.3 Key risks and opportunities

Risk	Opportunity	Estimate (R,O)
The SOC/VOC means of action is not defined and neither is its role in the Company	The placement of VOC into the LSP – with a clear vision of development and strategy of operations with defined strategic targets.	20.5
Intentional or unintentional abuse of administrator rights	Accelerated introduction of project I670-001/Establishment of the identity management system in IS in the production environment and training/ certifying own system engineers.	20.4
Disturbances in the SVEES operations during the software and hardware upgrade (S.165) (ESRS)	The SVEES upgrade is an opportunity for us to adopt the tried and tested processes of establishing and launching complex critical systems.	9.3
Errors of employees at work due to unclear legislation and a lack of administrative and legal practices	Organising regular training sessions and workshops with legal professionals and professionals for specific areas of legislation, tailored to specific challenges of employees. Introduction of internal legal support. Promoting proactive thinking among employees, seeking possible legislative risks and resolution recommendations before issues arise.	8.4
The willingness of process administrators to adjust processes to new technologies and trends	Increasing the digital competencies of employees with training sessions and pilot projects aimed at using new technologies.	6.3

No material risk had been realised in 2024.



## 2.7.4 Other disclosures

### Standards management

The integrated management system in the Company represents a comprehensive approach to organisational leadership based on the process model. The system allows the Company to harmonise and direct its activities and processes in line with the established models and standards. The main aim of the integrated management system is to ensure methodological support for the Company management in its organisational support. In the scope of its integrated management system, certain policies have been established that include all the important segments of Company operations. These policies set the foundations for the implementation of standards and guidelines and ensure the compliance of operations with the prescribed requirements. We are implementing integrated revisions (internal and external) of certified management systems, such as: ISO 9001 (Quality Management System), SIST EN ISO 14001 (Environmental Management System), BS ISO/IEC 27001 (Information Security Management System), SIST EN ISO 45001 (Occupational Health and Safety Management System), ISO 55001 (Asset Management System), SIST EN ISO/IEC 17020 (Competence of Bodies performing Inspection). These revisions are a key mechanism for the constant improvement of Company operations and achieving the highest standards of quality, environmental responsibility, information security, health and safety at work, asset management and other relevant areas. Principles and guidelines of other standards are also considered in the implementation of integrated revisions, such as ISO 31001 (Risk Management System). This allows the Company to comprehensively address its activities and processes and to improve its operations on all levels.





## 2.8 Company corporate governance

### 2.8.1 Material and sustainability targets

Material		Impact	Risk/ opportunity	Sustainability targets
Preparation of measures for the various scenarios of changes in the environment due to green transition adjustments	Q3c	4.4	4.0	To become the backbone of the green transition
Managing changes on the Company level	Q4g	4.1	4.2	Zero opposition to the necessary changes
Expanding controlling competencies to cover the area of efficiently implementing internal processes in the Company	Q4h	4.6	4.0	Data management for efficient management

### 2.8.2 Governance structure

The content is presented in chapter 3.6.1.

#### Supervisory Board

Supervisory Board		from 1 January to 31 December 2024
<b>Chairman</b>		Andrej Ribič, MSc
<b>Deputy Chairman</b>		David Skornšek, MSc
<b>Member</b>		Damjan Matičič
<b>Member</b>		Denis Kostrevc, MSc
<b>Member – employee representative</b>		Simon Volk
<b>Member – employee representative</b>		Andrej Semprimožnik

#### The Audit Committee of the Supervisory Board

The Audit Committee of the Supervisory Board		from 1 January to 31 December 2024
<b>Chairman</b>		David Skornšek, MSc
<b>Deputy Chairman</b>		Denis Kostrevc, MSc
<b>External member</b>		Romana Jontes

#### The ELES Development, Strategy and Investment Projects Committee

The ELES Development, Strategy and Investment Projects Committee		from 1 January to 31 December 2024
<b>Chairman</b>		Damjan Matičič
<b>Member</b>		Andrej Ribič, MSc
<b>Member</b>		Andrej Semprimožnik
<b>Member</b>		Simon Volk

#### HR committee

HR committee		from 1 January to 31 December 2024
<b>Chairman</b>		Denis Kostrevc, MSc
<b>Deputy Chairman</b>		David Skornšek, MSc
<b>Member</b>		Andrej Semprimožnik

## 2.8.3 Governance Statement

Pursuant to Article 70, paragraph six of the Companies Act, ELES, d. o. o., Hajdrihova ulica 2, 1000 Ljubljana (ELES), declares, for the period between 1 January 2024 and 31 December 2024, as follows.

### 1. Compliance of governance

Based on the analysis of the business processes, the Company Director of ELES hereby declares that the governance of ELES in 2024 was in line with the law, the Memorandum of Association of ELES, d. o. o., the operator of the combined electricity transmission and distribution network, of 21 September 2023 (Memorandum of Association of ELES), the Corporate Governance Code for Companies with Capital Assets of the State of December 2023 as adopted by the Slovenian Sovereign Holding. (The SSH Code) and the Recommendations and Expectations of the Slovenian Sovereign Holding December 2023 (SSH Recommendations).

The Company Director hereby declares that the Annual Report, with all its component parts, including the ELES Governance Statement, has been compiled and published in line with the Companies Act, the Electricity Supply Act (hereinafter: ZOEE) and the Slovenian Accounting Standards.

The Governance Statement is an integral part of the Annual Report for 2024.

### 2. Statement of Compliance with the Corporate Governance Code for Companies with Capital Assets of the State and the Recommendations and Expectations of the Slovenian Sovereign Holding.

In line with the second paragraph of item 2.2 Ordinance on the state-owned assets management strategy of 16 July 2024, ELES is obligated to respect the SSH Code and SSH Recommendations under the principle of "respect and explain". The number of individual recommendations and expectations is changing in the SSH Recommendations because the content of this document is generally updated once every year, whereby new recommendations and expectations are added in line with the current issues, and general ones are transferred to the SSH Code. The SSH Code and SSH Recommendations are available to the public on the SSH website.

Taking into account ELES's activities and other specific features, the Company applied the Code and Recommendations to a considerable extent. The 2024 deviations are explained below:

- Recommendation No. 3.8 regarding the formation and adoption of the "Diversity Policy" in management and supervisory bodies regarding gender, age and professional profile: This recommendation is not being used because the Supervisory Board members are confirmed by the Government of the Republic of Slovenia, while the Management Board comprises only one member. We therefore have no diversity policy at ELES.
- Recommendation 6.5 regarding the adoption of the annual workplan for the Supervisory Board

and the Audit Committee: This recommendation is being carried out partially. The Audit Committee of the Supervisory Board had an annual work plan prepared for 2024, and it discussed the topics that fall under its scope prior to the discussion at the Supervisory Board. The Supervisory Board did not prepare a special work plan for 2024.

- Recommendation 6.10 regarding the preparation of the competency profile for members of the Supervisory Board in terms of the optimal size and structure of the Supervisory Board: This recommendation is not being used because the Supervisory Board members are confirmed by the Government of the Republic of Slovenia.
- Recommendation No. 6.19 regarding the candidate selection process for the position of Supervisory Board Member: This recommendation is not being used because the candidate selection process for Supervisory Board members is in the domain of the Company founder, the Government of the Republic of Slovenia. The candidate selection process for the function of Supervisory Board members and worker representatives is in line with the Act on Worker Participation in Governance.
- Recommendation No. 7.10 regarding the preparation of the succession policy for training potential candidates from the pool of employees that could be suitable candidates for the managerial functions in the company: this recommendation is used *mutatis mutandis* at ELES regarding the succession policy for managerial positions at the company. Pursuant to the ELES Memorandum of Association, the Company Director is chosen based on a public tender.

ELES did not consider the SSH Recommendations in 2024 in full:

- Recommendation No. 1 regarding the three-year planning of the Company and Recommendation No. 2 regarding the periodic reporting on Company operations: Due to the regulated activity of the combined transmission and distribution system operator, ELES is unable to observe all the planning and reporting periods and methods required by the SSH, which is why the Ministry set new planning and reporting periods and methods that can be observed by ELES in its operations.
- Recommendation no. 6.4 regarding the accessibility of the General Meeting materials: Documents that are considered at the general meeting are business secrets, which is why ELES does not publish them on its website. However, all interested publics are informed properly and in due time about any important resolutions adopted at the ELES general meeting.
- Recommendation No. 7.2 regarding specific targets in the sustainability strategy: In climate actions concerning the reduction of GHG emissions, ELES has defined specific targets (the gradual electrification of Company vehicles, the placement of solar power plants for own commercial use, and the energy renovations of buildings) to reduce Scope 1 GHG emissions by 2030. To reduce Scope 2 GHG emissions where the majority (99%) falls on indirect emissions from the purchase of electricity to cover losses in the electricity system, no targets have been set because physical losses are occurring due to the transfer and distribution of electricity from producers to end consumers. ELES has no direct impact on



GHG emissions during electricity production, and the purchase of certificates of origin is not economically viable because the costs would be passed down to the end consumers paying network charges. As per the EU decarbonisation targets and commitments of Slovenia, GHG emissions are expected to decrease in the coming years, whereby indirect Scope 2 emissions will be reduced for ELES. Indirect Scope 3 GHG emissions are being monitored in a limited scope; the largest part is represented by the acquisition of fixed assets, for which a system for the collection and calculation of emissions will be established in the coming years, as will the measures for their reduction.

- Recommendation No. 7.9 regarding the inclusion of sustainable operations risks in the risk management system: ELES has not yet included the recognised sustainable operations risks into its risk catalogue in full. The risks that are also process risks and sustainable operations risks have already been included. The remaining risks will be included in the financial year of 2025.
- Recommendation No. 7.11 regarding the decarbonisation plans with the targets and measures to reduce GHG emissions: GHG emission reduction targets have been set for the period until 2030, i.e. direct Scope 1 emissions. The targets for indirect Scope 2 emissions have not been defined yet because due to the reasons explained in relation to Recommendation No. 7.2, the EU targets and Slovenia's commitments by 2030 or 2050 are already being considered – these emissions will be reduced through the decarbonisation process

of the electricity production sector. The targets for reducing Scope 3 GHG emissions have also not been set because we are not yet monitoring the important categories.

- Recommendation No. 7.14 regarding the connection of targets in the sustainability area with the system of incentives, e.g. by rewarding the management and other employees: This recommendation is not being used because the Supervisory Board members are confirmed by the Government of the Republic of Slovenia, and the Supervisory Board appoints the Management Board. Incentives are linked to achieving other targets.
- Recommendation No. 7.16 regarding the circular economy: ELES is not producing any products and services where natural resources would be consumed. Material resources that have not yet been quantified are being brought into the company in the acquisition/purchase phase of fixed assets. In the coming period, ELES will carry out activities for the introduction of the circular economy.
- Recommendation No. 8.2 regarding the implementation of the National Plan of Action of the RS for respecting human rights in the economy, which is to be confirmed through the signing of the commitment to respect human rights in the economy with the Ministry of Foreign and European Affairs: In line with the Code of Ethics, ELES respects human rights, even though it has yet to sign the respective commitment. ELES is an ambassador of corporate integrity as it has signed the Slovenian Guidelines on Corporate

Integrity and the Declaration of the fair operation of the Slovenian association of the United Nations for sustainable development, which reasonably summarises activities from recommendation no. 8.6 regarding responsible operations and respect for human rights.

### 3. Modern management and supervision system

ELES has put in place a modern management and supervision system, under which activities and responsibilities are divided among the holders of three lines, which, in professional circles, counts as one of the best practices for effective risk management in the organisation:

- the Company Director provides a proper internal environment with a top-down corporate culture, while sector directors within the scope of the first line develop and implement internal control measures based on an assessment of operational risks in order to ensure compliance and the attainment of targets;
- in doing so, they rely on the second line, which is a framework for identifying and monitoring operations comprising: the management system, risk management, corporate integrity, corporate safety, legal affairs, HR management and development, relations with the regulator, controlling and public relations;
- the internal audit service, as the third line, subsequently identifies compliance and performance.
- ELES reports to, or rather also cooperates with, external inspection bodies, i.e. the Company's

Supervisory Board and its committees, the Government of the Republic of Slovenia or the Ministry of the Environment, Climate and Energy (MECE), which is responsible for energy, inspectorates consisting of individual ministries, the European Network of Transmission System Operators (ENTSO-E), the European Commission, the external auditor of financial statements under the Companies Act, Slovenian Sovereign Holding (SSH), National Review Commission, Commission for the Prevention of Corruption, Court of Audit, Agency for the Cooperation of Energy Regulators (ACER) and the Energy Agency, which lays down or regulates the business performance of the Company, alongside major stakeholders.

As per the Electricity Supply Act (hereinafter: ZOEE), the Republic of Slovenia is the only company member of ELES. Based on the ZOEE and the Company's Memorandum of Association, the Republic of Slovenia realises its founder's rights through the Government of the Republic of Slovenia.

### 4. Composition and Committees of the Supervisory Board

Pursuant to the ELES Memorandum of Association, the Supervisory Board comprises six members. The General Meeting appoints four members, while two members are employee representatives and are appointed by the Workers' Council at ELES. Supervisory Board members are appointed for a term of 5 years and may be reappointed.



In 2024, the Supervisory Board had the following committees:

- the Audit Committee of the Supervisory Board,
- the ELES Development, Strategy and Investment Projects Committee,
- the HR committee.

The tasks and competences of the Supervisory Board are laid down by: the Companies Act, ELES Memorandum of Association and the Rules of Procedure for the ELES Supervisory Board. The composition and operations of the Supervisory Board and its Committees in 2024 are presented in the 2024 Report on the work performed by the Supervisory Board of ELES, which forms part of the ELES Annual Report for 2024. The remuneration received by the Supervisory Board members is presented in chapter 4.8.2.

### 5. The role of the Company Director

Pursuant to the ELES Memorandum of Association, the Company Director manages Company operations and work, represents the Company and is responsible for the legality of operations. Among other things, they must also plan operations and determine its internal organisation. The Company Director must operate in line with the adopted strategy and business plans. The Company Director has adopted the Rules of Procedure for the management of ELES, d. o. o.

The Company Director cooperates with the following working bodies:

- strategic conference,
- Directors' board meeting,
- sector directors' board meeting,
- specialist councils,
- the Director's crisis and emergency management board.

The Company Director also holds regular periodic consultations with the Workers' Council and trade union representatives. During the management, planning, implementation, monitoring, analysis and control of Company operations and activities, the 4 eyes or more principle is implemented to the maximum possible extent. Activities that have most characterised ELES in 2024 are presented in the Company Director's address, which forms part of the ELES Annual Report for 2024. The remuneration received by the Company Director is presented in chapter 4.8.2. The Director's work is monitored by the Supervisory Board. The Company Director and the Supervisory Board work closely for the benefit of the company. The ELES Memorandum of Association defines the allocation of responsibilities between the Company Director and the Supervisory Board and the method of their cooperation. When adopting the most important decisions that could have material impacts on the commercial, financial or legal state of the company, the Company Director and the Supervisory Board must strive to reach consent. The Company Director informs the

president of the Supervisory Board about significant events that are necessary for the assessment of the position and consequences and also for company management. The Company Director and the Supervisory Board harmonise their viewpoints at regular and extraordinary sessions of the Supervisory Board.

### 6. Integrated management system policies

ELES has put in place policies for all segments of the integrated management system, which are regularly reviewed and duly amended in a management review. Management policies include:

- Sustainable Development Policy;
- ELES Management Policy;
- Quality and Excellence Policy;
- Risk Management Policy;
- Asset Management Policy;
- Environmental Management Policy;
- ELES Umbrella Security Policy;
- Information Security Policy;
- policy for the management of the continuous operation of core services;
- Occupational Health and Safety Policy;
- HR policy;
- communication policy
- project implementation policy;
- other business policies.

Integrated assessments (internal and external) of certified management systems are implemented according to the ISO 9001 standard for the quality management system, ISO 14001 standard for the environmental management policy, ISO 27001 standard for the information security management system, ISO 45001 standard for the occupational health and safety management system, ISO 17020 for the system of managing inspection bodies, and ISO 55001 for the system of managing assets in order to assess conformity. The ISO 31000 standard is considered for risk management. The international standards are the main source and opportunity for continuous improvement and hence the attainment of the set company vision to efficiently link the energy systems and users.

Ljubljana, 17 June 2025



**ELES, d. o. o.**  
Company Director  
**Aleksander Mervar, MSc**

## 2.8.4 Supervisory Board report

The ELES Supervisory Board consists of four representatives of the company founder: Andrej Ribič, MSc, Supervisory Board President, David Skornšek, MSc, Supervisory Board Deputy President, and members Damjan Matičič and Denis Kostrevc, MSc. Two representatives of workers are also members: Simon Volk and Andrej Semprimožnik.

The members of the Supervisory Board disclosed in 2024 that they are members of the management and supervisory boards of affiliated or non-affiliated companies: Andrej Ribič, MSc, is the president of the Slovenian Kayak Association and was a management board member at DARS d. d. until November 2024, then he became its president; David Skornšek, MSc, was the president of the management board of DARS d. d. until November 2024, then he became its member. Damjan Matičič is the director of KOOFR d. o. o. and a member of the management board of the Slovenian Technology Forum. Denis Kostrevc, MSc is the company director of the Law firm Kostrevc d. o. o.. Other members of the Supervisory Board are not members of supervisory and management boards of affiliated or non-affiliated companies.

The Supervisory Board members excluded themselves from voting in 2024 in the event of an actual or potential conflict of interest. Exclusion from voting was noted in the minutes of sessions of the Supervisory Board and in the results of the voting for each set.

In 2024, the Supervisory Board had the following:

- The Audit Committee, comprising: David Skornšek, MSc, Committee President, and Denis Kostrevc, MSc, Committee Deputy President, and Romana Jontes, external member. The committee met at twelve sessions, adopting 94 resolutions. All the committee members were present at all committee sessions.
- The ELES Development, Strategy and Investment Projects Committee, operated with the following composition: Damjan Matičič, Committee President, Simon Volk, Committee Deputy President, Andrej Ribič, MSc, and Andrej Semprimožnik, both members. The Committee convened at six regular sessions, where 39 resolutions were adopted. Andrej Ribič, MSc was absent from the eighth session, and all the members were present at the remaining Committee sessions.
- The HR Committee comprised: Denis Kostrevc, MSc, Committee President, David Skornšek, MSc, Committee Deputy President, Andrej Semprimožnik, member. The committee convened at two sessions, where eight resolutions were adopted. The committee members were present at all committee sessions.

In 2024, the Supervisory Board of ELES, d. o. o. met at eight regular sessions and two correspondence sessions, at which it adopted 97 resolutions. David Skornšek, MSc was absent from the 25<sup>th</sup> session, Denis Kostrevc, MSc was absent from the 28<sup>th</sup> session, and all the members were present at the remaining Committee sessions.

ELES, d. o. o. (hereinafter "Company") regularly carried out its tasks and activities, and the Supervisory Board provided the conditions and guidance for achieving the business and strategic targets.

In 2024, the Supervisory Board considered:

- ongoing business decisions, monthly, quarterly and nine-month business results;
- the operations of companies in the ELES Group through periodic reports;
- the annual report for 2023 with the report of the audit firm Mazars d. o. o.;
- the Company Director's proposal for the allocation of the available profit;
- proposals for resolutions to be adopted at the regular General Meeting;
- public tenders and proposals for contracts in these procedures that are above the value defined in Article 21, paragraph two of the Memorandum of Association of ELES, d. o. o., operator of a combined transmission and distribution electricity network;
- The annual plan of the Internal Audit and the realisation of the recommendations for internal audits, the proposal of the new basic document for the Internal Audit;
- information of the Company Director on the changes to the network charge and methodology of the Energy Agency;
- the Rules on criteria for the allocation of assets and liabilities, costs, expenses and revenues in the activities of ELES, d. o. o.;

- *the bonus proposal to the Contract on auditing financial statements no. 138/2022;*
- information on the situation and activities concerning cyber risks and security of information solutions;
- report on the D&O collaterals and tax discussions of premiums for insuring the responsibilities of the management and supervisory body members;
- and granted its consent to the Annual and Mid-term Plan of the Company and the ELES Group 2025-2027 and familiarised itself with the mid-term plan of the ELES Group 2023-2025;
- audited Annual Report of ELES, d. o. o. for 2023 with the auditor's opinion;
- considered the proposals of the lease contract of the electricity infrastructure and the provision of services for the distribution operator activity;
- proposal of the Transmission System Development Plan for the period of 2025-2034.

The Supervisory Board regularly checked the implementation of the Company's annual plan.

Through its Audit Committee, the Supervisory Board monitored in detail the progress made in the auditing of the financial statements and the findings of the statutory auditor. The Committee verified the independence of the statutory auditor, it discussed the additional report of the statutory auditor to the Audit Committee in line with Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014, it discussed the annual report of the company for 2022, and it created a proposal for the Supervisory Board and managed the quality of the

statutory auditor's operations. The Audit Committee was informed about the risk catalogue and risk management system, including their updates. It monitored the work performed by the Internal Audit and considered the Internal Audit's annual plan for 2024. It also discussed the Rules on criteria for the allocation of revenues, costs, expenses, assets and liabilities in individual unregulated activities of ELES, d. o. o. Furthermore, it considered the situation and progress made in corporate integrity, the review of the realisation of the Internal Audit recommendations and quarterly information on Company and Group operations, the reasons for the *addendum to the Contract on the Audit of Financial Statements no. 138/2022*, and the report on the status and reform of the information security system. The Committee performed a self-assessment. The Committee representatives also participated in the process of selecting the new head of the Internal Audit. The Committee participated with the statutory auditor in defining the key auditing areas for 2024, it familiarised itself with the company plan in terms of sustainability and also with the report of the statutory auditor following the performed pre-audit.

Through the ELES Development, Strategy and Investment Projects Committee, the Supervisory Board monitored activities for the takeover of a 110kV network, the annual plan of public contracts, and the quarterly public procurement notices and their realisation. It also monitored the largest Company projects and occasionally familiarised itself with detailed reports on the status of each important project of the Company.

The Supervisory Board received a proposal from the HR Committee of the Supervisory Board to pay out the variable remuneration of the Company Director for 2023. This committee reviewed the fulfilment of the conditions from the employment contract and also from the Act on the Remuneration of Managers in Companies in Majority Ownership of the Republic of Slovenia and Self-Governing Local Communities.

Based on Article 21, paragraph two of the consolidated text of the Memorandum of Association of ELES, d. o. o., operator of a combined transmission and distribution electricity network, the Supervisory Board was promptly informed of proposals and amendments to contracts that exceeded EUR 1 million and granted the relevant consents.

The Supervisory Board has familiarised itself with the process of selecting the new head of the Internal Audit and gave its consent to the appointment and remuneration of the new head of the Internal Audit. The Internal Audit also notified the Supervisory Board in detail about the new Global Internal Auditing Standards and the proposal of the new basic document, to which it also gave its consent.

The Supervisory Board also discussed the proposal of the Transmission System Development Plan for the 2025–2034 period.

At its 24<sup>th</sup> session on 8 July 2024, the Supervisory Board addressed the ELES Annual Report for 2023, together with the audit report and auditor's opinion

of the Mazars d. o. o. audit firm. On the basis of the familiarisation with the report of the Audit Committee of the Supervisory Board, the latter reviewed the annual report, it familiarised itself with the audit report and the audit opinion of the company Mazars d. o. o. and in line with the consolidated Memorandum of Association of ELES, d. o. o., operator of a combined transmission and distribution electricity network, it gave a positive opinion on the annual report of ELES, d. o. o. for 2023 with the auditor's report and opinion.

The Supervisory Board also performed a self-assessment in 2024.

In Ljubljana, 7 July 2025



Supervisory Board of ELES, d. o. o.  
chairman  
Andrej Ribič, MSc



# 03 Sustainability report



## 3. Sustainability statement

### 3.1 ESRS 2 General disclosures

#### 3.1.1 BP-1 General basis for the preparation of the sustainability statement

Sustainability aspects of operations (environmental, social and governance) are part of the ELES mission and strategic directions. We have been gradually integrating them into our business processes for 25 years through the introduction of ISO systems, thus promoting the transition to more sustainable operations. In previous years, we reported on a limited scope of sustainability topics in the scope of non-financial reporting in line with the requirements of the Companies Act (ZGD-1) and GRI standards (international guidelines for sustainability reporting).

ELES is committed to reporting on sustainability for the financial year of 2024 in line with the following:

- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting;
- Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards;
- Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities.

The Sustainability Statement of ELES has been prepared on an individual basis in the same scope as the financial statements.

The Sustainability Statement does not include the higher and lower parts of the value chain. Due to its small size compared to the size of important suppliers of electricity equipment and final products, and based on the very small market share that ELES represents for these suppliers, ELES has no influence on the decisions in the higher part of the value chain in matters regarding sustainability. Part of the suppliers or service providers used by ELES are prescribed by the EU or Slovenian legislation, and some are the only ones providing a certain service in the area in which the Company operates. ELES is also committed to respecting the legislation in public procurement and legislation governing the supply of electricity. Because electricity is an end product, and its transmission and distribution is an end service prescribed by legislation to be provided to all end consumers in a non-discriminatory way and under equal conditions, ELES has no impact on the decisions in the lower value chain in matters regarding sustainability.

We did not use the option to leave out privileged information referring to intellectual property, know-how and experience or results of innovations, and the possibility allowed by Slovenia to leave postulated events or matters out of disclosures that are subject to negotiations.

#### 3.1.2 BP-2 Disclosures regarding special circumstances

ELES is committed to respecting the Slovenian and EU legislation in providing a reliable supply of electricity, access to the grid, the rules of the internal market with electricity and in the area of environmental protection and public procurement.

##### Governance system and obtained certificates

The integrated governance system in the organisation represents a comprehensive approach to leadership based on the process direction. The system allows the organisation to efficiently harmonise and direct its activities and processes in line with the established models and standards.

Policies have been defined in the scope of this system that cover all the key segments of the organisation's operations. These policies set the foundations for the implementation of standards and guidelines and ensure the compliance of operations with the regulations.

We carry out comprehensive reviews of the certified governance systems once per year, both internal and external, whereby we consider the following standards:

- ISO 9001:2015 (quality management system),
- SIST EN ISO 14001:2015 (environmental management system),
- BS ISO/IEC 27001:2013 (information security management system),
- SIST EN ISO 45001:2018 (health and safety at work management system),
- ISO 55001:2014 (asset management system),
- SIST EN ISO/IEC 17020:2012 (competence of bodies performing inspection).

These reviews are a key mechanism for the continuous improvement of the organisation's processes and for providing the highest standards in the areas of quality, safety, environmental responsibility and asset management. Our reviews also consider the guidelines of other standards, such as ISO 31001:2018 (risk management system) and ISO 22301:2019 (continuous operations management system), which allows the organisation to perform comprehensive reviews of its activities and to improve operations in the long term.

At ELES, we have held the Family-Friendly Company certificate since 2010, and we received the full Family-Friendly Company certificate in 2013. With the adopted measures, we are giving employees the chance to easily manage their work-to-life balance.

Forvis Mazars, d. o. o., an external provider of sustainability guarantees, verified the reporting compliance with the disclosure requirements from ESRS.

## Time periods used by ELES

The short-term period that the Company uses as the reporting period in its financial statements is the calendar year.

For the mid-term period, ELES is using the period of one to three years for the preparation of the mid-term plan and the period from one to five years for the preparation of the LSP and the investment plan.

The long-term period is the period exceeding five years, which the Company uses in the preparation of the ten-year development plan of the transmission system and distribution system.

The mid-term plan is prepared by ELES in line with the SSH Recommendations and Expectations, which is also outlined by the Ministry, every year for the next three years.

The LSP of ELES operations is prepared every five years on the basis of the Memorandum of Association of ELES, d. o. o., the operator of the combined electricity transmission and distribution network, which is discussed at the Supervisory Board and adopted at the ELES General Meeting.

As per Article 117 of the ZOEE, Official Gazette of RS, No. 172/21, ELES, for the purpose of determining the regulatory framework, is preparing an investment plan for the transmission and distribution system for the period of the regulatory framework (5 years) and submits it to the Agency by 31 January in the year in which the EA decides on the regulatory framework.

In line with Article 49 of the ZOEE for the transmission system and Article 76 of the ZOEE for the distribution system, ELES creates the transmission and distribution system development plan for the period of ten years every two years, which must be in line with the NECP (National Energy and Climate Plan), and obtain consent from the Agency.

## Sources of uncertainty in assessments

The uncertainty relating to the assessment of reducing GHG emissions, particularly Scope 2, which will depend on how quickly the transition of electricity production will change from fossil sources to RES.

We assume that, in line with the EU and NECP targets, we will be able to reduce GHG emissions in the mixture of electricity production sources by at least 10% by 2030. Future-oriented information is not reliable.

## Changes in the preparation or presentation of sustainability information

In previous annual reports, ELES reported on sustainability in line with some GRI standards or expectations of external stakeholders. For the financial year of 2024, ELES has reported in line with the ESRS standards for the very first time.

## Corrections of errors in reporting in the previous period

Corrections of quantitative information are in the GHG emission reports for 2023. The calculation of Scope 2 GHG emissions has been updated, whereby the last location emission factors for electricity and heat for 2023 have been used, published by the Jožef Štefan Institute (IJS), as well as the market emission factors for electricity and heat published by the EA for the remaining structure of electricity production sources and Energetika Ljubljana for district heating.

## List of requirements included by reference

A table of information shown through the option of reference in line with item 91. ESRS 1

DR	Description of the disclosure requirement (DR)	Chapter
<b>ESRS 2 – General disclosures</b>		
BP-2	Disclosures regarding special circumstances	1.10.2
GOV-5	Risk management and internal reporting controls on sustainability	3.1.2
SBM-1	Strategy, business models and value chain	1.10 and 1.11
IRO-2	Disclosure requirements under the ESRS included in company sustainability statements	3.1.2
<b>ESRS E1 – Climate change</b>		
E1-3	Measures and sources regarding policies concerning climate change	3.2.7
<b>ESRS E4 – Biodiversity and ecosystems</b>		
IRO-1	Description of procedures for the definition and assessment of material impacts, risks, dependencies and opportunities related to biodiversity and ecosystems	3.3.1
E4-2	Policies related to biodiversity and ecosystems	3.2.6
<b>ESRS S1 – Own workforce</b>		
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	3.6.3
S1-6	Characteristics of the undertaking's employees	4.6.6
S1-9	Diversity metrics	1.8
<b>ESRS G1 – Business conduct</b>		
GOV-1	The role of governance, supervisory and management bodies	3.1.3

In line with Addendum C as the integral part of the ESRS 1, ELES has left out information for the year 2024 defined with the disclosure requirements in the ESRS S3 and ESRS S4.



In line with Addendum C as the integral part of the ESRS 1, ELES has left out information for the year 2024 defined with the disclosure requirements in the ESRS S3 and ESRS S4.

Sustainability topics and related disclosure requirements (DR) have been defined on the basis of ELES' double materiality assessment presented in chapter 1.10.2.

In assessing the double materiality, the material topics disclosed by ELES in this sustainability statement include the required disclosures from the E1, E4, E5, S1 and G1 thematic standards.

The sustainability statement includes four key areas of reporting:

- General disclosures (ESRS 2);
- Environmental information (ESRS E1, E4 and E5 and the disclosure in line with Article 8 of Regulation 2020/852 (taxonomy regulation));
- Social information (ESRS S1);
- Governance information (ESRS G1).

Table of contents of ESRS disclosures

DR	Description of the disclosure requirement (DR)	Chapter in the annual report
<b>ESRS 2 – General disclosures</b>		
BP-1	General basis for the preparation of the sustainability statement	3.1.1
BP-2	Disclosures regarding special circumstances	3.1.2
GOV-1	Role of governance, management and supervisory bodies	3.1.3
GOV-2	Information submitted to the governance, management and supervisory bodies of the Company, and sustainability matters that these bodies are handling	3.1.4
GOV-3	Inclusion of sustainability-related performances in the incentives system	3.1.5
GOV-4	Due diligence statement	3.1.6
GOV-5	Risk management and internal reporting controls on sustainability	3.1.7
SBM-1	Strategy, business models and value chain	3.1.8
SBM-2	Interests and views of stakeholders	3.1.9
SBM-3	Important impacts, risks and opportunities and their connection with the strategy and business models	3.1.10
IRO-1	Description of the process for the definition and assessment of material impacts, risks and opportunities	3.1.11
IRO-2	Disclosure requirements under the ESRS included in company sustainability statement	3.1.12
MDR-P	Policies adopted for managing important sustainability matters	3.1.13

DR	Description of the disclosure requirement (DR)	Chapter in the annual report
<b>Environmental information</b>		
/	Disclosures in line with Article 8 of Regulation (EU) 2020/852 (taxonomy regulation)	3.2.5
<b>ESRS E1 – Climate change</b>		<b>3.2</b>
GOV-3	Inclusion of sustainability-related performances in the incentives system	3.2.1
SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	3.2.2
IRO-1	Description of procedures for the definition and assessment of material climate-related impacts, risks and opportunities	3.1.2
E1-1	Transition plan for mitigating climate change	3.2.4
E1-2	Policies regarding the mitigation of climate change and adapting to it	3.2.6
E1-3	Measures and sources regarding policies concerning climate change	3.2.7
E1-4	Goals regarding the mitigation of climate change and adapting to them	3.2.7.1
E1-5	Consumption of energy and mixture of energy sources	3.2.8
E1-6	Gross Scope 1, 2 and 3 GHG emissions and total GHG emissions	3.2.9
E1-7	Removals of GHG and GHG emission reduction projects financed with carbon credits	3.2.10
E1-8	Determining the internal price of carbon	3.2.11
E1-9	Anticipated financial impacts of important physical and transition risks and possible climate-related opportunities	3.2.12



DR	Description of the disclosure requirement (DR)	Chapter in the annual report
<b>ESRS E4 – Biodiversity and ecosystems</b>		<b>3.3</b>
SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	3.3.1
IRO-1	Description of procedures for the definition and assessment of material impacts, risks, dependencies and opportunities related to biodiversity and ecosystems	3.3.2
E4-1	Transition plan and consideration of biodiversity and ecosystems in the strategy and business model	3.3.3
E4-2	Policies related to biodiversity and ecosystems	3.3.4
E4-3	Actions and resources related to biodiversity and ecosystems	3.3.5
E4-4	Targets related to biodiversity and ecosystems	3.3.6
E4-5	Impact metrics related to biodiversity and ecosystem change	3.3.7
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	3.3.8
<b>ESRS E5 – Resource use and the circular economy</b>		<b>3.4</b>
IRO-1	Description of procedures for the definition and assessment of material impacts, risks and opportunities related to resource management and the circular economy	3.4.1
E5-1	Policies related to resource use and the circular economy	3.4.2
E5-2	Actions and resources related to resource use and the circular economy	3.4.3
E5-3	Targets related to resource use and the circular economy	3.4.4
E5-4	Resource inflows	3.4.5
E5-5	Resource outflows	3.4.6
E5-6	Anticipated financial effects from resource use and circular-economy-related impacts, risks and opportunities	3.4.7

DR	Description of the disclosure requirement (DR)	Chapter in the annual report
<b>Social information</b>		
<b>ESRS S1 – Own workforce</b>		<b>3.5</b>
SBM-2	Interests and views of stakeholders	3.5.1
SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	3.5.2
S1-1	Policies related to own workforce	3.5.3
S1-2	Processes for participation with own workforce and worker representatives regarding impacts	3.5.4
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	3.5.5
S1-4	Adopting measures in relation to important impacts on own workforce and approaches to managing important risks and taking advantage of important opportunities concerning own workforce and the efficiency of the aforementioned measures	3.5.6
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.5.7
S1-6	Characteristics of the undertaking's employees	3.5.8
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	3.5.9
S1-8	Collective bargaining coverage and social dialogue	3.5.10
S1-9	Diversity metrics	3.5.11
S1-10	Adequate wages	3.5.12
S1-11	Social protection	3.5.13
S1-12	Persons with disabilities	3.5.14
S1-13	Metrics of training and developing know-how and skills	3.5.15
S1-14	Health and safety metrics	3.5.16
S1-15	Work-life balance metrics	3.5.17
S1-16	Reimbursement metrics (payment gap and total reimbursement)	3.5.18
S1-17	Incidents, complaints and severe human rights impacts	3.5.19

DR	Description of the disclosure requirement (DR)	Chapter in the annual report
<b>Governance information</b>		
<b>ESRS G1 – Business conduct</b>		<b>3.6</b>
GOV-1	The role of governance, supervisory and management bodies	3.6.1
IRO-1	Description of procedures for the definition and assessment of material impacts, risks and opportunities	3.6.2
G1-1	Business conduct policies and corporate culture	3.6.3
G1-2	Management of relationships with suppliers	3.6.4
G1-3	Preventing and detecting corruption and bribery	3.6.5
G1-4	Confirmed incidents of corruption or bribery	3.6.6
G1-5	Political influence and lobbying activities	3.6.7
G1-6	Payment practices	3.6.8



### 3.1.3 GOV-1 – The role of the administrative, management and supervisory bodies

The ELES management bodies are: the General Meeting, the Supervisory Board and the Company Director.

The role and competencies of the General Meeting are implemented by the RS Government in the role of the founder.

ELES company management is carried out under a two-tier system whereby the Company Director leads the Company and its operations are controlled by the Supervisory Board in line with the sectoral legislation and the Memorandum of Association of ELES.

The Supervisory Board comprises six members, of which the General Meeting appoints four members of the founder's representative, and two members are representatives of workers appointed by the Workers' Council.

ELES does not have a diversity policy in place for representatives in the management and supervisory bodies regarding gender, age and professional profile because SB members are appointed by the RS Government and the Workers' Council and the Management Board only has one member.

The representatives of the management bodies have specific know-how that is key for the efficient and responsible management of the Company in line with the legislation and regulations and meet the statutory conditions for their appointment.

ELES enabled SB members and SB committee members access to professional know-how regarding sustainability topics. The ACSB member took part in the session "Sustainability Reporting Specialist" organised by the Sustainability Reporting Academy, which operates in the framework of the Slovenian Audit Institute.

The Company Director is familiarised with and directing activities regarding environmental, social

and governance matters through the implementation of SGs, which are discussed at the strategic conference of the Company and managerial reviews.

The ACSB members acquaint themselves with the risk catalogue and sustainability topics in the Annual Report and report their findings to the SB members.

The controlled sustainability aspects include own workforce, business conduct, climate change and environmental conduct.

The management prepares and adopts the annual report and sustainability strategy of the Company, and the SB adopts the annual report and familiarises itself with the sustainability strategy.

The Risk Team designs the risk catalogue.

Action targets and financing sources are determined with all the special policies, the Sustainability Strategy, the LSP, the ten-year Transmission and Distribution System Development Plan, the investment plan, and the annual and mid-term plan.

The group for sustainable development comprising 13 employees from individual ELES organisational units that are carrying out activities regarding environmental, social and governance topics (ESG), is collecting data and preparing content for reporting purposes. Individual contents are included in the sustainability statements, prepared by the adviser for the director for sustainable development.

The group for sustainable development is collecting information and reports on that, whereas strategic decisions are prepared on the level of the broader Company management and the management adopts the decisions.

Internal and external auditing is being carried out, the Company Director adopts the reports, and the SB familiarises itself with the results of the audit.

The structure and diversity of governance, management and supervisory bodies (as at 31 December 2024)

	Total	Independency	By gender			By years			
			M	F	%	up to 40	41–50	51–60	over 60
Management	1		1	0	0%	0	0	0	1
Supervisory Board (SB)	6	100%	6	0	0%	0	2	3	1
Audit Committee of SB (ACSB)	3	100%	2	1	33%	0	1	2	0
The Development, Strategy and Investment Projects Committee	4	100%	4	0	0%	0	1	2	1
HR committee	3	100%	3	0	0%	0	1	2	0



## Management structure in 2024:

Name and Surname	Function	Gender	Nationality	Field of Work in Management	Initial Function Appointment / Function End	Education	Professional Profile	Memberships in the Supervisory Bodies of Non-Related Companies
Aleksander Mervar	Company Director	Male	Slovenian	Development of Operations	26.10.2013 / on-going	Master of Science	Competencies in all Management Segments	No

## Structure of the SB and committees in the financial year of 2024:

Name and Surname	Function	Gender	Nationality	Initial Function Appointment / Function End	Capital / Employee Representative	Session Participation / Total Number of Supervisory Board Sessions	Education	Professional Profile	Independency under Article 23 of the Code	Conflicts of Interest in the Financial Year	Memberships in the Supervisory Bodies of Non-Related Companies	Membership in Supervisory Board Committees	Session Participation / Total Number of Committee Sessions
Andrej Ribič	Supervisory Board President	Male	Slovenian	04.06.2022 / on-going	Capital	9/9	Master of Science	Company Organisation and Management, Development Issues	Yes	No	No	Member of the Development, Strategy and Investment Projects Committee	7/7
David Skornšek	Supervisory Board Deputy President	Male	Slovenian	04.06.2022 / on-going	Capital	8/9	Master of Science	Company Organisation and Management, Development Issues	Yes	No	No	Audit Committee President HR Committee Deputy President	12/12 2/2
Damjan Matičič	Supervisory Board Member	Male	Slovenian	04.06.2022 / on-going	Capital	9/9	Bachelor of Electrical Engineering	Competencies in all Management Segments	Yes	No	No	President of the Development, Strategy and Investment Projects Committee	7/7
Denis Kostrevc	Supervisory Board Member	Male	Slovenian	08.06.2022 / on-going	Capital	9/9	Master of Science	Competencies in all Management Segments	Yes	No	No	Audit Committee Deputy President HR Committee President	12/12 2/2
Andrej Semprimožnik	Supervisory Board Member	Male	Slovenian	13.06.2016 / on-going	Employees	9/9	Bachelor of Electrical Engineering	Electrotechnology	Yes	No	No	Member of the Development, Strategy and Investment Projects Committee HR Committee Member	7/7 2/2
Simon Volk	Supervisory Board Member	Male	Slovenian	13.06.2016 / on-going	Employees	9/9	Bachelor of Economics	Electrotechnology	Yes	No	No	Deputy President of the Development, Strategy and Investment Projects Committee	7/7

## External members of SB committees in 2024:

Name and Surname	Function	Gender	Nationality	Committee	Session Participation / Total Number of Supervisory Board Sessions	Education	Professional Profile	Memberships in the Supervisory Bodies of Non-Related Companies
Romana Jontes	External Member of the Audit Committee	Female	Slovenian	Audit Committee	12/12	Bachelor of Economics	Certified Internal Auditor State Internal Auditor Sustainability Reporting Specialist	No



### 3.1.4 GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Sustainability matters are part of the annual and long-term plans. Administrators of sustainability matters report on critical sustainability matters to the Company Director. The supervisory bodies are notified about sustainability matters at regular sessions and comprehensively when the annual report is adopted. Once per year, before the external assessment of the governance systems, the Management System Council performs a managerial review for the Company Director – as a tool for identifying opportunities to improve Company operations, with a focus on the context of the organisation and its operations in the broader environment. The review includes an analysis of internal and external factors that have an impact on the performance of the organisation, as well as harmonisation with the Company's long-term targets:

- appropriateness and relevance,
- performance and efficiency,
- responses to incidents and events,
- harmonisation with the legislation and other requirements,
- risks and opportunities.

The head of the Risk Team reports to the ACSB biannually on the risk management system status and on material risks, and the Director's board meeting is acquainted with the reports and material risks beforehand. Reports are approved by the Management System Council in which the Company Director is also a member. The Directors' board meeting considers the current Company risks every six months. Impacts, risks and opportunities are part of the decision-making process on every important matter.

The list of material risks for discussion is in the report on the revision of the Risk Catalogue.

The ACSB has familiarised itself with the content of the disclosure of each topic of ELES at the Audit Committee sessions.

### 3.1.5 GOV-3 Integration of sustainability-related performance in incentive schemes

The incentives system does not include sustainability-related performance.

### 3.1.6 GOV-4 Statement on sustainability due diligence

The due diligence is performed through internal and external reviews and the internal and external audit. We are not carrying out due diligence per the ESRS. The sustainability report includes all ELES activities, excluding the lower and higher parts of the value chain. In 2025, the internal audit will perform an internal review of the sustainability reporting preparation process.

The main negative impact of ELES' own activities on people and the environment is the placement of the electricity infrastructure and its construction, restoration, maintenance and operation. During construction, restoration and maintenance works, negative impacts may occur, such as noise, dust, interventions on private property, damage to access paths due to the changed use of land, and impacts of undergrowth cutting on biodiversity. ELES is carrying out all measures to mitigate these impacts in line with the legislation. During the operation of the electricity infrastructure, noise is generated in its direct vicinity,

as well as electromagnetic radiation, which is being monitored in line with the regulations and measures are implemented to reduce these impacts when the limits are exceeded.

Due to its size compared to other system operators in the EU and international companies producing electricity devices, ELES has limited options in choosing suppliers (at the higher value chain). During purchases, ELES must also comply with the public procurement legislation and legislation governing the supply of electricity.

ELES has no direct impact on actions performed in the lower part of the value chain regarding sustainability; however, with the timely development of the electricity system, CBTC and the reliable transfer of electricity, it is enabling the transition to greener energy sources in the Republic of Slovenia and the EU.

### 3.1.7 GOV-5 Risk management and internal controls over sustainability reporting

The Company is subject to strict rules and regulations on the national and European level. Changes to legislation, especially in the area of energy policies and environmental regulations, may bring forth new requirements. The Company must guarantee compliance with all regulations and provide transparent reporting on its operations.

With its high standards of management, transparency and corruption prevention, the Company is constantly improving its management integrity in its business practices. This includes public procurement in choosing suppliers, cooperation rules with electricity companies, reporting on operations, and clear communication with the stakeholders. ELES is cooperating with stakeholders (government institutions, industrial associations and environmental organisations) in the development of long-term strategies for the energy sector and is offering support for projects that are improving sustainability development,



such as smart grids and energy efficiency. An audit firm shall independently review the sustainability data for the first time for the year of 2024. The Company did begin developing a quality management system even before 1999 and has so far obtained certificates, which we are listing in chapter 3.1.2 (management system and obtained certificates), while SIQ is independently reviewing the ISO standards.

The internal controls system regarding sustainability reporting is based on the principles of four or multiple eyes. The elements of the risk management and internal controls processes and systems are summarised by processes that apply to the risk and opportunities catalogue. Priority classification of risks is based on the scope of damage, the probability of occurrence, and the impact on Company operations.

The main risks in preparing quantitative values stem from unintended errors in the manual collection of certain data and misunderstanding of the ESRS requirements on including data. Manual data collection is being gradually replaced with the automated processing of documents and preparing of reports. Understanding the ESRS requirements will improve over time and through employee training in the area of sustainability. Risks also include accessibility to specific emission factors (timeliness and existence of data), over which ELES has no influence.

The inclusion of the findings of the risk assessment and internal controls in relation to the process of sustainability reporting into appropriate internal functions and procedures with a description of regular reporting on such findings will be defined after the first report.

### 3.1.8 SBM-I Strategy, business models and value chain

#### Value chain

In 2015, ELES was, in line with the resolution of the Government of the Republic of Slovenia, reappointed to be the electricity transmission system operator, and through the merger of SODO in 2023, it also obtained a concession for the electricity distribution system operator, awarded in 2007. Both concessions were awarded for 50 years. ELES, as the concession holder, has the exclusive right to perform both of these public utility services for the entire territory of the Republic of Slovenia and an exclusive obligation to provide users with a continuous and quality public utility service. ELES itself does not own the necessary electricity distribution infrastructure, which is why it has concluded lease contracts with five electricity distribution companies that own such infrastructure covering certain areas in the Republic of Slovenia for leasing their infrastructure and performing the service of an electricity distribution system operator. Thus, the continuous operation of ELES has been secured.

The ELES value chain includes various phases, from obtaining the necessary resources and technologies for the construction and maintenance of the transmission network, to providing services to customers and participating with various stakeholders, including government institutions, local communities and other partners. In addition, the company is also actively educating and informing the public about the importance of electricity and the sustainable management of energy.

The two key activities of ELES are the transfer and distribution of electricity, and thus the planning, construction, maintenance and the safe and reliable continuous operation of the electricity power network in Slovenia. All other activities of the Company serve as support for this activity or in this value chain.

Power plants are connected to the ELES transmission network and transmit the produced electricity to it, which is then transferred through the high-voltage network through the TSS to the end consumers and to low voltage grids – to the distribution grid all the way to the end consumers. The end consumers (households, commercial and industrial consumers) pay network charges for the electricity taken from the grid, which represents a source for covering the eligible costs of operations of the electricity system operators. In addition to the network charge, an important source of revenue for ELES is the other regulated revenue from the transfer of electricity, mainly CBTC revenue. This revenue is generated by electricity vendors due to the higher demand than the available CBTC capacities. The price of the transmission capacities is determined by the electricity traders, while the tariff is determined by the EA in advance on the basis of the assumed eligible costs of the electricity system operators and other resources from the regulated activity for the future regulatory period.

To ensure the reliable and continuous operation of the electricity power network, the consumption and production of electricity must always be in balance, and stability throughout the grid must be ensured. This is guaranteed by ELES through the purchase of system services on the electricity market or through public auctions at the providers of such services and in cooperation with other system operators who are united in the common synchronous area of continental Europe.

When planning and developing the electricity system, ELES considers future long-term assessments of the electricity needs of the economy and households and the planned inclusion of new production sources because the electricity power network is being built several decades in advance. The construction of the electricity power network is being done with contractors in construction (usually from Slovenia or neighbouring countries) and ED suppliers (mostly from Slovenia and the European Union), whereas maintenance is being done with own employees and contractual partners from Slovenia. During construction and maintenance works, land owners in the area of transmission

line paths play an important role and the Company is concluding easement contracts with them to use the land and access the transmission line pillars.

Key suppliers in the upper part of the value chain:

- legislation, regulatory and supervisory bodies (ministry competent for the energy sector, ministry competent for spatial matters; EA; RS Government);
- suppliers of goods and services:
  - electricity companies in Slovenia,
  - electricity suppliers for covering losses in the transmission and distribution grid (electricity traders and market),
  - providers of system offset services (traders and the offset market),
  - other electricity companies (neighbouring system operators, regional coordination centres and electricity market operator),
  - ED suppliers,
  - providers of construction and trade works,
  - providers of engineering and other intellectual services,
  - providers of IT equipment and IT services,
  - other suppliers;
- land owners within the area of transmission lines and TSS;
- suppliers of financial resources (banks, development funds for grants).

The key part of the value chain in our own activities is employees.

The key consumers in the lower part of the value chain:

- end consumers (households, commercial and industrial consumers);
- electricity producers and energy storage providers;
- electricity traders.

ELES adopted the ELES Sustainability Strategy until 2050 (SSE), which includes the sustainability model of the company, presented in chapter 1.11. Directions from the SSE are considered in the preparation of ELES LSP, and directions regarding investments for the “green” transition are considered in the ten-year transmission and distribution system development plan.

The activities of a systemic transmission system operator and distribution operator are, as per the ZOEE, mandatory public utility services and are carried out in the way defined in the ZOEE, the Energy Act and other subordinate acts. Both activities are heavily influenced by the regulatory environment, which may have an impact on the operating costs and revenue of the Company.

For ELES, the core strategy is its Sustainability Strategy of ELES, which includes all sustainability aspects, even those that have not been recognised and included in sustainability reporting in the scope of defining material matters, as per the EU CSRD Directive and ESRS standards.

ELES has a concession for performing the electricity transmission activity, it does not produce any products and it is operating on the territory of RS. All 610 persons employed at the Company as at 31 December 2024 operated on the territory of RS.

ELES is generating revenue through the transmission of electricity, which may be produced from RES, nuclear fuel or fossil fuels (coal, oil or gas). ELES must allow all electricity producers and traders non-discriminatory and equal access to the electricity transmission system.

ELES is not performing any activities in the sector of fossil fuels, chemicals production, growth and production of tobacco, or controversial weapons.

ELES is constantly striving: to ensure the electricity system in the territory of RS has sufficient transmission capacities required for the input

and offtake of electricity, especially in relation to the connection of new RES and balancing offset service providers; to have sufficient CBTC available with neighbouring countries, whereby electricity vendors are allowed to trade on other markets; all this serves as the basis for the green transition of the entire economy and society both in the RS and in the EU.

ELES is carrying out electricity transmission services and also electricity distribution services through contractual partners. The main market of ELES is the territory of the RS, as well as the area of the entire synchronous continental Europe in relation to cross-border electricity transmission activity.

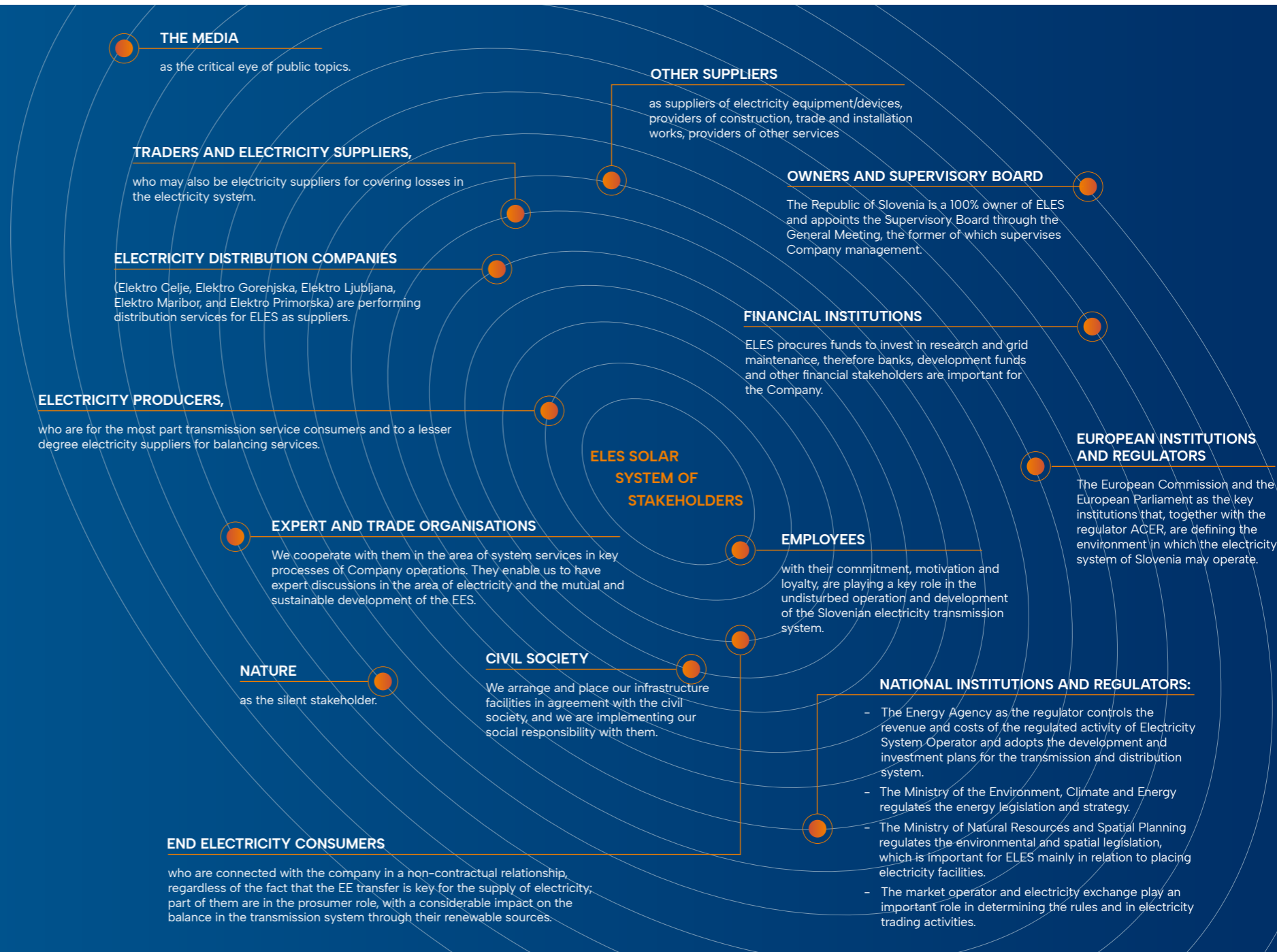
The distribution channel is the transmission and distribution grid.

The business model and value chain are described and outlined in more detail in chapter 1.10.



### 3.1.9 SBM-2 Interests and views of stakeholders

The structure of the key stakeholders of ELES is not a permanent thing; it changes dynamically depending on the complexity of the changes in the broader social environment. With the merger of SODO at the end of 2023, we expanded our scope as a stakeholder in the buyers and consumers group to end consumers of the distribution grid (households). To better understand and cooperate with stakeholders, its structure has been divided into multiple groups, where individual key stakeholders may be present in one or multiple interest groups. Electricity producers are, for the most part, our buyers and consumers because we are performing the electricity transmission service for them whereas they are supplying services and goods for us to a lesser extent. The electricity distribution companies are mostly our suppliers as they are performing the electricity distribution activity for us, and to a lesser extent, we are providing them with services or goods.





*Employees* are the key group of stakeholders from whence our intellectual capital is generated. With their commitment, motivation and loyalty, they are playing a key role for the continuous operation and development of the Slovenian electricity transmission system. The remaining stakeholders are placed in concentric circles based on our impact on them, namely:

*End consumers of electricity* (households, companies, industry and others) who are using electricity and depend on the stable and reliable operation of the transmission and distribution system.

*Electricity producers* producing electricity at TPP, HPP, NPP, WPP, SPP and through other sources, whereby the electricity is then transferred through the transmission and distribution grid to end consumers and abroad. They may also act as suppliers of offset services for ELES.

*Electricity distribution companies* (Elektro Celje, Elektro Gorenjska, Elektro Ljubljana, Elektro Maribor and Elektro Primorska) are suppliers performing the activity of electricity distribution to end consumers through the distribution grid.

*Traders and suppliers of electricity*, who may also be electricity suppliers to cover losses in the electricity system.

*Other suppliers*, such as suppliers of the electricity equipment/devices, providers of construction, trade and installation works, or providers of other services.

*National institutions and regulators:*

- The Energy Agency (EA), as the regulator, controls the revenue and costs of the regulated activity of the electricity system operator and adopts the development and investment plan for the transmission and distribution system.
- The Ministry of the Environment, Climate and Energy governs the legislation and strategies in the energy field.

- The Ministry of Natural Resources and Spatial Planning governs the environmental and spatial legislation, which is mainly important for ELES in relation to the placement of electricity facilities.
- The market operator and the electricity exchange play an important role in defining the electricity trading rules.

*Owner and SB:* the Republic of Slovenia is the 100% owner of ELES and appoints SB members through the General Meeting, whose task is to supervise the Company management.

*Financial institutions:* ELES provides funding for investments into the development and maintenance of the grid itself; therefore, banks, development funds and other financial stakeholders are important for ELES.

*International partners and organisations:*

- ENTSO-E (European Network of Transmission System Operators for Electricity), of which ELES is a member, is an association connecting transmission system operators of the synchronous continental Europe and allowing the exchange of electricity and cooperation in common projects through the adopted rules and joint regional coordination centres.
- Other transmission system operators, especially from the neighbouring Austria, Croatia, Italy, Hungary and the broader region, are indispensable partners in CBTC and their allocation, as well as in coordinating planned excavations for transmission system elements.

*General and professional public*, such as non-governmental organisations (NGO), civil initiatives, the media, professional and research and education institutions are monitoring, analysing and advising ELES regarding sustainable development, environmental impact and social issues related to a reliable electricity supply.

*Nature* as a silent stakeholder, represented by the “protectors” of nature (state institutions and non-governmental organisations), plays an important role in placing the electricity infrastructure and

its construction, maintenance and operation. We are protecting and maintaining biodiversity, and we are adjusting our technical infrastructure solutions to climate changes and adopting measures to reduce our impact.

The aforementioned stakeholders play an important role in ELES operations and development because they are providing a stable supply of electricity, participating in the formation of policies and providing a stable cash flow and the necessary resources for the further development and optimisation of the grid.

*Understanding the interests and viewpoints of key stakeholders:* ELES uses various ways to understand the interests and viewpoints of its stakeholders because it strives for efficient management and harmonisation on all sides. These methods include:

- *Regular dialogue with stakeholders:* the Company is maintaining open and regular dialogue with its various stakeholders, including government institutions, regulators, users, environmental organisations, employees and others. These may be held through meetings, consultations, appointments or public discussions where feedback and viewpoints are exchanged that help form business decisions.
- *Participation in professional and industrial associations:* the Company is cooperating with various professional organisations, associations and sectoral bodies to monitor the trends and needs in the industry, as well as to collect information on new regulations, technical solutions and needs of other companies in the energy chain.
- *Public consultations and presentations:* the Company is organising public consultations and presentations for the broader public and for specific target groups, such as environmental organisations or local communities. This allows the inclusion of various viewpoints and concerns regarding the energy infrastructure, its environmental impact, environmental standards and the option of adjusting them to the needs of the local communities.
- *Opinion surveys and research:* the Company carries out surveys and research of opinions among the key stakeholders (users, local communities and employees) for the more systematic collection of



opinions and viewpoints of its stakeholders. This allows for a better understanding of their needs, expectations and satisfaction with Company operations.

- *Considering regulatory and legal matters:* the Company is regularly monitoring the legislative and regulatory changes because it has to consider the interests of the country, the regulators and other government bodies. This also includes standpoints relating to energy security, sustainable development, environmental protection and social impacts.
- *Consultations with employees and their representatives:* the Company is aware of the importance of including employees and their interests, which is why it has established mechanisms to keep them regularly informed, for consultation purposes and talks with employees and unions. This includes questions on work conditions, training, health and safety at work, and other important aspects regarding their work.
- *Cooperating with the local communities:* to minimise negative impacts from projects on the local environment and communities, the Company frequently organises public presentations and meetings with the inhabitants, where projects are presented, impacts are explained and solutions are sought for the concerns and proposals of the local inhabitants.
- *Environmental monitoring and reporting:* because environmental aspects are very important for energy projects, the Company is monitoring the impacts of its projects on the environment and regularly reports on them. The reports, which include the results of environmental analyses and measures, allow the stakeholders to familiarise themselves with the impacts, measures and progress of the Company in this area.
- *Systematic informing and reporting:* the Company is frequently publishing various reports, such as the annual operating reports, operational reports, indicative energy balance, annual quality reports, and also information for the general public. These reports allow the stakeholders to monitor the performance of the Company in realising its tasks, such as providing energy stability, sustainable development and innovations.

All these practices enable ELES to better understand the needs, expectations and concerns of its key stakeholders and to develop strategies that are in line with the long-term interests of the Company and the broader Company targets.

Every single stakeholder who is part of the map of stakeholders has an important impact on the business model of ELES and on the value chain due to the fact that every activity of every stakeholder is, by definition, leading to changes that have an impact on the realisation of ELES targets. Each change in the environment thus leads to the adjustment of the strategy, and the accumulated changes also have an impact on LSP adjustments after five years, as well as the SSE adjustments in the long run. Therefore, the Company did not implement any changes in 2024 on the basis of the interests and viewpoints of stakeholders.

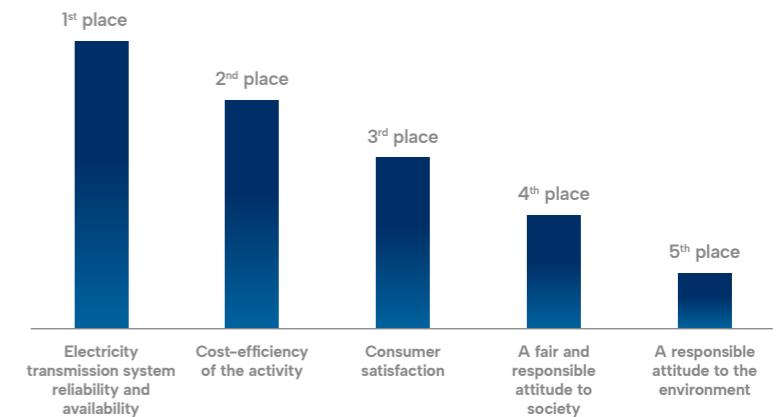
The entire report of ELES is the report on how the Company is cooperating with its stakeholders because the stakeholders are, in the scope of every capital of the Company and therefore the value chain, a key element of Company operations (in the upper and lower part of the value chain), and the Company would be unable to operate without their cooperation. The governance, management and supervisory bodies are regularly informed about information and activities related to sustainable operations through segmental reports, including discussing the viewpoints of affected stakeholders. The topic is discussed by the management and SB, and in an operational sense, the views and interests of the affected stakeholders are discussed in terms of each expertise.

Cooperation and communication with the stakeholders is described in more detail in “[ELES Management Policy](#)” in the chapter “Stakeholder Groups and the Communications and Cooperation Strategy”.

*Expectations and needs of key stakeholders:* key external stakeholders are those stakeholders without whom we would be unable to carry out our activities and implement the mission and vision. To better understand their needs and how they see ELES, we have been carrying out surveys for several years, through which we can obtain their

assessment of the relationship with ELES, their views on the implementation of its mission and vision, and their needs. The group National and EU institutions and regulators has been assessing us in the last three-year period, as is displayed below.

The importance of content for the National and EU institutions and regulators



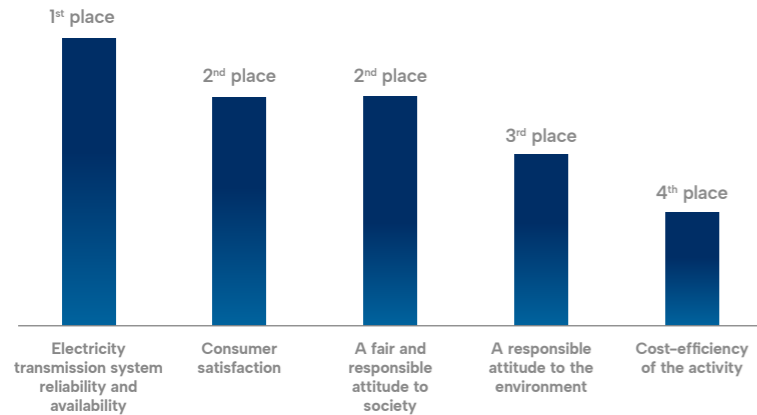
The classification of the importance of the expectations and needs of our national institutions and regulators did not change for places one and two in the 3-year period from 2022 to 2024, which was expected due to Article 13 of the Memorandum of Association of ELES, which states that the Company cannot file for bankruptcy. It is surprising that a responsible attitude towards the environment has been placed last despite the clear commitments of the owner (the RS government) to reduce the carbon footprint and realise the European Green Deal. It is a key EU strategy, the aim of which is to prevent households generating net greenhouse gas emissions by 2050.

The external Suppliers stakeholder group has an identical distribution of materialities for each type of content as the National and EU institutions and regulators, which is understandable and logical, considering that the EES is key to the country and the if it became unavailable, the

damage to the economy and the country would be incomparable with a less cost-efficient implementation of ELES activity.

The change in the sequential order of materialities compared to the National and EU institutions and regulators and suppliers is reflected in the category of Buyers and consumers.

**The importance of content for buyers and consumers**

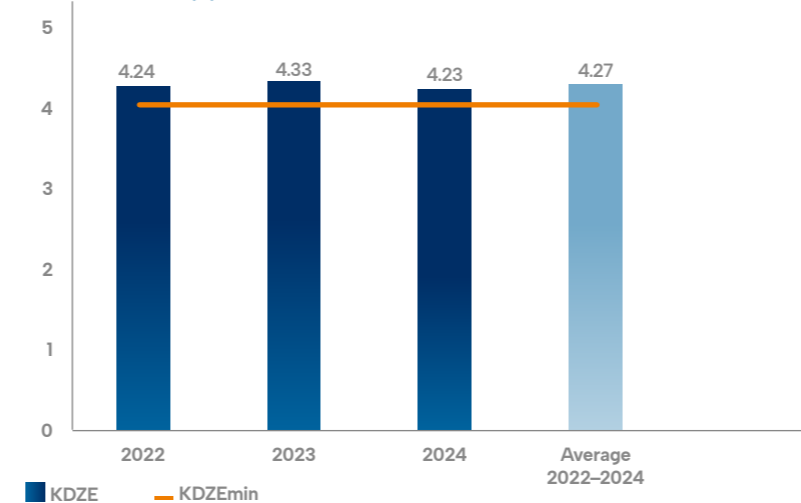


The reliability and availability of the electricity transmission grid has been placed first in all the expectations and needs of all the key external stakeholders. The cost efficiency of activities has also been placed very high, except by the group Buyers and consumers, where this has been placed last.

The responses of the external public on ELES operations are reflected in the double materiality matrix.

We have been measuring the satisfaction of the general public with ELES operations for a couple of years. External stakeholders have positive perceptions of ELES if it is directed into the future in terms of strategy and development, is responsible to the environment and is also successful, which gives it a positive perception among the public. Based on these values, the external stakeholder satisfaction indicator has been defined for ELES (KZDE). The lowest annual average value (KZDEmin) can be min. 4 and the target total average value (KZDEmax) is 4.5. A KZDE value under 4 shows dissatisfaction with the attitude of ELES to external stakeholders, and a value over 4 shows satisfaction. The indicator for the last three years (2022-2024) has, on average, shown a high level of satisfaction, which tells us that ELES is performing its activities in line with the expectations and needs of the external stakeholders.

**The KZDE value by years:**



ELES will continue to focus on ensuring the compliance of its operations with the applicable laws and regulatory requirements in the coming years, as well as on meeting the expectations of the key and other stakeholders. With this long-term strategic plan, we will continue to carry out and upgrade the main activity of the Company, which is to meet the needs of all the stakeholders, as well as to enable them to meet their own.

All the defined impacts, risks and opportunities of ELES provide an answer to the question of the key interest of the key stakeholder, i.e. all residents and all companies in Slovenia, which is to receive electricity for a price that is influenced to the minimum extent possible by transmission and distribution costs. Affected communities and nature “protectors” strive for the minimum impact when placing the electricity infrastructure and implementing preventive and mitigation measures. The role of ELES on the territory of RS is to develop the electricity system, to transfer and distribute electricity, and to ensure the stability of the grid because the fundamental activity and mission of ELES is to ensure the safe and reliable operation of the electricity system in the RS, 24 hours a day, every day of the year.



### 3.1.10 SBM-3 Material impacts, risks and opportunities and their connection with the strategy and business models

Important impacts, risks and opportunities under ESRS topic standards with their placement in the value chain

Topic; subtopic	Description of the impact/ risk/ opportunity	IRO concentration in the value chain			Timeframe		
		Impact, risk, opportunity	Upper part Own activity Lower part	Short-term Medium-term Long-term			
<b>ESRS E1 Climate change:</b> Climate change mitigation	<p><b>GHG emissions</b></p> <p>ELES is generating direct GHG emissions during the use of diesel/ petrol vehicles and work machinery, in burning heating oil and natural gas for heating purposes, and occasionally when using diesel electric generators.</p> <p>Fugitive emissions are sometimes generated in the Company due to accidental releases of coolants from HVAC devices and SF6 devices. The largest share of GHG emissions is due to the purchase of electricity to cover losses in the electricity power network, which occur physically in electricity devices during the transfer and distribution of electricity from production sources to end consumers. Indirect Scope 3 emissions also have an important share in the upper value chain. All these emissions are contributing to global warming.</p>	Actual negative impact	X X X	X X X			
<b>ESRS E1 Climate change:</b> Adapting to climate changes	<p><b>Natural disasters</b></p> <p>Physical risks related to extreme weather events (ice, floods, high winds, landslide, low/high temperatures, snow and wildfires) due to climate changes may cause loss and/or damage (construction deformations) to electricity devices, due to which the operating reliability of the electricity system may be reduced during the events, and the supply of electricity may also be disturbed in extreme cases.</p>	Risk	X X	X X X			

Topic; subtopic	Description of the impact/ risk/ opportunity	IRO concentration in the value chain			Timeframe		
		Impact, risk, opportunity	Upper part Own activity Lower part	Short-term Medium-term Long-term			
<b>ESRS E4 Biodiversity and ecosystems:</b> Change of land use and the size of target species	<p><b>Biodiversity</b></p> <p>We are reducing space for flora and fauna due to the change in land use when placing transmission lines and through deforestation around the area of the transmission lines.</p> <p>ELES is carrying out mitigation measures to reduce its negative impacts: it is carrying out activities during the time periods when the impact on flora and fauna is minimal; if possible, it bypasses nature protection areas when placing transmission lines; it also builds replacement habitats when it reduces the living space of endangered species.</p>	Actual negative impact	X	X			
<b>ESRS E5 Resource use and the circular economy:</b> Resource inflows, including their consumption	<p><b>Use of resources in the higher part of the value chain</b></p> <p>Obtaining property, plant and equipment – for the construction of the transmission system (devices in TSS, transmission lines) and other fixed assets (buildings, transport means, work machinery and electronic devices) – has an indirect negative impact on the environment and people at the start of the supply chain in obtaining the main raw materials (concrete, aluminium, copper and iron), mainly in third world countries.</p> <p>By diagnosing devices and through regular preventive maintenance of devices, we are extending their life cycle and therefore reducing the use of resources. We will introduce a circular economy in the future by using recycled raw materials in the products of producers.</p>	Actual negative impact	X	X			
<b>ESRS S1 Own workforce:</b> Work conditions	<p><b>Worker rights</b></p> <p>ELES employees have been exercising their collective agreement rights for a couple of years now, which are in line with social dialogue through the representative union and the Workers' Council.</p> <p>We will continue with these activities, which improve the economic and living conditions of employees.</p>	Actual positive impact	X	X X			



Topic; subtopic	Description of the impact/ risk/ opportunity	IRO concentration in the value chain			Timeframe		
		Impact, risk, opportunity	Upper part Own activity Lower part	Short-term Medium-term Long-term			
<b>ESRS S1 Own workforce:</b> Health and safety	<b>Health and safety at work</b> Two major risks have been recognised for workers in switchgears and those working on transmission lines: falls to depth and high-voltage contact.  By ensuring safety processes and adequate work equipment, as well as through training and tests in health and safety, the Company is reducing the realisation of the aforementioned risk.	Possible negative impact	X		X		
<b>ESRS S4 Consumers and end-users:</b> Access to products and services	<b>Network charge price</b> The increase of tariffs for the network charge due to the increase of investment and system service costs and due to lower revenue from congestion has a direct impact on the end consumers – the purchasing power of households and the competitiveness of the economy.	Possible negative impact		X		X	
<b>ESRS G1 Business conduct:</b> Management of relationships with suppliers, including payment practices	<b>Meeting contractual commitments</b> ELES is meeting its contractual commitments in full and its payments are performed in due time, which is generally up to 30 days from the receipt of a correct invoice.	Actual positive impact	X		X		
<b>ESRS G1 Business conduct:</b> Corporate culture	<b>Efficient company operations</b> It has a positive impact on the reliability of service delivery, on the flexibility of responses to the demands of the environment and society, on our operations in the public interest, and on internal and external connectedness. This is how we are realising our statutory obligations and the expectations of society.	Actual positive impact	X	X	X	X	

The dimensions of material impacts, risks and opportunities are quantified in line with the internal risk and opportunities assessment methodology.

We used up to four criteria for the impact materiality assessment:

- for the actual positive impact, we assessed the scope and dimension;
- for the possible positive impact, we assessed the scope and dimension and the probability of the impact’s occurrence;
- for the actual negative impact, we assessed the scope, dimension, and the irreparable properties of the impact;
- for the possible negative impact, we assessed the scope, dimension, the irreparable properties of the impact and the probability of its occurrence;

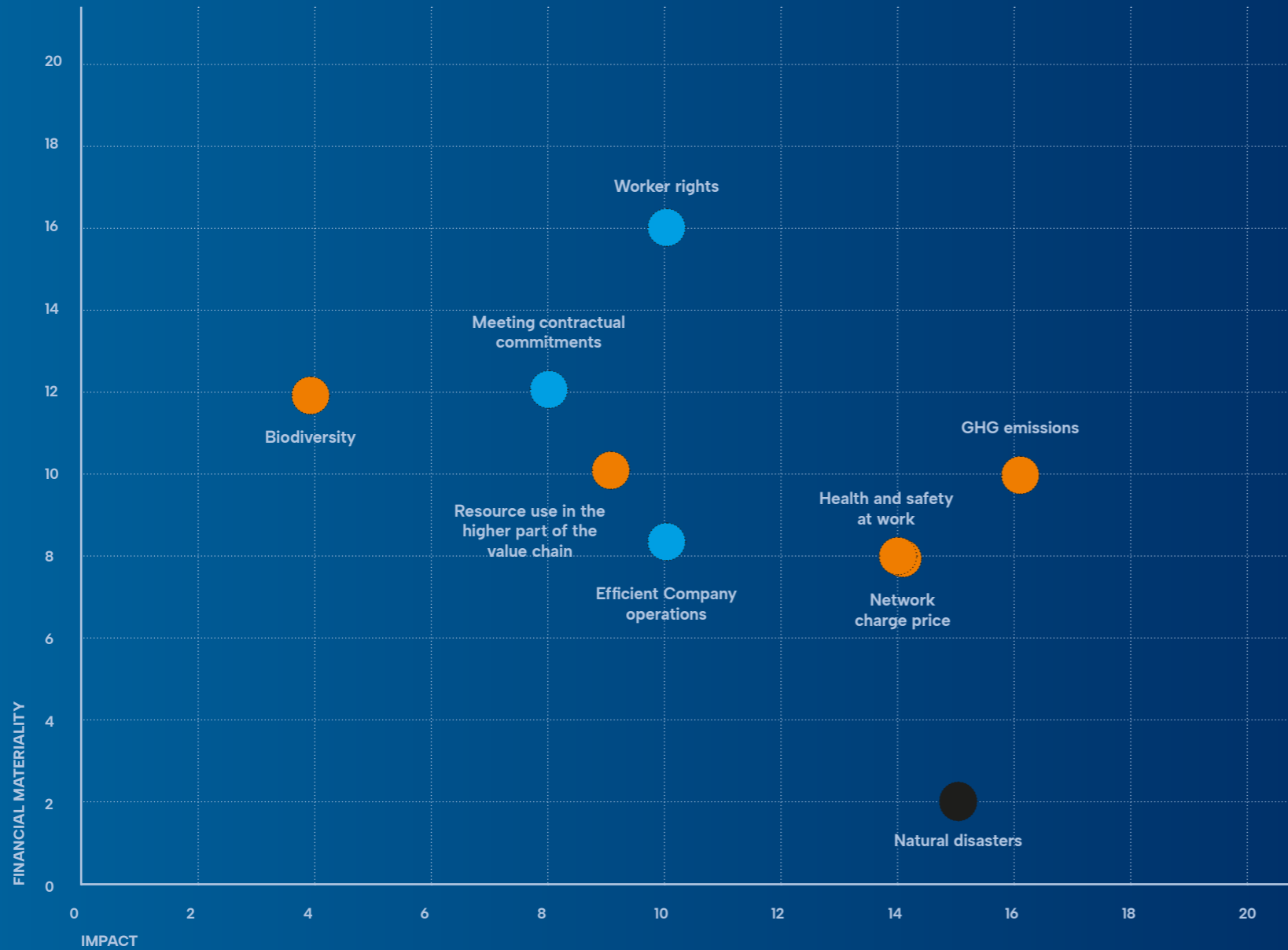
Determining the financial impact of the risks and opportunities is equal to the risk assessment process. The threshold for a high financial impact is over EUR 1 million (the financial threshold of material risks and opportunities is 2.5% of the EBITDA or EUR 1.6 million), whereas the catastrophic threshold is over EUR 5 million (the financial threshold of very important risks and opportunities is 5% of the EBITDA or EUR 3.3 million). Risk assessment criteria were considered even for the probability of material risks and opportunities, i.e. with a frequency of up to once per year being highly probable and more than once per year being very probable.

The quantitative data on each topic (consumption of energy products, water, generated waste, GHG emissions, number of injuries among employees, number of violations of the environmental, labour and other

legislation to protect workers, possible penalties and compensation payments, costs of recovery from damage, etc.) available at ELES was considered in the assessment of impacts, as were the recognised possible impacts regarding the events in the region, in Europe and in the world.



### Double materiality matrix



Based on the impacts of materiality assessments and financial materiality, our double materiality matrix resulted in five negative impacts (red), three positive impacts (blue), and one risk (black), relevant for ELES reporting and that are being reported on in individual ESRS topics (less the network charge price).



### 3.1.11 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

#### Context of sustainable operations and global milestones

With the development of the sustainability strategy, we wish to strengthen ELES, our organisation, and better prepare ourselves for the reformation of the energy market in line with the requirements for tackling climate change. ELES relies on the Paris Agreement to do so, as well as on the target of the European Commission for Europe to become the first climate-neutral continent. In this respect, ELES intensively dealt with sustainability opportunities and risks in the long-term perspective.

#### Comprehensive reporting

The harmonisation of the ELES strategy with six main capitals – financial, production, human, social, intellectual and natural – shows that ELES has been expanding its perspectives step by step and fulfilling its obligations. The material sustainability targets are already part of the ELES SGs for the 2021-2025 period.

The sustainability strategy method is described in the ELES Sustainability Strategy. The reporting methodology is based on the Value Reporting Foundations, IFRS, SASB, CSRD Directive, and Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council regarding sustainability reporting standards.

Company impacts on people and the environment have been defined and assessed in the scope of the double materiality matrix preparation process, which have the most impact on ELES' sustainability and also on society and the environment, considering the directions of the European Commission and own assessment of ELES' strategic goals

and challenges by 2050 to survive and develop as a business. Consulting with stakeholders is continuously being carried out during business operations, and structurally it has been carried out in the frameworks of the double materiality matrix preparations. Negative and positive impacts, which are greater than negative for ELES due to the positive impact of electrification on the development of society and the green transition. The dimensions of impacts have been assessed by internal and external stakeholders.

#### Materiality analysis

As part of the fundamental materiality analysis, we have defined the most important (material) topics for sustainable development during the multiple-phase processes at ELES. The topics have been defined and chosen by analysing the national and international sustainability standards and standards for the supply of energy and transmission systems by analysing reference values and internal workshops on materiality. These findings were reviewed, supplemented and evaluated by ELES professionals in line with the methodology for determining materiality. The expectations of internal and external stakeholders were considered in this process.

#### Harmonisation of the key performance indicators (KPI)

The key performance indicators or sustainability development performance indicators will be updated. In the mid-term, the KPIs, which have so far been defined in a more general internal sense, need to be placed in the context of the balanced development of the values of all six capitals.

ELES is using and has an impact on the natural and social capital as two of the six capitals that are not owned by ELES, and also on the human capital, employees who are in a contractual relationship with ELES. By using sustainability principles and tools, the stakeholders will be able to better assess the role and impact of ELES on their lives and work in the future. The indicators would therefore need to provide more information on whether and to what scope the Company is contributing to

sustainable development. Contextually-oriented indicators and KPIs will be used for a description of thresholds (limits and requirements), and also for the necessary tasks for the realisation of ELES' performance. ELES must remain open to threshold changes that limit its operations and understand these limitations as opportunities. Indicators must create a real image of ELES' ability to survive in a sustainable manner and to contribute broadly to the sustainability transformation of society.

### 3.1.12 IRO-2 Disclosure requirements in the ESRS covered by the undertaking’s sustainability statement

In determining important information regarding the impacts, risks and opportunities, we have considered the statutory requirements and ESRS requirements, the interests of stakeholders based on certain information, and the analysis of internal data regarding each topic standard.

The list of disclosure requirements that have been met in the preparation of the sustainability statement, i.e. on the basis of the double materiality assessment results, is disclosed in the table of contents of disclosures in chapter 3.1.2.

The list of data points from intersectoral and topic standards stemming from other EU legislation

Disclosure requirement and related data points	Reference to the SFDR	Reference to Pillar 3	Reference to the decree on reference values	Reference to EU climate rules	Material/not material	Chapter
ESRS 2 GOV-1 Board's gender diversity, paragraph 21 (d)	Indicator no. 13 from table 1 Annex I		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		material	3.1.3
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		material	3.1.3
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Indicator no. 10 from table 3 Annex I				material	3.1.6
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40 (d) (i)	Indicator no. 4 from table 1 Annex I	Article 449a of Regulation (EU) 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6), table 1 Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40 (d) (ii)	Indicator no. 9 from table 2 Annex I		Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40 (d) (iii)	Indicator no. 14 from table 1 Annex I		Delegated Regulation (EU) 2020/1818 (7), Article 12(1) of the Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS 2 SBM-1 Involvement in activities related to the cultivation and production of tobacco, paragraph 40 (d) (iv)			Delegated Regulation (EU) 2020/1818, Article 12(1), Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	material, subject to gradual implementation	3.2.4
ESRS E1-1 Undertakings excluded from the Paris-aligned Benchmarks, paragraph 16 (g)		Article 449a of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12(1), items (d) to (g), and Article 12(2)		not material	



Disclosure requirement and related data points	Reference to the SFDR	Reference to Pillar 3	Reference to the decree on reference values	Reference to EU climate rules	Material/not material	Chapter
ESRS E1-4 GHG emission reduction targets, paragraph 34	Indicator no. 4 from table 2 Annex I	Article 449a of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		material, subject to gradual implementation	3.2.7.1
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	Indicator no. 5 from table 1 in Indicator no. 5 from table 2 of Annex I				material	3.2.8
ESRS E1-5 Energy consumption and mix, paragraph 37	Indicator no. 5 from table 1 Annex I				material	3.2.8
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Indicator no. 6 from table 1 Annex I				material	3.2.8
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	Indicators no.1 and 2 from table 1 Annex I	Article 449a of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Articles 5(1), 6, and 8(1)		material	3.2.9
ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55	Indicator no. 3 from table 1 Annex I	Article 449a of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		material	3.2.9
ESRS E1-7 GHG removals and carbon credits, paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	not material	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II; Delegated Regulation (EU) 2020/1816, Annex II		not material, we are expecting a prolongation	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a)		Article 449a of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.			material, we are expecting a prolongation	3.2.12



Disclosure requirement and related data points	Reference to the SFDR	Reference to Pillar 3	Reference to the decree on reference values	Reference to EU climate rules	Material/not material	Chapter
ESRS E1-9 Location of significant assets at material physical risk, paragraph 66 (c).		Article 449a of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.			material, we are expecting a prolongation	3.2.12
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67 (c).		Article 449a of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			not material	
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69				Delegated Regulation (EU) 2020/1818, Annex II	not material	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted into the air, water and soil, paragraph 28	Indicator no. 8 from table 1 Annex I, indicator no. 2 from table 2 Annex I, indicator no. 1 from table 2 Annex I, indicator no. 3 from table 2 Annex I				not material	
ESRS E3-1 Water and marine resources, paragraph 9	Indicator no. 7 from table 2 Annex I				not material	
ESRS E3-1 Dedicated policy, paragraph 13	Indicator no. 8 from table 2 Annex I				not material	
ESRS E3-1 Sustainable oceans and seas, paragraph 14	Indicator no. 12 from table 2 Annex I				not material	
ESRS E3-4 Total water recycled and reused, paragraph 28 (c)	Indicator no. 6.2 from table 2 of Annex I				not material	
ESRS E3-4 Total water consumption in m3 per net revenue on own operations, paragraph 29	Indicator no. 6.1 from table 2 of Annex I				not material	
ESRS 2 – IRO-1 – E4, paragraph 16 (a), item (i)	Indicator no. 7 from table 1 Annex I				material	3.3.1
ESRS 2 – IRO-1 – E4, paragraph 16(b)	Indicator no. 10 from table 2 Annex I				not material	
ESRS 2 – IRO-1 – E4, paragraph 16 (c)	Indicator no. 14 from table 2 Annex I				material	3.3.1
ESRS E4-2 Sustainable land / agriculture practices or policies, paragraph 24 (b)	Indicator no. 11 from table 2 Annex I				not material	



Disclosure requirement and related data points	Reference to the SFDR	Reference to Pillar 3	Reference to the decree on reference values	Reference to EU climate rules	Material/not material	Chapter
ESRS E4-2 Sustainable oceans / seas practices or policies, paragraph 24 (c)	Indicator no. 12 from table 2 Annex I				not material	
ESRS E4-2 Policies to address deforestation, paragraph 24 (d)	Indicator no. 15 from table 2 Annex I				not material	
ESRS E5-5 Non-recycled waste, paragraph 37 (d)	Indicator no. 13 from table 2 Annex I				material	3.4.6
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Indicator no. 9 from table 1 Annex I				material	3.4.6
ESRS 2 – SBM-3 – S1 Risk of incidents of forced labour, paragraph 14 (f)	Indicator no. 13 from table 3 Annex I				not material	
ESRS 2 – SBM-3 – S1 Risk of incidents of child labour, paragraph 14 (g)	Indicator no. 12 from table 3 Annex I				not material	
ESRS S1-1 Human rights policy commitments, paragraph 20	Indicator no. 9 from table 3 in Indicator no. 11 from table 1 of Annex I				material	3.5.2
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		material	3.5.3
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	Indicator no. 11 from table 3 Annex I				not material	
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	Indicator no. 1 from table 3 Annex I				material	3.5.3
ESRS S1-3 Grievance-/complaint-handling mechanisms, paragraph 32 (c)	Indicator no. 5 from table 3 Annex I				material	3.5.5
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	Indicator no. 2 from table 3 Annex I		Delegated Regulation (EU) 2020/1816, Annex II		material	3.5.16
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)	Indicator no. 3 from table 3 Annex I				material	3.5.16
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator no. 12 from table 1 Annex I		Delegated Regulation (EU) 2020/1816, Annex II		not material	3.5.18
ESRS S1-16 Excessive CEO pay ratio, paragraph 97 (b)	Indicator no. 8 from table 3 Annex I				not material	3.5.18



Disclosure requirement and related data points	Reference to the SFDR	Reference to Pillar 3	Reference to the decree on reference values	Reference to EU climate rules	Material/not material	Chapter
ESRS S1-17 Incidents of discrimination, paragraph 103 (a)	Indicator no. 7 from table 3 Annex I				not material	3.5.19
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD, paragraph 104 (a)	Indicator no. 10 from table 1 and indicator no. 14 from table 3 Annex I		Delegated Regulation (EU) 2020/1816, Annex II; Delegated regulation (EU) 2020/1818, Article 12(1)		not material	3.5.19
ESRS 2 – SBM-3 – S2Significant risk of child labour or forced labour in the value chain, paragraph 11 (b)	Indicators no. 12 and 13 from chart 3 of Annex I				not material	
ESRS S2-1 Human rights policy commitments, paragraph 17	Indicator no. 9 from table 3 and indicator no. 11 from table 1 Annex I				not material	
ESRS S2-1 Policies related to value chain workers, paragraph 18	Indicators no. 11 and 4 from table 3 Annex I				not material	
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19	Indicator no. 10 from table 1 Annex I		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818, Article 12(1)		not material	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	Indicator no. 14 from table 3 Annex I				not material	
ESRS S3-1 Human rights policy commitments, paragraph 16	Indicator no. 9 from table 3 Annex I and Indicator no. 11 from table 1 Annex I				not material	
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 17	Indicator no. 10 from table 1 Annex I		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818, Article 12(1)		not material	
ESRS S3-4 Human rights issues and incidents, paragraph 36	Indicator no. 14 from table 3 Annex I				not material	
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	Indicator no. 9 from table 3 in Indicator no. 11 from table 1 of Annex I				material, we are expecting a prolongation	
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 17	Indicator no. 10 from table 1 Annex I		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818, Article 12(1)		material, we are expecting a prolongation	



Disclosure requirement and related data points	Reference to the SFDR	Reference to Pillar 3	Reference to the decree on reference values	Reference to EU climate rules	Material/not material	Chapter
ESRS S4-4 Human rights issues and incidents, paragraph 35	Indicator no. 14 from table 3 Annex I				material, we are expecting a prolongation	
ESRS G1-1 United Nations Convention against Corruption, paragraph 10 (b)	Indicator no. 15 from table 3 Annex I				material	3.6.3
ESRS G1-1 Protection of whistleblowers, paragraph 10 (d)	Indicator no. 6 from table 3 Annex I				material	3.6.3
ESRS G1-4 Fines for the violation of anti-corruption and anti-bribery laws, paragraph 24 (a)	Indicator no. 17 from table 3 Annex I		Delegated Regulation (EU) 2020/1816, Annex II		material	3.6.6
ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24 (b)	Indicator no. 16 from table 3 Annex I				material	3.6.6



### 3.1.13 MDR–P Policies adopted for managing important sustainability matters

#### Company management policy

The ELES company management policy is published on the [Company website](#).

ELES management and operations are subject to regulatory frameworks defined by regulators.

EA and the Agency for the Cooperation of Energy Regulators – ACER). The most important element for ELES are provisions on the methodology for determining the regulatory framework and the methodology for calculating network charges, which was defined by the EA in the act adopted for an individual (three or five-year) regulatory period and is the most important operational act for ELES in terms of financial operations. The Act defines the method for calculating the eligible costs of ELES, the coverage of which is ensured through the network charges and revenue from CBTC, as well as some other revenue. To define and monitor the regulatory framework, and also other technical, economic and legal issues in advance, regular cooperation has been established between ELES and the EA.

#### Other business policies

Other business policies of ELES are published on the [Company website](#).

We will achieve our targets through the efficient use of the resources available to us and we will allocate them by achieving the maximum sustainability performance in operations. Available financial assets will be allocated for an efficient implementation of ongoing liabilities and for the technical development of our activity.

The aim of investments is to replace outdated equipment, increase transmission capacities, reduce system operating costs, improve productivity and increase the reliability of the electricity system. Funds are allocated in both the primary and secondary energy equipment, as well as information and telecommunications equipment. By taking advantage of the personnel and existing technical resources, spaces and corridors, we are achieving additional financial effects. The investment criterion is to reduce risks by considering business factors.

## 3.2 E1 – Climate change

### 3.2.1 GOV-3 Integration of sustainability-related performance in incentive schemes

The performance of administrative, management and supervisory bodies is not being evaluated based on the GHG emission reduction targets.

### 3.2.2 SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model

At ELES, we are aware of the importance of risk management and taking opportunities brought forward by climate change, which is why we are actively adapting our strategy and business model to ensure a reliable, sustainable and cost-efficient supply of electricity.

#### Material impacts

The transmission of electricity performed by ELES, as well as the distribution of electricity performed by electricity distribution companies in its name, have several positive impacts on the green transition and the mitigation of climate change. They allow the integration of renewable energy sources into the energy system, the electrification of various sectors (traffic, heating/cooling and heavy industry), and therefore reducing the dependence on fossil fuels. They also contribute to increased energy security and innovations in technologies, such as smart grids and energy storage, which is key for the sustainable development and reduction of the negative impacts on the climate.

GHG emissions have an actual negative impact – indirectly due to electricity consumption, mainly for covering losses in the electricity

system, and directly due to the combustion of fuels in movables and immovables and fugitive emissions.

#### Risks

*Physical risks:* increasing frequencies and intensities of extreme weather events, such as river floods, ice, snow, landslides, high winds, wildfires and other events, may damage the electricity infrastructure and endanger the reliability of the electricity supply. Based on prior events, we have identified problematic areas and created vulnerability charts, which may be used in seeking solutions for possible technologies in terms of planning, grid operations and innovations to manage and reduce physical risks.

*Transition risks:* transition to a low-carbon economy will have an impact on the business models that rely on fossil fuels, which will lead to changes in electricity demand and production, therefore adaptations will be needed in the electricity infrastructure and innovations in managing offtakes. Stricter environmental legislation and regulations may require additional investments into GHG emission reduction technologies and the adjustment of business practices, increasing operating costs.

#### Opportunities:

- RES integration: Due to the increased share of RES in the energy mix, ELES will play a key role in the integration of solar, wind and other RES into EES.
- Development of smart grids: The implementation of smart grids will enable better energy management, improved flexibility and efficiency of the electricity system, and better integration of decentralised RES.
- Participation in research and development projects: Active participation in the intersectoral connection projects (heat, hydrogen and e-mobility) is opening up new possibilities for innovations and diversification of operations.

ELES, in line with the Transmission System Development Plan and Distribution System Development Plan, assumes adaptations of the electricity systems to better integrate RES and develop smart grids to improve the efficiency and flexibility of the system.

### 3.2.3 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

In line with the ISO 14001 standard, we have established a register of environmental aspects in which we are monitoring the recognised environmental aspects and their impacts, even air pollution caused by GHG emissions and the use of resources where these emissions are being generated. The team for environmental management is also participating in this and is responsible for identifying the impacts of the organisational unit's activities in which they operate on environmental matters, setting goals and measures, and statistical monitoring. The adequacy of the environmental management system under standard ISO 14001 is reviewed by an independent reviewer once per year.

To assess climate-related dangers, an internal analysis of electricity device losses has been made (transmission lines, TSS, generators) and a correlation between loss events and weather events, which is based on the statistics of breakdown events in the 2000-2023 period. We have created vulnerability charts for the entire area of Slovenia for individual weather and natural events.

All the recognised risks in relation to material environmental aspects and climate-related hazards have been mapped in the Risk Catalogue in line with the Risk Management Methodology. Managing risks that include the identification, analysing, assessment and performance of measures, is done by risk administrators in cooperation with the risk sponsors. The work of the risk administrators of each area is coordinated by the Risk Team.



When assessing the double materiality, we considered the register of environmental aspects, the Risk Catalogue, internal analyses and statistical data, whereas we did not include external stakeholders in this assessment.

To manage GHG emissions and to have a means for sustainable energy management and environmental protection, ELES has been calculating the Scope 1 and 2 carbon footprint since 2017, and it also began calculating certain Scope 3 categories in 2023. In 2024, the following categories have been included in the calculation of the Scope 3 carbon footprint:

- 3/1 Purchased goods and services – drinking water consumption;
- 3/3 Activities related to fuel and energy (which are not included in Scope 1 or 2) – losses due to electricity consumption for commercial use and losses due to district heating;
- 3/5 Waste generated during activities – communal and other waste management and wastewater treatment;
- 3/7 Employee transfer to work and work from home.

Direct and indirect emissions are calculated and reported in line with the requirements of the standard in metric tonnes of CO<sub>2</sub> equivalent. Energy, environmental and material GHG emission sources that ELES is using for the performance of its activity have been recognised to calculate GHG emissions. The collected quantitative data was multiplied by the corresponding specific DEFRA emission factors for Scope 1 and 3 and location factors for Slovenia published by the Jožef Stefan Institute, and specific emission factors of the remaining structure of electricity for Slovenia published by the EA or specific emission factors of electricity suppliers and district heating for Scope 2.

Physical risks – acute hazards (chronic are not important) – have been defined on the basis of previous events. These are considered in

reconstructions and new constructions, and we are also reducing them with operational measures (e.g. ice or high temperatures). Physical risks in the financial area are being reduced with adequate insurance of the electricity infrastructure, as well as with equipment and material inventory management and the sufficient availability of employees trained to resolve breakdowns.

Transition risks concern:

- the necessary infrastructure risks due to their realisation (physical implementation and the provision of cash flow);
- unpredictable electricity price volatility on the electricity market and emission coupons, which indirectly have an impact on the electricity purchase costs for covering losses in the electricity system (this risk is being reduced through partial purchases of electricity in different time periods);
- mid-term and long-term unpredictable amounts of revenue from CBTC, which is also used to cover costs from the regulated activity.

Electricity for covering losses in the grid is being purchased in advance, thus reducing price risks.

ELES did not especially define the use of the analysis of climate-related scenarios that suit its circumstances, for help in defining and assessing physical and transition risks and opportunities in the short, medium and long-term periods, and the use of climate scenarios compliant with the key and climate-related assumptions from the financial statements.

### 3.2.4 EI-I Transition plan for mitigating climate change

The transition plan is an integral part of the renewed Sustainability Strategy, which has not yet been adopted and therefore is not being reported on for the year 2024.



### 3.2.5 Harmonisation indicators that need to be disclosed in line with Article 8 of Regulation (EU) 2020/852, i.e. taxonomy-consistent revenue and investments into capital and operating expenditure

The share of revenue from products or services related to economic activities harmonised with the taxonomy

Financial Year N Economic Activities	2024			Material Contribution Criteria						Immaterial Damaging Criteria						Share of Taxonomy-Harmonised Revenue, Year N	Share of Taxonomy-Harmonised Revenue, Year N-1	Category (Enabling Activity or)	Category Transitional Activity	
	Marks	Absolute Revenue	Revenue Share	Climate Change Mitigation	Adapting to Climate Change	Water and Marine Resources	Circular Economy	Pollution	Biodiversity and Ecosystems	Climate Change Mitigation	Adapting to Climate Change	Water and Marine Resources	Circular Economy	Pollution	Biodiversity and Ecosystems					Minimal Safeguards
	Currency	EUR	%	%	%	%	%	%	%	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO					YES/NO
<b>A. TAXONOMY-ACCEPTABLE ACTIVITIES</b>																				
<b>A.1 Environmentally Sustainable Activities (Harmonised with Taxonomy)</b>																				
Revenue from Environmentally Sustainable Activities (Harmonised with Taxonomy) (A.1)	0	0%	0%	0%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	%	%		
Of Which Enabling	0	0%	0%	0%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	%	%	O	
Of Which Transitional	0	0%	0%	0%						YES	YES	YES	YES	YES	YES	YES	%	%		P
<b>A.2 Taxonomy-Acceptable, Environmentally Unsustainable Activities (Activities not Harmonised with Taxonomy)</b>																				
				AC;NAC	AC;NAC	AC;NAC	AC;NAC	AC;NAC	AC;NAC											
4.1 Electricity Production using Photovoltaic Technology	CCM 4.1	0	0%	AC	NAC	NAC	NAC	NAC	NAC								%	%		
5.5 Collection and Transport of Non-Hazardous Waste Fractions separated at Source	CCM 5.5	0	0%	AC	NAC	NAC	NAC	NAC	NAC								%	%		
6.5 Transport Using Motorcycles, Passenger Cars and Light Commercial Vehicles	CCM 6.5	0	0%	AC	NAC	NAC	NAC	NAC	NAC								%	%		
7.4 Installation, Maintenance and Repair of EV Charging Stations in Buildings and at Parking Areas linked to Buildings	CCM 7.4	0	0%	AC	NAC	NAC	NAC	NAC	NAC								%	%		
7.6 Installation, Maintenance and Repair of Technologies for Energy from Renewable Sources	CCM 7.6	455,638,347	74.5%	NAC	NAC	NAC	NAC	NAC	NAC								%	%		
5.1 Repair, Reconstruction and Remanufacture	CE 5.1	0	0%	NAC	NAC	NAC	AC	NAC	NAC								%	%		
5.5 "Product as Service" Models and Other Circular Model Services focused on Use and Results	CE 5.5	0	0%	NAC	NAC	NAC	AC	NAC	NAC								%	%		
<b>Revenue from Taxonomy-Acceptable, Environmentally Unsustainable Activities (Activities not Harmonised with Taxonomy) (A.2)</b>		<b>455,638,347</b>	<b>74.5%</b>	0%	0%	0%	74.5%	0%	0%								%	%		
<b>Revenue from Taxonomy-Acceptable Activities (A.1 + A.2)</b>		<b>455,638,347</b>	<b>74.5%</b>	0%	0%	0%	74.5%	0%	0%								%	%		
<b>B. ACTIVITIES NOT ACCEPTABLE FOR TAXONOMY</b>																				
Revenue from Activities not Acceptable for Taxonomy (B)		<b>155,664,928</b>	<b>25.5%</b>																	
<b>Total (A+B)</b>		<b>611,303,276</b>	<b>100%</b>																	

CCM - Climate Change Mitigation; CE - Circular Economy; YES - Activity is harmonised with and acceptable for taxonomy regarding the respective environmental goal; NO - Activity is acceptable, but not harmonised with taxonomy regarding the respective environmental goal; AC - Activity is acceptable for taxonomy for the respective goal; NAC - Activity is not acceptable for taxonomy for the respective environmental goal

	Share of Investments into Current Assets/Total Investments into Current Assets	
	Harmonised with Taxonomy based on Goals	Acceptable for Taxonomy based on Goals
CCM	%	74.5%
CE	%	0.0%



The share of investments into capital expenditure in products or services related to economic activities harmonised with the taxonomy

Financial Year N Economic Activities	2024			Material Contribution Criteria						Immaterial Damaging Criteria						Share of Taxonomy-Harmonised Revenue, Year N	Share of Taxonomy-Harmonised Revenue, Year N-1	Category (Enabling Activity or)	Category Transitional Activity	
	Marks	Absolute Revenue	Revenue Share	Climate Change Mitigation	Adapting to Climate Change	Water and Marine Resources	Circular Economy	Pollution	Biodiversity and Ecosystems	Climate Change Mitigation	Adapting to Climate Change	Water and Marine Resources	Circular Economy	Pollution	Biodiversity and Ecosystems					Minimal Safeguards
	Currency	EUR	%	%	%	%	%	%	%	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO					YES/NO
<b>A. TAXONOMY-ACCEPTABLE ACTIVITIES</b>																				
<b>A.1 Environmentally Sustainable Activities (Harmonised with Taxonomy)</b>																				
Revenue from Environmentally Sustainable Activities (Harmonised with Taxonomy) (A.1)	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
Of Which Enabling	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	O	
Of Which Transitional	0	0%	0%	0%						YES	YES	YES	YES	YES	YES	YES	0%	0%		P
<b>A.2 Taxonomy-Acceptable, Environmentally Unsustainable Activities (Activities not Harmonised with Taxonomy)</b>																				
				AC;NAC	AC;NAC	AC;NAC	AC;NAC	AC;NAC	AC;NAC											
4.1 Electricity Production using Photovoltaic Technology	CCM 4.1	0	0%	AC	NAC	NAC	NAC	NAC	NAC								0%	0%		
5.5 Collection and Transport of Non-Hazardous Waste Fractions separated at Source	CCM 5.5	0	0%	AC	NAC	NAC	NAC	NAC	NAC								0%	0%		
6.5 Transport Using Motorcycles, Passenger Cars and Light Commercial Vehicles	CCM 6.5	0	0%	AC	NAC	NAC	NAC	NAC	NAC								0%	0%		
7.4 Installation, Maintenance and Repair of EV Charging Stations in Buildings and at Parking Areas linked to Buildings	CCM 7.4	0	0%	AC	NAC	NAC	NAC	NAC	NAC								0%	0%		
7.6 Installation, Maintenance and Repair of Technologies for Energy from Renewable Sources	CCM 7.6	11,402,493	17%	NAC	NAC	NAC	NAC	NAC	NAC								0%	0%		
5.1 Repair, Reconstruction and Remanufacture	CE 5.1	41,561,210	62%	NAC	NAC	NAC	AC	NAC	NAC								0%	0%		
5.5 "Product as Service" Models and Other Circular Model Services focused on Use and Results	CE 5.5	0	0%	NAC	NAC	NAC	AC	NAC	NAC								0%	0%		
<b>Investments into Fixed Assets in Taxonomy-Acceptable, Environmentally Unsustainable Activities (Activities not Harmonised with Taxonomy) (A.2)</b>		<b>52,963,702</b>	<b>79%</b>	0%	0%	0%	0%	71.8%	0%								0%	0%		
<b>Investments into Fixed Assets in Taxonomy-Acceptable Activities (A.1 + A.2)</b>		<b>52,963,702</b>	<b>79%</b>	0%	0%	0%	0%	71.8%	0%								0%	0%		
<b>B. ACTIVITIES NOT ACCEPTABLE FOR TAXONOMY</b>																				
<b>Investments into Fixed Assets in Taxonomy-Unacceptable Activities (B)</b>		<b>14,038,274</b>	<b>21%</b>																	
<b>Total (A+B)</b>		<b>67,001,977</b>	<b>100%</b>																	

CCM - Climate Change Mitigation; CE - Circular Economy; YES - Activity is harmonised with and acceptable for taxonomy regarding the respective environmental goal; NO - Activity is acceptable, but not harmonised with taxonomy regarding the respective environmental goal; AC - Activity is acceptable for taxonomy for the respective goal; NAC - Activity is not acceptable for taxonomy for the respective environmental goal

	Share of Investments into Current Assets/Total Investments into Current Assets	
	Harmonised with Taxonomy based on Goals	Acceptable for Taxonomy based on Goals
CCM	%	17.0%
CE	%	62.0%



The share of investments into operating expenditure in products or services related to economic activities harmonised with the taxonomy

Financial Year N Economic Activities	2024			Material Contribution Criteria						Immaterial Damaging Criteria						Share of Taxonomy-Harmonised Revenue, Year N	Share of Taxonomy-Harmonised Revenue, Year N-1	Category (Enabling Activity or)	Category Transitional Activity	
	Marks	Absolute Revenue	Revenue Share	Climate Change Mitigation	Adapting to Climate Change	Water and Marine Resources	Circular Economy	Pollution	Biodiversity and Ecosystems	Climate Change Mitigation	Adapting to Climate Change	Water and Marine Resources	Circular Economy	Pollution	Biodiversity and Ecosystems					Minimal Safeguards
	Currency	EUR	%	%	%	%	%	%	%	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO					YES/NO
<b>A. TAXONOMY-ACCEPTABLE ACTIVITIES</b>																				
<b>A.1 Environmentally Sustainable Activities (Harmonised with Taxonomy)</b>																				
Revenue from Environmentally Sustainable Activities (Harmonised with Taxonomy) (A.1)	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
Of Which Enabling	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	O	
Of Which Transitional	0	0%	0%	0%						DA	DA	DA	DA	DA	DA	DA	DA	DA		P
<b>A.2 Taxonomy-Acceptable, Environmentally Unsustainable Activities (Activities not Harmonised with Taxonomy)</b>																				
				AC;NAC	AC;NAC	AC;NAC	AC;NAC	AC;NAC	AC;NAC											
4.1 Electricity Production using Photovoltaic Technology	CCM 4.1	0	0%	AC	NAC	NAC	NAC	NAC	NAC											
5.5 Collection and Transport of Non-Hazardous Waste Fractions separated at Source	CCM 5.5	0	0%	AC	NAC	NAC	NAC	NAC	NAC											
6.5 Transport Using Motorcycles, Passenger Cars and Light Commercial Vehicles	CCM 6.5	140,630	2%	AC	NAC	NAC	NAC	NAC	NAC											
7.4 Installation, Maintenance and Repair of EV Charging Stations in Buildings and at Parking Areas linked to Buildings	CCM 7.4	0	0%	AC	NAC	NAC	NAC	NAC	NAC											
7.6 Installation, Maintenance and Repair of Technologies for Energy from Renewable Sources	CCM 7.6	0	0%	NAC	NAC	NAC	NAC	NAC	NAC											
5.1 Repair, Reconstruction and Remanufacture	CE 5.1	0	0%	NAC	NAC	NAC	AC	NAC	NAC											
5.5 "Product as Service" Models and Other Circular Model Services focused on Use and Results	CE 5.5	0	0%	NAC	NAC	NAC	AC	NAC	NAC											
<b>Investments into Current Assets in Taxonomy-Acceptable, Environmentally Unsustainable Activities (Activities not Harmonised with Taxonomy) (A.2)</b>		<b>140,630</b>	<b>2%</b>	0%	0%	0%	0%	0%	0%											
<b>Investments into Current Assets in Taxonomy-Acceptable Activities (A.1 + A.2)</b>		<b>140,630</b>	<b>2%</b>	0%	0%	0%	0%	0%	0%											
<b>B. ACTIVITIES NOT ACCEPTABLE FOR TAXONOMY</b>																				
<b>Investments into Current Assets in Taxonomy-Unacceptable Activities (B)</b>		<b>6,863,280</b>	<b>98%</b>																	
<b>Total (A+B)</b>		<b>7,003,910</b>	<b>100%</b>																	

CCM - Climate Change Mitigation; CE - Circular Economy; YES - Activity is harmonised with and acceptable for taxonomy regarding the respective environmental goal; NO - Activity is acceptable, but not harmonised with taxonomy regarding the respective environmental goal; AC - Activity is acceptable for taxonomy for the respective goal; NAC - Activity is not acceptable for taxonomy for the respective environmental goal

	Share of Investments into Current Assets/Total Investments into Current Assets	
	Harmonised with Taxonomy based on Goals	Acceptable for Taxonomy based on Goals
CCM	%	2.0%
CE	%	0.0%



## 3.2.6 E1-2 Policies regarding the mitigation of climate change and adapting to it

### GHG emissions

Environmental Management Policy: care for the environment is being demonstrated by meeting the requirements of the internationally recognised environmental management standard ISO 14001. Its realisation is being included on all levels of operations:

Its with the responsible use of natural resources, materials and energy;

- by using state-of-the-art technologies;
- with the prudent placement of electricity facilities;
- by complying with the legislation;
- with commitments to minimise the impact of ED on the environment and people.

In addition, we are encouraging service and labour providers during the construction and renovation of electricity facilities and devices, suppliers and other business partners to act responsibly.

Impact: negative impacts in respect of GHG emissions that have an impact on global warming, i.e. indirectly through electricity consumption and district heating due to their production from fossil fuels, and directly due to the combustion of fossil fuels in movables and immovables (petroleum products and natural gas) and fugitive emissions due to high GWP gas leaks from HVAC systems and GIS devices. Investments in PPE also represent important indirect GHG emissions.

*Risks:* volatility of prices on the electricity market, negative impact of the criteria for rewarding the management on decisions about projects that reduce the carbon footprint, the unrecognised importance of ELES' direct and indirect impact on the carbon footprint of the broader society and environment, and insufficient financial means.

*Opportunities:* purchase of low-carbon electricity with certificates on their origin for commercial use, realisation of partial long-term electricity purchases to cover losses in the electricity system, energy renovation of buildings to improve energy efficiency, energy product replacement where this is economically viable, and the gradual replacement of outdated petrol/diesel vehicles with EVs.

The policy regarding the mitigation of climate change and the respective adaptations is introduced through the LSP and TSDP, and special policies were not adopted. The Company recognised the challenge related to climate change and placed it among its 15 challenges in the ELES Sustainability Strategy in 2020. The policy regarding the mitigation of climate change is being introduced through the LSP 2021-2025 in the scope of the SG 3/1 Reduction of the carbon footprint and 3/2 Reduction of losses in RS on the transmission grid strategic targets, while the policy regarding adjustments to climate change is being introduced through SG 2/2 – Ensuring the resilience of the transmission system to climate changes.

Appointed administrators and providers of individual activities are responsible for the implementation of strategic goals, and the appointed project head is responsible for individual investments.

ELES also has an impact on the reduction of the carbon footprint with its successful development projects, the aim of which is to accelerate the inclusion of renewable sources with low emissions.

The implementation of the international GreenSwitch project, which started in 2023, will contribute significantly to the reduction of GHG emissions because it will increase the efficiency of the transmission and distribution network, as well as the capacities for including RES in the network. Evaluations show that the capacity for hosting automated secondary transformer stations will increase by 50 percent, and the network hosting capacity will increase by 10 percent. Due to the increase in the capacity of hosting the distribution network, it will be possible to replace approx. 331,757 MWh of energy from fossil fuels with RES energy, which means 116,432 tonnes less CO<sub>2</sub>e GHG emissions. The

increase in the capacity of the transmission network will make it possible for 330 GWh of energy from fossil fuels to be replaced with RES energy, decreasing GHG emissions by 115,815 tonnes of CO<sub>2</sub>e.

With its activities aimed at accelerating the construction of an advanced charging infrastructure for better flexibility for electric vehicles, which is in line with the comprehensive infrastructure development concept for the mass charging of e-vehicles E8, and accelerating the establishment of high-voltage charging parks, which are in line with the Pentlja concept, ELES is promoting the increase of e-mobility and is therefore indirectly contributing to the reduction of emissions from traffic, which contributes one-third of greenhouse gas emissions in Slovenia and is a major reason behind air pollution in cities. We are also supporting the additional use of renewable energy, mainly solar, with the aforementioned activities, its direct transition to vehicles and the ability for the further increase of energy production from renewable sources.

ELES also has an indirect influence on reducing GHG emissions into the atmosphere, namely with activities connecting the heating sector and implementing the long-term heating concept (KODO), which promotes upgrades or the establishment of group district heating systems, allowing changes to be made between sustainable energy sources and avoiding a dependency on energy products that are unfavourable in terms of prices.

### Reduction of losses in the RS in the transmission network

In 2024, activities in minimising losses in Slovenia's EES continued. In prior years, we analysed various measures and found that due to the very efficient management of losses at ELES, it is difficult to define those with the largest added value. As a result of the above, we are still studying activities that could translate the recognised measures into concrete projects or put them into practice. For this purpose, we organised a public competition for innovative approaches to reducing losses. The winning solution was a proposal of a company offering special-purpose coatings for existing and new conductors. These coatings reduce the resistance of conductors, thereby improving their



cooling capabilities and thus contributing to reducing losses. Together with the chosen company, we performed tests on testing grounds, where preliminary findings have shown encouraging results from the technical aspect. Even so, additional analyses are required to obtain a comprehensive assessment, mainly regarding the viability and ageing of the coloured layer.

Guidelines relating to efficient energy use and a focus on the continuous reduction of operating costs at plants continued to be the basis for activities in energy consumption in 2024. The energy efficiency improvement of buildings, which commenced in 2017 and was completed in 2020, as well as the planned energy efficiency improvements of facilities at TSS Laško, TSS Kleče, TSS Pekre, TSS Gorica and TSS Divača in future years, will help reduce the energy used for the buildings.

### 3.2.7 EI-3 Measures and sources regarding policies concerning climate change

ELES is planning all the important measures in the LSP, which is being prepared for the period of 2026-2030. All investments are planned in the ten-year development plan, which is updated every two years.

ELES operations are not generating material direct GHG emissions (Scope 1), but they are generating them indirectly through the purchase of electricity and district heating (Scope 2), as well as the goods and services in the higher value chain (Scope 3).

#### Climate change mitigation measures – reduction of Scope 1 and 2 GHG emissions

In 2024, ELES continued the replacement of outdated fossil fuel passenger vehicles with EVs, for which a total of EUR 140,630 were used in 2024 (2023: EUR 872,687). The total number of driven kilometres with EVs in 2024 was 986,075 km or 24.4% of all the distance travelled with passenger vehicles (2023: 433,322 km or 13.2%),

thus generating GHG emission savings in the estimated value of 116 tonnes of CO<sub>2</sub>e under the location method or 65 tonnes of CO<sub>2</sub>e under the market method. The Company intends to allocate another EUR 3.5 million for the purchase of electric vehicles by 2030. Assuming that the total distance travelled will be the same, additional GHG emission savings have been assessed for 2030 in the amount of 188 tonnes of CO<sub>2</sub>e under the location method or 106 tonnes of CO<sub>2</sub>e under the market method compared to 2024.

By 2030, ELES intends to install SPPs on the roofs of facility owners with a total installed power of 441 kW and an assessed annual production of 494 MWh, with which it shall cover part of its electricity consumption for commercial needs. A reduction of GHG emissions by 116 tonnes of CO<sub>2</sub>e under the location method (227 tonnes under the market method) has been evaluated with the realisation of this measure. The investment amount of this measure has been assessed at EUR 1.0 million. In 2024, the Company placed two more solar power plants; one began operating in December 2024 and the other is planned to be launched in July 2025.

In calculating GHG emission savings for 2024 and the 2030 estimates, the market considers the most up-to-date emission factor of the remaining structure of production sources for Slovenia for 2023, while the location method considers the average specific emissions for Slovenia for 2023.

ELES also intends to perform energy renovations in some buildings by 2030. Due to this measure, the GHG emission reduction estimates cannot be performed at this time because the final technical calculations of energy consumption and savings have not yet been carried out; a total of EUR 9.0 million of investments have been set aside for the implementation of the above.

At ELES, we require certificates of electricity origin for part of the electricity used for commercial use in the scope of the electricity supply contracts with suppliers. For 1,684 MWh of electricity supplied in 2024, we obtained certificates of origin for the co-production of electricity

and high-yield heat, with which GHG emission savings of 443 tonnes of CO<sub>2</sub>e have been generated (emission savings listed on the 2024 certificate of origin). For 1,339 MWh of electricity supplied in 2023, we obtained certificates of the RES origin, therefore the GHG emission savings were higher at 615 tonnes of CO<sub>2</sub>e (emission factor of the remaining structure of production sources for Slovenia for 2023).

As per the EU decarbonisation goals and commitments of Slovenia, there will be a decrease of GHG emissions in the electricity production sector in the coming years, whereby indirect Scope 2 GHG emissions will be reduced for ELES by 10% by 2030 compared to 2024 from electricity purchases for covering losses in the electricity system, which is 19,659 tonnes less CO<sub>2</sub>e under the location method or 38,347 tonnes CO<sub>2</sub>e under the market method.

#### Environmentally sustainable investments

In its transmission system development plan for the period of 2025-2034, ELES shall, for the purposes of adjusting to climate change and the transition of society (industry, companies and households) to a more sustainable economy and for the purpose of contributing to limiting global warming to 1.5 °C, allocate EUR 800.0 million for investments (66% of all investments) into increasing its transmission capacities (existing and new transmission lines and TSS), increasing the resilience of the transmission system to climate change, and into new technologies for managing operations.

### 3.2.7.1 EI-4 Targets regarding the mitigation of climate change and adapting to it

#### EU objectives

With its Green Deal strategy, the EU has set itself an ambitious goal to become a zero-carbon economy by 2050. Through the clean industry agreement, it remains loyal to realising the European Green Deal targets, whereby a 55% decrease of net GHG emissions has been

agreed for 2030 compared to 1990, and the interim target for the year 2040 is 90%. To achieve these targets, the EU will encourage investments into technologies, such as solar power, wind power, biomass, hydro power, geothermal power, and support changes in the energy infrastructure and politics.

### National targets

On 18 December 2024, the RS government adopted the amended National Energy and Climate Plan (NECP 2024), in which it defined the following key targets:

- to contribute to the realisation of net zero GHG emissions on the EU level by 2050;
- reduce total GHG emissions by at least 55% by 2033 (and from 35 to 45% by 2030 based on the scope of reduced operations of TPP Šoštanj) compared to 2005;
- to achieve at least a 33% share of RES in the final energy consumption by 2030 (based on the information provided by SURS, 25.07% was achieved in 2023) and at least a 55% share of RES in the production of electricity (SURS: 41.9% in 2023);
- to improve energy efficiency whereby the final energy consumption shall not exceed 50.2 TWh, which means an 11% reduction compared to the reference scenario of 2020;
- to reduce the consumption of energy in buildings by 15% by 2030 compared to 2020;
- to withdraw from coal by 2033 at the latest by securing a diversification of resources in due time;
- to increase R&D investments to at least 3.5% of the GDP, of which 1.25% of the GDP from public funds by 2030.

### ELES goals

In its LSP 2021-2025, ELES adopted targets aimed at reducing the carbon footprint and losses in the RS in the transmission grid, and these are being realised through investments from TSDP. The targets

and the necessary investments into the EES have also been adopted and will be harmonised with the NECP: decarbonisation, energy efficiency, energy safety, internal energy market and research, innovations and competitiveness. The necessary investments into the transmission network in the next ten years are defined in the TSDP, which will be ensured through the appropriate transmission capability of the network in RS and its reliability. The following is considered: to enable a continuous, reliable and quality supply of electricity, to meet the current and future demand, to increase the grid's resilience to extreme weather conditions in order to prevent failures and disturbances, to increase the cost efficiency of transfer services in the RS electricity system, to increase the efficiency of the internal electricity market, to facilitate the energy transition and achieve climate targets, to promote technological development and innovations, compliance with regulations and legislation, and harmonisation with the ENTSO-E ten-year development plan.

The GHG emission determination metrics are in line with the GHG protocol.

*KPI GHG emissions reduction:* targets have been set for the reduction of Scope 1 and 2 GHG emissions by 2030 by replacing outdated company-owned passenger vehicles with electric vehicles, placing solar power plants to cover part of our own commercial use, and energy renovations of buildings. To reduce Scope 2 GHG emissions where the majority (99%) falls on indirect emissions from the purchase of electricity to cover losses in the electricity system, no targets have been set because physical losses are occurring due to the transfer and distribution of electricity from producers to end consumers. ELES has no direct impact on GHG emissions during electricity production, and the purchase of certificates of origin is not economically viable because the costs would be passed down to the end consumers paying network charges. As per the EU decarbonisation targets and the commitments of Slovenia, GHG emissions are expected to decrease in the coming years, whereby indirect Scope 2 emissions will be reduced for ELES. The main source of Scope 3 GHG emissions are from category 2. Investment goods, which we are not yet monitoring. The aim by 2028 is to establish a data collection system for Scope 3 GHG

emissions. The aim is a 10% Scope 1 and 2 GHG emissions reduction by 2030 compared to 2024. The measures and the current advancements in reducing GHG emissions are presented in chapter 3.2.7.

*KPI Share of realised investments compliant with the taxonomy, by financial value:* investments into TSDP due to the general electrification of society and green transition.

### The goal of reducing GHG emissions

At ELES, we are carrying out direct measures to reduce the organisation's carbon footprint. 2024 serves as the basis year for determining targets for reducing GHG emissions by 2030, which was the first year of reporting in which Scope 1 and 2 GHG emissions have been considered in full, whereas Scope 3 GHG emissions include emissions from four categories (1. Purchased goods and services; 3. Activities related to fuel and energy; 5. Activity-generated waste; 7. Employee transfer to work and work from home), but they do not include emissions from two categories (2. Investment goods – this has a major impact – and 6. Missions).

The reduction of Scope 1 GHG emissions by 29% by 2030 compared to the base year of 2024 is based on the measure of the (gradual) electrification of ELES company vehicles (-188 tonnes of CO<sub>2</sub>e) and investments into solar power plants for covering part of the electricity demands for commercial use (-116 tonnes of CO<sub>2</sub>e). The effect of GHG emissions reduction from investments into the energy renovation of buildings has not been considered because the technical calculation of the impact has not yet been carried out.

The location method has been used for calculating Scope 2 GHG emissions. The largest share of Scope 2 GHG emissions stems from the purchase of electricity for covering losses in the electricity system. Based on the national target to achieve at least a 55% share of RES in electricity production, a 10% GHG emissions reduction has been considered in the electricity production sector by 2030 compared to the base year of 2024.



The reduction of Scope 3 emissions has not yet been included because not all of the important categories have been included in the emissions of the base year of 2024 (mainly 2. Investment goods).

Goals for reducing GHG emissions after 2030 will be set in 2028.

Presented are partial targets of GHG emissions reduction.

The base value has been defined for the first time; the new base value will be defined and explained presumably in 2028 when Scope 3 GHG emissions for categories 2 Investment goods and 6 Business trips will be included.

The estimated sectoral progress of reducing GHG emissions in electricity production has been considered, i.e. 10% by 2030 compared to 2024.

#### Goals of reducing GHG emissions in tonnes of CO<sub>2</sub> equivalent

	Base year 2024	Target 2030	Target by 2050
GHG emissions (in tonnes of CO <sub>2</sub> equivalent)	199,517	179,554	0
Energy efficiency and reduction of consumption	/	/	/
Efficiency of materials and reduction of consumption	/	/	/
Switch to other fuels	/	/	/
Electrification (of the vehicle fleet)	/	-188	/
Use of energy from renewable sources (own production from solar power plants)	/	-116	/
Gradual elimination, replacement or change of product	/	/	/
Gradual elimination, replacement or change of process	/	/	/
Mix of electricity sources for covering losses	/	-19,659	/
Other	/	/	/

Note: The GHG emissions of the base year include Scope 1 and 2 GHG emissions and, to a lesser extent, Scope 3 GHG emissions. The "/" symbol means that the data is not available.

## 3.2.8 E1-5 Consumption of energy and mixture of energy sources

### Energy consumption

A significant share of energy consumption stems from the purchase of electricity for covering losses in the electricity system (99.2%) and only a small part falls on commercial use (0.8%).

#### Annual energy consumption (in MWh) between 2017 and 2024

Energy product type	2017	2018	2019	2020	2021	2022	2023	2024
electricity*	381,001	365,662	360,893	347,142	353,040	368,027	826,112	839,352
district heat	682	595	635	596	696	570	348	356
natural gas	123	94	77	92	92	103	181	58
heating oil	100	240	100				200	100
diesel	1,746	2,000	2,149	2,012	2,158	2,984	2,480	2,526
petrol	970	673	513	326	242	248	321	235
<b>Total</b>	<b>384,621</b>	<b>369,264</b>	<b>364,368</b>	<b>350,169</b>	<b>356,229</b>	<b>371,933</b>	<b>829,641</b>	<b>842,628</b>

\* Note: In 2023, SODO was taken over by ELES and, therefore, the losses have been included in the distribution system since 2023, which is the reason for the increase of electricity consumption.

The majority of the consumption is the consumption of electricity, which amounted to 835,519 MWh in 2024 or 99.6%, as per the following purpose:

- for losses in the transmission system 385,858 MWh (2023: 373,524 MWh);
- for losses in the distribution system 449,580 MWh (2023: 448,814 MWh);
- for commercial use 3,914 MWh (2023: 3,774 MWh), of which 3,688 MWh for buildings and supplying ICT devices, and 227 MWh for charging electric vehicles.

#### Annual energy consumption for commercial use (without losses)

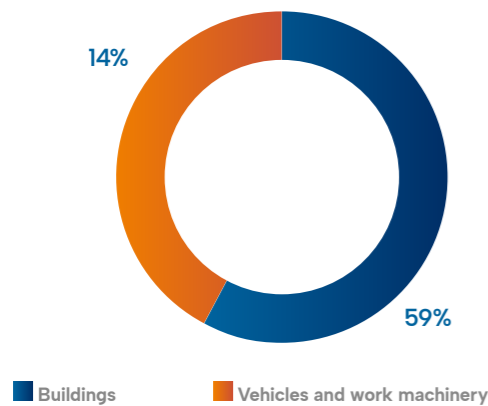
The annual energy consumption for commercial use amounted to 7,190 MWh in 2024, of which 59.1% for buildings and supplying ICT devices and 40.9% for using vehicles, work machinery and mowing. In addition to the already displayed electricity consumption for commercial use, 356 MWh of district heating was used,

58 MWh of natural gas and 100 MWh of heating oil, 48 MWh of diesel fuel for DEA purposes, and a total of 2,712 MWh of petrol/diesel fuel for the use of vehicles, work machinery and mowing.

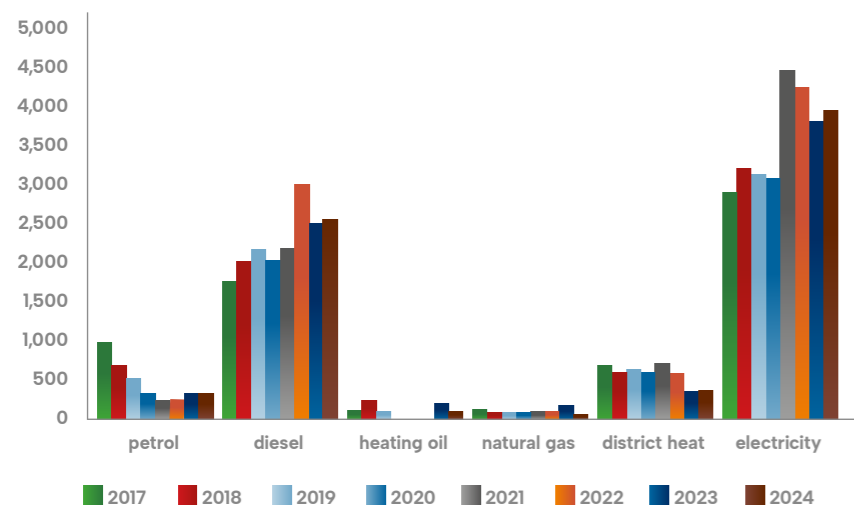
The solar power plant, which began operating in December 2024, produced a total of 0.7 MWh of electricity. We are taking advantage of the groundwater heat/cold for heating/cooling commercial premises at one location, whereas at another location we are using residual

heat from the transformer. The measured energy used in 2024 of 1,308 MWh for the first location and 111 MWh for the second location has not been included in the table below.

Energy consumption for business use in 2024 by purpose of use



Annual energy consumption without losses (in MWh) in the period of 2017-2024



Energy consumption (in MWh) and the mix of energy sources (ESRS EI-5, AR 34)

Consumption of energy and mixture of energy sources	2021	2022	2023	2024
1. Fuel consumption from coal and coal products (in MWh)	0.00	0.00	0.00	0.00
2. Fuel consumption from crude oil and oil products (in MWh)	2,400.3	3,232.4	3,000.7	2,861.1
3. Fuel consumption from natural gas (in MWh)	92.0	103.4	181.4	57.7
4. Fuel consumption from other fossil sources (in MWh)	0.0	0.0	0.0	0.0
5. Consumption of purchased or obtained electricity, heat, steam and cooling from fossil sources (in MWh)	263,388.4	204,412.4	545,966.6	556,273.3
6. Total energy consumption from fossil sources (in MWh) (sum of rows 1-5)	265,880.7	207,748.2	549,148.7	559,192.1
Share of fossil sources in the total energy consumption	74.6%	55.9%	66.2%	66.4%
7. Consumption from nuclear sources (in MWh)	48,176.4	97,058.7	144,402.7	146,555.3
Consumption share from nuclear sources in the total energy consumption	13.5%	26.1%	17.4%	17.4%
8. Fuel consumption for renewable sources, including biomass (including industrial and municipal waste of biological origin, biogas, hydrogen from renewable sources, etc.) (in MWh)	0.0	0.0	0.0	0.0
9. Consumption of purchased or obtained electricity, heat, steam and cooling from renewable sources (in MWh)	42,171.6	67,126.3	136,090.00	136,879.7
10. Consumption of self-generated energy from non-combustible renewable sources (in MWh)	0.0	0.0	0.0	0.7
11. Total energy consumption from renewable sources (in MWh) (sum of rows 8-10)	42,171.6	67,126.3	136,090.0	136,880.5
Share of renewable sources in the total energy consumption	11.8%	18.0%	16.4%	16.2%
Total energy consumption (in MWh) (sum of rows 6, 7 and 11)	356,228.7	371,933.2	829,641.4	842,627.8

Note: The table shows the energy consumption for business use and energy consumption for covering electricity losses in the transmission network, as well as losses in the distribution network for 2023 and 2024. The table, compared to the publication in the 2023 annual report, includes an update for the mix of energy sources for 2023 (shares of the remaining structure of production sources for Slovenia for 2023 have been considered, as published on 7 June 2024 by the Energy Agency on its website).



The total remaining structure of electricity production sources in Slovenia, as published by the Energy Agency on its website for June of the previous calendar year, has been considered for electricity to cover losses in the transmission/distribution network. The structure of production sources and emission factors during the preparation of this report are still unknown for 2024, therefore data for 2023 has been considered. To convert the consumed petrol/diesel quantities in litres into consumed energy, the specific net caloric values for 2024 published by ARSO have been used.

#### Energy intensity on net revenue

The main activities of ELES that have been moved to high-impact climate sectors are D35.120 electricity transmission and D35.130 electricity distribution. These two activities represent 99.8% of the net revenue from sales and more than 99.9% of the total energy consumption. The total energy consumption per net revenue from the high-impact climate sector for 2024 is 1.4 GWh per million EUR.

#### Energy intensity on net revenue

	Unit	2023	2024	% N / N -1
The total energy consumption from the high-impact climate sector	MWh	829,641	842,628	102%
Net revenue from the high-impact climate sector	million EUR	585.4	592.0	101%
Total energy consumption from the high-impact climate sector on net revenue from the high-impact climate sector	GWh/ million EUR	1.4	1.4	100%

Note: The net revenue includes the net sales revenue of ELES.

ELES revenue	Unit	2023	2024
Net sales revenue:	million EUR	585.4	592.0
Revenue from electricity transmission	million EUR	231.6	249.9
Revenue from electricity distribution	million EUR	352.4	340.8
Revenue from non-energy activities	million EUR	1.4	1.4

### 3.2.9 EI-6 Gross Scope 1, 2 and 3 GHG emissions and total GHG emissions

#### Calculation of the GHG emissions of the organisation

The calculation of GHG emissions includes all Scope 1 and 2 emission sources and four categories of Scope 3 for which data is available and that are under the operational control of ELES. GHG emissions of other companies in the ELES Group are not part of the GHG emissions calculation of ELES. GHG emissions are shown in metric tonnes of CO<sub>2</sub> equivalent.

#### Gross Scope 1, 2 and 3 GHG emissions and total GHG emissions

Gross GHG emissions in metric tonnes of CO <sub>2</sub> equivalent	Unit	2023	2024
Scope 1 GHG emissions			
Gross Scope 1 GHG emissions	t CO <sub>2</sub> e	896	1,057
Scope 2 GHG emissions			
Gross location Scope 2 GHG emissions	t CO <sub>2</sub> e	194,491	197,609
Gross market Scope 2 GHG emissions	t CO <sub>2</sub> e	378,253	385,888
Important Scope 3 GHG emissions			
Total gross indirect GHG emissions (Scope 3)	t CO <sub>2</sub> e	963	850
Total GHG emissions			
Gross location GHG emissions	t CO <sub>2</sub> e	196,351	199,517
Gross market GHG emissions	t CO <sub>2</sub> e	380,112	387,795

The presented Scope 3 GHG emissions do not reflect the actual state because only GHG emissions from the four categories in which we managed to obtain data are considered. The bulk of the Scope 3 GHG emissions are from category 2. Investment goods", which has not yet been included, therefore the actual Scope 3 emissions are significantly higher.

#### Gross Scope 1 GHG emissions

The Scope 1 GHG emissions are direct emissions due to the burning of fuels (natural gas or diesel fuel) in properties (combustion plants for heating and diesel electricity generators for continuous power), which amounted to 49 tonnes of CO<sub>2</sub>e in 2024, and due to fuel burning (diesel fuel or petrol) in movables (company vehicles and machinery) in the amount of 676 tonnes of CO<sub>2</sub>e, as well as indirect emissions from properties (fugitive emissions of cooling gases R22, R407c, R410a and R32 from HVAC and air conditioners and the SF<sub>6</sub> isolative gas from ED in switches isolated from gas) in the amount of 332 tonnes of CO<sub>2</sub>e.



The gross Scope 1 GHG emissions amounted to 1,057 tonnes of CO<sub>2</sub>e in 2024, which was higher by 17.9% compared to 2023 (896 tonnes of CO<sub>2</sub>e). These were increased due to higher fugitive GHG emissions due to the leakage of SF<sub>6</sub> in GIS devices (+230 tonnes of CO<sub>2</sub>e). On the other hand, lower fugitive GHG emissions were recorded due to the leakage of coolants (-11 tonnes of CO<sub>2</sub>e) and lower direct GHG Emissions due to the combustion of fuels in immovables (-38 tonnes of CO<sub>2</sub>e) and movables (-20 tonnes of CO<sub>2</sub>e).

ELES is not trading with emissions, thus the share of GHG emissions from regulated emission trading systems is 0%.

Our Scope 1 GHG emissions calculation includes the actual quantities of fuels purchased and the filling of fugitive gases and specific DEFRA emission factors.

Large quantities of coolants and isolative gases in our devices pose a potential risk of an accidental release of GHG emissions into the environment. To reduce this risk, ELES is carrying out regular periodic tightness controls and checks, and is regularly maintaining these devices. The table below shows the integrated quantities of coolants and isolative gases in our devices as at 31 December 2024 and the quantities from accidental releases of these gases in 2024 and the consequent fugitive GHG emissions.

#### Fugitive emissions from coolants and isolative gases

Quantity of embedded gases and fugitive emissions	Quantity of integrated gas as at 31 Dec 2024	Quantity of accidental emissions in 2024	GWP	Fugitive GHG emissions in 2023	Fugitive GHG emissions in 2024
Gas type	kg	kg	kg CO <sub>2</sub> e/kg	t CO <sub>2</sub> e	t CO <sub>2</sub> e
Refrigerants				113.3	101.9
R22	10.40	0.00	1,760	0.0	0.0
R407c	46.70	0.00	1,624	17.1	0.0
R410a	785.07	52.20	1,924	96.2	100.4
R32	201.47	2.20	677	0.0	1.5
Isolation gas				0.0	230.3
SF <sub>6</sub>	19,794.01	9.80	23,500	0.0	230.3
Total (coolants and isolative gases)				113.3	332.2

ELES is not using biomass and is not trading with emissions.

#### Gross Scope 2 GHG emissions

Scope 2 GHG emissions represent indirect emissions, which include electricity consumption (losses in the transmission and distribution network, consumption for buildings and electric vehicles) and district heating. Losses of electricity in the transmission and distribution network represent the highest Scope 2 GHG emissions share, 46% of loss in the transmission network and 53.5% of loss in the distribution network. Losses in the transmission grid have been increasing since 2021, by 4.4% in 2022, by another 2.7% in 2023, and by another 3.3% in 2024 compared to the previous year. In 2023, SODO was taken over by ELES, so the year 2023 also includes GHG emissions for the first time due to losses of electricity in the distribution network. Distribution grid losses increased in 2024 by 0.2% compared to 2023.

The gross location Scope 2 GHG emissions for 2024 are as follows: 197,609.5 tonnes CO<sub>2</sub>e. Location emission factors (for electricity and

heat) for the RS have been used to calculate emissions, published by the Jožef Stefan Institute on its website. The 2023 factors have been considered for 2024 because these have not yet been published for 2024. A correction of the GHG emission calculation has been made for 2023 considering the factors that were published in January 2025.

The gross market Scope 2 GHG emissions are as follows: 385,888 tonnes CO<sub>2</sub>e. Emission factors of the total remaining structure of production sources for Slovenia have been used for market emissions, published by the EA, and specific emission factors of suppliers to a lesser degree, whereby certificates of origin are required or a specific source of electricity as per the contract. These factors have also not been published yet for 2024, therefore data for 2023 has been used. The specific emission factor of Energetika Ljubljana for hot water has been used for district heating.

#### Scope 3 GHG emissions

Scope 3 is being disclosed for the first time. The Scope 3 GHG emissions calculation amounting to 850 tonnes of CO<sub>2</sub>e in 2024 includes the following categories:

- 3/1. Purchased goods and services: 1 tonne CO<sub>2</sub>e;
- 3/3. Activities related to fuel and energy (which are not included in Scope 1 or 2) – losses due to electricity consumption and losses due to district heating: 83 tonnes CO<sub>2</sub>e;
- 3/5. Activity-generated waste: 84 tonnes CO<sub>2</sub>e;
- 3/7. Employee transfer to work and work from home: 682 tonnes CO<sub>2</sub>e.

The following two categories of Scope 3 GHG emissions are also important for ELES:

- 3/2. Investment goods,
- 3/6. Missions,

However, we still do not have the required data to calculate these emissions.



ELES considers the principles and provisions of the emissions calculation standard (Scope 3) from the value chain of companies and reporting thereof from the GHG Protocol (version 2011) and may consider Commission Recommendation (EU) 2021/2279 or suitable requirement from the EN ISO 14064-1:2018 standard for defining the quantification of indirect GHG emissions.

The calculation of emissions from category “3/1. Purchased goods and services” includes the consumption of drinking water at all ELES locations, whereby the DEFRA emission factor for water supply has been considered. The calculation of emissions from category “3/3. Activities related to fuel and energy” includes emissions from losses due to electricity consumption for commercial use and emissions from losses due to district heating, whereby the specific location emission factor for losses in Slovenia, as published by IJS, has been considered.

The calculation of emissions from category “3/5. Waste” includes waste handling emissions (communal and other waste and wastewater), whereby the weighted quantities of other waste from records are considered, calculated (assessed) quantities of communal waste as per the invoices of communal waste collection, and calculated quantities of drinking water consumption and the DEFRA emission factor for waste handling and cleaning wastewater.

The calculation of emissions from category “3/7. Employee transfer” includes emissions due to the arrival of employees to work and due to the use of own equipment when working from home. The number of driven kilometres has been assessed based on the annual number of employee arrivals and the distance between their home and their workplace. The calculation includes the DEFRA emission factor per driven kilometre for the average passenger vehicle size – unknown. The number of hours for working from home has been calculated on the basis of data from salaries, and the emission factor has been taken from DEFRA for work from home, which includes emissions of energy consumption due to heating and using office equipment at home.

Emission categories 4–8 and 15 have been excluded from records because these emissions are not generated in the ELES value chain

because the electricity transmission/distribution service is an end service.

Biogen CO<sub>2</sub> emissions have not been recognised in the ELES value chain.

#### The inclusion of individual GHG emission sources in Scope 3 by categories

Scope 3 category	Inclusion	Justification
3.1 Purchased goods and services	Included	Emissions due to drinking water consumption.
3.2 Investment goods	Not included	Not included due to lack of data. Inclusion plan in 2026.
3.3 Activities related to fuel and energy (which are not included in Scope 1 or 2)	Included	Emissions from losses due to electricity consumption for commercial use and emissions from losses due to district heating.
3.4 Transport and distribution in the higher part of the value chain	Not relevant	
3.5 Activity-generated waste	Included	Management of communal waste, other waste and wastewater.
3.6 Missions	Not included	Not included due to lack of data. Inclusion plan in 2026.
3.7 Employee transfer to work	Included	Emissions due to the transfer of employees to work and work from home.
3.8 Assets leased in the higher part of the value chain	Not relevant	
3.9 Transport and distribution in the lower part of the value chain	Not relevant	
3.10 Processing of sold products	Not relevant	
3.11 Use of sold products	Not relevant	
3.12 Handling spent sold products	Not relevant	
3.13 Assets leased in the lower part of the value chain	Not relevant	
3.14 Franchises	Not relevant	
3.15 Investments	Not relevant	

#### Total GHG emissions

The total GHG emissions on the basis of the main Scope 2 GHG emissions measured using the location method amounted to 199,517 tonnes of CO<sub>2</sub>e, while Scope 2 GHG emissions measured using the market method amounted to 387,795 tonnes of CO<sub>2</sub>e.



Gross GHG emissions broken down by Scopes 1, 2 and important Scope 3

	Retrospectively			
	Base year 2023	Comparison 2023	N 2024	% N / N-1
<b>Scope 1 GHG emissions</b>				
Gross Scope 1 GHG emissions (in tonnes of CO <sub>2</sub> equivalent)	896	896	1,057	18%
The share of Scope 1 GHG from regulated trade systems with emissions (in %)	0%	0%	0%	/
<b>Scope 2 GHG emissions</b>				
Gross location Scope 2 GHG emissions (in tonnes of CO <sub>2</sub> equivalent)	194,491	194,491	197,609	2%
S2-1: Indirect emissions – electricity consumption	888	888	921	4%
S2-1: Indirect emissions – losses in the transmission network	87,896	87,896	90,799	3%
S2-1: Indirect emissions – losses in the distribution network	105,613	105,613	105,794	0%
S2-2: Indirect emissions – thermal energy consumption	94	94	96	2%
Gross market Scope 2 GHG emissions (in tonnes of CO <sub>2</sub> equivalent)	378,253	378,253	385,888	2%
<b>Important Scope 3 GHG emissions</b>				
Total gross indirect GHG emissions (Scope 3) (in tonnes of CO <sub>2</sub> equivalent)	963	963	850	-12%
1 Purchased goods and services	2	2	1	/
Optional sub-category: Cloud computing and data centre services	/	/	/	/
2 Investment goods	/	/	/	/
3 Activities related to fuel and energy (which are not included in Scope 1 or 2)	80	80	83	3%

	Retrospectively			
	Base year 2023	Comparison 2023	N 2024	% N / N-1
4 Transport and distribution in the higher part of the value chain	n. a.	n. a.	n. a.	n. a.
5 Activity-generated waste	158	158	84	-47%
6 Missions	/	/	/	/
7 Employee transfer to work and work from home	723	723	682	-6%
8 Assets leased in the higher part of the value chain	n. a.	n. a.	n. a.	n. a.
9 Transport and distribution in the lower part of the value chain	n. a.	n. a.	n. a.	n. a.
10 Processing of sold products	n. a.	n. a.	n. a.	n. a.
11 Use of sold products	n. a.	n. a.	n. a.	n. a.
12 Handling spent sold products	n. a.	n. a.	n. a.	n. a.
13 Assets leased in the lower part of the value chain	n. a.	n. a.	n. a.	n. a.
14 Franchises	n. a.	n. a.	n. a.	n. a.
15 Investments	n. a.	n. a.	n. a.	n. a.
<b>Total GHG emissions</b>				
Total GHG emissions (location) (in CO <sub>2</sub> equivalent)	196,351	196,351	199,517	102%
Total GHG emissions (market) (in CO <sub>2</sub> equivalent)	380,112	380,112	387,795	102%

Note on the table: the "n.a." mark means that the category for ELES is irrelevant; the "/" symbol means that the data will be calculated in the coming years.



The calculation only includes the GHG emissions of ELES. GHG emissions of other Group companies have not been considered because they are also not part of the financial statements.

#### Intensity of GHG on net revenue

	Unit	Comparison 2023	N 2024	% N / N -1
Net revenue from Company activities	million EUR	585.4	592.0	101.1%
Total GHG emissions (location)	t CO <sub>2</sub> e	196,351	199,517	101.6%
Total GHG emissions (location) per net revenue (in CO <sub>2</sub> equivalent/monetary unit)	t CO <sub>2</sub> e/ million EUR	335.4	337.0	100.5%
Total GHG emissions (market)	t CO <sub>2</sub> e	380,112	387,795	102.0%
Total GHG emissions (market) per net revenue (in CO <sub>2</sub> equivalent/monetary unit)	t CO <sub>2</sub> e/ million EUR	649.3	655.0	100.9%

Note: The net revenue includes the net sales revenue of ELES.

### 3.2.10 EI-7 Removals of GHG and GHG emission reduction projects financed with carbon credits

ELES is not performing removals of GHG, nor is it carrying out GHG emission reduction projects financed with carbon credits, therefore this topic is irrelevant. ELES did not submit any public statements regarding climate neutrality, therefore this topic is irrelevant for it.

### 3.2.11 EI-8 Determining the internal price of carbon

ELES is not using internal carbon pricing schemes, therefore this topic is irrelevant for it.

### 3.2.12 EI-9 Anticipated financial impacts of important physical and transition risks and possible climate-related opportunities

Financial impacts of physical and transition risks have not been defined yet due to uncertainty.

#### Physical risks

Due to the ever-frequent extreme weather events, physical risks are on the rise for the electricity infrastructure.

#### Transition risks

Due to the gradual general electrification, an increase of electricity production and consumption is expected. On the one hand, revenue from network charges will increase due to the increased electricity consumption; however, the costs of ensuring system services will also increase (costs of electricity for covering losses and costs of the system offset services). Due to the increased transfer of electricity, electric devices will experience more loads, due to which losses in the electricity system will increase. Due to the higher share of RES, the volatility of electricity prices will increase, as will the volatility of revenue from CBTC.

Savings in energy consumption where ELES has an impact and that it will achieve through investments into SPPs and energy renovations are irrelevant from the financial point of view compared to the costs of electricity purchases to cover losses or compared to the investments into the measure itself.

The potential market will not change significantly because the revenue and costs of the regulated activities are being regulated by EA.

In line with the obtained concession, ELES is the only entity performing the regulated activity D35.120 (transmission of electricity) and D35.130 (distribution of electricity) on the territory of RS; the latter is being performed through five electricity distribution companies on a contractual basis in the name of ELES, therefore the market size issue or any expected changes to the net revenue from low-carbon products and services or adaptation solutions are irrelevant for the Company.

## 3.3 E4 – Biodiversity and ecosystems

### 3.3.1 SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model

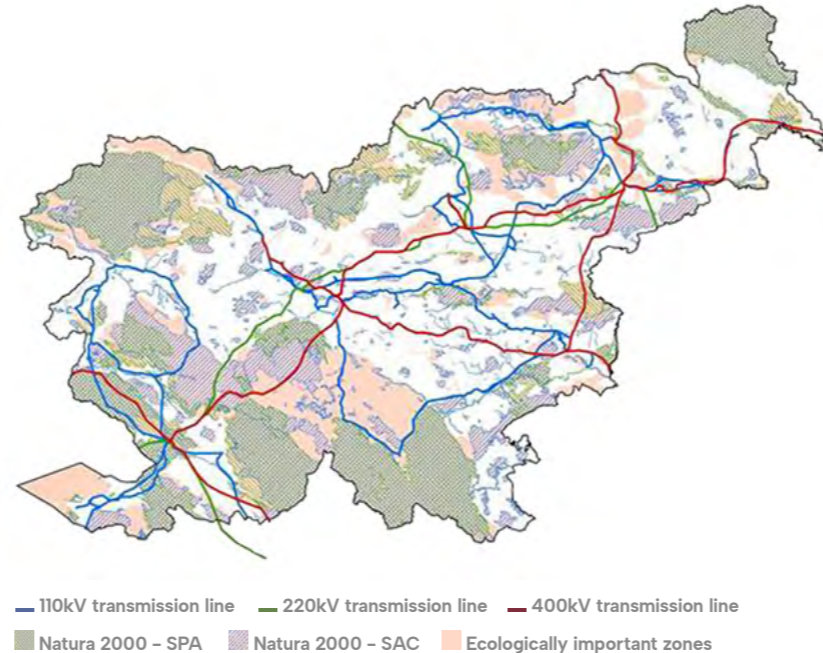
The electricity transfer activity alone does not have a negative impact on biodiversity and ecosystems. The impact on biodiversity and ecosystems is present during maintenance works on transmission lines. In terms of preserving vegetation and enriching the soil, biomass (undergrowth) milling is being done during maintenance works on transmission lines at the point of removal, and matters are left to the natural decomposition cycle.

To reduce impacts, works are not being done during the times that are important for the reproduction of specific types (e.g. bird nesting and hatchlings), in line with the legislation.

Important places of own operations are locations of energy facilities, i.e. high-voltage transmission line paths spanning 75.2km<sup>2</sup> (0.37% of Slovenia's ground surface) and transmission system substations.

Sensitive biodiversity places are Natura 2000 areas, secured areas that may partially overlap with Natura 2000, and ecologically important areas, which include the Natura 2000 areas.

The course of the transmission lines and their course through Natura 2000 areas and ecologically important areas



Sections of transmission line paths through the Natura 2000 areas occupy 16.7km<sup>2</sup> of surface or 0.2% of all ground Natura 2000 areas. The majority of these transmission line paths have been placed into space prior to the announcement of the Natura 2000 areas. After 2004, when the Natura 2000 and other secured areas were announced, the TL 2x400kV Cirkovce–Pince transmission line was constructed in 2022 through a Natura 2000 area and has an impact on biodiversity. Due to the interference in the Natura 2000 area, mitigation measures were introduced in line with the identified impacts from the comprehensive review of impacts on the environment, which were implemented already during the construction phase, and are being implemented in the operational phase as well.

ELES activities are not causing any losses of biodiversity or disturbances in the structure and functionalities of ecosystems. The impact of ELES on endangered species is minimal or negligible. Preventive measures have been established in areas where there could be an impact on endangered species (e.g. for birds – placement of conductor markings on transmission lines).

### 3.3.2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities related to biodiversity and ecosystems

ELES has defined and assessed the actual and possible impacts of its own activity on biodiversity and ecosystems, i.e. during the placement and construction of new electricity facilities and in maintaining electricity facilities. ELES will not define or assess this impact for the higher and lower parts of the value chain because its impact on the value chain is insignificant.

Impacts are defined and assessed through the use of methodologies for assessing intervention impacts on nature in the scope of assessing the intervention impacts on the environment.

The following environmental aspects are assessed:

- impacts on people, their health and immovable properties: noise, air quality, electromagnetic radiation;
- impacts on nature: flora, fauna and habitation types, protected zones, ecologically important areas;
- impacts on the quality of the soil and its use;
- impacts on cultural heritage;
- impacts on the landscape and its features.

The following has been defined for each environmental element: original condition, description and assessment of expected impacts on



each element in the environment, proposals were given for mitigation measures during the construction and operation phases, and proposals for monitoring the situation. During the assessment of each environmental element, the legislation basis was also presented for discussing the impacts, and the method for valuating impacts was explained.

For each element in the environment, a six-step assessment methodology was used:

- positive impact (+),
- no impact (0)
- the impact is minor (1),
- the impact is moderate (2),
- the impact is major (3), and
- the impact is very high and therefore unacceptable (4).

During the report preparation process on impacts on the environment, representatives of municipalities, non-governmental organisations and professional organisations are always included.

ELES is not carrying out activities directly related to biodiversity and ecosystems, which is why it did not use the analysis of scenarios for biodiversity and ecosystems.

The transmission activity has an indirect impact on biodiversity due to the energy grid, which includes TSS and high-voltage transmission lines running through the territory of the country, even sensitive biodiversity areas (see the map of transmission lines in chapter 3.3.1), but it has no major negative impacts that would deteriorate habitats and disturb the types for which the area has been determined.

Considering the nature of Company operations, it has been assessed that there is no major negative impact on biodiversity and ecosystems, also due to the realisation of preventive measures.

To ensure reliable operations and the transmission of electricity, high-voltage transmission lines need to be maintained, which is carried

out in line with the internal regulations and the applicable national legislation governing the intervention in nature and that also defines procedures for maintaining biodiversity.

Maintenance of transmission line paths in forest areas is divided into cleaning the path and expanding the forest edge. When cleaning the path, the undergrowth is cut, which does not exceed a thickness of 10cm at chest height. All undergrowth must also be cleaned from all watercourses or reclamation channels and removed for five metres from the edge of the watercourse. The undergrowth must be removed in such a way that floods do not occur during high water levels.

Cutting and removing undergrowth must be carried out in such a way that it does not endanger the natural bio environment, and machine cleaning is prohibited from 1 March to 1 August.

In maintaining transmission lines where interventions are made into the Natura 2000 area or in areas of natural values, ELES must obtain a permit for works in nature from the locally competent administrative unit prior to initiating any work. The administrative unit defines the conditions for the intervention and the period in which works may be commenced.

When expanding a forest edge, the trees on the edge or trees of 10 cm in diameter or more at chest level are cut. Before carrying out works in a forest or forested area, consent must be obtained from the Slovenian Forest Service.

High-voltage transmission line towers also represent new living spaces for birds. During the maintenance of high-voltage transmission lines, employees always discover bird nests. "Live" nests are noted by the employees and preserved, whereas abandoned nests are removed from pillars during regular preventive maintenance works.

There are generally no changes in land use in transmission line areas due to the performance of activities. When land needs to be restricted, arrangements are made with the owners through easement contracts and reimbursements.

In performing its activities, ELES does not directly take advantage of the flora and fauna, it does not introduce invasive non-native species and it does not pollute the environment, which is why it does not have any major direct impact on biodiversity and ecosystems.

The ELES processes that work reciprocally with biodiversity and the ecosystems are the building and maintenance during operations. The impact is temporarily higher during construction works, but time-limited and the old conditions are generally restored following the construction works or the consequences of the intervention are limited through mitigation measures. During maintenance works, the impact is present throughout the operating period and is negligible due to preventive measures.

All conditions and all phases are specified and defined in the impact reports on interventions in the environment.

### 3.3.3 E4-1 Transition plan and consideration of biodiversity and ecosystems in the strategy and business model

The main activity of the Company is electricity transmission, which is carried out through the electricity grid in the area of Slovenia. The impacts of Company activities related to biodiversity and ecosystems are possible during construction works and during the operation of the transmission grid.

During the processes of spatial placements and the issue of building permits for the energy transmission infrastructure facilities, important impacts are being identified on biodiversity and ecosystems, variants are chosen with acceptable impacts on the environment, and mitigation measures are determined for the duration of the construction process, possible compensatory measures (e.g. replacement habitats) and conditions for operating times, whereby the least intrusive impact of the transmission grid on biodiversity and ecosystems is considered.



With the building of replacement habitats, ELES is supporting SDG 14 Life below water (water habitat) and SDG 15 Life on land (grasslands and forest habitats).

ELES is not carrying out activities directly related to biodiversity and ecosystems, which is why it does not have, nor does it plan to have, a transition plan regarding biodiversity and ecosystems because the impact on biodiversity is negligible. ELES is already carrying out the prescribed protection and mitigation measures to preserve biodiversity and will continue to do so in the future.

ELES does not take advantage of flora and fauna, it does not use pesticides, herbicides or chemical fertilisers, nor does it breed non-native invasive species and it is not changing the landscape relief.

It also does not carry out activities directly related to biodiversity and ecosystems and is therefore not exposed to physical transition and systemic risks related to biodiversity and ecosystems.

### 3.3.4 E4-2 Policies related to biodiversity and ecosystems

The environmental management policy is described in paragraph one of chapter 3.2.6.

The umbrella policy on environmental management also includes the impacts, risks, dependencies and opportunities related to biodiversity and ecosystems. All phases from the placement, construction and even operation or maintenance of the electricity infrastructure are directed towards preserving biodiversity and ecosystems.

Activities performed by ELES:

- have a minor impact on biodiversity and ecosystems, which is minimised through balancing and mitigation measures,
- do not depend on biodiversity and ecosystems, therefore there are no related risks or opportunities.

ELES is carrying out all measures to protect biodiversity and ecosystems, as required in the environmental impact reviews. ELES activities have a local impact in Natura 2000 areas and secured areas, therefore the Company is carrying out balancing and mitigation measures to mitigate the impacts.

ELES activities are not substantially damaging biodiversity and ecosystems.

The Company did not adopt any special policies governing the protection of biodiversity and ecosystems, the umbrella policy for environmental management is being considered. Measures, recommendations and statutory provisions are considered when carrying out activities at sensitive biodiversity areas.

ELES has no impact on the supply chain. We are a very small contractor compared to the high-voltage electricity equipment suppliers.

ELES has no impact on SDG 2 and SDG 6.

ELES has a negligible impact on SDG 14 and SDG 15; it is carrying out all preventive and balancing measures even in secured areas to preserve water and land life.

### 3.3.5 E4-3 Actions and resources related to biodiversity and ecosystems

Mitigation measures were defined in the process of assessing impacts on the environment for the construction of TL 2x400kV Cirkovce-Pince, including the establishment of replacement habitats. The proposed locations of alternative habitats have been formed on the basis of coordination with the NSP Regulation makers, ministries responsible for the environment, space, agriculture, forestry and food, the Institute of the Republic of Slovenia for Nature Conservation, and the Slovenian Forest Service. The necessary size of the replacement habitats has been calculated on the basis of coefficients from the

literature that take into consideration the properties, duration of the replacement habitat, and the possibility of an edge effect.

The Gaberje replacement habitat – a water habitat with adequate flora in an area of minor slump/backwater on farm and overgrown surfaces.

The Šturmovci replacement habitat and the Velika Polana replacement habitat (bird hibernation) – establishment of an extensive grassland area on farm surfaces and providing the necessary extensive use (late mowing or extensive livestock pasture).

The Formin and Krapje replacement habitat – preservation of a floodplain forest for preserving protected bird species and their habitat. Establishment of a no-action zone – ecocell status.

The following measures were adopted and implemented during the construction of TLs:

- construction works were adapted to hydro-morphological properties (of the rivers Drava and Mura); limitations of construction works based on the habits of animal species (hibernation, nesting, etc.); ground works on wet lands were performed in summer drought periods or in winter periods when the soil was frozen;
- cutting was done gradually in line with the path's construction progress – to the smallest extent possible;
- access paths were arranged with the minimum interference in the vegetation. River crossings were provided through bridges without interfering with the river flow.

The technical conditions for the functioning of the replacement habitats were established.

Land was purchased from the local inhabitants for the purpose of constructing the replacement habitats.



The cost of constructing the habitats and their monitoring amounted to EUR 2.3 million.

Other measures are also being implemented regarding biodiversity and ecosystems, namely:

- measures to preserve biodiversity and ecosystems during maintenance works;
- cooperation with professional organisations (e.g. DOPPS, ZEU, ZRSVN and ZGS) in projects, in obtaining professional opinions, and in creating expert studies;
- construction of replacement habitats during the placement of transmission lines in the Natura 2000 areas and other protected zones;
- implementing mitigation measures;
- placement of warnings for birds (black and white flags) on conductors that move due to the wind and that birds can spot easily;
- vegetation management.

### 3.3.6 E4–4 Targets related to biodiversity and ecosystems

ELES is carrying out its activities in a way that does not materially harm biodiversity and ecosystems, which is why this topic is irrelevant for the Company.

Following the establishment of the Gaberje replacement habitat, plant and animal species were monitored. Prior to the realisation of the construction works, an inspection was carried out by independent experts. The presence of multiple invasive plant species was identified, as well as multiple amphibians, reptiles and birds. After the monitoring was completed, recommendations were issued for the removal of the invasive species and the removal or transfer of the amphibians to a nearby location. 16 amphibian species were transferred to a replacement habitat.

Expert guidelines state that quantitative ornithological studies must be performed within five years after the implementation of a replacement habitat in order to monitor the efficiency of the realised measures. For this purpose, a nesting survey of the following bird species must be carried out in April, May and June: Savi's warbler, sedge warbler, great reed warbler, common reed bunting, little bittern and river warbler. The process of the occurrence of bird species during migrations and hibernation must also be monitored, for which one survey must be done in the field in the months from August to March.

Report on the monitoring of the nesting period from April to July 2024. In line with the instructions above, the area was visited once per month and twice in June. The entire area was surveyed with every visit and all bird species were recorded. Bird species that only flew over the area were also recorded, as well as the species in direct proximity to the replacement habitat. For water species, quantitative data was also recorded in addition to their presence.

Water birds included the following: grebes, anatidae (ducks and swans), cormorants, herons, porzana, shorebirds and passerines attached to water (*Acrocephalus*).

Land was purchased for the purpose of providing replacement habitats, which shall be given to statutory managers following the technical establishment.

*KPI Investments into biodiversity:* implementation of mitigation measures necessary at the realisation of investments into the electricity infrastructure, especially when we are intervening in Natura 2000 and other protected zones. Investments into biodiversity depend on the actual investments in the infrastructure.

In the next mid-term period, we will perform further measures for the final establishment of replacement habitats built due to the construction of TL 2 x 400 kV Cirkovce–Pince, which runs through a Natura 2000 area and has an impact on biodiversity. After the final establishment of the replacement habitats, the grassland and forest habitat

lands will be transferred to the ownership and management of the Farmland and Forest Fund of the Republic of Slovenia, and water habitat lands will be transferred to RS.

### 3.3.7 E4–5 Impact metrics related to biodiversity and ecosystem change

As per the expert guidelines for the establishment of replacement habitats, monitoring was carried out for the presence of various bird species – a field inspection by ZRSVN and DOPPS experts – prior to, during and after the implementation of works. Recommendations were given and directions for determining the performance of the habitat's establishment.

The performance of the habitat's establishment will be verified through monitoring (monitoring the presence of birds in the habitat – nesting, flyovers and feeding).

ELES does not have a direct impact on the change of land use, use of freshwater and/or saltwater, and has found no material impacts related to ecosystems.

### 3.3.8 E4–6 Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities

In the process of placing electricity facilities in spaces, we may, due to the comprehensive review of impacts on the environment, in the scope of which impacts on biodiversity and ecosystems are also present, see delays in investments. The time delay of activating an investment and its availability has an impact on the amount of cash flows and revenues in relation to recognising eligible costs of the electricity system operator (controlled operating and maintenance, amortisation costs and regulated yield) by the EA.



## 3.4 E5 – Resource use and the circular economy

### 3.4.1 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities related to resource management and the circular economy

ELES is not producing any products or providing services where resources would be used or where there would be an outflow of resources.

The inflow of resources into the Company is done through property, plant and equipment acquisition (electricity devices, buildings, vehicles, work machinery and electronic devices) in which the main materials are metals (iron, aluminium or copper), concrete, mineral oils (in transformers), isolation materials (ceramics, rubber and plastics), and rare metals in lesser quantities (e.g. lithium in battery storage units and EV batteries). Obtained fixed assets are mainly end industrial products accessible on the market or products and semi-products integrated into buildings and electricity devices. ELES has no impact on the choice of a material's origin because these fixed assets are obtained in public contracts, whereby the main criteria are price and quality because a long service life is expected. The Company therefore does not determine the actual and possible impacts, risks and opportunities in the higher part of the value chain.

Resources are drained with the sale or donation of movables that ELES is no longer using or no longer needs: these are mainly older vehicles and machinery, computers, phones and office equipment, as well as movables: buildings and ED.

ELES is generating communal waste from regular operations, which it leaves to the communal waste public utility service providers, as well as waste that is generated during construction and maintenance works, which it submits to authorised providers for further handling

with records. Leaving communal waste and sending construction and maintenance-generated waste for further treatment is done in line with the national legislation, therefore ELES did not determine any impacts, risks and opportunities and is not performing any consultations with the affected communities.

The materiality assessment included all ELES business units in which the company is carrying out its activity of electricity transmission, as well as at locations with own facilities (transmission lines, TSS or buildings), at construction sites (reconstructions/new constructions) and maintenance work locations where waste is being generated.

Sources come via obtaining (purchasing) fixed assets, so ELES has no impact on the sources themselves.

### 3.4.2 E5-1 Policies related to resource use and the circular economy

The comprehensive policies concerning the use of resources and the circular economy have not yet been developed in the Company, though the asset management policy and environmental management policy cover this topic to some extent. We are planning to create a policy on resource inflows by the end of 2027, which will include resource use and through which we will have a comprehensive policy in place on the circular economy.

#### *Use of resources in the higher part of the value chain*

Asset management policy: as a system operator, we are determined to provide assets with long-term quality, which provides consumers and other stakeholders with timely, reliable and cost-efficient services to fulfil their own needs, which is why we are carrying out systematic and coordinated activities and good practice to constantly improve the system of optimum asset management. Efficient asset management includes quality, risks, benefits and costs in the total lifecycle of assets. The system is directed towards the safe, reliable, sustainable,

environmentally-friendly and efficient fulfilment of the grid users' needs. This commitment is being implemented through the following:

- compliance of asset management with the strategic goals of the Company and its constant verification;
- more efficient achievement of the organisation's strategic goals;
- integration into the management system, which, under the supervision and the quality and result checks, enables constant improvements to the system;
- proactive consultation with service users, employees and other important stakeholders on asset management;
- raising awareness on the importance of asset management, thereby helping employees make better decisions;
- constant development of employee competencies to support and develop an efficient asset management system;
- complying with the legislation, regulations and requirements of the regulator.

Care for the environment is being demonstrated by meeting the requirements of ISO 55001.

As a system operator, ELES is determined to provide assets with long-term quality, which provides consumers and other stakeholders with timely, reliable and cost-efficient services to fulfil their own needs, which is why we are carrying out systematic and coordinated activities and good practice to constantly improve the system of optimum asset management. Efficient asset management includes quality, risks, benefits and costs in the total lifecycle of assets. The system is directed towards the safe, reliable, sustainable, environmentally-friendly and efficient fulfilment of the grid users' needs.

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- proactive consultation with service users, employees and other important stakeholders on asset management;
- raising awareness on the importance of asset management, thereby helping employees make better decisions;
- constant development of employee competencies to support and develop an efficient asset management system;
- complying with the legislation, regulations and requirements of the regulator.

Care for the environment is being demonstrated by meeting the requirements of the internationally recognised environmental management standard ISO 14001. Its realisation is being included on all levels of operations:

- with the responsible use of natural resources, materials and energy;
- by using state-of-the-art technologies;
- with the prudent placement of electricity facilities;
- by complying with the legislation;
- with commitments to minimise the impact of electricity devices on the environment and people.

In addition, it is also encouraging service and labour providers during the construction and renovation of electricity facilities and devices, suppliers and other business partners to act responsibly.

The hierarchy of waste management is in line with the legislation governing waste management. As the original creator of waste, we are committed to submitting waste to providers who meet the statutory conditions – contractual providers have been accredited by the competent ministry (public records). All means of waste management are defined in the Waste and Waste Oil Management Plan.

As per the legislation, the Company has established a process of selling certain materials that are created from deinstalled equipment during reconstruction works and expired energy transformers.

### 3.4.3 E5–2 Actions and resources related to resource use and the circular economy

ELES is not using sources for the production of products or the performance of services and has therefore adopted no policies regarding resource use and the circular economy.

The core measure regarding the circular economy is the regular preventive maintenance of devices, which is performed in line with the instructions of the producers and internal regulations. An important part of preserving the value and condition of devices is through device diagnostics.

The technical, organisational and other measures for the prevention and reduction of waste generation established at ELES are as follows:

- education and raising awareness on waste management,
- separate waste collection based on the nature of waste,
- providing an adequate location for temporarily stored waste,
- sale or re-use of equipment that has been written off,
- establishment of waste collection islands in maintenance centres,
- sending waste exclusively to accredited waste collectors with adequate certificates (records),
- preventing the generation of waste through maintenance works on electricity transmission devices.

ELES handles waste in line with the national legislation.

### 3.4.4 E5–3 Targets related to resource use and the circular economy

Metrics regarding the impact of resource use in the higher part of the value chain have not been set.

ELES has not adopted any targets regarding resource use and the circular economy, except for the target of regular diagnostics of the conditions of devices and regular preventive maintenance works, with which it intends to preserve and potentially extend the service life of devices. This reduces the use of resources needed for the production of new devices and waste generation due to the removal of devices from operations or postpones this to a later period.

In line with the strategic goal of the Long-Term Strategic Plan of ELES 2021-2025, the certification of ELES under the ISO 55001 standard for energy transformers has been successful.

The electricity transmission activity is specific because the assessed useful life of fixed assets required by the Company to operate is very long. The assessed useful life periods for construction facilities range from 8 to 77 years, equipment from 4 to 50 years, and small tools 5 years. With normal maintenance, individual overhead transmission line elements may also operate for longer than 70 years, and their functioning can be extended with additional measures. Equipment in transformer system substations operates for up to 50 years, which may be extended with adequate maintenance. The oldest transformer in operation is 67 years old. Maintenance works and equipment replacements are done in a coordinated fashion with building renovations, therefore ensuring the optimum functioning of the system. Emissions and material efficiency are given special focus in maintenance. Considerable effort is invested into digitalising the activity, which will, among other things, enable higher-quality data and information on facilities and equipment. With the improved control and new methodologies, it will be possible to carry out the planned transition from preventive maintenance based on time to preventive maintenance based on



condition, and then to more complex methods of reliable maintenance works or risk-directed maintenance. Digitalisation will also enable the better and comprehensive monitoring of material efficiency and emissions, as well as their reduction through the implementation of certain measures. Maintenance alone generates smaller quantities of post-use materials and waste.

An important inflow of products and materials is from investment projects. Projects involving new and reconstructing existing electricity lines, transmission system substations, secondary equipment, telecommunications and other investments into operations, the development of new technologies, commercial buildings and small investments allow the Company to operate and provide services. When replacing and decommissioning facilities and equipment, important resource outflows/waste from written-off fixed assets are generated, all of which contain different materials, mainly concrete, iron and other metals, such as copper and aluminium, for example. Most of these materials can be recycled.

Through green public contracts and requests for adequate environmental certificates from our suppliers, we have a proper relationship with the environment. In replacements, when a supplier removes existing facilities and devices prior to the supply of new ones, we demand that appropriate action is taken regarding the materials and waste, and that suitable certificates on such actions are presented.

Not many materials are used in office work and therefore not much waste is generated.

All waste is collected separately at the source and submitted exclusively to accredited companies at the competent ministry. This is how we are guaranteeing preparation for further actions defined in the legislation.

The hierarchy of waste management is defined in the national legislation respected by ELES and waste collectors.

The quantity of generated waste in the future will depend on the intensity of investments, which cannot be assessed yet.

Eco thresholds have not been considered.

Targets regarding the regular diagnostics of device conditions and regular preventive maintenance for the preservation and potential extension of the useful life of devices are voluntary, and both resource use and the quantity of generated waste are reduced every financial year through the extension of the useful life.

### 3.4.5 E5-4 Resource inflows

An important inflow of resources, products (including packaging), materials and property, plant and equipment for ELES are investments into fixed assets that the company needs to carry out its main activities; these are: transmission lines (pillars, conductors and insulators), transmission system substations (transformers, switch elements and control, protection, measurement and telecommunication devices); and buildings, access surfaces (access paths, parking spots), transport means (passenger vehicles, goods vehicles and work machinery), tools and electronic devices (computers, printers and phones). All investments are disclosed in the EA-approved Transmission System Development Plan 2023-2032 (TSDP 2023-2032), available to the public. When obtaining fixed assets (transmission lines, transformers and other devices and buildings), the Company pays close attention to the quality of the implementation, robustness, reliability, reversibility and their long life.

ELES is not producing any products and is not performing any services where materials are used. The main materials that are integrated into the obtained fixed assets are: concrete, steel, aluminium, copper, glass, transformer oils (dielectric) and isolation materials (polymers, porcelain, SF<sub>6</sub>). The mass of the main materials in the obtained assets was not yet assessed in 2024 or in prior years.

ELES will establish mechanisms to collect data on resource inflows from goods and service suppliers for sustainable reporting by the end of 2027.

## 3.4.6 E5-5 Resource outflows

### Products and materials

At ELES, we are not producing any products and materials.

### Waste

We are generating communal waste from regular operations, which we leave to the communal waste public utility service providers, as well as waste that is generated during construction and maintenance works, which we submit to authorised providers for further handling with records. Leaving waste and submitting waste for further handling is done in line with the national legislation.



Waste quantity in own activities

Resource outflows: waste	Unit	2023		2024	
Total quantity of generated waste	t	13,762.4		40,995.3	
Waste redirected from removal		hazardous	non-hazardous	hazardous	non-hazardous
preparation for re-use	t	0.0	10,676.9	0.0	20,165.6
recycling	t	0.0	2,268.9	0.0	14,665.2
other processing procedures	t	0.2	479.0	234.0	5,579.0
<b>total</b>	t	<b>0.2</b>	<b>13,424.8</b>	<b>234.0</b>	<b>40,409.9</b>
Waste planned for removal		hazardous	non-hazardous	hazardous	non-hazardous
incineration	t	0.0	0.0	0.0	0.0
landfilling	t	0.0	0.0	0.0	0.0
other removal processes	t	182.6	154.9	202.5	149.0
<b>total</b>	t	<b>182.6</b>	<b>154.9</b>	<b>202.5</b>	<b>149.0</b>
Non-recycled waste					
non-recycled waste	t	337.5		351.4	
percentage of non-recycled waste	%	2.5		0.9	
Total quantity of hazardous waste	t	182.8		436.4	
Total quantity of radioactive waste	t	0.0		0.0	

Waste flows

	Unit	2023	2024
from construction or obtaining property, plant and equipment (weighted quantities from records)	t	13,100.1	40,200.4
from maintaining property, plant and equipment (weighted quantities from records)	t	329.2	443.4
from general operations – this waste is left to public utility services (assessed quantities from invoices)	t	333.1	351.5

Materials present in waste generated in construction and maintenance

	Unit	2023	2024
concrete	t	1,096.3	5,556.0
bituminous mixtures	t	967.9	3,002.1
soils and rocks	t	10,676.9	31,172.9
biomass	t	0.3	0.1
metals	t	398.9	371.1
plastics	t	1.8	0.8

Materials present in communal waste

	Unit	2023	2024
bio waste (20 01 08)	t	19.7	18.5
packaging (15 01 06)	t	37.5	34.6
septic tanks/wastewater treatment plants	t	46.0	86.0
mixed communal waste (20 03 01)	t	77.4	75.6
paper and cardboard (20 01 01)	t	66.7	68.2
glass (15 01 07)	t	85.8	68.6
<b>Communal waste total</b>	t	<b>333.1</b>	<b>351.5</b>



ELES waste is generated during the maintenance of electricity devices, the construction of facilities, the reconstruction of facilities, and ongoing Company operations.

Waste generated during construction and reconstruction works is classified as construction waste (soil, bituminous mixtures, concrete, metals, various electrical and electronic equipment, etc.). The major part of construction waste consists of concrete, bituminous mixtures, soil and rocks.

Waste that occurs during maintenance works on EDs is defined in the waste and waste oil management plan. During the maintenance works on the transmission grid, the largest share of waste generation stems from maintaining TSSs. Quantities of generated hazardous waste are defined in the waste records for 2024. Radioactive waste is not generated during ELES operations.

The quantity of waste generated during construction and maintenance works (2024: 99.1% of all the generated waste) that ELES submitted to authorised providers for further handling with records is the weighted quantity. The quantity of communal waste (2024: 0.9% of all the generated waste) that ELES left for further handling without records is summarised in the invoices of providers of the communal waste collection public utility service. This is an assessment of the quantities based on the size of the container and the number of waste collections from the original generator, as well as the annual quantity of collected waste of the service provider in the entire area of collection.

### **3.4.7 E5–6 Anticipated financial effects from resource use and circular-economy-related impacts, risks and opportunities**

ELES does not obtain, nor does it use materials for the production of products and the performance of services, therefore the financial impacts have not been defined.



## 3.5 S1 – Own workforce

Employees are an important factor for Company success, therefore the Company works with them in developing a healthy and safe working environment, and ensures the continuous education and well-being and the safety of employees, which improves their motivation and productivity.

### 3.5.1 SBM-2 Interests and views of stakeholders

ELES is actively including its own workforce (employees) in the formation of strategies and business models through:

- regular dialogue (for 11 years, the Company has been carrying out regular annual measurements of the atmosphere and the satisfaction of employees, as well as regular annual reviews where employees may express their opinions and proposals for improvement; talks between workers and their direct supervisor are carried out regularly on all levels);
- worker representatives (cooperation with unions and the Workers' Council allows for the transparent handling of key staff and other issues);
- the management includes all workers in the formation of the five-year strategic goals.

ELES respects the fundamental human rights, which is demonstrated through the safe and healthy work environment: Compliance with regulations on health and safety at work and constant improvements thereof.

Respecting the non-discrimination and inclusion principles, which provide equal opportunities regardless of gender, age, ethnicity or other personal characteristics.

ELES assesses the impacts of its strategy and business model on its own workforce through the risks and opportunities assessments.

Identification of key impacts: based on the strategic view on the structural changes of the electricity sector, such as the transition to

sustainable energy sources, digitalisation and innovations and tasks received by ELES through international connections and through the local and international legislation, the impact on employees and on the HR policy of the Company is analysed.

Assessing risks and opportunities: special focus is given to risks, such as the need to adapt employee competencies due to technological changes, and opportunities for the development of new skills and increased work satisfaction.

Adaptations of the strategy and business model for handling impacts: for ELES to efficiently handle the identified risks, the strategy and the business model have been adapted as follows:

- promoting the development of competencies: with the introduction of regular training and education programmes that enable employees to obtain new skills to work in the changed environments, such as digitalisation and sustainability focus;
- the inclusion of sustainable development principles: the business model includes measures to improve the work conditions, reduce negative impacts on the health of employees and the provision of psychosocial support;
- support for the transition to new technologies: ELES is gradually introducing transitions in the introduction of new technologies, whereby it is actively including employees in the process of changes to guarantee adaptations and the acceptance of new working methods.

Monitoring and measuring performance: ELES is monitoring the performance of these adaptations through:

- regular internal and external reviews, which make it possible to measure the achieved progress and to recognise new areas of improvement;
- performance indicators, such as: employee satisfaction level, share of employees who are participating in training programmes and share of workplaces that have been adapted to enable work with new technologies.

Commitment to sustainable development: ELES is regularly adapting its strategy and business model to sustainable development targets, especially the target of providing quality workplaces and promoting life-long learning. The Company is therefore generating synergies between operational performance and care for the well-being of its workforce.

### 3.5.2 SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and business model

ELES fully respects the labour laws, the health and safety at work legislation and human rights legislation, and is additionally improving the work conditions of its employees by implementing measures in the framework of the obtained Family-Friendly Company certificate. Thus, it has a positive impact on the financial security of employees, on worker and human rights, work conditions, health and safety at work, and diversity and inclusion. With these measures, ELES is in a good position to seek workers on the labour market and to retain its staff.

In performing certain activities related to the construction, maintenance, supervision and operation of the electricity system, employees are working under special work conditions (shift work, field work, on standby at home, work at a height, unfavourable weather conditions, work with special devices, work in dangerous zones and high-voltage contact risk). Two major risks that may occur mainly due to human error (not complying with the health and safety rules and measures) are falls to depth and high-voltage contact. To reduce these two risks, ELES is providing its employees with training in the area of health and safety at work, personal protective equipment, inspected and tested safe work equipment, and procedures for a healthy and safe work.

The rapidly changing legislation, rules and requirements in reference to the green transition, which have a major impact on all electricity companies and market participants, also have an impact on ELES employees because the range of tasks is increasing, as is the need



to obtain new know-how. There is a growing demand for workers with technical skills in energetics and informatics, for which salaries on the labour market are also higher than ELES can provide. The Company is seeking young employees and takes care of their education, provides stipends, cooperates with education institutions, provides mentorships for students and enables young people to get to know the Company through summer and student work and mandatory internship.

ELES employs its own workforce and operates only on the territory of the Republic of Slovenia, where it provides a safe and healthy work environment, adequate wages and social dialogue with employees, thereby having a positive impact on employees.

A risk that may have a negative impact on the workforce is “worker injury” (fall to depth, high-voltage contact, injury due to the inadequate handling of work machinery or equipment).

Dependency of the Company on the workforce:

- inability to realise the successor policy,
- inconsistent monitoring and developing the required competencies of employees,
- ensuring an adequate number of sufficiently trained staff,
- demotivating salaries for young workers on the labour market.

Due to the plans for reducing negative impacts on the environment and providing greener and climate-neutral activities, no negative impacts on our own workforce are expected.

The risk of forceful labour and child labour incidents is non-existent because ELES respects the labour legislation and operates only on the territory of the Republic of Slovenia. We do not employ children or migrants, and we do not discriminate against women.

The Company has workplaces where work is being performed in special circumstances, i.e. terrain work, work at a height, shift work and work with work machinery. To perform work at a height and with work

machinery, periodic training sessions are being organised. A total of 167 employees were trained in 2024 (for a total of 668 hours).

### 3.5.3 S1-I Policies related to own workforce

Own workforce are employees who have an employment relationship with ELES.

Own workforce may be divided into groups:

- management (all workers whose tasks are managing, coordinating, directing, supervising, advising and participating in the preparation of the various operating plans);
- maintenance and operations (workers whose tasks involve systems for which ELES has been tasked (secondary systems, TC systems, technical systems and business systems). Workers in this group also perform work under special work conditions (shift work, field work, on standby at home, work at a height, unfavourable weather conditions, work with special devices and work in dangerous zones));
- management, supervision and implementation of maintenance works on ED (workers tasked with the construction and maintenance of ED for which ELES is responsible. Workers in this group also perform work under special work conditions (shift work, field work, on standby at home, work at a height, unfavourable weather conditions, work with special devices and work in dangerous zones);
- administrative work (all workers whose tasks are not listed in the previous indents).

We have set a framework and important points concerning existing workers with the HR policy (stipends, employment and retirement).

All ELES policies refer to all employees at the Company. They are in line with the Slovenian legislation, which guarantees respect for the fundamental rights of workers (freedom of association, right to collective negotiations, no forced labour, child labour or any discrimination) and is

in line with the fundamental principles of protecting human rights and the guiding principles of the United Nations.

The umbrella policies concerning our own workforce are the HR policy, Health and Safety at Work Policy, Code of Ethics, and the Rules on Worker Protection against Mobbing. Their aim is to enable the efficient management of important impacts, risks and opportunities related to own workforce.

*Occupational Health and Safety Policy:* the Company management adopted the Occupational Health and Safety Policy (hereinafter: VZD), which is available to all employees on the intranet and through which the Company undertakes to meet all the requirements of the legislation and regulations, agreements and ISO 45001 standard together with all the persons performing work under its supervision. The Company management undertakes to constantly improve the health and safety at work system, which shall lead to the improvement of the work environment in the long run. We undertake to do the following in terms of VZD:

- with adequate planning and realisation of VZD programmes, we will reduce risks for the occurrence of injuries or deterioration of the employees' health to an acceptable level;
- carry out employee training for them to recognise risks and act responsibly;
- manage risks in the everyday performance of works, the renovation of electricity facilities and devices, as well as in investments;
- we will be open to initiatives and we will respond to the requirements of the internal and external environments;
- require all our suppliers to respect the VZD provisions;
- perform documented procedures for the management of important risks and unexpected events;
- constantly improve the processes and VZD system management efficiency;
- through consultations and cooperation with employees and their representatives, we will ensure that employees know and respect the VZD rules, know the VZD policy and inform everyone about the



policy who is working under the supervision of the Company, as well as constantly improve the work environment in terms of VZD;

- by providing personal examples, we will increase the safety culture in which every employee will take care of their own safety and the safety of their co-workers;
- prudently and efficiently carry out the promotion of health at work.

The VZD Council is active at the Company, which is a consulting body of the Company Director and harmonises Company operations in terms of VZD and fire safety (VPP) on the ELES level. The expert tasks in terms of VZD and VPP at ELES are performed by professionals from the Corporate Safety Service, four for the VZD area and one for the VPP area. The health promotion team promotes health at the workplace – encourages activities for the physical and mental well-being of all employees, organises workshops and publishes articles on VZD on the intranet in the Health and Environment section, as well as on the promotion of health at the workplace. Through relevant organisational and safety measures, ELES is systematically and constantly striving to reduce the level of risk stemming from the performance of the work processes. In the Safety Statement with Risk Assessment, we have defined risks by workplace groups for the occurrence of injuries and measures to prevent or reduce the probability of their occurrence.

An integral part of this statement is also the updated “Health Analysis and Risk Assessment” for ELES workplaces, which was created by an occupational medicine specialist (doctor of medicine, occupational, traffic and sports medicine specialist).

*Impact:* the company recognised and assessed the workers’ health and safety risk for each work group – Safety Statement with Risk Assessment (SSRA). An independent Health Analysis and Risk Assessment was created by an MD, OTSMS specialist No occupational diseases were recognised. The Company provides protective work equipment and procedures for the safe performance of work, it has established a centre for training field workers in terms of health and safety at work, and it encourages employees to have a healthy lifestyle.

*The HR policy* is defined in the Company management policy through which the management undertakes to protect the interests of Company employees. It includes the participation of workers in Company management through the Workers’ Council, which has two representatives in the SB. Through the representation union, the Company Director harmonises the collective agreement and other documents linked to worker rights.

One of the most important factors of every regulated company is its employees. Together with the adopted values of the company, which are actively included in their everyday working (and personal) life, only the employees can realise the mission and vision of a company in which they operate – including ours. Due to the above, we are introducing more and more modern HR tools for managing and developing staff, which will improve the HR processes and systems on one hand and allow for the efficient management of staff and their professional and personal development on the other (HRM: Human Resource Management, HRD: Human Resource Development).

Some HR tools (annual reviews, measuring the organisational culture, organisational atmosphere, employee satisfaction with various aspects of work and values of the Company, competence model, the system for developing and assessing leadership skills – assessing heads under the 360 degree assessment model and feedback), which are already an integral part of our operations, will be used in the future as well. In the coming years, we will introduce a comprehensive knowledge management system to manage human resources (succession policy, mentorship, central library, access to specific knowledge and the ELES Academy), targeted leadership, the system for developing and assessing the performance of project managers and the management of the technical infrastructure with own human resources. All this will help ensure correct and transparent relations between employees and our Company and, following the positive experiences in other companies at home and in Europe, to increase the satisfaction and positive energy within the Company.

We are holding regular consultations with the worker representatives (Workers’ Council and union) regarding the rights and obligations of workers.

We are performing internal and external evaluations, internal and external audits of content referring to our own workforce.

ELES has adopted the Rules on Worker Protection against Mobbing, which, in addition to mobbing, also includes all forms of maltreatment and discrimination and sexual and other harassment at the workplace, the aim of which is to ensure a work environment without any form of violence and other prohibited forms of action and the protection and respect of human dignity and the integrity of all workers at the workplace. The Rules prohibit mobbing in the Company and define the obligations of workers, the process of handling and resolving mobbing cases, and measures aimed at preventing and eliminating the consequences of identified mobbing cases (measures against the violator and aiding the victim). It is published on the intranet and therefore accessible to all Company workers. With the active realisation of the policies against mobbing, we are improving relations in the Company and are increasing/maintaining the efficiency of employees.

The reasons for mobbing or discrimination are not specifically and explicitly defined and every report is handled.

ELES has no rules on handling particularly vulnerable groups of employees. A recognised vulnerable group are employees with work restrictions and employees with a recognised disability category, to whom ELES, as per the decision of the Pension and Disability Insurance Institute (ZPIZ), is providing an adequate workplace in which these employees are capable of performing.

At ELES, employees are provided with behavioural standards regarding the prevention of discrimination and improper interference with the personality and dignity of employees, at least on the level of the law and the Constitution. The rules on ethical behaviour are defined in the Company Code of Ethics, and the Rules on Worker Protection against



Mobbing prohibit any discrimination/mobbing within the Company, which is a general obligation of all ELES workers. Discrimination reports are handled by the Joint Committee for Preventing and Eliminating the Consequences of Mobbing and an external authorised person for mobbing. Each worker is recognised an unconditional right to submit a written demand or report due to a suspected discrimination/mobbing case, thus ensuring adequate handling. ELES has zero tolerance for discrimination/mobbing.

### 3.5.4 SI-2 Processes for engaging with own workers and workers' representatives about impacts

A union is active at ELES, which has a representation status. As per the Act on Worker Participation in Governance, we have a Workers' Council in place.

The ELES Collective Agreement is in force.

All the general acts referring to the rights and obligations of workers are submitted to the union to obtain their opinion (Article 10 of the Employment Relationships Act).

For issues governed by the Act on Worker Participation in Governance, a joint consultation session is organised or the matter is submitted to the Workers' Council.

Workers have the right to individual and collective participation in governance, especially in the event of co-decisions or impacts on the content and organisation of work and on the decision and realisation of activities aimed at improving work conditions or humanisation of the work environment and achieving a successful performance of Company operations. Participation takes place through worker representatives (Workers' Council and union), and may also be performed through a workers' meeting.

ELES management and the Workers' Council and union meet regularly at meetings where they discuss topics related to the workforce. The views of the workforce are considered by the entire Company management and heads of services through everyday communications and annual reviews.

The Slovenian legislation governs the functioning of union activities and the Workers' Council – their role and purpose. Cooperation with the representation union, the ELES-SDE Union, is defined in the ELES Collective Agreement and in the sectoral Collective Agreement of the Electricity Industry in Slovenia, whereas cooperation with the ELES Workers' Council is defined in the Agreement on Worker Participation in ELES Governance.

The satisfaction of our own workforce is measured through the annual assessment of the climate and employee satisfaction, as well as through the collegial bodies of the management and sectoral bodies and regular interviews between workers and their immediate supervisors. When preparing rules that define the rights and obligations of workers, the efficiency of participation is displayed because all these documents are adopted following prior discussion and the submitted consent of the worker representatives. Proposals given by the worker representatives are also considered in the consultation phase. If a proposal is not considered, a justification is given.

We have no rules on handling particularly vulnerable groups of employees. We also have not adopted any measures for obtaining the views of employees belonging to these groups.

The commitments of Company management in terms of health and safety at work and worker rights are defined in the Occupational Health and Safety Policy and the HR Policy within the System Management Rules of Procedure.

In relation to VZD, the employer consults with the authorised occupational medicine specialist during the SSRA update phase, as well as

the Workers' Council of ELES. The Workers' Council also participates in approving VZD targets and programmes. All workers have access to the VZD and VPP training material on the intranet, and training sessions and tests are conducted for all employees periodically. By signing the statement, the workers confirm their familiarity with the SSRA. The VZD Council is also active in the Company, which is informing the workers in writing (through the Company's intranet page or via employee e-mails) on the safe and healthy performance of work, on the types of hazards in the work environment and at the workplace, on safety measures required to prevent and reduce risks during work, and on workers who are trained in and responsible for first aid, fire safety and evacuation. Every worker may give a proposal for the improvement of VZD to the head of their organisational unit or to their direct supervisor or VZD expert.

In relation to worker rights and obligations, the Workers' Council and the representation union represent the Company workers collectively, and each worker has the right to express their personal opinion, initiative or proposal directly to the supervisor and also to the Company Director in person. The Workers' Council also has its representative in the SB HR Committee. All documents referring to worker rights and obligations (collective agreement, systemisation of workplaces, minutes of Workers' Council sessions and other internal rules and documents) are available to all Company workers on the Company intranet site.

### 3.5.5 SI-3 Processes to remediate negative impacts and channels for own workers to raise concerns

Workers who feel affected may send their concerns at any time:

- directly to the superior,
- through the Workers' Council,
- through the union,
- to members of the Joint Committee for Preventing and Eliminating the Consequences of Mobbing,



- to the external authorised person for mobbing,
- to the Company Director adviser for corporate integrity.

ELES also conducts regular annual reviews with superiors where employees may provide their opinions and views.

ELES has established a formal mechanism to handle complaints or mobbing reports, which includes:

- clearly defined procedures for reporting complaints or inappropriate conduct, their investigation and actions taken;
- a special committee for handling complaints, which ensures the fairness and transparency of the procedure;
- time-limited deadlines for handling and resolving reports.

ELES also conducts regular annual reviews with superiors where workers can provide their opinions and views.

As per the Employment Relationships Act, worker representatives are given special legal protection against termination.

ELES has established procedures on the prohibition of mobbing in the Company and channels for raising concerns.

The disclosure of procedures through which the availability of channels at workplaces is being supported is available to all employees on the Company intranet sites, through which employees familiarise themselves with them.

We have assessed that the employees are well aware of the established channels because they are notified about all novelties through the news on the intranet site in the section Important Information.

Policies concerning the protection of individuals against reprisals are disclosed in chapter 3.6.3.

### 3.5.6 SI-4 Taking action on material impacts on own workforce, approaches to mitigating material risks and pursuing material opportunities related to own workforce, and the effectiveness of those actions

#### Worker rights

In addition to the legislative commitments in relation to employees, ELES is improving its work conditions and work-to-life balance through the implementation of measures aimed at improving work conditions in the scope of the Family-Friendly Company certificate (choosing the arrival and departure times to/from work by taking overtime hours into consideration, work hours based on life phases – individual agreement on absence from work or part-time employment, additional overtime hours for child initiation at a kindergarten or for escorting a child on the first school day, additional days of absence from work with payment compensation due to emergency family reasons, open day event for the relatives of employees, reintegration of employees after longer absences, corporate volunteerism, participation of family members and employees in temporary works at the company – summer work and practical training for employee's children – obtaining work experience in the scope of student work, distribution of presents to employee's children – gifts for newborns and gifts to children on New Year's, psychological consultancy and aid, holiday offers for school children – co-financing the childcare of school children during the holidays), whereby it is improving its position in seeking new staff on the labour market and retaining existing employees. To carry out the aforementioned measures, the Company is using its own resources (we spent EUR 65.0 thousand in 2024).

Based on the type of work, workers may also occasionally work from home, and all workers are given flexible working hours.

#### Health and safety at work

Recognising negative impacts in relation to health and safety at work is being performed constantly, and the Safety Statement with Risk Assessment is being updated by the employee representatives and an external occupational medicine specialist. In the scope of this statement, risks have been defined for the occurrence of injuries and measures to prevent or reduce the probability of their occurrence.

The most important goal of VZD at ELES is zero serious injuries at work, therefore the constant task is to train employees in VZD and test the workers' competence for safe work in line with the legislation and internal regulations, to provide work equipment (work assets and personal protective equipment), as well as safe work procedures and to periodically perform health inspections. The company is using its own resources for the realisation of these measures.

To prevent any negative impacts on VZD, especially for workers in the field (the risk of falling to depth or high-voltage contact), we are planning, in line with the Transmission System Development Plan of the Republic of Slovenia for the period of 2025-2034, an investment into the Training Centre, which will be used to upgrade the existing practical training of workers in order to show and teach safe work processes, to learn about the possible dangers and how to act during accidents. The assessed value of the investment of EUR 5.3 million (in the period up to 2028) will be financed from our own resources and with long-term bank loans.

In 2024, due to the transition to a greener and climate-neutral economy, ELES did not adopt any measures that would have an important impact on its own workforce.



### 3.5.7 S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

For health and safety at work purposes, the indicator is summarised in line with the ESRS S1 disclosure requirements.

The impact of worker rights may be assessed through the evaluation of the organisational atmosphere.

Measures aimed at reducing negative impacts on employees are carried out constantly. In relation to health and safety at work, the goal is to avoid any injuries, especially severe injuries of employees working in the field. Therefore, ELES is constantly training employees in the field of health and safety at work, providing training sessions and work equipment and processes for safe work. The most important constant VZD goal is zero serious injuries. The other two goals stemming from the legislation and supporting the most important goal are for all employees to successfully pass periodic tests on safe and healthy work training and fire protection training, as well as the periodic preventive health inspections and the assessment of the working ability for all workers.

ELES is using the Family-Friendly Company certificate system as an efficient tool in cooperating with employees to easily coordinate the work-to-life balance. Employees can take advantage of 18 measures defined in the ELES Guidelines as a Family-Friendly Company (hereinafter: FFC Guidelines). The FFC Guidelines have been adopted with the purpose of enabling all employees to benefit from the family-friendly measures, providing the work process allows this, with the aim of improving the work process management, quality of the work environment, and better coordination of the work-to-life balance of employees. The measures refer to flexible working hours, the extension of using credits, a part-time contract for the period of one year

may be concluded with a worker in emergency family situations. Many measures are aimed at employees with children. We enable flexible working hours when they are training their child at a kindergarten for the first time and the company recognises a maximum of 16 hours of additional credit for this purpose, parents receive an additional day off for their child's first school day, school holidays of children are taken into consideration in planning annual holidays, the company supports the summer work of employees' children and offers them the option of 10 days of summer work, children of employees have the option to do student work for a maximum of 6 months to obtain work experience for future employment purposes, we are providing the partial co-financing of employees' school holiday care of their children. The Company is favourable towards families with small children, therefore employees obtain a cash reward for each newborn and every year in December, we organise a New Year's gift presentation to children up to and including 15 years of age. Employees are encouraged to participate in voluntary charities. Each year we organise an Open Day event to which relatives of employees are invited to familiarise themselves with the novelties and work of the Company. The aim is to enable their utilisation by all employees asking for benefits from the FFC Guidelines.

The risks that may have an impact on the workforce have been defined, however due to the low probability of occurrence, they have not been assessed as material during the double materiality analysis procedure:

- inability to realise the successor policy,
- inconsistent monitoring and developing the required competencies of employees,
- ensuring an adequate number of sufficiently trained staff.

SGs are being completed in 2025 and new targets are being set for the next period. All these goals have some impact on the workforce that is ensuring the achievement of these goals.

ELES is preparing a new LSP for the 2026-2030 period (LSP 2026-2030), which will probably include the following two targets concerning employees:

- introducing modern HR practices to obtain, develop and retain key staff, and
- the development and implementation of a competencies model and the establishment of the competencies assessment system for employees.

In setting SGs, ELES includes all employees and employees are notified about the adopted SGs.

### 3.5.8 S1-6 Characteristics of the undertaking's employees

All employments are done by ELES without requiring employees to be a certain gender because all workplaces are suitable for both men and women. Over the duration of the employment contract, a new employment contract may be adopted regardless of gender.

Information about the number of employees by country as at 31 December 2024:

Country	Number of employees (number of persons)
Slovenia	610

All information regarding the number of employees is given on the basis of the number of employees and not by the formula for calculating the fluctuation rate.

Chapter 4.6.6 in the financial statements shows the average number of employees in terms of hours in 2024, and the table above shows the number of employees as at 31 December 2024, just like the remaining disclosures within this chapter.

Information about the number of employees by gender as at 31 December 2024:

Gender	Number of employees
Men	466
Female	144
Other	/
Not communicated	/
Total number of employees	610

The category “other” is irrelevant because it is not recognised in the Slovenian legislation. All employees have disclosed their gender, so the category “not communicated” is irrelevant.

Information on employees by contract type, broken down by gender (number of employees as at 31 December 2024):

Reporting period for 2024	Women	Men	Other	No data	Total
Number of employees	144	466	0	0	610
Number of employees employed for an indefinite term	140	462	0	0	602
Number of employees employed for a definite term	4	4	0	0	8
Number of employees employed without a guaranteed quantity of work hours	0	0	0	0	0
Number of full-time employees	143	465	0	0	608
Number of part-time employees	1	1	0	0	2

Fluctuation of ELES employees in 2024:

Arrivals	Unit	41
Men	number	30
Women	number	11
<b>Departures</b>	number	<b>35</b>
Men	number	29
Women	number	6
<b>Reason for departure</b>	number	<b>35</b>
Voluntarily left the Company	number	6
Fired	number	3
Retired	number	26
Died during the practice of their profession	number	0
Average number of employees in the year	number	604
Total number of employees who left the Company in the year	number	35
Fluctuation rate of employees in the year	%	5.6

*Methodology:* The fluctuation rate of employees is displayed in percentages and calculated using the formula (numerator (no. of leaves in 2024)/denominator (no. of employees as at 31 December 2024)) x 100. *Numerator (no. of leaves in 2024):* Number of employees who left the Company voluntarily in 2024 or were fired, retired or died during the working relationship. The last day of the working relationship is counted as the day of leave. *Denominator (no. of employees as at 31 December 2024):* All employees at ELES as at 31 December 2024. Average data is not used in the calculations.

All data on employees has been obtained from the internal HR system managed by the HR management and development service.

### 3.5.9 SI-7 Characteristics of non-employee workers in the undertaking’s own workforce

At ELES, we cooperate with workers who are still part of the education process as needed and we employ them temporarily through student work services.

In 2024, 93 high school and university students performed work through a student work service. 55 high school and university students worked within the scope of the Family-Friendly Company measure, in which children of employees perform a 10-day summer student work.

#### Student summer work

No. of university/high school students	No. of hours	Costs in EUR
93	27,142	251,355

When we need to continue cooperating with a worker who retired, we conclude a special contract on temporary and occasional work (POZOD). We had two such contracts in 2024.

ELES has no unemployed workers in its own workforce, except in the scope of the student work of high school and university students and cooperation with retired employees.

### 3.5.10 SI-8 Collective bargaining coverage and social dialogue

The ELES Collective Agreement and the Job Classification Act define the work conditions and employment conditions for all workers.

The ELES Collective Agreement applies to all workers and also to the Company Director in a limited scope.



### The coverage of own employees with collective negotiations and social dialogue

Coverage with collective negotiations		Social dialogue	
Coverage rate	Employees – EGP	Employees – non-EGP	Representation at the workplace (only EGP)
100%	Slovenia	/	Slovenia

ELES operates only on the territory of the Republic of Slovenia.

Worker representatives are representatives for all Company employees (except for the Company Director).

## 3.5.11 S1-9 Diversity metrics (voluntary disclosure)

### Representation of gender at the higher management level (number of persons as at the last day of the calendar year)

	2023	2024
Number of men at the higher management level	35	34
Number of women at the higher management level	8	10
Percentage of men at the higher management level	81.4%	77.3%
Percentage of women at the higher management level	18.6%	22.7%

Note: Correction for 2023 because a numerical error was found.

As per the requirement on using AR 71 from ESRS S1, i.e. for the higher management level to use the definition of higher management as one and two levels lower than management and supervisory bodies, the higher management level of ELES includes all employees in Director workplaces (except for the Company Director who is in the role of the management body), service head and CIPO head. Employees performing tasks as heads of services or area directors are not included in the diversity metrics, and some job positions of “heads of services” do

not have appointed heads. The Company organigram is presented in chapter 1.8.

### Distribution of employees by age groups (number of persons as at the last day of the calendar year)

Age distribution of employees	2023	2024
Younger than 30	29	32
Men	28	27
Women	1	5
Aged between 30 and 50	301	329
Men	223	247
Women	78	82
Older than 50	274	249
Men	214	192
Women	60	57

## 3.5.12 S1-10 Adequate wages

All workers at ELES have higher salaries than the minimum salary defined by law in the Republic of Slovenia.

In 2024, the lowest annual gross salary at ELES was EUR 21,934.72 and was 45.8% higher than the minimum gross annual salary in the Republic of Slovenia.

In 2023, the lowest annual gross salary at ELES was EUR 20,569.26 and was 42.4% higher than the minimum gross annual salary in the Republic of Slovenia.

## 3.5.13 S1-11 Social protection (voluntary disclosure)

All workers at ELES enjoy the benefits of social protection against the loss of income due to important life events.

## 3.5.14 S1-12 Persons with disabilities (voluntary disclosure)

The scope of including disabled persons among employees (number of persons as at the last day of the calendar year)

	2021	2022	2023	2024
Number of disabled employees	21	18	15	14
Men	19	15	14	13
Women	2	3	2	1
Percentage of disabled employees	3.7%	3.2%	2.5%	2.3%
Percentage of disabled among men	4.2%	3.4%	3.0%	2.8%
Percentage of disabled among women	1.7%	2.5%	1.4%	0.7%

Note: The percentage of disabled persons by gender has been calculated based on the number of disabled persons for each gender.

Worker disability is defined based on the ZPIZ decision received by the Company to prepare a suitable employment contract for such a worker.



### 3.5.15 S1-13 Training and skills development metrics (voluntary disclosure)

Each employee is given a framework training and skill development plan based on the annual review, whereby funds are also allocated accordingly. Employees obtained additional knowledge at expert seminars, courses and expert conferences in the energy sector, construction regulations, IT and telecommunications. On average, every employee attended 20 hours of training, which is 4 hours more per employee compared to the previous year. Annual reviews are done by heads with all workers, except for employees who are retiring in the respective year or who were only just employed in the year.

59 annual reviews in 2024 were performed for women and 450 were performed for men.

#### Participation of employees in regular career development performance reviews and training hours

	2021	2022	2023	2024
Percentage of employees who took part in regular performance reviews and career development	81.7%	80.7%	76.2%	83.4%
Percentage of men	85.3%	84.7%	80.7%	96.6%
Percentage of women	67.8%	66.1%	61.2%	41.0%
Average number of training hours per employee	13.7	10.4	15.9	19.5
Average no. of hours for men	15.4	11.0	16.6	19.8
Average no. of hours for women	7.0	8.3	13.5	18.8

### 3.5.16 S1-14 Health and safety metrics

To manage health and safety, the ELES system includes all employees who have a working relationship with ELES.

#### Number of work-related incidents

Number of work-related incidents	2021	2022	2023	2024
Injuries of own workers	2	3	6	5
Sickness of own workers	0	0	0	0
Death of own workers	0	0	0	0
Percentage of persons in own workforce, included through the Company's system for managing health and safety	100%	100%	100%	100%
Number of deaths due to work-related injuries	0	0	0	0
Number of deaths due to work-related diseases	0	0	0	0
Number of misleading work-related accidents	2	3	6	5
Rate of misleading work-related accidents (no. of cases/annual no. of performed hours * 1,000,000)	1.7	2.6	4.8	4.0
Number of cases of misleading work-related diseases with employees	0	0	0	0
Number of lost days due to work-related injuries, deaths and diseases	257	272	307	434
Annual number of performed hours by persons in own workforce	1,179,732	1,167,425	1,240,269	1,259,390

The information includes employees who have a working relationship with ELES. ELES has no workers in 2024 who were unemployed in its own workforce, except for high school and university students. ELES is not aware of any incidents of work-related injuries, diseases or deaths of workers in the value chain.

In connection with health and safety, we are carrying out annual reviews of operations in line with the standard "ISO 45001:2018 safety and health at work management system" on the level of ELES. In March 2024, ELES was again certified under this standard, which expires in March 2027.

### 3.5.17 S1-15 Work-life balance metrics (voluntary disclosure)

All employees with children up to 15 years of age are eligible to receive one extra day off for every child in line with the ZDR-I. All employees with children up to 10 years of age may, in line with the ELES Collective Agreement and in addition to the holiday as per the previous paragraph, receive two more holidays for every child.

All employees who have a first grader are eligible for one day off on the first day of school.

#### Taking a day off for family reasons and special leave

	2021	2022	2023	2024
Number of employees who took a day off for family reasons or special leave	73	69	80	80
Men	56	47	58	63
Women	17	22	22	17
Percentage of eligible employees who took a day off for family reasons or special leave	12.7%	12.2%	13.3%	13.1%
Percentage of men	12.3%	10.6%	12.5%	13.5%
Percentage of women	14.4%	18.2%	15.8%	11.8%



As per the collective agreement, employees also have the right to special leave (marriage, birth of a child, death of a relative, moving, elementary accident, care, kindergarten initiation and first school day), which is in addition to days off for family reasons.

#### Taking time off for family reasons

	2021	2022	2023	2024
No. of women on maternity leave	6	2	3	3
No. of men on paternal leave for fathers	15	19	23	20
Parental leave	6	8	11	12
No. of women on paternal leave	5	7	5	4
No. of men on paternal leave	1	1	6	8
Care leave	15	11	11	11
No. of women on care leave	5	4	4	4
No. of men on care leave	10	7	7	7

Days off for family reasons may be taken by all workers who have a family reason. All workers are eligible to take time off for family reasons.

### 3.5.18 S1-16 Compensation metrics (pay gap and total compensation)

There are no differences in payment for men and women performing the same jobs.

**Methodology for calculating payment gaps:** calculated in line with the requirement based on the use of AR 98 from ESRS E1-16, i.e. as the difference between the average gross hourly rate of employed men and women and expressed as a share of the average gross hourly rate of men. The calculation includes all full-time employees at ELES as at 31 December 2024. The basis for the calculation is the average annual

gross hourly rate of men and women stemming from the annual base gross salary of an individual. The calculation does not consider the differences in jobs, work experience or education, which may influence the results.

**Methodology for calculating the ratio of total annual compensations:** calculated in line with the requirement based on the use of AR 101 from ESRS E1-16, i.e. as the ratio between the annual gross compensations of the highest paid individual (Company Director) and the median of the annual gross compensations of employees at ELES without taking into consideration the highest paid individual. The period of compensation payout from 1 January 2024 to 31 December 2024 has been considered. All employees who had a working relationship as at 31 December 2024 were included in the calculation.

Based on the standard, our calculation considered the following employee compensations: base gross salary, bonuses, Christmas bonus, holiday bonus, operating and work performance, and other forms of variable cash receipts, compensations, bonuses, additional health and pension insurance, and benefits.

	2023	2024
Payment gap between the two genders	0.9%	-0.4%
Ratio of total annual compensations	3.3	4.1

### 3.5.19 S1-17 Incidents, complaints and severe human rights impacts (voluntary disclosure)

Six workplace harassment reports were received in 2024 (five inter-related reports against two female employees in one service and one independent report). Two employees had their employment contracts terminated, whereby the reasons for termination were not solely workplace harassment, so it was impossible to complete the five reports,

thus making them unfounded. One independent report was handled where mobbing was not confirmed. Measures were nonetheless implemented in the form of mediation interviews between all involved and training in communication and relationships at the workplace. There were no financial penalties regarding the aforementioned incidents.

#### Incidents, complaints and severe human rights impacts

	2023	2024
No. of mobbing/harassment/discrimination reports	1	6
Justified	0	0
Unjustified	1	6
No. of violation reports under the Reporting Persons Protection Act ("whistleblowers")	2	1
Justified	0	0
Unjustified	2	1
Penalties/compensation payments due to disclosed incidents and complaints (EUR)	0	0

## 3.6 GI – Commercial conduct

### 3.6.1 GOV-1 Role of the governance, management and supervisory bodies

The content is disclosed in chapter 3.1 linked to Company management regarding the sustainable value chain.

### 3.6.2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

Based on Article 21 of the Memorandum of Association of ELES, ZGD-1, the Ordinance on the state-owned assets management strategy and consequently the Corporate Governance Code for Companies with Capital Assets of the State, as well as the SSH Recommendations and Expectations, we at ELES have designed a risk management system in the scope of comprehensive risk management. The system is defined in the internal acts, i.e. in OP K 4.1.2 Comprehensive Risk Management, and methodologies in instructions NA K 4.1.2 P1 Risk Management Methodologies, in which criteria have been set for managing impacts on risks, the risks themselves, and opportunities stemming from the risks.

Criteria for assessing the risk stem from the sum of the scope of damage and risk frequency as per the following table:

Scope of damage		Risk frequency	
1	Insignificant < EUR 10,000	1	Very rare up to 1x every 10 years
2	Low EUR 10,000-100,000	2	Rare up to 1x every 5 years
3	Average EUR 100,000-1 mil	3	Occasional up to 1x every 2 years
4	High EUR 1-5 mil	4	Frequent up to 1x per year
5	Catastrophic > EUR 5 mil	5	Very frequent more than 1x per year

The table shows the Risk Matrix through which we define the risks for further discussion based on the risk acceptability threshold. The criteria for determining the acceptability threshold in 2025 are as follows:

1. Quality assessment of the internal control system (CPM incompatibility)
2. Level of employee awareness on the importance of risk management
3. The growth/decline of the number of risks assessed as high or medium
4. Number of realised risks in the previous year
5. Scope of damage of the realised risks in the previous year
6. Company operating results (3-year trend)
7. Prior assessments of Company risks (average 2 years)
8. Future expectations (risk assessment)

Impacts on risks in the methodology are marked as sources or causes. We identify them based on where they come from:

1. Internal – from the same organisation:
  - inadequate processes, systems or control mechanisms;

- employee errors, lack of knowledge or training;
- poor organisational culture or unclear responsibilities;
- technical errors or outdated infrastructure.

2. External – from the broader environment:

- changes in legislation or regulations;
- market trends, economic crises;
- natural disasters, geopolitical risks;
- changes in client or supplier behaviour.

Opportunities are residual risks during the assessment process that were not fully eliminated in the given moment for various reasons, either with or without measures (high costs, lack of resources, inappropriate moment, etc.). The following criteria is used for the assessment of opportunities:

- connection to the risk (the opportunity stems from a risk that was not fully eliminated and is still offering potential for improvement);
- the possibility of taking advantage (real conditions exist showing that the opportunity is recognised and the necessary activities are implemented);
- added value (the opportunity contributes to an improvement of processes, efficiency increase, Company resilience or competitive advantage);
- restrictions in the removal of the risk (the opportunity occurs because the risk could not be removed in full due to costs, resources, time limitations or other reasons);
- compliance with the Company strategy (the opportunity must be in line with the goals and directions of the Company to have a long-term positive impact).

The risks, impacts and opportunities are managed at all locations and Company sectors together with the main performance of the activities of each organisational area. The structure of a transaction in the sense of the definition that a transaction is an agreement or exchange



between two or multiple parties where there is a transfer of value, assets or rights, cannot be implemented in the scope of the comprehensive risk management. In the sense of the structure of a transaction as delegating and submitting information and receiving reports, this is being done in line with the organisational process of the risk management system from the risk team head, to members of the core risk team, to sectoral risk coordinators, to the final addressee of the risk administrator and vice versa.

### 3.6.3 GI-1 Business conduct policies and corporate culture

#### Efficient Company operations

*Impact:* efficient Company operations have a positive impact on the reliability of service delivery, on the flexibility of responses to the demands of the environment and society, to our operations in the public interest, and to the internal and external connectedness.

*Risks:* defined risks for efficient operations are in hierarchical operations, in a creative process, satisfaction with the existing situation, not understanding our public role, and self-sufficiency:

- Non-activity of activity carriers,
- Unavailability of activity carriers,
- Willingness of process administrators to adjust processes to new technologies and trends,
- Non-compliance between areas in implementing changes.

*Opportunities:* the defined opportunities for efficient operations are in the horizontal creative process, seeking better solutions and connectedness:

- Increasing the digital competencies of employees with training sessions and pilot projects aimed at using new technologies.

Performance efficiency is reviewed through the fulfilment of the ISO 9001 requirements.

Within the System Management Rules of Procedure (SMRP), we have identified the following policies referring to business conduct:

- Sustainable Development Policy,
- ELES Management Policy,
- Quality and Excellence Policy,
- Risk Management Policy,
- Asset Management Policy,
- Environmental Management Policy,
- ELES Umbrella Security Policy,
- Information Security Policy,
- Policy for the management of the continuous operation of core services,
- Occupational Health and Safety Policy,
- HR policy,
- Communications policy,
- Project implementation policy.

All the aforementioned policies are being implemented through the management system in the form of organisational regulations and other internal acts, the rules of which are co-designing the corporate culture. The policy of corporate culture is still in the harmonisation phase and will be independently included in the System Management Rules of Procedure by mid-2025. SMRP is part of public information and as such is not a business secret of the Company.

Corporate culture in the Company is not being treated as a comprehensive subsystem of management, but rather by individual contents – information sources. Information sources that show the situation of corporate culture are largely classified as content belonging to the HR management and development service (SURK), of which the following are more exposed: Managing absenteeism – sick leaves, Successor

Policy and Measuring Organisational Atmosphere and Annual Reviews. The first two are, in terms of SG realisation, included in LSP 2021-2025. Measuring the organisational atmosphere and Annual reviews have been, in terms of employee satisfaction trends with various aspects of work and organisational culture, regular annual activities for quite some time. Other information sources that refer to corporate culture are data on whistleblowers and employee complaints, which are being managed in the scope of corporate integrity and VZD activities that are only accessible based on a justified request due to personal data. Defining key values as one of the pillars of corporate culture is established in the company every five years through a transparent process in designing and adopting the new LSP.

As per the rules on corporate integrity and supervision over the corporate integrity implementation at ELES, every employee must immediately report these activities after becoming aware of their violations:

- in person at the office of the corporate integrity officer;
- via phone to the corporate integrity officer;
- via e-mail: [prijava.krsitev.korporativne.integritete@eles.si](mailto:prijava.krsitev.korporativne.integritete@eles.si);
- anonymously via regular mail, whereby, to receive feedback on the progress of the anonymous report, a protocol of communication must be established between the reporting person and the corporate integrity officer, otherwise the reporting person shall not receive feedback;
- via external reporting bodies in line with Article 14 of the Reporting Persons Protection Act: if internal reports cannot be efficiently handled or if the reporting person believes that there is a risk of reprisals.

The requirements for discussing an internal report and protecting the reporting person against reprisals are:

- that the reporting person is a natural person;
- that the reporting person reported the violation from their work environment, whereby the violation concerns Company operations not



in line with the legislation, other rules, applicable recommendations, internal regulations, good business practices or ethical principles;

- reported information must be true because a false report may constitute a violation of the reporting person as per Article 28 of the Reporting Persons Protection Act, for which a fine is prescribed;
- that the reported violation is still ongoing or has ceased less than two years ago.

Internal violation reports are handled by the corporate integrity officer, who is, in terms of organisation, part of the Company management in order for him to be able to perform the task independently.

The corporate integrity officer informs the reporting person:

- within seven days from receiving the report, on whether the officer shall handle the report (internal report test);
- within three months, on the progress of the report;
- at the end of the handling, on the measures taken and process results.

ELES is carrying out anti-corruption and anti-bribery policies.

On 22 February 2023, the Reporting Persons Protection Act entered into force, which introduced a system of internal and external channels for reporting violations of all regulations in the Republic of Slovenia of which individuals became aware in the scope of their work environment, as well as protection and supporting measures for the prevention or elimination of reprisals against the reporting persons. The deadline for the establishment of the internal reporting channel for reporting violations for organisations employing 250 or more workers, as well as all organisations in the public sector domain, was 23 May 2023. The rules on corporate integrity and supervision over the corporate integrity implementation at ELES were harmonised in due time with the Reporting Persons Protection Act.

Information regarding the internal reports of violations is accessible to all employees on the Company intranet.

The corporate integrity officer who was appointed on the basis of the resolution of the Directors' board meeting is responsible for the ongoing monitoring of the legislation and good practices in corporate integrity through: the European Institute of Compliance and Ethics, Transparency International Slovenia, Slovenian Directors' Association, Slovenian Sovereign Holding, Commission for the Prevention of Corruption, Court of Audit, National Review Commission, Information Commissioner, and Human Rights Ombudsman.

The reporting person is eligible for protection if the statutory conditions for handling the internal violation report are met. This means that the corporate integrity officer, as well as all participants in the violation report process, must, for the duration of the process and after the conclusion of the process, protect the identity of the informer and offer protection information to the latter (e.g. issued confirmation on the submitted report, evidence, confirmation on the eligibility for protection under the Reporting Persons Protection Act) during retaliatory measures (e.g. firing, transfer, salary reduction, disciplinary measures or intimidation). Attempts to determine the identity of the reporting person and the disclosure of data on the reporting person and threats of reprisals, attempts to carry out reprisals or the very action of reprisals are all defined as a violation under the Reporting Persons Protection Act, for which a penalty is prescribed.

In addition to internal reports of violations under the Reporting Persons Protection Act, the legislation also allows individuals at ELES to send reports:

- of mobbing, which is handled by the competent authorised person for mobbing and by the Joint Committee for Preventing and Eliminating the Consequences of Mobbing;
- on the protection of personal data, which is handled by the competent data protection officer and/or information commissioner;
- on security incidents concerning health and safety at work and Company asset protection, which is handled by the Corporate Security Service;

- on security incidents in the information cybersecurity area, which is handled by the competent ITC Service Centre;
- on a suspected violation of REMIT, which is handled by the competent Market Control and Offset Services Group;
- on reporting violations that occurred outside the work environment.

External stakeholders may submit their complaint against ELES via the contact point [info@eles.si](mailto:info@eles.si).

As per the sectoral legislation, ELES is also subject to:

- external audits of financial statements under ZGD,
- inspections, and
- audit of the Court of Auditors.

ELES, as an interest organisation, reports to the Commission for the Prevention of Corruption on lobbying contacts. Employees at ELES participating in public contract processes must, in line with the Integrity and Prevention of Corruption Act, report to the Commission for the Prevention of Corruption on their declaration of assets.

Other activities of supervising the corporate integrity implementation at ELES are:

- an established comprehensive risk management system,
- analysing and reporting on Company operations,
- monitoring the legislation and other requirements,
- monitoring media publications about the Company,
- measuring the organisational atmosphere, satisfaction, culture and values of ELES, d. o. o.,
- measuring the satisfaction of (external) stakeholders with the services of ELES, d. o. o.,
- handling employee initiatives,
- performing regular and extraordinary internal audits,
- carrying out managerial reviews, and



- carrying out internal and external reviews.

ELES has no policies in place regarding the well-being of animals because animals are not directly present in the Company's value chain.

ELES has and is using the Code of Ethics. We do not have any special policies in place for internal training in business conduct.

The risk of unjustified investments into the transmission grid is being managed at ELES through technical analyses and analyses of costs and benefits for placing investments into the RS Transmission System Development Plan for the period of ten years, which is novelated every two years, where the scope of the investments portfolio required for achieving the Company goals is also determined and serves as the basis for carrying out investments in the Company. The development plan, by considering the provisions of the Sustainability Strategy, also represents a prerequisite for placing investments into the five-year LSP of operations, the investment plan for the three-year regulatory period, and the three-year and annual plans of company operations. One of the more exposed risks of corporate integrity is, as per the Commission for the Prevention of Corruption, the risk of tailored PC to a specific provider, which is being managed through the following measures (internal controls):

- ensuring the highest possible competition and transparency through public procurement processes with an expert committee or public procurement through a simplified procedure;
- material and disciplinary liability for violating the statutory provisions regarding the calculation of the assessed value and the prohibition of fragmenting PCs;
- rotation of those participating and deciding in the public procurement process;
- limiting participation in the public procurement processes for Company employees and business partners due to family, partner and business relations;
- informing the public interest counsel in the public procurement process about the negotiations without prior notification;

- the option of changing the PC tender documentation based on the received questions on the PC portal;
- justification when just one offer is received and when the call was made to at least three providers;
- supplementation/justification of the offer when deficiencies or uncertainties arise;
- prior consent of the SB for the conclusion of a legal transaction in line with the Memorandum of Association of ELES;
- the option of stopping the public procurement process (rejection of all offers) and/or the option of withdrawing from the public procurement realisation (e.g. due to materially changed circumstances);
- public announcement of the submitted PCs on the PC portal and the Official Journal of EU;
- the option of having legal protection in the public procurement process;
- use of the anti-corruption clause in contracts and purchase orders exceeding EUR 10,000 without VAT;
- publication of contracts/purchase orders in the scope of public information;
- reporting on the declaration of assets to the Commission for the Prevention of Corruption.

The risk of approving erroneously invoiced amounts is managed at ELES through multi-layered approval and signing control mechanisms for received invoices in the document system (BC) in line with the authorisations with the option of monitoring audit trails under the four or multiple eyes principle, whereby the received invoice is linked to the entered provisions of a contract/purchaser order in the commercial information system (D365), whereby the separation of authorisations and responsibilities of all stakeholders is considered already at the start (e.g. separate preparation and acceptance of plans from the implementation and control over the implementation of investment projects).

### 3.6.4 G1-2 Management of relationships with suppliers

Public procurements are done at ELES in line with the public procurement legislation.

Based on the assessed amount, public contracts are published on the public portal of PCs of the Republic of Slovenia and based on the threshold values, in line with the public procurement legislation, even in the Official Journal of the EU. In addition, statistical data is uploaded to the PC portal once per year on the public contract records.

ELES carries out the annual planning of PCs. Through the internal notification of employees on the average duration of a certain PC process, it strives to complete the public contracts in the Company in due time.

ELES supports the training of employees in public procurement through seminars and conferences.

ELES does not have any special actions in place for vulnerable suppliers because it is committed to the equal treatment of suppliers or to respect the principles of public procurement.

The PC tender documents define the terms, conditions, requirements and criteria, reducing risks and increasing the quality of the performed services/supply of goods/construction works and allowing the obtaining of offers from providers who can ensure the continuous operation of ELES, i.e. stable companies. The key here is to recognise the market or potential providers based on the specificity of ELES operations.

Considering the subject of the public contract, the Green Public Procurement Decree is used and depending on the subject of the PC, environmental and social criteria are also included in the technical specifications, conditions for participation and contractual provisions (e.g. contractual value adjustment after amendments to the minimum



wage, appropriate waste and equipment management, as a contractual provision or obligation of the service provider).

### 3.6.5 GI-3 Prevention and detection of corruption and bribery

The records of internal violation reports include all reports of reporting persons received through an established internal reporting channel and reports that were submitted for discussion to the corporate integrity officer by the Company Director and/or SB. The records of internal violation reports are being managed in electronic form and in physical form while protecting the identity of the reporting person.

In 2024, ELES received one internal report of alleged violations of corporate integrity, of which zero were anonymous. The report was unjustified. During and after the resolution of the internal report of violations, there were no identified reprisals under the Reporting Persons Protection Act.

In 2024, the corporate integrity officer reported on corporate integrity violations and the integrity plan to the interested public in line with the Rules on Corporate Integrity Supervision.

Internal violation reports are handled by the corporate integrity officer, who is, in terms of organisation, part of the Company management in order for him to be able to perform the task independently.

A corporate integrity officer may be a person with sufficient expert qualifications, who is trusted by employees and who has shown a proactive approach to raising awareness on the importance of respecting corporate integrity with their work so far. A corporate integrity officer cannot be a person who has participated in procedures for which it has been found were performed contrary to the corporate integrity rules, the Code of Ethics, internal or external regulations, business practices or other rules defining the legality and correctness of Company operations.

As per the Rules on Corporate Integrity Supervision, the corporate integrity officer is also responsible for regular reporting on corporate integrity violation reports at least every six months and on managing the corporate integrity risk measures in the Integrity Plan at least once per year to the Directors' board meeting and to the Audit Committee of the Supervisory Board.

In addition, the corporate integrity officer is obligated to report to the Commission for the Prevention of Corruption by 1 March of the current year for the previous year via an electronic form on the number of received, anonymous and justified violation reports and on the number of reprisals.

The Corruption Prevention Committee, on the basis of annual reports received from corporate integrity officers, external report bodies and its own records on the processes with reporting persons, creates the Joint Annual Report by 1 April of the current year for the previous year on Violations under the Reporting Persons Protection Act for statistical reporting to the European Commission, which it also publishes on its website.

Information regarding the internal reports of violations are accessible to all employees on the Company intranet.

In 2024, the corporate integrity officer, in the organisation of:

- The European Institute of Compliance and Ethics (EICE) took part in five training sessions with a total duration of eight (8) hours in the scope of compliant breakfast and practices on the following topic: ensuring supporting compliance functions, increasing the compliance and corporate integrity system efficiency, challenges in the area of compliance and sustainability reporting, and cybersecurity;
- EPEX SPOT took part in a training session spanning eight (8) hours on the REMIT regulation (e.g. the prohibition of insider trading and the prohibition of market manipulations on the offset market);
- TELEKOM d. d. participated a training session with a total duration of three (3) hours in the information and cybersecurity field.

Informing employees on corporate integrity included the following in 2024:

- presentation of a modern method of managing and supervising operations under the three-lines model, which is one of the best practices for the efficient management of all types of risks (including corporate integrity) in the organisation for the Directors' board meeting (15 employees) in the duration of one (1) hour;
- presentation of comprehensive risk management (including corporate culture) as a key element of corporate management at the 13<sup>th</sup> Strategic Conference of ELES (92 employees).

The SB members are trained to perform tasks at SB. They may also engage in further training for the tasks at SB.

In 2024, a total of 66 training hours were performed in the area of internal auditing and sustainability reporting.

### 3.6.6 GI-4 Confirmed incidents of corruption or bribery

In 2024, ELES received no convictions or penalties for violating the anti-corruption and anti-bribery legislation.

In 2024, one corruption or bribery incident was confirmed at ELES in corporate integrity. Based on the internal audit review concerning the compliance of operations in cases of incriminated indications in the media published in January 2024, violations were found in the form of exceeding authorisations, not respecting the KDD resolutions, and neglecting requirements from the Company's internal regulations by obtaining undue benefits to the detriment of the Company by two employees whose employment relationship had been terminated. The realised "fraud and abuse" risk was recognised in the risk catalogue (SBR application) with the measure of verifying the existence and operation of internal controls following the realisation of the SB AC and Directors' board meeting resolution.



At ELES, we detected no confirmed incidents in relation to contracts with business partners that were terminated or not extended due to corruption or bribery violations.

No public court proceedings were initiated against ELES or its own workforce in relation to corruption or bribery within the reporting period or in previous years.

ELES detected no incidents that would include participants in the value chain, and neither ELES nor its employees were directly included.

### 3.6.7 G1-5 Political influence and lobbying activities

ELES has no political influence, and none of its employees were registered in the registry of lobbyists under the Integrity and Prevention of Corruption Act in 2024.

ELES, as per the Integrity and Prevention of Corruption Act, must report to the Commission for the Prevention of Corruption on lobbying contacts of the interest organisation. One lobbying contact was recorded in 2024 with influence on the decision-making process in other matters referring to the issue of unsorted easement rights in connection with the electricity infrastructure. The Commission for the Prevention of Corruption (KPK) is responsible for overseeing the lobbying activities in the territory of the Republic of Slovenia in line with the Integrity and Prevention of Corruption Act.

ELES is not financing political parties in any way. Its donations and sponsorship funds are mainly given to recipients who are linked with its activity and who are working in a sustainable fashion and for the good of society as a whole. Through donations and sponsorships, it wishes to reaffirm and strengthen its social responsibility in the entire area of RS.

The Commission for the Prevention of Corruption has a register of lobbyists in place for overseeing lobbying activities in the scope of the Integrity and Prevention of Corruption Act, which is publicly available on the webpage <https://www.kpk-rs.si/sl/instituti/lobiranje/register-lobistov>, as well as a record of lobbying contacts, which is available on the web portal ERAR (<https://erar.si/lobiranje/>).

The Company Director and SB members did not perform comparable functions in public administration in the last two years prior to the appointment of this function.

### 3.6.8 G1-6 Payment practices

The accounting criteria are considered for determining the performance of operations.

ELES as a public utility service (PUS) provider has no payment deadlines longer than 30 days. ELES is making sure there are no delays in payments. Deadlines have been exceeded during the days when the banking system did not operate (Saturdays, Sundays and public holidays) or due to technical issues of the information system, which are handled as priority. When processing payments, small and medium-sized companies are handled as other business stakeholders.

The average time in which ELES pays an invoice is 23 days.

The average payment deadlines and payment percentages:

- from 22 to 28 days – 78% of the value of all payments (electricity infrastructure lease, PUS distribution operator services, system services – costs of system offset, supply of electricity equipment, Borzen and EA services, insurance costs, costs of banking services, fuel and other energy costs, maintenance services, and other services). Average days of delay based on the recorded payment dates: 4 days.

- from 9 to 13 days – 22% of the value of all payments (easements and other compensations, including court and administrative fees and costs of notary services and system services – electricity supply for losses). Average days of delay based on the recorded payment dates: 2 days.

ELES had no ongoing court procedures due to payment delays in 2024.

Data on the analysis of the payment practice represents the payment database of 2024, grouped based on the main content of operations. The average days of payments and delays were calculated on the basis of the data.



### 3.7 Report of an independent auditor on sustainability



#### INDEPENDENT LIMITED ASSURANCE REPORT

To the ELES, d.o.o.

We have been engaged to perform an independent limited assurance engagement on the Sustainability Statement included in section »Izjava o trajnostnosti« of the Management Report of ELES (hereafter the "Company") as at December 31, 2024 and for the period from January 1 to December 31, 2024 (the "Sustainability Statement").

#### Identification of Applicable Criteria

The Sustainability Statement was prepared by the Management Board of the Company in order to satisfy the requirements of article 70(c) of the Companies Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards introduced by Commission Delegated Regulation EU 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards ("ESRS"), including that the process carried out by the Company to identify the information reported in the sustainability report ("Process") is in accordance with the description in the note "IRO-1 Opis postopkov za opredelitev ter ocenjevanje pomembnih vplivov, tveganj in priložnosti".
- the compliance of the disclosures in the section "Kazalniki usklajenosti, ki jih je treba razkriti v skladu s členom 8 Uredbe (EU) 2020/852, to je prihodki, usklajene s taksonomijo in naložbe v osnovna in obratna sredstva" of the sustainability report with Article 8 of Regulation (EU) 2020/852 ("Taxonomy Regulation"); and
- compliance with the requirements for preparing a sustainability report in accordance with Article 58 of the Companies Act-1, which requires the Company to prepare a sustainability report in XHTML format.

#### Inherent Limitations in Preparing the Sustainability Statement

The criteria, nature of the Sustainability Statement, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies evolve.

In reporting forward looking information in accordance with ESRS, management of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Company. Actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the sustainability report, the Company's management interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal consistency of their interpretation, and are therefore subject to uncertainty.

We draw your attention to the following specific limitations:

- Environmental reporting as applied by all companies includes information based on climate-related scenarios that are subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing, or effect of possible future physical and transitional climate-related impacts. For the avoidance of doubt, the scope of our engagement and our responsibilities will not include performing work necessary for any assurance on the reliability, proper compilation, or accuracy of the prospective information.
- Any supply chain emissions metrics listed in the Sustainability Statement may include information provided by suppliers and third-party sources. Our procedures will not include obtaining assurance over the information provided by suppliers or third parties.
- The Sustainability Statement may include metrics that are derived from reported events relating to employees and subcontractors. As such, our testing may not identify misstatements relating to completeness, for example in instances where events may have occurred but have not been reported.



#### Responsibility of the Management Board of the Company

The Company's management is responsible for designing and establishing a process for identifying the information included in the sustainability report in accordance with ESRS and for disclosing this Process in the note "IRO-1 Opis postopkov za opredelitev ter ocenjevanje pomembnih vplivov, tveganj in priložnosti" v poročilu o trajnostnosti. This responsibility includes:

- understanding the context in which the Company's activities and business relationships take place, and obtaining an understanding of the affected stakeholders;
- identifying actual and potential impacts (negative and positive) related to sustainability matters, as well as risks and opportunities that affect or can reasonably be expected to affect the Company's financial position, financial performance, cash flows, access to financing or cost of capital in the short, medium and long term;
- assessing the significance of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- using assumptions that are reasonable in the circumstances.

The Company's management is also responsible for preparing the sustainability report, in accordance with Article 70.c of the Companies Act, which implements Article 29(a) of Directive EU 2013/34/EU, including:

- compliance with the ESRS;
- preparation of the disclosures in the section "Kazalniki usklajenosti, ki jih je treba razkriti v skladu s členom 8 Uredbe (EU) 2020/852, to je prihodki, usklajene s taksonomijo in naložbe v osnovna in obratna sredstva" of the sustainability report with Article 8 of Regulation EU 2020/852;
- design, implementation and maintenance of such internal controls as are necessary in the judgment of management to enable the preparation of the sustainability report in a manner that is free from material misstatement due to fraud or error; and
- selecting and applying appropriate sustainability reporting methods and using assumptions and estimates in relation to individual sustainability indicators that are reasonable in the circumstances.

The Company's management is also responsible for preparing the sustainability report in accordance with the technical requirements related to the uniform electronic format, as set out in Article 58 of the Companies Act and Article 3 of the ESEF Regulation. This responsibility includes designing, establishing and maintaining such internal controls that enable the preparation of a sustainability report that is not materially inconsistent with the requirements of Article 58 of the Companies Act and Article 3 of the ESEF Regulation.

Those charged with governance are responsible for overseeing the Company's sustainability reporting process.

#### The Auditor's Responsibility for a Limited Assurance Engagement

We conducted our work in the form of a limited assurance engagement in accordance with International Standards on Assurance Engagements 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures performed in a limited assurance engagement are different in nature and timing and are less extensive than those in a reasonable assurance engagement. As a result, significantly less assurance is obtained in a limited assurance engagement than would be obtained in a reasonable assurance engagement.

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the sustainability report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the sustainability report as a whole.

As part of a limited assurance engagement in accordance with ISA 3000 (Revised), we exercise professional judgment and maintain professional skepticism throughout the engagement.



Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient and appropriate evidence for our conclusion. As part of a limited assurance engagement, we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Company's internal control.
- Planning and implementing procedures to evaluate whether the Process is consistent with the Company's Process description, as seen in the explanation »IRO-1 Opis postopkov za opredelitev ter ocenjevanje pomembnih vplivov, tveganj in priložnosti«.

Our other responsibilities related to the sustainability report include:

- Obtaining an understanding of the Company's control environment, processes and information systems relevant to the preparation of the sustainability report, but without evaluating the design of individual control activities, obtaining evidence of their implementation or testing the effectiveness of their operation;
- Identifying disclosures where material misstatements are likely to occur, whether due to fraud or error;
- Designing and performing procedures in relation to disclosures in the sustainability report where material misstatements are likely to occur. The risk of not detecting a material misstatement resulting from fraud is higher than for those resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls;
- Assessing whether the sustainability report is prepared, in all material respects, in the form required by Article 58 of the Companies Act and Article 3 of the ESEF Regulation.
- Design and perform procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### Our Independence and Quality Management

In performing the service, we have complied with the independence and other ethical requirements set out in the International Code of Ethics for Professional Accountants (including International Standards of Independence) developed and approved by the International Ethics Standards Board for Accountants, which includes independence requirements and other requirements based on integrity, objectivity, professional competence and due care, confidentiality, and professional conduct.

In accordance with the International Auditing and Assurance Standards Board's (IAASB) International Standards on Quality Management (ISQM 1), we maintain and apply a comprehensive quality management system that operates continuously and iteratively and responds to changes in the nature and circumstances of the company and its recommendations.

#### Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability report.

The nature, timing and extent of the procedures selected are based on professional judgment, including the identification of disclosures in the sustainability report where material misstatement is likely to occur, whether due to fraud or error.

As part of performing a limited assurance engagement in relation to the Process, we:

- obtained an understanding of the Process by:
  - making inquiries to obtain an understanding of the sources of information used by management (e.g., stakeholder engagement, business plans, and strategic documents); and
  - reviewing the Company's internal documentation related to the Process; and





- evaluated whether the evidence obtained through our procedures on the Process performed by the Company is consistent with the description of the Process set out in the explanation »IRO-1 Opis postopkov za opredelitev ter ocenjevanje pomembnih vplivov, tveganj in priložnosti«.

As part of our limited assurance engagement on the sustainability report, we:

- gain an understanding of the Company's reporting processes that are relevant to the preparation of the sustainability report by:
  - making inquiries to gain an understanding of the Company's control environment, processes and information systems relevant to the preparation of the sustainability report;
- evaluated whether the significant information identified within the Process is actually included in the sustainability report;
- assessed whether the structure and presentation of the sustainability report are in accordance with the ESRS;
- made inquiries of relevant personnel and performed analytical procedures on selected information in the sustainability report;
- performed substantive procedures on selected information in the sustainability report based on a sample;
- obtained evidence of the methods used to formulate significant estimates and forward-looking information and how these methods were used;
- obtained an understanding of the Company's process for identifying economic activities that are acceptable for the taxonomy and economic activities that are consistent with the taxonomy and the relevant disclosures in the sustainability report;
- assessed whether the sustainability report is prepared in the form required by Article 58 of the Companies Act and Article 3 of the ESEF Regulation.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with article 70(c) of the Companies Act) implementing 29(a) of the EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the sustainability report is in accordance with the description in the explanation »IRO-1 Opis postopkov za opredelitev ter ocenjevanje pomembnih vplivov, tveganj in priložnosti«.
- compliance with the disclosures in the explanation »Kazalniki usklajenosti, ki jih je treba razkriti v skladu s členom 8 Uredbe (EU) 2020/852, to je prihodki, usklajene s taksonomijo in naložbe v osnovna in obratna sredstva« of the sustainability report with Article 8 of the Taxonomy Regulation; and
- compliance with the requirements for the preparation of the sustainability report in the form set out in Article 58 of the Companies Act and Article 3 of the ESEF Regulation.

#### Other matters

Our limited assurance engagement does not relate to information relating to prior periods.

Ljubljana, 2.9.2025

FORVIS MAZARS, družba za revizijo, d.o.o.

Aleš Juhart, pooblaščen revizor



# 04 Financial report



# 4. Financial report

## 4.1 Report of an independent auditor on the financial statements

**forv/s  
mazars**

**Independent auditor's report on financial statements**

**To the shareholder of ELES, d.o.o.**

**Opinion**

We have audited the financial statements of **ELES, d.o.o.** (the Company), which comprise of the statement of financial position as at December 31, 2024, income statement and the statement of other comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the enclosed financial statements are compliant in all material respects with the Electricity Supply Act (ZOEI).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISA) and Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities ("Regulation (EU) No. 537/2014 of the European Parliament and of the Council"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Slovenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matters**

We draw attention to the "Note on deviations from the accounting standards" in the financial section of the Company's annual report (section 4.11), which shows the differences between the income statement prepared in accordance with the Electricity Supply Act (ZOEI) as an applicable financial reporting framework prescribed by law and the generally accepted accounting rules and principles constituting the fair presentation framework under Slovenian Accounting Standards (SASs). In accordance with the provisions of the ZOEI, which are not consistent with SAS 15 (Revenue), the Company did not recognise its revenue from congestion management for interconnections in full in its income statement. As a result of the deviation from SASs, the 2024 income statement understates the operating income by €67,912 thousand, understates the operating expenses by €40 thousand, and understates the profit before tax by €67,872 thousand. Due to the above deviation in the 2024 income statement, the balance sheet as at 31 December 2024 furthermore overstates accrued costs and deferred revenue by €67,912. Our opinion is not modified in respect of this matter.

**Key audit matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the "Emphasis of Matter" section, we have determined the matter described below to be the key audit matter to be communicated in our report.

**Net revenue**

Key audit matter	Audit approach
The net revenue for the 2024 financial year totalled €592,022 thousand. As clarified in section 4.4.3 under N "Summary of significant accounting policies", revenue from the various activities carried out by the Company is recognised in accordance with the ZOEI and SASs.	As part of our audit procedures, we evaluated the appropriateness of the accounting policies applied by the Company in connection with revenue recognition and their compliance with the ZOEI and SASs, and carried out the following audit procedures:

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Poslovni račun pri ODP: SI56 0400 0027 7830 251 | Registerjalica: Okrajno sodišče v Ljubljani, SRG 201/115129  
Osnovni kapital: 15.957,45 EUR | Matična številka: 3059023000 | Davčna številka: SI 88105571

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**forv/s  
mazars**

Net revenue is one of the key indicators of a company's performance.	<ul style="list-style-type: none"> <li>We obtained an understanding of the accounting policies relating to revenue recognition for the various activities carried out by the Company.</li> <li>We obtained an understanding of and evaluated the design and implementation of internal controls over revenue recognition, focusing on key controls.</li> <li>We tested the operating effectiveness of key controls relevant to the recognition of revenue from individual activities.</li> <li>We carried out substantive analytical procedures for revenue from individual activities.</li> <li>We carried out a test of details on a selected sample of revenue from individual activities.</li> </ul>
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Due to the significance of the accounting item, the complexities of its recognition in the light of the various activities carried out by the Company, and the risks associated with its proper recording, we have identified the recognition of net revenue as a key audit matter.

We assessed the completeness and adequacy of the disclosures in the financial statements regarding net revenue as presented by management in the financial section of the annual report under sections 4.6.2 "Operating revenue" and 4.11 "Note on deviations from the accounting standards".

**Other Information**

Management is responsible for other information. Other information comprises of the information included in the Annual Report other than the financial statements and auditor's report regarding them (without chapter 3 »Sustainability statement«).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion regarding them.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, legal requirements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information are in all materials respects consistent with the financial statements;
- The other information is prepared in compliance with applicable law or regulations; and
- Based on the knowledge and understanding of the Company, obtained in the audit, we have not identified any material misstatement regarding other information.

**Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of the financial statements in accordance with the Electricity Supply Act (ZOEI) and for such internal control as required by management to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free

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Osnovni kapital: 15.957,45 EUR | Matična številka: 3059023000 | Davčna številka: SI 88105571

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from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with relevant auditing standards and Regulation (EU) No. 537/2014 of the European Parliament and of the Council will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of the financial statements.

As part of an audit in accordance with relevant auditing standards and Regulation (EU) No. 537/2014 of the European Parliament and of the Council, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for the opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that we reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters, that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other reporting obligations in accordance with Regulation (EU) No 537/2014 of the European Parliament and of the Council**

**Confirmation to the audit committee**

We confirm that the audit opinion expressed in this auditor's report is consistent with the additional report to the audit committee.

**Prohibited services**

We declare that we did not provide any of the services referred to in Article 5(1) of Regulation (EU) No 537/2014 to the Company and that the audit firm remained independent in conducting the audit.

**Other services of the audit firm**

FORVIS MAZARS d.o.o. did not provide any services to the Company and its subsidiaries in addition to the

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## 4.2 Statement on the management's responsibility

The management hereby adopts and confirms the entire annual report of the company, which includes the business part of the annual report of ELES, d. o. o., the financial statements of ELES, d. o. o. for the year 2024, ending on 31 December 2024 and the notes on the financial statements.

The management confirms that the following policies were consistently applied during the compilation of the financial statements: provisions of the Electricity Supply Act and Energy Act regarding the demonstration of identified deviations from the regulatory framework and appropriate accounting policies, accounting estimates were made according to the principle of prudence and due diligence and the financial statements give a true and fair view of the company property and operating results for 2024.


The management is also responsible for the appropriateness of accounting, for the adoption of suitable measures for the protection of property and other assets and for the prevention and detection of abuse and other irregularities. It confirms that the

financial statements, including all of the notes, have been compiled on a going concern basis and in accordance with the Companies Act, the Electricity Supply Act and the Slovenian Accounting Standards if they are not in conflict with the provisions of the Electricity Supply Act, which is the statutorily suitable framework of financial reporting for ELES, d. o. o.

Ljubljana, 17 June 2025



**ELES, d. o. o.**  
Company Director  
**Aleksander Mervar, MSc**



audit of the financial statements, other than those disclosed in the annual report.

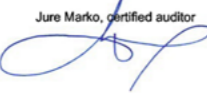
**Appointment of the audit firm and responsible certified auditor**

FORVIS MAZARS d.o.o. was appointed at the General Meeting of the Company on 18 August 2022. The Chairman of the Supervisory Board signed the contract for the audit of the separate financial statements on 15 September 2022. The contract was executed for a period of 3 years. We have carried out statutory audits of the Company's financial statements continuously since 23 October 2019, when the Chairman of the Supervisory Board signed the contract for the audit of the Company's financial statements for the 2019, 2020 and 2021 financial years.

Jure Marko is responsible for the audit on behalf of FORVIS MAZARS d.o.o.

Ljubljana, 2. September 2025

**FORVIS MAZARS d.o.o.**  
Jure Marko, certified auditor



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Poslovni račun pri ODP: SI56 0400 0027 7830 251 | Registracija: Okrajno sodišče v Ljubljani: SRG 2015/15125

Osnojni kapital: 15.957,45 EUR | Matična številka: 2954022000 | Davčna številka: SI 88105571



## 4.3 Financial statements

Balance sheet as at 31 December 2024, prepared in line with the ZOEE

				in EUR	
ASSETS	Explanatory note	31 Dec 2024	31 Dec 2023		
<b>A. Fixed assets</b>		<b>884,632,917</b>	<b>873,437,836</b>		
<b>I. Intangible assets and long-term accrued and deferred asset items</b>	<b>1</b>	<b>21,188,842</b>	<b>32,412,474</b>		
1. Long-term property rights		18,637,312	23,695,985		
2. Goodwill		2,522,336	3,363,114		
5. Other long-term accrued and deferred asset items		29,194	5,353,376		
<b>II. Property, plant and equipment</b>	<b>2</b>	<b>842,261,305</b>	<b>817,569,647</b>		
1. Land and buildings		446,367,130	388,538,415		
a) Land		66,609,187	65,977,565		
b) Buildings		379,757,943	322,560,850		
2. Equipment and spare parts		354,948,853	345,771,787		
3. Other property, plant and equipment		522,309	506,487		
4. Property, plant and equipment being acquired		40,423,013	82,752,958		
a) Property, plant and equipment in the course of construction or production		39,896,510	82,007,955		
b) Advances for property, plant and equipment		526,504	745,003		
<b>III. Investment properties</b>		<b>1,541,911</b>	<b>1,570,542</b>		
<b>IV. Long-term financial investments and loans</b>	<b>3</b>	<b>6,619,753</b>	<b>8,179,480</b>		
1. Long-term financial investments, excluding loans		4,967,821	6,636,210		
a) Shares and stakes in companies in the Group		245,870	245,870		
b) Shares and stakes in associated companies		625,020	4,291,686		
c) Other shares and interests		4,096,931	2,098,654		
2. Long-term loans		1,651,932	1,543,270		
b) Long-term loans to others		1,651,932	1,543,270		
<b>VI. Deferred tax receivables</b>	<b>4</b>	<b>13,021,106</b>	<b>13,705,693</b>		

				in EUR	
ASSETS	Explanatory note	31 Dec 2024	31 Dec 2023		
<b>B. Short-term assets</b>		<b>257,445,952</b>	<b>258,133,222</b>		
<b>II. Inventories</b>		<b>3,201,118</b>	<b>2,860,461</b>		
1. Materials		3,201,118	2,860,461		
<b>III. Short-term financial investments and loans</b>	<b>5</b>	<b>26,350,000</b>	<b>38,251,820</b>		
2. Short-term loans		26,350,000	38,251,820		
b) Short-term loans to others		26,350,000	35,790,000		
b) Short-term unpaid called-up equity		0	2,461,820		
<b>IV. Short-term operating receivables</b>	<b>6</b>	<b>92,626,435</b>	<b>75,612,588</b>		
2. Short-term accounts receivables		83,473,584	62,929,090		
3. Short-term operating receivables due from others		9,152,852	12,683,498		
<b>V. Cash and cash equivalents</b>	<b>7</b>	<b>135,268,398</b>	<b>141,408,353</b>		
<b>E. Short-term accrued and deferred asset items</b>	<b>8</b>	<b>25,970,769</b>	<b>26,408,568</b>		
<b>TOTAL ASSETS</b>		<b>1,168,049,638</b>	<b>1,157,979,627</b>		

\* The notes to the financial statements are an integral part of the financial statements and should be read in conjunction with them.



in EUR			
LIABILITIES	Explanatory note	31 Dec 2024	31 Dec 2023
<b>A. Equity</b>	<b>9</b>	<b>472,246,131</b>	<b>465,048,390</b>
<b>I. Called-up capital</b>		<b>105,214,575</b>	<b>105,214,575</b>
1. Share capital		105,214,575	105,214,575
<b>II. Capital reserves</b>		<b>310,266,261</b>	<b>310,266,261</b>
<b>III. Revenue reserves</b>		<b>51,053,494</b>	<b>41,093,924</b>
1. Legal reserves		4,791,895	4,329,558
5. Other revenue reserves		46,261,599	36,764,366
<b>V. Revaluation adjustment surplus</b>		<b>-3,072,605</b>	<b>-1,023,604</b>
<b>VII. Net profit (or loss) for the financial year</b>		<b>8,784,405</b>	<b>9,497,234</b>
<b>B. Provisions and long-term accrued expenses and deferred revenue</b>	<b>10</b>	<b>409,050,930</b>	<b>295,581,374</b>
1. Provisions for pensions and similar liabilities		10,510,063	8,543,933
2. Other provisions		7,685,256	8,558,355
3. Long-term accrued costs and deferred revenue		390,855,611	278,479,086
<b>C. Long-term liabilities</b>		<b>154,430,969</b>	<b>172,372,928</b>
<b>I. Long-term financial liabilities</b>	<b>11</b>	<b>154,064,012</b>	<b>166,685,626</b>
2. Long-term financial liabilities to banks		151,560,164	164,446,186
4. Other long-term financial liabilities		2,503,848	2,239,440
<b>II. Long-term operating liabilities</b>		<b>106,408</b>	<b>5,382,375</b>
2. Long-term operating liabilities to suppliers		0	5,354,367
4. Long-term operating liabilities arising from advances		85,908	7,508
5. Other long-term operating liabilities		20,500	20,500
<b>III. Deferred tax liabilities</b>		<b>260,548</b>	<b>304,927</b>

in EUR			
LIABILITIES	Explanatory note	31 Dec 2024	31 Dec 2023
<b>D. Short-term liabilities</b>		<b>127,158,397</b>	<b>162,163,975</b>
<b>II. Short-term financial liabilities</b>	<b>12</b>	<b>15,286,157</b>	<b>35,287,416</b>
2. Short-term financial liabilities to banks		15,067,789	35,067,789
4. Other short-term financial liabilities		218,368	219,627
<b>III. Short-term operating liabilities</b>	<b>13</b>	<b>111,872,240</b>	<b>126,876,559</b>
1. Short-term operating liabilities to companies in the Group		76,011	15,403
2. Short-term accounts payable		91,779,855	106,934,520
4. Short-term operating liabilities arising from advances		20,950	241,064
5. Other short-term operating liabilities		19,995,423	19,685,572
<b>E. Short-term accrued costs and deferred revenue</b>	<b>14</b>	<b>5,163,212</b>	<b>62,812,960</b>
<b>TOTAL LIABILITIES</b>		<b>1,168,049,638</b>	<b>1,157,979,627</b>

\* The notes on the financial statements are an integral part of the financial statements and should be read in conjunction with them.



## Income statement for 2024, prepared in line with the ZOOE

ITEMS		Explanatory note	2024	2023
in EUR				
1.	Net sales revenue		592,021,849	585,443,274
	a. on the domestic market		529,964,208	538,313,971
	b. on foreign markets		62,057,642	47,129,303
3.	Capitalised own products and services		3,991,968	3,930,830
4.	Other operating revenues (with operating revenues from revaluation)		15,289,458	16,489,266
<b>OPERATING REVENUE (1+2+3+4)</b>		<b>15</b>	<b>611,303,276</b>	<b>605,863,370</b>
5.	Costs of goods, materials and services	16	494,937,416	495,971,586
	a. Costs of sold goods and materials, including costs of materials used		163,829,762	178,976,346
	b. Costs of services		331,107,654	316,995,240
6.	Labour costs	17	46,248,613	42,652,432
	a. Costs of wages and salaries		33,637,252	31,010,521
	b. Costs of pension insurance contributions		4,549,022	4,214,030
	c. Costs of social insurances		2,554,368	2,333,430
	d. Other labour costs		5,507,972	5,094,451
7.	Value write-offs	18	54,844,409	51,582,457
	a. Depreciation and amortisation expenses		53,396,587	51,184,777
	b. Revaluated operating expenses for intangible assets and property, plant and equipment		1,167,598	397,639
	c. Revaluated operating expenses associated with current assets		280,225	41
8.	Other operating expenses		1,097,251	885,729
<b>OPERATING PROFIT (1+2+3+4-5-6-7-8)</b>			<b>14,175,586</b>	<b>14,771,166</b>
9.	Financial revenue from equity interests		1,705,394	435,535
	b. Finance revenue from equity in associated companies		478,505	0
	c. Financial revenue from equity in other companies		42,483	60,690
	d. Financial revenue from other investments		1,184,406	374,845
10.	Financial revenue from loans		2,952,580	4,489,798
	b. Financial revenue from loans given to others		2,952,580	4,489,798

ITEMS		Explanatory note	2024	2023
in EUR				
11.	Financial revenue from operating receivables		299,788	140,970
	b. Financial revenue from operating receivables due from others		299,788	140,970
13.	Financial expenses from financial liabilities		7,780,353	7,001,756
	b. Financial expenses from loans received from banks		7,631,481	6,916,245
	d. Financial expenses from other financial liabilities		148,871	85,511
14.	Financial expenses from operating liabilities		281,702	67,066
	c. Financial expenses from other operating liabilities		281,702	67,066
<b>FINANCIAL OUTCOME (+9+10+11-12-13-14)</b>		<b>19</b>	<b>-3,104,292</b>	<b>-2,002,519</b>
15.	Other revenue		213,183	62,716
16.	Other expenses		102,102	1,208,417
<b>PROFIT/LOSS BEFORE TAXES (1+2+3+4-5-6-7-8+9+10+11-12-13-14+15-16)</b>			<b>11,182,375</b>	<b>11,622,945</b>
17.	Income tax		972,117	952,109
18.	Deferred taxes		696,883	595,215
<b>TAXES (-17-18)</b>		<b>20</b>	<b>-1,668,999</b>	<b>-1,547,324</b>
<b>19. NET PROFIT/LOSS FOR THE FINANCIAL YEAR (1+2+3+4+5-6-7-8+9+10+11-12-13-14+15-16-17-18)</b>		<b>21</b>	<b>9,513,374</b>	<b>10,075,621</b>

\* The notes on the financial statements are an integral part of the financial statements and should be read in conjunction with them.

## Statement of other comprehensive income for 2024, prepared in line with the ZOOE

ITEM	Explanatory note	2024	2023
19.	Net profit or loss for the financial year	9,513,374	10,075,621
21.	Net change in fair value of available-for-sale financial assets	-360,981	-1,517,300
23.	Other comprehensive income	-1,954,650	-100,518
<b>24. TOTAL COMPREHENSIVE INCOME</b>		<b>7,197,743</b>	<b>8,457,803</b>

\* The notes on the financial statements are an integral part of the financial statements and should be read in conjunction with them.



## Statement of changes in equity in January–December 2024, prepared in line with the ZOEE

TYPES OF CAPITAL / BUSINESS EVENTS	in EUR							
	Share capital	Capital reserves	Legal reserves	Other revenue reserves	Equity revaluation adjustment	Profit brought forward	Net profit (or loss) for the financial year	Total equity
	I/1	II	III/1	III/5	V	VI	VII	
<b>A. Opening balance as at 31 December 2023</b>	105,214,575	310,266,261	4,329,558	36,764,366	-1,023,605	0	9,497,234	465,048,390
<b>A.2 Opening balance in the reporting period as at 1 January 2024</b>	105,214,575	310,266,261	4,329,558	36,764,366	-1,023,605	0	9,497,234	465,048,390
<b>B.1. Changes in equity</b>	0	0	0	0	0	0	0	0
<b>B.2. Total comprehensive income</b>								
a) Entry of net profit/loss for the financial year	0	0	0	0	0	0	9,513,374	9,513,374
c) Change of provisions occurred due to the valuation of financial investments under fair value	0	0	0	0	-360,981	0	0	-360,981
d) Other elements of the comprehensive return in the reporting period	0	0	0	0	-1,954,650	0	0	-1,954,650
<b>Total B.2.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2,315,631</b>	<b>0</b>	<b>9,513,374</b>	<b>7,197,743</b>
<b>B.3. Changes in equity</b>								
b) Allocation of the part of the net profit in the reporting period on other elements of the capital under the decision of the management and supervisory bodies	0	0	462,337	0	0	0	-462,337	0
c) Allocation of net profit for forming additional reserves as per the assembly decision	0	0	0	9,497,234	0	0	-9,497,234	-0
d) Other equity changes	0	0	0	0	266,632	-266,632	0	0
e) Loss settlement as the capital deduction item	0	0	0	0	0	266,632	-266,632	0
<b>Total B.3.</b>	<b>0</b>	<b>0</b>	<b>462,337</b>	<b>9,497,234</b>	<b>266,632</b>	<b>0</b>	<b>-10,226,203</b>	<b>0</b>
<b>C. Closing balance as at 31 December 2024</b>	105,214,575	310,266,261	4,791,895	46,261,599	-3,072,605	0	8,784,405	472,246,133
<b>Accumulated profit</b>						<b>0</b>	<b>8,784,405</b>	<b>8,784,405</b>

\* The notes on the financial statements are an integral part of the financial statements and should be read in conjunction with them.



## Statement of changes in equity in January–December 2023, prepared in line with the ZOOE

TYPES OF CAPITAL / BUSINESS EVENTS	in EUR							
	Share capital	Capital reserves	Legal reserves	Other revenue reserves	Equity revaluation adjustment	Profit brought forward	Net profit (or loss) for the financial year	Total equity
	I/1	II	III/1	III/5	V	VI	VII	
Balance 31 December 2022 ELES	196,780,974	310,266,261	3,829,703	19,677,270	500,764	15,513,417	1,573,679	548,142,068
Balance 31 December 2022 merger effects	0	-	0	0	14,917	-	-	14,917
	I/1	II	III/1	III/5	V	VI	VII	
<b>A. Opening balance as at 31 December 2022 corrected</b>	<b>196,780,974</b>	<b>310,266,261</b>	<b>3,829,703</b>	<b>19,677,270</b>	<b>515,681</b>	<b>15,513,417</b>	<b>1,573,679</b>	<b>548,156,985</b>
<b>A.2 Opening balance in the reporting period as at 1 January 2023</b>	<b>196,780,974</b>	<b>310,266,261</b>	<b>3,829,703</b>	<b>19,677,270</b>	<b>515,681</b>	<b>15,513,417</b>	<b>1,573,679</b>	<b>548,156,984</b>
<b>B.1. Changes in equity</b>								
d) Other changes in equity capital	-91,566,399	0	0	0	0	0	0	-91,566,399
<b>Total B.1.</b>	<b>-91,566,399</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-91,566,399</b>
<b>B.2. Total comprehensive income</b>								
a) Entry of net profit/loss for the financial year	0	0	0	0	0	0	10,075,621	10,075,621
c) Change of provisions occurred due to the valuation of financial investments under fair value	0	0	0	0	-1,517,300	0	0	-1,517,300
d) Other elements of the comprehensive return in the reporting period	0	0	0	0	-100,518	0	0	-100,518
<b>Total B.2.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,617,818</b>	<b>0</b>	<b>10,075,621</b>	<b>8,457,803</b>
<b>B.3. Changes in equity</b>								
b) Allocation of the part of the net profit in the reporting period on other elements of the capital under the decision of the management and supervisory bodies	0	0	499,854	0	0	0	-499,854	0
c) Allocation of net profit for forming additional reserves as per the assembly decision	0	0	0	17,087,096	0	-15,513,417	-1,573,679	0
d) Other equity changes	0	0	0	0	78,533	-78,533	0	0
e) Loss settlement as the capital deduction item	0	0	0	0	0	78,533	-78,533	0
<b>Total B.3.</b>	<b>0</b>	<b>0</b>	<b>499,854</b>	<b>17,087,096</b>	<b>0</b>	<b>-15,513,417</b>	<b>-2,152,066</b>	<b>0</b>
<b>C. Closing balance as at 31 December 2023</b>	<b>105,214,575</b>	<b>310,266,261</b>	<b>4,329,558</b>	<b>36,764,366</b>	<b>-1,023,605</b>	<b>0</b>	<b>9,497,234</b>	<b>465,048,390</b>
<b>Accumulated profit</b>						<b>0</b>	<b>9,497,234</b>	<b>9,497,234</b>

\* The notes on the financial statements are an integral part of the financial statements and should be read in conjunction with them.



## Cash flow statement for 2024, prepared in line with the ZOE E

Item	in EUR	
	2024	2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>a. Operating revenue</b>	<b>991,860,535</b>	<b>880,956,999</b>
Revenue from the sale of products and services	844,488,795	593,700,951
Other operating revenue	147,371,740	287,256,048
<b>b. Operating expenses</b>	<b>(895,886,676)</b>	<b>(809,367,871)</b>
Expenses for material and service procurements	(695,048,219)	(592,581,511)
Expenses for salaries and employee shares in profits	(45,851,748)	(42,736,787)
Expenses for contributions of all types	(17,727,014)	(2,240,056)
Other operating expenses	(137,259,695)	(171,809,517)
<b>c. Positive or negative cash result in operations (a+b)</b>	<b>95,973,859</b>	<b>71,589,127</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
<b>a. Cash inflows from investment activities</b>	<b>62,881,925</b>	<b>123,173,057</b>
Revenue from received interest and shares in profit of others, related to investment activities	4,225,057	4,397,484
Revenue from the disposal of intangible assets	0	4,806,800
Revenue from the disposal of tangible assets	1,096,868	203,485
Revenue from the sale of short-term financial investments	57,560,000	113,765,289
<b>b. Cash outflows pertaining to investment activities</b>	<b>(126,702,740)</b>	<b>(216,196,032)</b>
Acquisition of intangible assets	(4,934,634)	(9,794,448)
Acquisition of property, plant and equipment	(75,538,106)	(56,411,585)
Acquisition of financial investments	(46,230,000)	(149,990,000)
<b>c. Positive or negative cash result in investments (a+b)</b>	<b>(63,820,815)</b>	<b>(93,022,975)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>a. Inflows from financing activities</b>	<b>2,461,820</b>	<b>1,000,000</b>
Receipts from the called-up capital	2,461,820	0
Receivables from the increase of financial liabilities	0	1,000,000
<b>b. Outflows pertaining to financing activities</b>	<b>(40,754,819)</b>	<b>(38,459,821)</b>
Outflows from interests pertaining to financing activities	(7,868,797)	(7,193,381)
Repayment of financial liabilities	(32,886,022)	(31,266,440)
<b>c. Positive or negative cash result in financing (a+b)</b>	<b>(38,292,999)</b>	<b>(37,459,820)</b>
<b>D. CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>135,268,398</b>	<b>141,408,353</b>
<b>x) Financial result in the period (sum of Ac, Bc and Cc)</b>	<b>(6,139,955)</b>	<b>(58,893,658)</b>
<b>y) Opening balance of cash and cash equivalents</b>	<b>141,408,353</b>	<b>200,302,010</b>

\* The notes on the financial statements are an integral part of the financial statements and should be read in conjunction with them.



## 4.4 Notes on the ELES financial statements

### 4.4.1 Reporting company

ELES, d. o. o. (hereinafter "Company") is registered and domiciled in Slovenia and is the parent company of the ELES Group. The Company's registered office is at Hajdrihova ulica 2, 1000 Ljubljana.

In line with the ZGD-1, the company is considered a large enterprise. The financial year of the company equals the calendar year. Below are the disclosures in the financial statements of the company for 2024, i.e. for the period between 1 January 2024 and 31 December 2024.

At the end of 2024, the company only owned and controlled the subsidiary Operato d. o. o., which is insignificant for the true and fair presentation of the ELES Group financial statements. Consequently, the company is not obliged to draft Group financial statements for 2024 as per Article 56 of the ZGD-1.

The annual reports of companies within the ELES Group are available at the registered office of the parent company, ELES, d. o. o., Hajdrihova 2, Ljubljana.

### 4.4.2 Basis for compiling the financial statements

#### a) Responsibility statement and the date of adoption of the financial statements

When compiling its financial statements, as at 31 December 2024, the Company observed:

- The ZOEE as the statutory framework for financial reporting;
- The changed and amended Slovenian Accounting Standards 2024 (hereinafter: SAS) in parts that were not in line with the provisions of the ZOEE;
- The Companies Act (hereinafter: ZGD-1);
- Energy Act (EZ-2), Official Gazette of RS, No. 38/24;

- Legal Act on the Transparency of Financial Relationships and the Separate Recording of Various Activities (ZPFOLERD);
- Legal Act on the methodology for charging the network charge for the electricity distribution system, Official Gazette of the Republic of Slovenia, No. 146/22, 161/22, 50/23, 71/23, 117/23, 5/24, 30/24, 49/24, and 107/24;
- Legal Act on the methodology determining the regulatory framework for the electricity distribution system, Official Gazette of the Republic of Slovenia, No. 123/22, 2/23 – corr., 49/24, and 56/24 (hereinafter: Act);
- Commission Implementing Regulation (EU) 2021/280 of 22 February 2021 amending Regulations (EU) 2015/1222, (EU) 2016/1719, (EU) 2017/2195 and (EU) 2017/1485 in order to align them with Regulation (EU) 2019/943, OJ L 62, of 23 February 2021, p. 24–40;
- Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity, OJ L 158 of 14 June 2019, p. 54–124;
- Regulation (EU) 2019/941 of the European Parliament and of the Council of 5 June 2019 on risk-preparedness in the electricity sector and repealing Directive 2005/89/EC, OJ L 158 of 14 June 2019, p. 1;
- Corporate Income Tax Act (hereinafter: ZDDPO-2) and its implementing regulations;
- The Rules on financial and accounting management;
- The rules on criteria for the allocation of assets and liabilities, costs, expenses and revenues in the individual activities of ELES, d. o. o.;
- System instructions for the electricity distribution system (Official Gazette of RS, No. 7/21, 41/22, 77/24);
- other applicable legislation.

The provisions of the ZOEE are used in recognising and evaluating business events, unless its provisions differ from the provisions of the SAS.

The company does not disclose data for which it reasonably believes it could incur significant damage had it been disclosed.

The Company Director approved the financial statements on 17 June 2025.

#### b) Summary of significant changes to the SAS 2024 (in force as of 1 January 2024)

##### SAS 1 – Fixed assets

- A detailed definition of the initial recognition of fixed assets – costs that may be attributed directly to the obtainment and activation of fixed assets and the inclusion of lease costs (SAS 1.9).
- An additional disclosure of the initial value of a fixed asset obtained with government support (SAS 1.42).

##### SAS 3 – Financial investments

Change in measuring other financial investments and assessments in classification (SAS 3.6.)

Other financial investments are now classified as:

- financial assets measured at fair value through the profit or loss,
- financial assets measured at amortised cost,
- financial assets measured at fair value through equity.

The company classifies assets based on the assessment:

- of the organisation's business model for managing financial investments, and
- of the properties of the contractual cash flows of a financial asset.

##### SAS 5 – Receivables

- Supplemented provisions regarding the recognition and derecognition of receivables (SAS 5.13. and 5.17.)

##### SAS 9 – Liabilities

- Supplementation regarding the classification of liabilities to short-term and long-term (SAS 9.27.)



The change of the SAS had no material impact on the financial statements of the Company, therefore no material adjustments or additional clarifications were given to the financial statements.

### c) Bases for measurement

When preparing financial statements, the Company considers two fundamental financial assumptions:

- the occurrence of business events, and
- going concern.

The Company has been established for an indefinite period.

When developing the accounting policies and compiling financial statements, as well as the entire accounting, the company took into account the principles of understandability, relevancy, reliability and comparability. If handling financial categories in different periods is different (e.g. changes of financial assessments and/or directions), then the reasons for such changes and their consequences are disclosed in the disclosures accompanying the financial statements.

The financial statements have been prepared on the historical cost basis, with the exception of financial derivatives and investments in companies listed on the stock exchange, and disclosed at fair value.

### d) Operations in line with the ZOEE

The activity of an operator of a combined transmission and distribution electricity network is governed by the ZOEE, which is displayed in chapter 1.9.

### e) Adjusting events following the balance sheet date

In line with the EA agreement and the amendment of the Legal Act on the methodology for determining the regulatory framework and network charges for the electricity distribution system, as published in the Official Gazette of the Republic of Slovenia, No. 27/2025 on 23 April

2025, the Company will be recognised higher eligible costs for 2024. Higher recognised eligible costs have a direct impact on the higher revenue from network charges.

Since the SAS, which the company uses, has no provisions concerning this issue, we used the International Accounting Standard 10: Events After the Reporting Period (hereinafter: IAS 10). The aforementioned standard addresses issues concerning operating events that occurred near the end of the reporting period and the date when the financial statements were approved to be published. IAS 10 distinguishes between adjusting and non-adjusting events following the reporting date. Based on the IAS 10.9 and 10.10, and considering the core accounting assumption of the occurrence of the event, the company considered the increase of revenue as an adjusting event following the reporting period already during the draft of the financial statements for 2024. This means that revenue is recognised on the basis of the direct link of the occurrence of costs or expenses.

### f) Company operations

In addition to pursuing the activity of a PUS of electricity transmission and distribution, the company also pursues other activities; therefore, in line with the SAS, Article 8 of the ZPFOLERD, and Articles 106 and 107 of the ZOEE, it has separate accounting records for each of its PUS activities and for other activities, and it discloses separate financial statements for each of its PUS activities in the notes on the financial statements, as well as financial statements for other activities.

In line with Article 107, paragraph 4 of the ZOEE, the positive opinion of the EA and the consent of the Supervisory Board, the company changed its criteria in 2024 in relation to the prevention of cross-subsidisation between the PUS activity of the transfer and distribution of energy and other non-energy activities. The reasons for the change are:

- change in legislation;
- performing multiple PUS activities: following the merger with SODO in 2023, the company, in addition to the PUS of a system operator, is also performing the PUS of a distribution operator, and

- change of products/services on the telecommunications market.

Company operations are performed in the RS, therefore the company does not keep records on operations in specific geographical areas.

### g) Functional and presentation currency

The presented currency in which the financial statements have been disclosed is the EUR (excluding cents). Due to rounding, there are insignificant deviations in the sums indicated in individual tables. Transactions in a foreign currency are converted to the euro currency at the exchange rate applicable on the accrual date. Foreign exchange gains and losses are recognised in the income statement.

## 4.4.3 Summary of significant accounting policies

### a) Intangible Assets and Long-Term Accrued and Deferred Asset Items

Intangible assets and goodwill of the acquired company include property and other rights, right-of-use assets and intangible assets being acquired.

Goodwill, recognised with the merger of SODO, represents future benefits stemming from the obtained assets due to the merger.

An intangible asset that meets the conditions for recognition is valued at cost upon initial recognition. The at-cost value includes all directly attributed costs of the asset's preparation for the intended use and lease costs regarding the activation of the intangible asset if the duration exceeds one year.

The intangible asset's cost value incurred at the Company comprises costs that were caused by its occurrence, as well as indirect costs of its production that can be attributed to it. It does not include costs that

are not related to its development or production, nor costs that the market does not recognise.

Following initial recognition, the Company measures intangible assets using the cost model. Subsequent costs related to intangible assets are recognised at the book value of an asset if future economic benefits related to the functioning of that asset are likely to flow in. All other expenses (e.g. routine maintenance) are recognised in profit or loss as costs when they are incurred.

No residual value has been determined for any intangible asset.

Depreciation is calculated individually using the straight-line method and taking into account the useful life of an individual asset. Amortisation/depreciation starts on the first day of the month following the one in which an asset was put into service, except for easement rights where amortisation/depreciation is charged together with the amortisation/depreciation of the tangible asset for which the easement right was obtained (Article 109 of the ZOEE). Goodwill is amortised in five years. The Company does not hold intangible assets that are not subject to amortisation.

The amortisation costs of right-of-use assets have been calculated on the basis of amortisation rates, assessed on the basis of the remaining lease period.

Assets are classified into amortisation groups based on the content and assessed useful life. The amortisation group defines the amortisation rate, period and rules of recording the asset placed in the specific amortisation group.

A technical expert proposes a new amortisation group or rate and the type of asset (energy infrastructure or other).

The estimated useful lives for individual types of intangible assets are shown in the table below. In 2024, the assessed useful life of the rights to use program packages were changed.

Groups of intangible assets	Evaluated useful life (in years)	Depreciation/amortisation rate (in %)
Goodwill	5	20
Software	3 do 10	10 do 33.33
Right-to-use software packages	1.9 do 6	16.67 do 52.36

With important items of intangible assets, the useful life is reviewed once per year. If the expectations on the remaining useful life change significantly from the initial assessments, then the amortisation rates are recalculated for the current (reporting) and future periods. The amortisation rate change is handled as a financial assessment change and is disclosed in the annual report.

The Company checks, upon each reporting date, whether there are any signs indicating the impairment of important intangible assets. If such signs exist, the recoverable amount of such an asset is assessed. The recoverable amount is the higher of the value in use and the fair value, decreased by sales costs. If the recoverable value does not exceed the book value, the value of such an asset is reduced to its recoverable value. Such a reduction means a loss due to impairments and is displayed among the revalued operating expenses. The network charge deficit that will be recognised within one year from the date of the balance sheet as payment for PUS services in line with Article 113 of the ZOEE is shown by the company under long-term accrued and deferred asset items. More information is available in item n) Revenue in this chapter below.

**b) Property, plant and equipment**

PPE includes: land, buildings, equipment, advance payments, right-of-use assets and assets under construction or production that the Company is planning to use more than one year, less investment properties.

The company's PPE also include the following:

- small tools, the individual cost value of which does not exceed EUR 500 and the useful life of which is longer than one year,
- replacement parts with which the existing PPE parts are replaced, whereby these parts are not meant to be repaired and maintained, investments into foreign PPE,
- real estate used by employees.

PPE that meet the conditions of lease are an integral part of the company PPE. Exceptions are leases of smaller value up to EUR 10,000, short-term leases for which rents are recorded among service costs, as well as commercial leases of fixed assets of the electricity infrastructure used for performing the distribution activity.

The Company is not disclosing commercial leases of the electricity infrastructure for performing the distribution activity among assets as is in line with the SAS 32, but rather recognises rent linked to these leases as lease costs. Lease costs of the electricity infrastructure are eligible costs as per the regulations throughout the lease duration and are therefore disclosed as operating revenue (in the amortised amount and recognised write-offs and impairments of assets and the regulatory yield per leased assets).

PPE that meet the conditions for recognition are valued at cost upon initial recognition. They comprise its purchase price, import and non-refundable levies and costs that may be contributed directly to their acquisition and activation for the intended use, as well as the assessment of decommissioning, removal and restoration costs when the Company has legal or indirect liabilities to do so. The purchase value comprises the lease costs regarding the obtainment and activation of the PPE if it exceeds one year.

The PPE purchase value also comprises the direct labour costs and other costs caused by their development or production. They do not comprise costs that the market does not recognise.



The purchase value of PPE of significant value for which destruction is required by the manufacturer or authorised person due to the technical properties of the PPE and the environmental legislation also includes the assessed costs of removal and decommissioning, which also increase the provisions for such costs. Amortisation is calculated from the increased purchase value. The costs for the decommissioning and removal of this equipment from the Company's location are paid for from the formed provisions.

PPE obtained free of charge and assets for which the Company received financing means are shown at cost value on their obtainment. Such assets are not deducted from their purchase value, but are included in the deferred revenue and used in line with the charged amortisation.

The purchase value of PPE that is developed or produced in the Company is also increased by the costs of their development or production:

- value of hours of own work (preparation works, project management, coordination and supervision of investments),
- value of kilometres travelled with Company vehicles,
- mission costs.

The procurement value of the leased PPE is equal to the current value of rent, calculated by using the discount rate in the contract. If the lease period is not defined in the contract, then the Company uses a 2 percent discount rate for properties and a 10 percent discount rate for equipment.

To measure PPE, the Company is using the cost value model, which means that it is managing PPE by their cost value, reduced by the amortisation correction of the value and the accrued loss due to impairments, increased due to their derecognition, and corrected for re-measurement of the lease liability.

If the book value of an asset is ensured mainly with the sale and not with the continuance of use, then the asset is defined as a non-current asset meant for sale.

Depreciation is calculated individually using the straight-line method and taking into account the useful life of an individual PPE. Amortisation/depreciation starts on the first day of the month following the one in which an asset was put into service, except for easement rights where amortisation/depreciation is charged together with the amortisation/depreciation of the tangible asset for which the easement right was obtained (Article 109 of the ZOEE). Land and assets under construction or production are not subject to depreciation. Amortisation costs of right-of-use assets have been calculated on the basis of amortisation rates, assessed on the basis of the lease period.

Assets are classified into amortisation groups based on the content and assessed useful life. The amortisation group defines the amortisation rate, period and rules of recording the asset placed in the specific amortisation group.

A technical expert proposes a new amortisation group or rate and the type of asset (energy infrastructure or other). The estimated useful lives for individual types of PPE are displayed in the table below. They did not change in 2024.

Groups of tangible fixed assets	Evaluated useful life (in years)	Depreciation/amortisation rate (in %)
Easement rights	25 do 100	1 do 4
Buildings	8 do 77	1.3 do 12.5
Equipment	4 do 50	2 do 25
Small tools	5	20
Right-to-use assets		
Employment contracts for an indefinite period	10	10
Other contracts	3 do 15	6.67 do 33.33

If no future economic benefits are to be expected from the use or disposal of a PPE, on its transfer to investment properties, or if any of the PPE is not used permanently even though it is still useful, the Company determines its fair value and the estimated costs of sale. If the fair value, reduced by the costs of sale, is less than the book value of the asset, then a smaller value is applied.

The Company checks, upon each reporting date, whether there are any signs indicating the impairment of important PPE. If such signs exist, the recoverable amount of such an asset is assessed. The recoverable amount is the higher of the value in use and fair value, decreased by sales costs. If no fair value can be measured reliably, the value in use is used as the recoverable value. When determining the value of an asset in use, future cash flows from the use of such an asset or its final disposal are discounted using the relevant discount rate. If the recoverable value does not exceed the book value, the value of such an asset is reduced to its recoverable value. Such a decrease implies a loss due to impairment and is disclosed under the operating expenses for revaluation. If a resolution is adopted by the management on the sale of the PPE, then it is assessed whether this asset meets the reclassification conditions among non-current assets meant for sale. If it meets them and the fair value, reduced by the costs of sale, exceeds the book value of such an asset, then a smaller value is applied and the revalued operating expenses are recognised.

### c) Investment properties

An investment property is a property (land, building, both or part of a building) that the Company owns in order to receive rent and/or increase the value of the long-term investment and land, for which the Company did not define the intended use and empty buildings. Investment properties also include properties that are under construction or development for future use as investment properties. Investment properties are not properties and land used in the recognition or supply of goods or services or for office purposes or for being sold in the scope of regular operations. The Company does not include properties



among investment properties if they are being used by employees, nor properties waiting to be disposed of.

The purchase value of an investment property is determined in the same way as property, plant and equipment, and the Company is using the cost value model.

Depreciation is calculated individually using the straight-line method and taking into account the useful life of investment properties. Depreciation starts on the first day of the month following the one in which an asset was put into service. The evaluated useful life of investment properties is 77 years, and the amortisation/depreciation rate is 1.3%.

#### **d) Financial investments**

Financial investments of the Company are financial assets that are shown in long-term or short-term assets, depending on their maturity. The Company owns them to increase its financial revenue through their yields. Financial investments are investments into the capital of other companies, investments into financial derivatives, and given loans. The Company also includes deposits with a maturity of over 90 days among financial investments.

Financial assets that are financial investments are measured at fair value upon initial recognition. If these are financial assets that are later measured at fair value through the profit or loss, the Company attributes the costs of the transaction stemming directly from the purchase or sale of the asset to the initial recognised value.

Financial investments into subsidiaries, associates and jointly controlled companies are measured and accounted at cost value.

A financial investment into the shares of Zavarovalnica Triglav and investments into derivatives to hedge against the risk of cash flow variability, due to a changed interest rate on the received long-term loans, are measured under fair value through capital. To measure the fair value

of the shares of Zavarovalnica Triglav, the Company uses the exchange rate as at the balance sheet date.

Other investments for which no price has been published on an active market and whose fair value cannot be reliably measured are measured at cost value.

The Company meets the condition for hedge accounting. Upon the introduction of hedging, suitable hedging documents were prepared laying down the hedging relationship, type of hedging, items hedged against risk, hedging instruments and the method of assessing hedging performance.

Upon the re-measurement of fair value, a part of the profit or loss from the cash flow hedging instrument, which is defined as successful risk hedging, is recognised in other comprehensive income. The unsuccessful share of the profit or loss is recognised immediately in the income statement.

When a hedging instrument ceases, is sold or when risk hedging no longer meets the conditions for hedge accounting, the associated accumulated profit or loss in equity is immediately transferred to the income statement.

If there is proof of any impairment of an investment, for which no price was published on the active market, and its fair value cannot be reasonably measured, the book value of such an investment is compared to the present value of expected future cash flows, discounted by the current market interest rate. If the book value exceeds the calculated present value, the investment is impaired up to the present value and disclosed as an operating expense for revaluation. A long-term investment is derecognised in the books of account if the contractual rights related to it are no longer controlled.

#### **e) Inventories**

Inventories include material and small tools with a useful life of up to one year. The quantity for material inventories is defined at initial recognition at cost value, comprising the purchase price, import levies and direct costs of purchase. Materials and small tools consumption for up to one year is disclosed under the FIFO (first in first out) method.

Inventories are managed by warehouses located at individual locations.

Inventories are valued under the original value or net realisable value, whichever is smaller. Inventory values are checked upon the end of a financial year and cannot exceed the values calculated according to the latest purchase prices. The latest purchase price is the price of individual materials purchased in the last quarter of the financial year.

Inventories are impaired if the book amount exceeds the net realisable value.

#### **f) Receivables**

Receivables are broken down into operating and financial receivables and into short-term and long-term receivables, depending on the due date. If a receivable falls due later than within the year following the balance sheet date, it is disclosed under long-term receivables.

The Company also considers operating receivables stemming from the identified deviations from the regulatory framework (network charge surplus) in line with the ZOEE. The Company assesses the amortised cost of receivables at least once a year, prior to the compilation of the annual financial statements. Important receivables that the Company believes cannot be repaid in full are always assessed individually, regardless of their maturity.

To write off receivables, the Company needs the relevant documents: final decisions on compulsory composition, bankruptcy proceedings, court decisions or other relevant documents. If all actions are

performed with due diligence in order to collect an outstanding receivable or if it is not economical for the Company to enter a court recovery procedure, due to the amount of a receivable, the receivable is written off based on a management decision.

#### g) Cash assets

Cash assets include cash on transaction and other accounts and cash equivalents. These are investments (e.g. deposits at banks) that mature within three months at most from the balance sheet date.

Cash at the bank is kept in the euro currency (EUR).

#### h) Short-term accrued and deferred items

Short-term accrued and deferred asset items include short-term deferred costs and non-calculated income. Short-term accrued and deferred liability items include costs calculated in advance and short-term deferred revenue.

In accordance with Article 113 of the ZOEE, the company annually determines deviations from the regulatory framework. The network charge deficit that will be recognised within one year from the date of the balance sheet as payment for PUS services is shown by the company under short-term accrued and deferred asset items. The surplus from the network charge that will be transferred to revenue within one year from the date of the balance sheet is shown in the short-term accrued and deferred liability items. More information is available in item n) Revenue in this chapter below.

Short-term accrued and deferred items also include purpose funds received free of charge (government grants) for covering losses.

#### i) Equity

The sole company member is the Government of the Republic of Slovenia.

Share capital and capital surplus are cash and non-monetary contributions made by the owner.

The general revalued capital corrections were transferred to the capital reserves on 1 January 2006 in line with item 15 of the Introduction to SAS 2006. They are a revaluation of the share capital prior to 2002.

Profit reserves comprise legal reserves and other profit reserves. These are withheld profits from previous years. They are formed on the basis of a management decision or a decision adopted by the supervisory body or the owner.

The retained net profit or loss is the unallocated profit or loss from previous years. The net profit or loss for the year includes the non-distributed profit or loss for the year. The General Meeting decides on the use of the available profit at the proposal of the Director and SB, which also includes the opinion of SB.

Actuarial gains and losses from severance pay upon retirement are recognised directly in the capital in the framework of reserves created due to fair valuation.

The reserves made due to valuation at fair value relate to the amendment of the value of financial investments (including financial derivatives) measured at fair value through capital and actuarial losses or gains from severance pay upon retirement.

#### j) Provisions

Provisions are formed for ongoing commitments stemming from binding prior events and will be settled in an undefined period and whose amounts and their settlement may be reliably assessed.

Provisions for severance pay upon retirement and jubilee benefits are formed on the basis of the report of the authorised actuary in the amount of the assessed future payouts. Actuarial gains and losses from severance pay upon retirement are not recognised in the profit or loss,

but rather in the fair value reserves. These may also be negative. Fair value reserves are moved to the net profit or loss when the formation of provisions for severance pay upon retirement are eliminated (retirement or employment termination).

The Company also formed provisions for decommissioning costs for which the purchase value of the main asset is increased on its formation. Amortisation is calculated on the basis of the increased purchase value that affects the current profit or loss, while the provision is used for covering the actual decommissioning costs. Changes to provision evaluations, including due to changes of the discount rate, increase or reduce the purchase value of assets and provisions. The discount derecognition affects the increase of provisions and financial expenses in the current year.

#### k) Long-term ADLI

Long-term ADLI are recognised for long-term deferred revenue if it covers projected expenses in a period longer than a year. Reduced long-term accrued and deferred liability items increase other operating revenue.

In accordance with Article 113 of the ZOEE, the company annually determines deviations from the regulatory framework. The surplus from the network charge that will be transferred to revenue later than within one year from the date of the balance sheet is shown in the long-term accrued costs and deferred revenue. More information is available in item n) Revenue in this chapter below.

Long-term accrued and deferred liability items also include assets and purpose funds for investments obtained free of charge (even deferred revenue from congestion and connective power network charges), which are decreased by the resulting depreciation of property, plant and equipment.

## **l) Liabilities**

Liabilities are broken down into financial and operating liabilities and into short-term and long-term liabilities, depending on the maturity date. If a liability falls due later than within a year following the balance sheet date, it is disclosed under long-term liabilities. The Company recognises its liabilities when, considering the date of the compensation and related charges, the liability occurs that is stated in the contract or another legal act.

Liabilities are measured at amortised cost.

Liabilities also include those operating liabilities due to suppliers that stem from deviations from the regulatory framework – network charge deficit.

## **m) Contingent liability**

A contingent liability is a potential liability arising from historical events and its recognition in the books of account depends on the (non-) occurrence of one or more uncertain future events that are not fully controlled by the Company. It may also be a present liability deriving from past events, but it is not recognised, because it is unlikely that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount cannot be measured accurately enough.

## **n) Revenues**

Except for the revenue from regulated activities, the Company recognises revenue if increased economic benefits in an accounting period are associated with increased assets or decreased liabilities, and the increase can be measured reliably. Revenue is recognised when the Company reasonably expects that it shall receive compensation for it. They are broken down into operating, financial and other revenue.

The Company recognises revenue from sale when it meets the contractual obligation. To recognise the revenue of PUSs relating to transmission and distribution, the Company is using the SAS 32 and Art. 113 of the ZOOE, which in its first six paragraphs states:

- 1) The electricity system operator shall identify any deviations from the regulatory framework for particular years shown as surplus or deficit from network charges and shall disclose the established deviations in the notes on the accounts.
- 2) A surplus of the recognised regulated annual revenue over the recognised annual eligible costs of the electricity system operator shall be deemed a surplus from network charges.
- 3) The network charge deficiency shall be the deficiency of the recognised regulated annual revenue for covering the recognised eligible costs of the electricity system operator.
- 4) The network charge surplus or deficit is to be determined as the difference between the recognised eligible costs and billed network charges (reduced by the deficit from the network charges from previous years or increased by the surplus from network charges from previous years) and other recognised annual revenue from activities performed by the electricity system operator.
- 5) The electricity system operator shall use the network charges surplus as payment for the electricity system operator's service of general economic interest for the subsequent year or years; therefore the surplus of the network charges shall be disclosed as overpaid amounts in the year of the regulatory period in which the surplus is established. In setting the network charges for the subsequent regulatory period or the following regulatory periods, the Agency shall take the surplus from network charges into account as network charges already charged in previous periods.
- 6) The electricity system operator has the right to receive the deficit from network charges in the next year or due to the prevention of significant changes of tariff items of network charges in the next few years as payment for the public utility services of the operator's activity for the year for which the deficit has been determined.

The electricity system operator demonstrates the deficit of network charges as receivables of that regulatory period for which the deficit of network charges was identified, if they clearly expect that the deficit of the network charges will be calculated and paid in the following periods. The Agency considers the deficit of network charges in determining network charges in the next or following regulatory periods.

Interest calculated under the applicable methodology for determining the regulatory framework is part of the network charge revenue, therefore the Company recognises these among operating revenue. If the Company has a deficit, the interest increases its operating revenue. If the Company has a surplus, then the interest reduces its operating revenue. Capitalised own services are services for own investments that are made by the Company alone instead of an outsourcer.

In 2024, the company demonstrated revenue for covering the amortisation costs of assets obtained free of charge under other operating revenue, as well as revenue from the elimination of long-term provisions, revenue from European grants for research projects, salary refunds and incentive payments linked to labour costs and contractual penalties linked to business impacts. State grants and donations received for obtaining fixed assets or for covering certain costs are transferred among other operating revenue in line with amortisation.

Revalued operating revenue also includes revenue from the sale of fixed assets that represent a surplus of the sale value over the book value.

Financial revenue occurs in reference to financial investments (shares in other companies, loans given and hedging interest rates) and operating receivables.

## **o) Expenses**

Expenses are recognised if decreased economic benefits in an accounting period are related to decreased assets or increased debt



and if such a decrease can be reliably measured. They are broken down into operating, financial and other expenses.

Operating expenses are all the costs of the period incurred and expenses for revaluation related to receivable impairments and write-downs and long-term assets.

The cost of goods sold includes costs related to the transfer and distribution of electricity, including associated costs.

The cost of material is the original cost of material purchased, with a useful life shorter than a year. The costs of materials that are kept in inventories prior to their use are shown in amounts that form the value of inventories prior to their usage.

The cost of services is the original cost of services rendered by third parties.

Labour costs are original costs referring to the accounted salaries and wages and other disbursements to employees. Labour costs also include refund reimbursements.

Write-offs include the amortisation of long-term assets and operating expenses for the revaluation of such assets and receivables.

Other operating expenses arise in relation to donations.

Financial expenses comprise interest expenses and other costs linked to obtaining loans, as well as expenses upon the elimination or impairment of financial investments. Financial interest expenses are recognised in line with the expired period of a loan with an agreed interest rate.

## **p) Taxation**

Taxes include current tax liabilities and deferred tax. Current tax is disclosed in the income statement, while deferred tax may also be disclosed in the balance sheet.

Current tax liabilities are based on the taxable tax base for the financial year. The taxable tax base differs from the profit or loss reported in the income statement, because it eliminates certain revenue and expense items that are taxable or deductible in other years or never deductible and due to the recognised tax reliefs.

Deferred tax is fully disclosed using the balance sheet liability method for differences occurring between the tax values of assets and liabilities and their book values. Deferred tax is determined using the applicable tax rate, as at the balance sheet date, which is expected to be used when a deferred tax asset is realised or a deferred tax liability is settled.

Deferred tax assets are recognised for corporate income tax amounts that will be reimbursed in the following years and result from deductible temporary differences and unused tax credits in the following periods. They are only recognised if it is likely that taxable profit will be available, to the debit of which deductible temporary differences, unused tax losses and tax credits can be used. They are not discounted.

A deferred tax liability is the amount of corporate income tax assessed from the taxable temporary difference, which implies increased tax payments in future.

## **q) Cash flow statement**

The cash flow statement shows changes in cash in the reporting year. The company drafts it using the direct method (version I). The cash flow statement shows cash flows in operations, investments and financing. Cash includes cash at bank, other accounts and cash equivalents.

## 4.5 Disclosures of Balance Sheet Items

### 4.5.1 Intangible assets and long-term accrued and deferred asset items (1)

in EUR		
Intangible assets and long-term accrued and deferred asset items	31 Dec 2024	31 Dec 2023
Long-term property rights	15,547,706	21,072,911
Intangible fixed assets being acquired	221,738	70,277
Goodwill	2,522,335	3,363,114
Assets under construction or in production	3,089,606	2,623,073
Other long-term accrued and deferred asset items	29,194	5,353,376
<b>Total intangible assets and long-term accrued and deferred asset items</b>	<b>21,188,841</b>	<b>32,412,475</b>
<b>Total intangible assets and long-term accrued and deferred asset items for which the right-to-use has been recognised</b>	<b>221,738</b>	<b>70,277</b>

With the merger of SODO, on 31 December 2022, ELES recognised the goodwill as the difference between the value of the long-term financial investment in SODO and the value of the acquired assets and liabilities of SODO. The goodwill will be amortised by the Company in five years.

On 31 December 2024, an impairment test of goodwill was carried out by determining the recoverable amount using internal means for the distribution activity as a cash-generating unit. As per the SAS 17, the value was measured during use based on the projections of distribution operations between 2025 and 2028. The income approach was chosen, and the discounted cash flow method was used. The projections of distribution operations between 2025 and 2028 are based on the methodology of calculating the regulatory framework for this activity, whereas the discounted interest rate for equity capital of 10.007% was used in the calculation of the current value. The calculated current value of free cash flows at the end of 2024 exceeds the value of the distribution activity; therefore, the goodwill does not need to be

impaired. The assessed lifetime of goodwill is five years; amortisation has already been charged for 2024 in the amount of EUR 840,779.

in EUR		
Changes of intangible fixed assets	31 Dec 2024	31 Dec 2023
Investments in intangible fixed assets	4,611,841	4,550,452
Right-to-use assets	194,232	70,277
Decrease in write-offs	-218	-541,996
Transfers from/to property, plant and equipment at the activation of investments	-65,696	10,203
Depreciation/amortisation in the financial year	-10,639,611	-10,081,237
<b>Total</b>	<b>-5,899,452</b>	<b>-5,992,301</b>

Investments into intangible assets are mainly investments into software.

Intangible asset trends in 2024 without the right-of-use assets

in EUR				
Intangible fixed assets	Long-term property rights	Goodwill	Intangible fixed assets being acquired	TOTAL
<b>Procurement value</b>				
<b>31 Dec 2023</b>	64,589,231	4,203,893	2,623,073	71,416,197
<b>Increases</b>	<b>4,079,613</b>	<b>0</b>	<b>4,546,145</b>	<b>8,625,758</b>
Direct increases	0	0	4,611,841	4,611,841
Transfer of the entry	0	0	-65,696	-65,696
Transfer of investment activation	4,079,613	0	0	4,079,613
<b>Decreases</b>	<b>404,673</b>	<b>0</b>	<b>4,079,612</b>	<b>4,484,285</b>
Direct decreases	404,673	0	0	404,673
Transfer of investment activation	0	0	4,079,612	4,079,612
<b>31 Dec 2024</b>	<b>68,264,171</b>	<b>4,203,893</b>	<b>3,089,606</b>	<b>75,557,670</b>
<b>Value adjustment</b>				
<b>31 Dec 2023</b>	<b>43,586,597</b>	<b>840,779</b>	<b>0</b>	<b>44,427,376</b>
<b>Decreases</b>	<b>404,456</b>	<b>0</b>	<b>0</b>	<b>404,456</b>
Direct decreases	404,456	0	0	404,456
<b>Amortisation</b>	<b>9,756,062</b>	<b>840,779</b>	<b>0</b>	<b>10,596,841</b>
<b>31 Dec 2024</b>	<b>52,938,203</b>	<b>1,681,558</b>	<b>0</b>	<b>54,619,761</b>
<b>Carrying amount</b>				
<b>31 Dec 2023</b>	<b>21,002,634</b>	<b>3,363,114</b>	<b>2,623,073</b>	<b>26,988,821</b>
<b>31 Dec 2024</b>	<b>15,325,968</b>	<b>2,522,335</b>	<b>3,089,606</b>	<b>20,937,909</b>

The trend of rights to use intangible assets is shown in chapter 4.5.2. In 2024, there were no reasons to change the useful life of intangible assets, other than the amortisation rates of the right to use software explained in item a) Intangible Assets and Long-Term Accrued and Deferred Asset Items in chapter 4.4.3.



The Company did not pledge its intangible assets and has no other ownership restrictions on those assets.

At the end of 2024, the Company had liabilities amounting to EUR 2,008,744 (in 2023: EUR 1,099,670) for the acquisition of intangible assets from concluded contractual obligations.

The Company estimates that the book values disclosed are at least at the level of the recoverable amount, which is why no impairment was required.

Intangible assets are part of the investments of the company and are presented in detail in chapter 2.4.

in EUR		
Amendments to long-term ADAI	31 Dec 2024	31 Dec 2023
Network deficit due to regulations - ZOEE	29,194	5,353,376
<b>Total</b>	<b>29,194</b>	<b>5,353,376</b>

in EUR				
Amendments to long-term ADAI - ZOEE	31 Dec 2024	Increases	Decreases	31 Dec 2023
<b>Long-term ADAI - network deficits</b>	<b>29,194</b>	<b>0</b>	<b>5,324,182</b>	<b>5,353,376</b>
LTADAI - network deficit 2021	0	0	5,314,451	5,314,451
LTADAI - network deficit 2022	29,194	0	9,731	38,925
<b>Total</b>	<b>29,194</b>	<b>0</b>	<b>5,324,182</b>	<b>5,353,376</b>

Long-term accrued and deferred asset items are network deficits in 2022 in the distribution activity, formed on the basis of Article 113 of the ZOEE, which will be drawn in 2026 to 2028 as per the EA decision. The network charge deficit of 2021 and part of the network charge deficit from 2022, which will be drawn in 2025, was transferred by the Company to short-term accrued and deferred asset items.

## 4.5.2 Property, plant and equipment (2)

in EUR		
Tangible fixed assets	31 Dec 2024	31 Dec 2023
Land	66,609,187	65,977,565
Buildings	379,757,943	322,560,850
of which the right-to-use assets	596,579	638,675
Equipment and spare parts	354,948,853	345,771,787
of which the right-to-use assets	1,376,658	1,627,161
Other tangible fixed assets	522,309	506,487
Tangible assets under construction or in production	39,896,510	82,007,955
Advances for the acquisition of fixed assets	526,504	745,003
<b>Total tangible fixed assets</b>	<b>842,261,305</b>	<b>817,569,647</b>
<b>Total property, plant and equipment for which the right-to-use assets were recognised</b>	<b>1,973,237</b>	<b>2,265,836</b>

Easement rights are disclosed under "land" amounting to EUR 49,997,126 (EUR 49,380,504 as at 31 December 2023). Amortisation for these assets is recognised in the framework of eligible costs, as is disclosed in chapter 1.9.

PPE being acquired in the value of EUR 39,896,510 are ongoing investments that do not meet the conditions for activation yet.

in EUR		
Changes in tangible fixed assets	31 Dec 2024	31 Dec 2023
Investments in property, plant and equipment	69,394,046	70,070,704
Right-to-use assets	53,827	32,661
Increase of advances for property, plant and equipment	425,311	199,241
Decrease in advances for property, plant and equipment	-643,810	-283,874
Estimated decommissioning costs	-683,725	-2,106,915
Reductions - write-offs	-1,191,342	-657,871
Transfer to investment properties	0	-1,596,787
Transfer to intangible assets at activation of investments*	65,696	-10,203
Depreciation/amortisation in the financial year	-42,728,344	-41,077,295
<b>Total</b>	<b>24,691,659</b>	<b>24,569,661</b>

\*all in the scope of the current year

Investments in property, plant and equipment are presented in the business section of the Annual Report in chapter 2.4.1.

PPE also includes court deposits of EUR 525,404, which are unsecured.

Decreased property, plant and equipment refers to amortisation, write-offs due to reconstruction works (transmission lines and buildings), outdated technologies or equipment obsolescence (telecommunications, primary and secondary equipment and computer equipment) and damages and decommissioning costs. For part of the equipment (220 kV and 400 kV ETR, dampers and battery storage units), the Company formed provisions for decommissioning costs. Due to the increase in the discount rate (the average two-year yield of 30-year German bonds was 2.5460% in 2024), the purchase value was reduced in the amount of EUR 683,725.

#### Property, plant and equipment trends in 2024

							in EUR
Property, plant and equipment	Land	Buildings	Equipment and spare parts	Other devices	Assets in acquisition	Advances for the acquisition of fixed assets	TOTAL
<b>Procurement value</b>							
<b>31 Dec 2023</b>	<b>69,362,669</b>	<b>625,353,155</b>	<b>771,185,541</b>	<b>1,788,961</b>	<b>82,007,956</b>	<b>745,003</b>	<b>1,550,443,285</b>
<b>Increases:</b>	<b>1,180,872</b>	<b>69,806,956</b>	<b>39,644,081</b>	<b>152,370</b>	<b>69,459,742</b>	<b>425,311</b>	<b>180,669,332</b>
direct increases	0	0	0	0	69,394,046	425,311	69,819,357
other increases	0	0	-683,725	0	0	0	-683,725
transfer of investment activation	1,180,872	69,806,956	40,327,806	152,370	0	0	111,468,004
transfer of the entry	0	0	0	0	65,696	0	65,696
<b>Decreases:</b>	<b>0</b>	<b>5,887,045</b>	<b>15,129,332</b>	<b>34,239</b>	<b>111,571,188</b>	<b>643,810</b>	<b>133,265,614</b>
write-offs	0	5,887,045	15,129,332	34,239	99,520	643,810	21,793,946
transfer-salle of assets	0	0	0	0	3,664	0	3,664
transfer of investment activation	0	0	0	0	111,468,004	0	111,468,004
<b>31 Dec 2024</b>	<b>70,543,541</b>	<b>689,273,066</b>	<b>795,700,290</b>	<b>1,907,092</b>	<b>39,896,510</b>	<b>526,504</b>	<b>1,597,847,003</b>
<b>Value adjustments</b>							
<b>31 Dec 2023</b>	<b>3,385,104</b>	<b>303,430,977</b>	<b>427,040,915</b>	<b>1,282,474</b>	<b>0</b>	<b>0</b>	<b>735,139,470</b>
<b>Decreases:</b>	<b>0</b>	<b>5,444,316</b>	<b>14,484,789</b>	<b>33,353</b>	<b>0</b>	<b>0</b>	<b>19,962,458</b>
write-offs	0	5,444,316	14,484,789	33,353	0	0	19,962,458
other reductions	0	0	0	0	0	0	0
<b>Depreciation/amortisation</b>	<b>549,250</b>	<b>12,125,038</b>	<b>29,571,968</b>	<b>135,662</b>	<b>0</b>	<b>0</b>	<b>42,381,918</b>
<b>31 Dec 2024</b>	<b>3,934,354</b>	<b>310,111,699</b>	<b>442,128,094</b>	<b>1,384,783</b>	<b>0</b>	<b>0</b>	<b>757,558,930</b>
<b>Net book value</b>							
<b>31 Dec 2023</b>	<b>65,977,565</b>	<b>321,922,178</b>	<b>344,144,626</b>	<b>506,487</b>	<b>82,007,956</b>	<b>745,003</b>	<b>815,303,815</b>
<b>31 Dec 2024</b>	<b>66,609,187</b>	<b>379,161,367</b>	<b>353,572,196</b>	<b>522,309</b>	<b>39,896,510</b>	<b>526,504</b>	<b>840,288,072</b>



In 2024, the Company activated property, plant and equipment (with no right-of-use) worth EUR 111,468,004, where the most significant activations are shown in the table below.

in EUR	
<b>SIGNIFICANT ACTIVATIONS by individual investments</b>	<b>2024</b>
<b>Land</b>	
Reconstruction of part of TL 2x110kV Gorica-Divača (Renče)	681,096
<b>Buildings</b>	
TL 2x110kV Divača-Pivka - Ilirska Bistrica (TL+OPGW)	23,460,430
KBV 110kV Koper - Izola and ZOK and fields at TSS Koper	22,743,563
Reconstruction of part of TL 2x110kV Gorica-Divača (Renče)	8,410,270
TSS Maribor - construction of the operational facility and replacement of secondary equipment	4,550,513
Breakdown at ELES transmission facilities after weather events - 2023	2,980,492
<b>Primary and secondary equipment</b>	
TSS Maribor - construction of the operational facility and replacement of secondary equipment	9,853,880
TL 2x110kV Divača-Pivka - Ilirska Bistrica (TL+OPGW)	6,464,175
TSS 400/110 kV Maribor - replacement of TR 41, construction of transformer 110/20 kV for own needs	5,741,318
TSS Gorica - secondary equipment restoration	2,470,680
<b>Total</b>	<b>87,356,416</b>

Below are the trends of the **right-of-use assets, including the lease of intangible assets and property, plant and equipment**. These mostly include leases for commercial or production premises and equipment needed for the advanced smart grid infrastructure.

in EUR				
<b>Property, plant and equipment</b>	<b>The right to use building facilities</b>	<b>Right-to-use buildings</b>	<b>Right-to-use equipment</b>	<b>TOTAL</b>
<b>Purchase value</b>				
<b>31 Dec 2023</b>	<b>140,948</b>	<b>1,070,199</b>	<b>2,225,765</b>	<b>3,436,912</b>
<b>Increases:</b>	<b>194,232</b>	<b>53,952</b>	<b>19,979</b>	<b>268,163</b>
other increases	194,232	53,952	19,979	268,163
<b>Decreases:</b>	<b>0</b>	<b>0</b>	<b>24,741</b>	<b>24,741</b>
write-offs	0	0	24,741	24,741
<b>31 Dec 2024</b>	<b>335,180</b>	<b>1,124,151</b>	<b>2,221,003</b>	<b>3,680,334</b>
<b>Value corrections</b>				
<b>31 Dec 2024</b>	<b>70,671</b>	<b>431,524</b>	<b>598,604</b>	<b>1,100,799</b>
<b>Increases:</b>	<b>0</b>	<b>0</b>	<b>20,104</b>	<b>20,104</b>
direct increases	0	0	20,104	20,104
<b>Decreases:</b>	<b>0</b>	<b>0</b>	<b>24,741</b>	<b>24,741</b>
write-offs	0	0	24,741	24,741
<b>Amortisation</b>	<b>42,770</b>	<b>96,048</b>	<b>250,378</b>	<b>389,196</b>
<b>31 Dec 2024</b>	<b>113,441</b>	<b>527,572</b>	<b>844,345</b>	<b>1,485,358</b>
<b>Carrying amount</b>				
<b>31 Dec 2024</b>	<b>70,277</b>	<b>638,675</b>	<b>1,627,161</b>	<b>2,336,113</b>
<b>31 Dec 2024</b>	<b>221,739</b>	<b>596,579</b>	<b>1,376,658</b>	<b>2,194,976</b>

The company is leasing fixed assets from electricity companies for its distribution activity, which is not shown as the right-of-use assets, but rather as lease costs in line with the SAS 1.61. The value of the leased assets as at 31 December 2024 is EUR 1,534,514,394.

The Company did not pledge its property, plant and equipment and has no other ownership restrictions to such assets.

In 2024, there was no reason to change the useful life of property, plant and equipment.

The Company has assessed the indicators of the possible impairment of ongoing investments. All investment projects were ongoing. All the projects are being implemented actively and there were no identified signs of impairment.

An assessment of the indicators of the possible impairment of properties (land, buildings and investment property), the book value of which is EUR 447,909,041, was carried out at the end of 2024. The principal of the property book value refers to transmission lines (high, medium and low voltage lines), TSS and the land and rights on land (easement right) on which facilities and the electricity infrastructure are located (hereinafter: EEI) where market values cannot be determined.

At the end of 2024, the Company had liabilities amounting to EUR 57,112,099 (in 2023: EUR 52,461,880) for the acquisition of property, plant and equipment from concluded contractual obligations.

The Company estimates that the book values disclosed are at least at the level of the recoverable amount, which is why no impairment was required.

### 4.5.3 Long-term investments and loans (3)

	in EUR	
Long-term financial investments and loans	31 Dec 2024	31 Dec 2023
Shares and stakes of companies in the Group	245,870	245,870
Shares and stakes in associated companies	495,020	495,020
Total jointly-controlled companies	130,000	3,796,666
Other long-term financial investments	4,096,931	2,098,654
Receivables from the unpaid called capital and shares in capacities of the electricity industry	99,287	66,365
Long-term loans	1,552,645	1,476,904
<b>Total</b>	<b>6,619,753</b>	<b>8,179,479</b>

Other long-term financial investments also include shares of Zavarovalnica Triglav and the financial instrument of hedging against the interest rate risk in the long-term loan.

#### Trends in 2024

		in EUR			
Long-term financial investments	Ownership share in %	31 Dec 2024	Increases	Decreases	31 Dec 2023
<b>1. Shares and stakes of companies in the group</b>		<b>245,870</b>	<b>0</b>	<b>0</b>	<b>245,870</b>
Operato, d. o. o.	100.00	245,870	0	0	245,870
<b>2. Shares and stakes in associated companies</b>		<b>495,020</b>	<b>0</b>	<b>0</b>	<b>495,020</b>
Stelkom, d. o. o.	34.15	495,020	0	0	495,020
<b>3. Total jointly-controlled company</b>		<b>130,000</b>	<b>3,666,674</b>	<b>7,333,341</b>	<b>3,796,666</b>
ELDOM, d. o. o.	50.00	130,000	0	0	130,000
ADEX SKUPINA, d. o. o.	0.00	0	0	3,666,667	3,666,666
ADEX Holding Ltd.	0.00	0	3,666,674	3,666,674	0
<b>4. Other long-term financial investments</b>		<b>4,096,931</b>	<b>3,807,475</b>	<b>1,809,197</b>	<b>2,098,654</b>
TSCNET Services GmbH	6.25	370,500	0	0	370,500
JAO S.A. (auction house)	4.00	147,000	0	0	147,000
Informatika d. o. o.	4.91	90,008	0	0	90,008
ADEX Holding Ltd.	10.00	2,200,000	3,666,674	1,466,674	0
Shares of insurance company		983,178	140,801	0	842,377
Derivative financial instruments		306,245	0	342,523	648,769
<b>5. Long-term loans to companies in the group</b>		<b>99,287</b>	<b>32,922</b>	<b>0</b>	<b>66,365</b>
Shares in holiday capacities of the electricity industry		99,287	32,922	0	66,365
<b>6. Long-term loans</b>		<b>1,552,645</b>	<b>4,235,741</b>	<b>4,160,000</b>	<b>1,476,904</b>
Deposit for securing the IRS transaction		1,552,645	4,235,741	4,160,000	1,476,904
<b>Total</b>		<b>6,619,753</b>	<b>11,742,812</b>	<b>13,302,538</b>	<b>8,179,479</b>

Through the cross-border transformation as a special form of status transformation in line with the Companies Act, the main office and activity of the ADEX Group was moved in 2024 from Slovenia to Hungary. The Company retained its shareholding, i.e. 33.34% of the ADEX share capital.

Following the entry of a new member into ADEX, the shareholding of ELES in ADEX was reduced from 33.34% to 16.6667%, therefore the financial investment was moved from jointly controlled companies to other long-term financial investments at cost value.

In December 2024, ELES decreased its shareholding in ADEX through the sale of shares from 16.6667% to 10%. As at 31 December 2024, ELES owns 100,000 shares of ADEX in the value of EUR 2.2 million.

The Company estimates that the book value of financial investments is at least on the fair value level, therefore no impairments are required.

## 4.5.4 Deferred tax assets (4)

Deferred tax receivables	in EUR	
	31 Dec 2024	31 Dec 2023
Derivative financial instruments	382,498	325,062
Anniversary bonuses and severance pay upon retirement	570,327	648,123
Undrawn allowance for investment	12,068,281	12,638,145
Long-term investments	0	94,363
<b>Total</b>	<b>13,021,106</b>	<b>13,705,693</b>

The most significant part of the deferred receivables for taxes relates to the unused benefits for investments that the Company has the right to draw down in the next five years and thus reduce the basis for corporate tax.

### Trends in 2024

DEFERRED TAXES	in EUR				
	Derivative financial instruments	Anniversary bonuses and severance pay upon retirement	Unused investment allowance	Long-term financial investmentse	TOTAL
<b>Opening balance as at 1 Jan 2024</b>	<b>325,062</b>	<b>648,123</b>	<b>12,638,145</b>	<b>94,363</b>	<b>13,705,693</b>
<b>In debit (credit) of profit or loss</b>	<b>57,436</b>	<b>-32,656</b>	<b>-569,864</b>	<b>-94,363</b>	<b>-639,447</b>
Decreases of the total deferred tax receivables		-32,656	-2,463,604	-94,363	-2,590,623
Increases of the total deferred tax receivables	57,436		1,893,740		1,951,176
<b>In debit (credit) of equity</b>	<b>0</b>	<b>-45,140</b>	<b>0</b>	<b>0</b>	<b>-45,140</b>
Eliminated total deferred tax receivables		-45,140			-45,140
<b>Closing balance as at 31 Dec 2024</b>	<b>382,498</b>	<b>570,327</b>	<b>12,068,281</b>	<b>0</b>	<b>13,021,106</b>

As at 31 December 2024, the company has a dormant tax relief:

- for investments in the amount of EUR 76,416,651, and
- regarding covering tax losses in the amount of EUR 7,139,044,
- which the Company may use in the coming 5-year period.

The Company estimates that the profit before tax in the coming 5-year period (2025-2029) will be EUR 79,788,924 and the tax base EUR 87,072,733. Considering the 63 percent base for utilising tax reliefs and the planned investments, the Company will use the tax relief in the amount of EUR 54,855,822. The Company therefore has EUR 12,068,281 of deferred tax assets as at 31 December 2024 from investment reliefs. The Company considered the 22 percent tax rate in its calculation.

The Company did not recognise deferred tax assets concerning the coverage of tax losses (the deferred tax assets from the base of EUR 7,139,044 would amount to EUR 1,570,590) and partially also the deferred tax assets in relation to investments (the deferred tax assets from the base of EUR 21,560,829 would be EUR 4,743,382).

The Company disclosed EUR 12,638,145 of deferred tax assets as at 31 December 2023 from dormant reliefs for investments. In 2024, the Company recorded the following amendments:

- increase of deferred tax assets of EUR 1,088,962 based on the assessment of future profits for the period of 2025-2029,
- decrease of deferred tax assets of EUR 1,655,227 on the basis of using investment reliefs in the amount of EUR 3,599 due to write-offs of fixed assets in the period shorter than three years in the corporation tax calculation for 2024.



## 4.5.5 Short-term financial investments (5)

	in EUR	
Short-term investments	31 Dec 2024	31 Dec 2023
Short-term loans - BSP	0	25,000,000
Short-term loans - banks	26,350,000	10,790,000
Short-term unpaid called capital	0	2,461,820
<b>Total</b>	<b>26,350,000</b>	<b>38,251,820</b>

The Company had EUR 26,350,000 of deposits at banks as at 31 December 2024 (over three months).

## 4.5.6 Short-term operating receivables (6)

	in EUR	
Short-term operating receivables	31 Dec 2024	31 Dec 2023
Short-term accounts receivables	83,473,584	62,929,090
Other short-term receivables	9,152,852	12,683,498
<b>Total</b>	<b>92,626,435</b>	<b>75,612,588</b>

	in EUR			
Short-term accounts receivables	Gross value	Revaluation adjustment	Net amount 31 Dec 2024	Net amount 31 Dec 2023
Accounts receivables - domestic	66,710,842	-284,718	66,429,125	52,054,039
Accounts receivables - foreign	17,044,459	0	17,044,459	10,875,051
<b>Total</b>	<b>83,755,301</b>	<b>-284,718</b>	<b>83,473,584</b>	<b>62,929,090</b>

The company's other short-term receivables include operating receivables on account of third parties in the amount of EUR 8,302,665, which refer to the collected contributions on the third-party account of the PUS provider.

The receivables are not pledged. Disclosures of collateralised receivables and their maturity are in chapter 4.9.

## 4.5.7 Cash assets (7)

	in EUR	
Cash and cash equivalents	31 Dec 2024	31 Dec 2023
Cash in bank accounts	22,684,596	31,468,731
Deposits redeemable at notice up to three months	98,000,000	106,500,000
Cash for special purposes	14,583,802	3,439,622
<b>Total</b>	<b>135,268,398</b>	<b>141,408,353</b>

Cash assets for special purposes include cash intended mainly for the payment of liabilities deriving from electricity trading on the European stock exchange.

The Company had no concluded agreements for drawing short-term limits on bank accounts as at 31 December 2024.

## 4.5.8 Accrued and deferred asset items (8)

	in EUR	
Short-term accrued and deferred asset items	31 Dec 2024	31 Dec 2023
Short-term deferred costs	1,871,383	595,717
Short-term accrued revenue	18,775,205	20,488,670
Network deficit from regulations - ZOEE	5,324,181	5,324,181
<b>Total</b>	<b>25,970,769</b>	<b>26,408,568</b>

The larger part are short-term uncalculated revenue from international electricity transit in the amount of EUR 6,399,733 (ITC mechanism) and surpluses on the balance sheet data (EUR 6,983,216). Network deficits from regulations refer to the years 2021 and 2022 and will be drawn in 2025 in line with the decision of the EA for the distribution activity.

### Trends in 2024

	in EUR			
Short-term accrued and deferred asset items	31 Dec 2024	Increases	Decreases	31 Dec 2023
Short-term deferred costs	1,871,383	7,120,694	5,845,028	595,717
Short-term accrued revenue	18,755,205	32,827,431	34,540,895	20,488,670
VAT on advances received	0	950	950	0
Network deficit due to regulations	5,324,181	43,312,304	43,312,304	5,324,181
<b>Total</b>	<b>25,950,769</b>	<b>83,261,379</b>	<b>83,699,177</b>	<b>26,408,568</b>

### Trends in 2023 - ZOEE

	in EUR			
Short-term ADAI - ZOEE	31 Dec 2024	Increases	Decreases	31 Dec 2023
Short-term ADAI - network deficits	5,324,181	43,312,304	43,312,304	5,324,181
ADAI - network deficit 2021	5,314,450	5,314,451	5,314,451	5,314,450
ADAI - network deficit 2022	9,731	9,731	9,731	9,731
ADAI - network deficit 2023	0	3,744,074	3,744,074	0
ADAI - network deficit 2024	0	34,244,048	34,244,048	0
<b>Total</b>	<b>5,324,181</b>	<b>43,312,304</b>	<b>43,312,304</b>	<b>5,324,181</b>

The identified deficit for distribution system operator activity for 2023 and 2024 was covered by the Company in full with the surplus of the system operator activity as clarified in chapter 4.5.14.

## 4.5.9 Equity (9)

Equity	in EUR	
	31 Dec 2024	31 Dec 2023
Share capital	105,214,575	105,214,575
Capital reserves	310,266,261	310,266,261
Revenue reserves	51,053,494	41,093,924
- Legal reserves	4,791,895	4,329,558
- Other reserves from profit	46,261,599	36,764,366
Reserves from fair value assessment	-3,072,605	-1,023,604
Profit brought forward	0	0
Net profit/loss for the year	8,784,405	9,497,234
<b>Total</b>	<b>472,246,131</b>	<b>465,048,390</b>

Accumulated profit/loss	in EUR	
	2024	2023
Net profit/loss for the financial year	9,513,374	10,075,621
Loss from the previous year – elimination of actuarial profits/losses	-266,632	-78,533
Transfer to statutory reserves	-462,337	-499,854
<b>Total</b>	<b>8,784,405</b>	<b>9,497,234</b>

The net profit or loss for 2024 amounts to EUR 9,513,374, which was partly spent in line with Article 230 of the Companies Act:

- to cover the retained loss of EUR 266,631 that was incurred due to the transfer of the actuarial deficit from provisions for severance pay upon retirement to the retained profit or loss in 2024;
- to form 5 percent legal reserves in the amount of EUR 462,337.

The remainder of the net profit in 2024 is profit for appropriation in the amount of EUR 8,784,405, for which the Management Board will propose to the Supervisory Board the transfer to other profit reserves.

The available profit in 2023 of EUR 9,497,234 was completely transferred to other profit reserves on the basis of the General Meeting Resolution.

The change of the reserves due to the valuation at fair value in the amount of EUR 2,049,000 stems from:

- increases of the surplus revaluations from the value of Zavarovalnica Triglav shares in conversion to the market price, as at 31 December 2024, in the amount of EUR 109,826 (taking into account deferred tax assets of EUR 30,976),
- the reduced surplus from revaluation in the amount of EUR 470,806 (taking into account deferred taxes in the amount of EUR 75,355) and financial derivatives for hedging cash flow variability, due to changed interest rates of long-term loans. The evaluation was recorded as at 31 December 2024, which is evident from the received bank's statement,
- an increase by EUR 266,631 due to the elimination of severance pay upon retirement to the burden of the transferred loss,
- a reduction and use of the actuarial deficit in the amount of EUR 1,954,650 (taking into account deferred tax assets in the amount of EUR 45,140).

### Trends in 2024

Reserves from fair value assessment	in EUR			
	31 Dec 2024	Increases	Decreases	31 Dec 2023
<b>Revaluation surplus of long-term financial investments</b>	<b>-171,820</b>	<b>686,963</b>	<b>0</b>	<b>233,540</b>
Revaluation surplus of long-term financial investments	878,065	140,802	0	737,264
Derivative financial instruments	-1,049,886	546,161	0	-503,724
<b>Actuarial deficit</b>	<b>-2,719,697</b>	<b>266,631</b>	<b>1,909,510</b>	<b>-1,076,818</b>
<b>Value adjustment of revaluation surpluses for deferred tax</b>	<b>-181,087</b>	<b>76,116</b>	<b>75,355</b>	<b>-180,326</b>
Value adjustment of revaluation surpluses for financial investments	-193,173	30,976	0	-162,197
Adjustment of deficits from the revaluation of derivatives	-67,374	0	75,355	-142,729
Value adjustment of actuarial deficit	79,460	45,140	0	124,600
<b>Total</b>	<b>-3,072,605</b>	<b>1,029,710</b>	<b>1,984,866</b>	<b>-1,023,604</b>

## 4.5.10 Provisions and long-term accrued and deferred liability items (10)

		in EUR	
Provisions and long-term accrued and deferred liability items	31 Dec 2024	31 Dec 2023	
Provisions for pensions and similar liabilities	10,510,063	8,543,933	
Other provisions	7,685,256	8,558,355	
Long-term accrued and deferred liability items (SAS)	143,626,624	151,316,884	
Long-term accrued and deferred liability items (ZOEE)	247,228,987	127,162,202	
<b>Total</b>	<b>409,050,930</b>	<b>295,581,374</b>	

### 1. Provisions for pensions and similar liabilities

Provisions for pensions and similar liabilities are created as the current value of company liabilities to employees from severance pay and jubilee benefits.

#### Trends in 2024

		in EUR			
Provisions for pensions and similar liabilities	31 Dec 2024	Increases	Decreases	31 Dec 2023	
Provisions for severance pay upon retirement	9,003,612	2,657,268	872,163	7,218,507	
Provisions for anniversary bonuses	1,506,451	378,131	197,106	1,325,426	
<b>Total</b>	<b>10,510,063</b>	<b>3,035,399</b>	<b>1,069,269</b>	<b>8,543,933</b>	

An actuarial calculation prepared by a certified actuary was performed for every employee, taking into account the cost of severance pay upon retirement and the cost of all projected jubilee benefits until retirement. The calculation includes:

- number of employees at the company as at 31 December 2024, gender, age;
- date of last employment at the Company, pensionable service, contract type (collective or individual), length of service in the electricity sector, length of service at the Company, total length of service, union membership, planned date of retirement;
- base salary without length of service bonuses, average variable salary part, and length of service bonus share;
- obligations to disburse severance pay upon retirement and jubilee benefits for 2024;

- the nominal salary growth for the period of 2025–2027 in the amount of 4.5 to 5.5 percent and as of 2026 in the amount of 3.5 percent for severance pay on retirement or 2.5 to 2.6 percent for jubilee benefits;
- interest rate of 3.2 percent;
- employee fluctuation with respect to age groups.

		Discount rate		Salary growth		Fluctuation		in EUR	
Sensitivity analysis for 2024		Decrease by 0.5%	Increase by 0.5%	Increase by 0.5%	Decrease by 0.5%	Increase by 0.5%	Decrease by 0.5%		
Provisions for severance pay upon retirement	410,581	-379,656	412,068	-381,935	-395,064	188,401			
Provisions for anniversary bonuses	55,909	-52,365	58,142	-54,857	-54,647	42,210			
<b>Total</b>	<b>466,490</b>	<b>-432,021</b>	<b>470,210</b>	<b>-436,792</b>	<b>-449,711</b>	<b>230,611</b>			

		Discount rate		Salary growth		in EUR	
Sensitivity analysis for 2023		Decrease by 0.5%	Increase by 0.5%	Increase by 0.5%	Decrease by 0.5%		
Provisions for severance pay upon retirement	291,388	-268,459	289,617	-269,431			
Provisions for anniversary bonuses	47,076	-43,983	47,029	-44,354			
<b>Total</b>	<b>338,464</b>	<b>-312,442</b>	<b>336,646</b>	<b>-313,785</b>			

### 2. Other provisions

The reduction of provisions for decommissioning costs refers to the harmonisation of the already formed provisions due to the change in the discount rate.

#### Trends in 2024

		in EUR			
Other provisions	31 Dec 2024	Increases	Decreases	31 Dec 2023	
Provisions for deconstruction costs	7,679,753	-568,204	300,000	8,547,957	
Other provisions	5,503	5,503	10,398	10,398	
<b>Total</b>	<b>7,685,256</b>	<b>-562,702</b>	<b>310,398</b>	<b>8,558,355</b>	

### 3. Long-term ADLI

One of the increases of long-term accrued costs and deferred revenue as per the SAS is the received European grants for investment projects and the co-financed activated value of fixed assets. Reductions relate to the charged amortisation of fixed assets received free of charge.

#### Trends in 2024

in EUR				
Long-term accrued and deferred liability items – SAS	31 Dec 2024	Increases	Decreases	31 Dec 2023
Connection fee Avče	4,725,364	0	213,789	4,939,153
Funds co-financed by the EU	82,156,358	1,783,779	3,192,236	83,564,815
Assets acquired free of charge	8,931,029	0	3,711,123	12,642,152
Network fee for connection power	47,426,970	167,989	2,480,741	49,739,722
Long-term accrued costs and deferred revenue – deferred revenue	386,905	0	44,139	431,044
<b>Total</b>	<b>143,626,626</b>	<b>1,951,768</b>	<b>9,642,028</b>	<b>151,316,886</b>

In line with the ZOEE, long-term accrued and deferred liability items show deferred revenue from managing congestion in interconnection capacities, meant for the financing of investments in the network for maintaining or increasing the interconnection capacities. Reductions of long-term accrued and deferred liability items in 2024 are due to the amortisation of fixed assets, financed from the revenue from congestion. An increase of long-term ADLI is due to the network surplus in 2024, which will, in line with the Legal Act on the methodology determining the regulatory framework and the methodology for charging the network charge for the electricity distribution system, be used to cover deficits in the coming years. The amount has already been reduced by EUR 800,978, which was used to cover a source from the previous years.

in EUR				
Long-term accrued and deferred liability items from EA regulation – ZOEE	31 Dec 2024	Increases	Decreases	31 Dec 2023
<b>Long-term accrued and deferred liability items for realised investments – source of cross-border transmission capacities</b>	<b>122,669,262</b>	<b>0</b>	<b>4,492,940</b>	<b>127,162,202</b>
Provisions for investments into transmission capacities	109,749,437	0	3,936,378	113,685,815
Provisions for investments into transmission capacities prior to 2010	12,919,825	0	556,562	13,476,387
<b>2. Long-term accrued and deferred liability – Network surpluses</b>	<b>124,559,725</b>	<b>124,559,725</b>	<b>0</b>	<b>0</b>
Long-term accrued and deferred liability – Network surplus for the year 2024	124,559,725	124,559,725	0	0
<b>Total</b>	<b>247,228,987</b>	<b>124,559,725</b>	<b>4,492,940</b>	<b>127,162,202</b>

### 4.5.11 Long-term financial liabilities (1)

in EUR		
Long-term financial liabilities	31 Dec 2024	31 Dec 2023
Long-term financial liabilities to banks	151,560,164	164,446,186
Derivative financial instruments	1,738,628	1,477,554
Long-term debts from right-to-use assets	765,220	761,886
<b>Total</b>	<b>154,064,012</b>	<b>166,685,626</b>

Long-term financial liabilities to banks include long-term loans of domestic and foreign banks obtained in order to finance investments. The contractually agreed interest rates comprise the reference interest rate 6M EURIBOR and the interest mark-up or are fixed. The maturity of loans is from 10 to 25 years. Loans shall be paid off from 2028 to 2046. Loans from domestic banks are secured with bianco bills of exchange, which include standard legal provisions and financial commitments. The Company received bank consents in 2024 for deviating from the commitments. The foreign bank loan is not secured because in line with Article 479 of the Energy Act (EZ-1), the founder is responsible for the liabilities of a concession holder that is 100 percent owned by the state, which in this case is the Republic of Slovenia.

In 2024, the company did not draw any long-term loans, while EUR 12,886,022 of principal was transferred to short-term liabilities, which will mature in 2025. The company has EUR 35,000,000 of undrawn medium-term revolving loans as at 31 December 2024. Information on each loan can be found in chapter 2.3.1.

Long-term financial liabilities also include the negative fair value of a financial derivative that the company concluded in 2023.

Long-term loans from right-of-use assets represent liabilities of loaned assets shown as the right-of-use asset among property, plant and equipment.

#### Trends in 2024

in EUR				
Long-term financial liabilities	31 Dec 2024	Increases	Decreases	31 Dec 2023
Long-term financial liabilities to banks	151,560,164	0	12,886,022	164,446,186
Derivative financial instruments	1,738,628	261,074	0	1,477,554
Long-term debts from right-to-use assets	765,220	210,730	207,396	761,886
<b>Total Long-term financial liabilities</b>	<b>154,064,012</b>	<b>471,804</b>	<b>13,093,418</b>	<b>166,685,626</b>



## 4.5.12 Short-term financial liabilities (12)

		in EUR	
Short-term financial liabilities	31 Dec 2024	31 Dec 2023	
Short-term part of the long-term obligations to banks	15,067,789	35,067,789	
Short-term debts from right-to-use assets	218,368	219,627	
<b>Total</b>	<b>15,286,157</b>	<b>35,287,416</b>	

In its short-term financial liabilities, the Company discloses liabilities from long-term loans that mature in 2025 in the amount of EUR 12,886,022 and part of a loan from a foreign bank that was not used to finance investments in the amount of EUR 2,181,767.

In 2024, the Company paid off EUR 32,886,022 of principal from long-term loans.

Financial expenses from loans amounted to EUR 7,631,481, whereas EUR 237,576 of loan expenses were capitalised.

### Trends in 2024

		in EUR		
Short-term financial liabilities	31 Dec 2024	Increases	Decreases	31 Dec 2023
Short-term part of the long-term obligations to banks	15,067,789	12,886,022	32,886,022	35,067,789
Short-term debts from right-to-use assets	218,368	244,724	245,984	219,627
<b>Total</b>	<b>15,286,157</b>	<b>13,130,747</b>	<b>33,132,006</b>	<b>35,287,416</b>

## 4.5.13 Short-term operating liabilities (13)

		in EUR	
Short-term operating liabilities	31 Dec 2024	31 Dec 2023	
Short-term operating liabilities to companies in the group	76,011	15,403	
Short-term operating liabilities toward suppliers	91,378,191	100,008,210	
Short-term liabilities for unbilled goods and services	401,664	6,926,310	
Short-term operating advance payables	20,950	241,064	
Other short-term operating liabilities	19,995,423	19,685,572	
<b>Total</b>	<b>111,872,240</b>	<b>126,876,559</b>	

Company solvency and risks related to the above are presented in chapter 4.9.2.

		in EUR	
Short-term operating liabilities	31 Dec 2024	31 Dec 2023	
<b>Short-term operating liabilities to companies in the Group</b>	<b>76,011</b>	<b>15,403</b>	
<b>Short-term operating liabilities to suppliers:</b>	<b>91,378,191</b>	<b>100,008,210</b>	
Electricity suppliers – domestic	15,470,940	26,586,322	
Electricity suppliers – foreign	16,870,482	10,674,617	
Fixed assets suppliers – domestic	10,298,674	14,572,243	
Fixed assets suppliers – domestic	60,285	11,742	
Current assets suppliers – domestic	47,969,538	47,832,837	
Services suppliers – foreign	708,272	330,449	
<b>Short-term liabilities for unbilled goods and services</b>	<b>401,664</b>	<b>6,926,310</b>	
<b>Short-term liabilities for advances and deposits</b>	<b>20,950</b>	<b>241,064</b>	
<b>Other short-term operating liabilities</b>	<b>19,995,423</b>	<b>19,685,572</b>	
To employees	3,826,938	3,241,789	
To the state	5,980,917	2,012,210	
From operations to a foreign account	9,171,577	11,346,432	
Other liabilities	1,015,991	3,085,141	
<b>Total</b>	<b>111,872,240</b>	<b>126,876,559</b>	

## 4.5.14 Short-term accrued and deferred liability items (14)

in EUR		
Short-term accrued and deferred liability items	31 Dec 2024	31 Dec 2023
Accrued costs	4,493,785	4,846,562
Liabilities from contracts with buyers	106,323	158,109
Short-term deferred revenue – EU projects and other co-financed projects	562,944	338,116
VAT on paid advances	160	110,684
Deferred revenue from regulations	0	57,359,489
<b>Total</b>	<b>5,163,212</b>	<b>62,812,960</b>

One of the important accrued expenses is the liability for the purchase of electricity for losses and ensuring system services, and the liability to employees for their unused holiday leave and overtime.

### Trends in 2024

in EUR				
Short-term deferred costs and accrued revenue	31 Dec 2024	Increases	Decreases	31 Dec 2023
Accrued costs	4,493,785	8,890,678	9,243,455	4,846,562
Short-term deferred revenue	106,323	21,798,302	21,850,088	158,109
Short-term deferred revenue – EU projects and other co-financed projects	562,944	1,680,233	1,455,405	338,116
VAT on paid advances	160	2,162	112,686	110,684
Deferred revenue from regulations	0	35,493,967	92,853,456	57,359,489
<b>Total short-term accrued and deferred liability items</b>	<b>5,163,212</b>	<b>67,865,342</b>	<b>125,515,090</b>	<b>62,812,960</b>

### Trends in 2024 – ZOEE

in EUR				
Short-term accrued and deferred liability items – ZOEE	31 Dec 2024	Increases	Decreases	31 Dec 2023
<b>Short-term accrued and deferred liability items – network surpluses, SO</b>	<b>0</b>	<b>35,493,967</b>	<b>92,853,456</b>	<b>57,359,489</b>
ADLI – network surpluses in 2022	0	0	9,127,297	9,127,297
ADLI – network surpluses in 2023	0	448,941	48,681,133	48,232,192
ADLI – network surpluses in 2023	0	35,045,026	35,045,026	0
<b>Total</b>	<b>0</b>	<b>35,493,967</b>	<b>92,853,456</b>	<b>57,359,489</b>

The changes in 2024 seen in the short-term ADLI table of trends for 2024 are as follows:

- reduction of the network charge surplus from previous years (2022 and 2023) in the amount of EUR 57,808,430, which the EA dedicated as the source for covering eligible costs for 2024 in line with decision RF 2024, and that, on the other hand, increases the Company's operating revenues;
- the reduction of the network surplus of 2024 in the amount of EUR 35,045,026 refers to the settlement of the deficit in the distribution activity with which the company is reducing the surplus in the transmission activity in line with Article 152, paragraph one of EZ-2; The amount includes the network charge deficit of 2024 in the distribution activity of EUR 34,244,049 and the surplus drawdown of the current year of 2024 in the amount of EUR 800,978, which is the difference between the source from previous years as defined by the EA's decision and the actual sources from previous years for covering the surplus of 2024;
- the increase of EUR 448,491 refers to the harmonisation of the 2023 surplus as per the decision of the EA;
- the increase of EUR 35,045,026 is the network charge surplus of the current year in the transmission activity; the Company had surplus sources in the current year to cover the eligible costs; therefore, the revenue of the Company was reduced by the said amount; the amount has been partially settled with the network deficit in the distribution activity, the rest will be used in 2024 as a source for covering the eligible costs of this year.

### Regulatory Framework

The regulatory framework was decided by the EA based on the previously issued act for which it is competent in line with Article 109, paragraph two of the ZOEE. It represents an evaluation of planned eligible costs (they also include the cost of capital in the form of regulated return on assets), planned revenue from network charges and other sources of financing by each year of the regulatory period and network charge surpluses or deficits from previous years. More information is in chapter 1.9.

When determining the actual eligible costs and the actually realised sources for covering eligible costs, the EA assesses the data provided by the combined operator based on criteria and parameters. The calculation method and procedure are laid down by the Act. A five-year regulatory period has been determined for 2024, in which the EA excluded other activities from the system operator activity that do not belong to the framework of a public utility service. Those are non-regulated activities and are disclosed in detail in chapter 4.10.

The calculation for 2024 is shown in the table below.

Regulatory framework of 2024			Realization		Total
			transmission activities	distribution activities	
<b>1</b>	<b>Eligible costs</b>	<b>from 1.1 to 1.11.</b>	<b>264,495,570</b>	<b>339,136,951</b>	<b>603,632,521</b>
1.1	NSDV, Monitored operating and maintenance costs		50,912,112	3,177,923	54,090,035
1.2	NNSDV, Non-monitored operating and maintenance costs		52,403,028	99,047	52,502,075
1.3	SEEI, Electricity costs for losses in the network		54,134,378	63,071,396	117,205,774
1.4	AM, Amortisation/depreciation		50,329,240	2,789,023	53,118,263
1.5	RDS, Regulated return on assets		26,811,505	2,320,854	29,132,359
1.6	SS, Costs of system services		26,168,627	0	26,168,627
1.7	S, Incentives		3,284,687	0	3,284,687
1.8	E, Investments in smart grids		0	1,549	1,549
1.9	RI, Research and Innovations		451,993	0	451,993
1.10	Lease for system use		0	143,366,935	143,366,935
1.11	Payment for the implementation of tasks		0	124,310,224	124,310,224
<b>2</b>	<b>Sources for covering eligible costs</b>	<b>from 2.1 to 2.3</b>	<b>422,970,833</b>	<b>305,215,868</b>	<b>728,186,701</b>
<b>2.1</b>	<b>DP, Other revenue</b>	<b>from 2.1.1. to 2.1.13.</b>	<b>270,811,204</b>	<b>6,711,556</b>	<b>277,522,759</b>
2.1.1	Revenue from managing congestions in line with the law governing the area	a+b+c	199,249,745	0	199,249,745
a	Revenue from managing congestions to cover the costs for ensuring the actual availability of the allocated capacity		1,811,654	0	1,811,654
b	Revenue from managing congestions for covering amortisation costs of assets that were built with assets from congestions		4,492,941	0	4,492,941
c	Revenue from managing congestions to reduce network charges		192,945,151	0	192,945,151
2.1.2	Revenue from the sale of other services defined in the act on charging network charge		0	4,040,090	4,040,090
2.1.3	Revenue from mutual compensations between system operators (ITC mechanism)		13,073,970	0	13,073,970
2.1.4	Revenue linked to electricity for system offsets and revenue from deviations thereof		48,041,944	0	48,041,944

Regulatory framework of 2024			Realization		Total
			transmission activities	distribution activities	
2.1.5	Revenue linked to average costs of connections and network charges for the connective power charged to final consumers until 31 December 2015		213,789	2,312,752	2,526,541
2.1.6	Revenue from the emergency supply, offtake failure and incorrect measurements		0	233,558	233,558
2.1.7	Revenue linked to assets obtained free of charge and other grant funds		7,245,252	35,921	7,281,173
2.1.8	Revalued operating revenue		111,454	2,942	114,396
2.1.9	Compensations from insurance companies or third parties and other grants for covering losses of damages:		210,337	2,759	213,096
2.1.10	State aid, refunded salary compensations		682,729	47,590	730,319
2.1.11	Other revenue from sale not considered in items 1 to 14 of Article 117 of the Act		1,778,298	0	1,778,298
2.1.12	Other operating revenue not considered in items 1 to 14 of Article 117 of the Act		153,323	25,002	178,325
2.1.13	Other revenue not considered in items 1 to 14 of Article 117 of the Act		50,363	10,942	61,305
<b>2.2</b>	<b>ΔRO, network charge surplus/deficit from the previous period</b>		<b>54,865,334</b>	<b>-5,324,180</b>	<b>49,541,154</b>
<b>2.3</b>	<b>OMR, Network charge</b>	<b>from 2.3.1. to 2.3.3.</b>	<b>97,294,296</b>	<b>303,828,492</b>	<b>401,122,788</b>
2.3.1	Network charge for the transmission and distribution system		96,500,724	289,502,662	386,003,386
2.3.2	Network charge for connected load		0	14,325,830	14,325,830
2.3.3	Network charge for cross-border reactive energy		793,572	0	793,572
<b>3</b>	<b>Surplus of grid fee without interest</b>	<b>1-2</b>	<b>-158,475,263</b>	<b>33,921,083</b>	<b>-124,554,180</b>
<b>4</b>	<b>Interest</b>	<b>from 4.1 to 4.2</b>	<b>1,129,488</b>	<b>-322,965</b>	<b>806,523</b>
4.1	Interest rates on surplus/deficit of network charge		1,129,488	-322,965	806,523
<b>5</b>	<b>Surplus/deficit of network charges with interest</b>	<b>3-4</b>	<b>-159,604,751</b>	<b>34,244,048</b>	<b>-125,360,703</b>
6	Transfer of the network deficit to the distribution activity of the current year		34,244,048	-34,244,048	0
<b>7</b>	<b>Network surplus in the transmission activity by considering the network deficit in the distribution activity</b>	<b>5+6</b>	<b>-125,360,703</b>	<b>0</b>	<b>-125,360,703</b>

In the transfer activity, the company has a surplus of network charges that, in line with Article 113 of the ZOEE, is seen as payment for the services of a public utility service for the next (few) years, so the network charge surpluses have to be disclosed as overpaid amounts in the year of the regulatory period in which the surplus has been established. In setting the network charges for the subsequent regulatory period, the EA shall take the surplus from the network charges into account as network charges already charged in previous years. Therefore, the Company reduces the revenue of the current year by the surplus of revenue over the eligible costs. The network surplus for 2024 with interest is EUR 159,604,751.

Surpluses mainly occurred due to the high realisation of revenues from congestion due to the very high electricity prices in 2024, which was due to the various situations or events in Europe's electricity system in that year (such as the extension of renovation projects on power plants in Hungary, France achieving its highest average positive export balance, maintenance works on various transmission lines in Eastern Europe, the heatwave, etc.). All this was reflected in the very high prices, especially at daily auctions in 2024.

The company is showing a network deficit in the distribution area in the amount of EUR 34,244,048, which also includes interest. The deficit in the distribution area occurred mainly due to low revenue from network charges due to the low tariffs and high electricity prices for losses in the network.

In line with Article 152 of EZ-2, the network deficit in the distribution activity is settled with excess revenue from congestion. Since the surplus in the transmission activity is reduced by EUR 34,244,048, the final network surplus amount in the transmission activity is EUR 125,360,703.

Pursuant to Regulation (EC) No 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (Official Journal of the European Union, 14 June 2019), the Company is

also required to exclude from profit or loss the part of the revenue from managing congestion, i.e. this must be used for the following:

- a) guaranteeing the actual availability of the allocated capacity, including compensation for firmness, or
- b) the preservation or increase of capacities between areas through optimising the use of the existing connection lines with harmonised corrective measures or covering costs that occur due to investments into the network, which are important for reducing overloads of connection lines.

If the revenues cannot be efficiently used for the purposes described in items a) and/or b) of the previous paragraph, then these may be used as revenues that the regulatory authorities consider when approving the methodology for calculating network tariffs or fixing network tariffs or both. The rest of the revenues are to be placed in a separate internal account until such time as it can be spent on the purposes set out in points a) and b).

If the revenues from managing congestion are used for investments from item b), then such funds are not imputed in the basis for the calculation of regulated return, and the amortisation is covered by drawing long-term accrued and deferred liability items.

#### **Notes on the use of revenue from the management of congestion, pursuant to Regulation (EU) No 2019/943**

Pursuant to Regulation (EU) No 2019/943 and Article 113 of the ZOEE, the Company is also required to disclose revenue and eligible costs separately for managing the congestion of interconnection capacities and the usage of such revenue, which is disclosed below.

Clarifications of the table Usage of assets and revenue from managing the congestion of interconnection capacities in 2024:

- Data under order number 1 shows the net realised revenue from managing the congestion of interconnection capacities in the year

2024 at all borders, already reduced by the costs of returns (2 f) and compensations (2 d) in the amount of EUR 194,756,774.

- The revenue is used for various purposes (2) in line with Regulation (EU) no. 2019/943, namely:
  - in the amount of EUR 1,811,654 for ensuring the actual availability of the allocated capacity (under order no. 2 a);
  - in the amount of EUR 20,078,321 for maintenance costs and the costs of cross-border lines and part of the internal network.
  - in the amount of EUR 3,161,334 for the costs of transit losses in the grid not covered by the ITC mechanism;
  - in the amount of EUR 22,470,573 for amortisation/depreciation and yield for assets that have an impact on the transfer of CBTC (2 c);
  - in the amount of EUR 8,021,734 for costs of international projects directly related to the management of CBTC (2 e);
  - in the amount of EUR 139,213,058 as an income that the regulatory authority considers when approving the methodology for calculating network tariffs or fixing network tariffs (under seq. no. 3).
- The revenue balance on the separate internal account was EUR 0.

## Usage of assets and revenue from the management of congestion in 2024

			in EUR
Item			2024
<b>1.</b>	<b>Realised revenue from managing congestions</b>	<b>1a+1b+1c+1d+1e</b>	<b>194,756,774</b>
1a	- Revenue at the Austrian border		15,400,371
1b	- Revenue at the Croatian border		44,267,835
1c	- Revenue at the Italian border		21,729,394
1d	- Revenue at the Hungarian border		10,652,669
1e	- Slack zone		102,706,506
<b>2.</b>	<b>Use of revenue from managing congestions in the current period Regulation (EU) 2019/943, Article 19)</b>	<b>2a+2b+2c+2e+2g</b>	<b>55,543,716</b>
<b>2a</b>	<b>For ensuring the actual availability of the allocated capacity</b>	<b>2a.i+2a.ii</b>	<b>1,811,654</b>
	i. Revenue from managing congestions in the current period		1,811,654
	ii. Revenue from managing congestions from the internal account		0
<b>2b</b>	<b>OPEX Costs</b>	<b>2b.i + 2b.ii</b>	<b>23,239,655</b>
	i. Maintenance and operating costs of cross-border lines and parts of the internal network		20,078,321
	ii. Cost of transit losses on the network not covered by the ITC mechanism		3,161,334
<b>2c</b>	<b>AM and return on assets that have an impact on the transfer of CBTC</b>		<b>22,470,573</b>
<b>2d</b>	<b>Compensation costs for owners of transmission capacities from the right-to-use</b>		<b>2,385,290</b>
<b>2e</b>	<b>International project costs</b>		<b>8,021,834</b>
<b>2f</b>	<b>Reimbursement costs from non-denominated long-term transmission capacities</b>		<b>72,669,316</b>
<b>2g</b>	<b>Maintenance or increase of the connective capacities through investments into the network, esp. with new connection lines</b>	<b>2b.i+2b.ii</b>	<b>0</b>
	i. Revenue from managing congestions in the current period		0
	<i>TL 2x400kV Cirkovce-Pince</i>		0
	<i>TL 2x400 kV Divača-Beričevo-Podlog-Cirkovce (transition from 220kV to 400kV)</i>		0
	<i>TSS 400/110 kV Cirkovce (primary and secondary equipment)</i>		0
	<i>TL 220kV Divača-Padriciano; replacement of phase conductors</i>		0
	<i>TSS Divača – replacement of TR T211, 220/110/10 kV, 150 MVA</i>		0
	<i>Implementation of compensation devices in EES Slovenia – Study phase</i>		0
	<i>Virtual Cross-Border Control Centre (VCBCC)</i>		0

			in EUR
Item			2024
		<i>Integration of electricity storage units</i>	0
	ii.	Revenue from managing congestions in the internal account	0
		<i>TL 2x400kV Cirkovce-Pince and TSS 400/110kV Cirkovce</i>	0
		<i>TSS 400/110kV Cirkovce (primary and secondary equipment)</i>	0
<b>3.</b>	<b>Excess revenue from congestion in line with Article 9 of Council Regulation (EU) 2022/1854 or income that the regulatory body considers in the approval of the methodology for charging network tariffs and/or determining tariffs</b>	<b>1-2</b>	<b>139,213,058</b>
<b>4.</b>	<b>4a</b>	<b>Balance of revenue from managing congestions on a separate internal account (Regulation (EU) 2019/943, Article 19, item 3)</b>	<b>0</b>
	<b>4b</b>	<b>CREATION OF AN INTERNAL ACCOUNT FROM REVENUE FROM THE MANAGEMENT OF CONGESTION IN THE CURRENT PERIOD</b>	<b>4b.i+4b.ii</b>
		i. for the planned costs for ensuring the actual availability of the allocated capacities	0
		ii. for the planned investments into the network	0
	<b>4c</b>	<b>DRAWING THE INTERNAL ACCOUNT FROM THE REVENUE FROM MANAGING CONGESTION IN THE PREVIOUS PERIODS</b>	<b>4c.i+4c.ii</b>
		i. for the planned costs for ensuring the actual availability of the allocated capacities	0
		ii. for the planned investments into the network	0
	<b>4d</b>	<b>Balance of revenue from managing congestion on a separate internal account (Regulation (EU) 2019/943, Article 19, item 3) at the end of the period</b>	<b>4a+4b-4c</b>
			<b>0</b>

## 4.5.15 Contingent Liabilities

			in EUR
Contingent liabilities			31 Dec 2024
			31 Dec 2023
	Issued guarantees		0
	Unused part of the long-term and short-term loans to banks		35,000,000
	Lawsuits and demands for unsorted easement rights*		2,065,170
	<b>Total</b>		<b>37,065,170</b>
			<b>42,188,060</b>

The Company has no other potential liabilities.

## 4.6 Disclosures of Items in the Income Statement

### 4.6.1 Total revenue

Total revenue	in EUR	
	2024	2023
Operating revenue	611,303,276	605,863,370
– Net sales revenue	592,021,849	585,443,274
– Capitalised own products and services	3,991,968	3,930,830
– Other operating revenue	15,289,458	16,489,266
Financial revenue	4,957,763	5,066,303
Other revenue	213,183	62,716
<b>Total</b>	<b>616,474,221</b>	<b>610,992,389</b>

### 4.6.2 Operating revenue (15)

Operating revenue	in EUR	
	2024	2023
Net sales revenue	592,021,849	585,443,274
a) on the domestic market:	529,964,208	538,314,081
– network charge for the distribution system	323,746,132	340,176,954
– network charge for the transmission system	96,500,724	92,016,155
– network charge for connective power for the distribution system	14,325,830	13,957,703
– revenue from charged services of PUS DO directly to users	4,040,090	4,148,171
– revenue from supply	233,558	534,586
– revenue from system offtake	29,785,254	21,884,462
– other revenue from the sale of electricity	4,574,720	6,012,244
– extraordinary system services and reactive energy	1,621,223	1,155,543
– other revenue from the regulated activity	756,210	177,282
– revenue from other activities	1,424,812	1,321,215
– revenue from using network deficits of previous years for the distribution network	-1,580,108	-6,376,805
– revenue from using network surpluses of previous years for the transmission network	54,535,764	63,306,572
b) on foreign markets, transmission network	62,057,642	47,129,192
– revenue from managing congestions of interconnection capacities	35,152,054	5,222,220
– revenue from the ITC mechanism	13,073,970	26,319,419
– revenue from system balancing	10,721,779	14,838,531
– other revenue from the sale of electricity	2,960,191	634,048
– other revenue from regulated activity	93,093	73,098
– other revenue from unregulated activity on foreign markets (rent for holiday capacities)	56,554	41,876
Capitalised own products and services	3,991,968	3,930,830
Other operating income	15,289,458	16,489,266
<b>Total</b>	<b>611,303,276</b>	<b>605,863,370</b>

Not taking into account Article 113 of the ZOEE, operating revenue would amount to EUR 679,215,382 in 2024. Detailed disclosures are in chapter 4.II.

Capitalised own services include the accounted hours of employees participating in investment projects.

Other operating income	in EUR	
	2024	2023
Revenue from the withdrawal of provisions	18,376	0
Use of deferred revenue for investment	6,802,479	6,824,955
Amortisation of fixed assets acquired free of charge	6,901,363	7,101,256
Revenue related to operating effects	13,052	672,011
Revenue from EU projects and other project co-fundings	348,423	276,824
Revaluated operating revenue in intangible fixed assets and property, plant and equipment from the regulated activity	118,189	561,395
Revaluated operating revenue in intangible assets and property, plant and equipment from non-energy activities	55	7,922
Revaluated operating revenue from the elimination of long-term ADLI	213,789	213,789
Revenue from refunds, other stimulations	873,733	831,114
<b>Total</b>	<b>15,289,458</b>	<b>16,489,266</b>

## 4.6.3 Total expenses

Total expenses	in EUR	
	2024	2023
Operating expenses	597,127,690	591,092,204
Financial expenses	8,062,055	7,068,822
Other expenditure	102,102	1,208,418
<b>Total</b>	<b>605,291,847</b>	<b>599,369,444</b>

## 4.6.4 Operating expenses

Detailed information concerning operating expenses is included in chapter 2.2.4.

Operating expenses	in EUR	
	2024	2023
Costs of goods, materials and services	494,937,416	495,971,586
– of which cost of goods sold	161,808,507	176,126,076
Labour costs	46,248,613	42,652,432
Write-offs	54,844,409	51,582,457
Other operating expenses	1,097,251	885,729
<b>Total</b>	<b>597,127,690</b>	<b>591,092,204</b>

## 4.6.5 Cost of Goods, Material and Services (16)

Costs of goods, materials and services	in EUR	
	2024	2023
Procurement value of goods sold	161,808,507	176,126,076
– Costs of electricity for covering losses	117,205,774	138,896,357
– Costs of system balancing	41,274,258	36,873,329
– Mutual assistance among system operators	3,176,769	87,188
– Costs of deviations of ČPJE and the balance group*	0	16,252
– costs of electricity purchases for covering the supply of an unjustifiable offtake	151,707	252,950
Costs of material	2,021,255	2,850,270
Costs of services	331,107,654	316,995,240
– costs of services of the electricity infrastructure owners	127,528,621	121,471,814
– rent for the distribution system	143,788,523	139,160,167
– Costs of ancillary services	26,169,019	28,296,435
– costs of allocating revenue from managing congestions of interconnection capacities	8,172,800	6,904,597
– Other costs related to transfer of energy	4,839,863	3,441,955
– other costs linked to energy distribution	10,093	23,705
– Costs of services of regular company operation	20,598,736	17,696,567
<b>Total</b>	<b>494,937,416</b>	<b>495,971,586</b>

\* The costs of the deviations of the CHP and the balance group are recognised under the costs of the system services according to Article 33 of the Act.

## 4.6.6 Labour costs (17)

Labour costs	in EUR	
	2024	2023
Salaries and wages	26,851,055	25,060,656
Costs of contributions and other taxes on wages and salaries	6,786,197	5,949,865
Costs of supplementary pension insurance of employees	1,430,721	1,364,616
Pay for annual leave, reimbursements and other employee income	4,681,286	4,443,067
Employer's contributions on salaries, wage compensations, benefits	5,672,668	5,182,844
Provisions for severance pays upon retirement and anniversary bonuses	826,686	651,384
<b>Total</b>	<b>46,248,613</b>	<b>42,652,432</b>
<b>Of which:</b>		
Refunded salary compensations and other incentives	873,733	817,136

The average number of employees in 2024 was 601 (596 in 2023). More information about employees is disclosed in chapter 2.6.1.

The Company had no costs of services related to recruitment agencies in 2024.

Remuneration to the Management Board, Supervisory Board and employees who are not subject to the tariff section of the collective agreement is disclosed in chapter 4.8.



## 4.6.7 Write-downs (18)

	in EUR	
Value write-offs	2024	2023
Depreciation/amortisation	53,396,587	51,184,777
Revaluated operating expenses for intangibles and property, plant and equipment	1,167,598	397,639
Revaluated operating expenses associated with current assets	280,225	41
<b>Total</b>	<b>54,844,409</b>	<b>51,582,457</b>

	in EUR	
Depreciation/amortisation expenses	2024	2023
Depreciation/amortisation of intangible assets	10,639,611	10,081,236
of which goodwill amortisation	840,779	840,779
Depreciation/amortisation of easement rights	549,250	501,407
Depreciation/amortisation of buildings and transmission lines	12,221,086	11,753,045
of which amortisation/depreciation of right-to-use properties	96,048	94,705
Depreciation/amortisation of equipment and spare parts	29,822,346	28,680,972
of which amortisation/depreciation of right-to-use equipment	250,378	209,536
Depreciation/amortisation of small tools	135,662	141,872
Amortisation of investment properties	28,631	26,245
<b>Total</b>	<b>53,396,587</b>	<b>51,184,777</b>

	in EUR	
Amortisation/depreciation of right-to-use assets and rent	2024	2023
Amortisation of the right-of-use for intangible assets	42,771	14,106
Amortisation/depreciation of right-to-use properties	96,048	94,705
Amortisation/depreciation of right-to-use equipment	250,378	209,536
Lease interest expenses	33,350	26,193
Short-term lease costs	309,492	329,411
<b>Total</b>	<b>732,039</b>	<b>673,951</b>

## 4.6.8 Net flow (19)

	in EUR	
Financial revenue and expenses	2024	2023
Dividends	520,988	60,690
Sale of financial investment	493,333	0
Interest from issued loans to related parties	0	39,682
Interest payable on deposits	2,952,580	4,450,115
Other financial revenues from operating receivables	990,861	515,816
of which interest rate hedging	691,073	374,845
<b>Total financial revenue</b>	<b>4,957,763</b>	<b>5,066,303</b>
Interest on received loans	7,631,481	6,916,244
Interest on the basis of actuarial calculation for retirement bonuses and jubilee premiums	262,886	46,427
Interest from the right-to-use assets	33,350	26,193
Interest from calculating decommissioning costs	115,521	59,319
Other financial expenses from operating liabilities	18,816	20,639
<b>Total financial expenses</b>	<b>8,062,055</b>	<b>7,068,822</b>
<b>FINANCIAL OUTCOME</b>	<b>-3,104,292</b>	<b>-2,002,519</b>



## 4.6.9 Taxes (20)

The company is a taxable person under the ZDDPO.

In line with the ZDDPO, tax for the year 2024 is paid at the rate of 22 percent from the identified 37 percent tax base in the tax return to which it may lower the tax base.

Income tax change	in EUR	
	2024	2023
<b>Profit or loss prior to tax</b>	<b>11,182,375</b>	<b>11,622,945</b>
Revenue that reduces the tax basis	-1,228,342	-60,690
Expenses that increase the tax basis	3,220,605	3,897,213
Expenses that reduce the tax basis	-507,288	-336,263
Reduction of the tax basis due to amendments of errors, policy changes	-785,834	-1,582,778
Increase of tax basis	60,958	3,082
<b>Reduction of tax basis due to tax incentives</b>	<b>11,942,474</b>	<b>13,543,509</b>
Reduction of the tax basis due to tax benefits	-7,523,758	-8,532,410
<b>Tax basis</b>	<b>4,418,716</b>	<b>5,011,099</b>
Tax based on the income tax calculation (22%)	972,117	952,109
Deferred tax	696,883	595,215
Effective tax rate based on the tax calculation	9%	8%
Effective tax rate (tax per tax return and deferred taxes)	15%	13%

Due to intensive investments, the Company still has unused tax incentives for investments, which it will use in the next five years. It therefore formed deferred tax assets in the amount of EUR 12,068,281. More information about deferred tax assets is disclosed in chapter 4.5.4.

## 4.6.10 Net profit or loss (21)

Net profit	in EUR			
	Revenue in 2024	Expenses in 2024	Difference 2024	2023
Operating profit	611,303,276	597,127,690	14,175,586	14,771,166
Financial outcome	4,957,763	8,062,055	-3,104,292	-2,002,519
Other revenues and expenses	213,183	102,102	111,081	-1,145,702
Net profit or loss before taxes			11,182,375	11,622,945
Tax on profit			-972,117	-952,109
Deferred taxes			-696,883	-595,215
<b>Total</b>	<b>616,474,221</b>	<b>605,291,847</b>	<b>9,513,374</b>	<b>10,075,621</b>

## 4.7 Disclosures relating to the Cash Flow Statement

CASH FLOWS	in EUR	
	2024	2023
Positive cash result in operations	95,973,859	71,589,127
Negative cash result in investments	-63,820,815	-93,022,975
Negative cash result in financing	-38,292,999	-37,459,820
<b>Financial result in the period</b>	<b>-6,139,955</b>	<b>-58,893,658</b>
<b>Balance at the beginning of the year</b>	<b>141,408,353</b>	<b>200,302,010</b>
<b>Balance at the end of the year</b>	<b>135,268,398</b>	<b>141,408,353</b>

The balance of cash includes cash in banks, cash on the special account for trading on the Slovenian exchange, and term cash assets with maturity up to three months.

The company generated EUR 95,973,859 of positive operating result, mainly due to high revenue from managing congestion in interconnection capacities.

The company has a negative cash result in investments. For investments into fixed and intangible assets, the company allocated EUR 80,472,740 in 2024 (2023: EUR 66,206,032). Fixed-term deposits at banks over three months are shown in expenses for obtaining financial investments, and their returns are under remunerations for obtaining financial investments. Short-term loans to BSP were completely paid off in 2024.

The negative cash result in financing is due to the payment of principals in long-term loans obtained for investment purposes, as well as due to the payment of interest, which is presented in chapter 4.5.12.

## 4.8 Related party transactions

### 4.8.1 Related party transactions

In 2024, the company transacted with all of the related parties.

Balance of assets and liabilities with related companies as at 31 Dec 2024				
BALANCE SHEET	OPERATO	STELKOM	ELDOM	TOTAL
<b>LONG-TERM ASSETS</b>				
Long-term financial investments	245,870	495,020	130,000	870,890
Short-term operating receivables	0	790,902	0	790,902
Short-term operating liabilities	76,011	232,356	103,003	411,370

Pursuant to the ZGD and Article 107, paragraph six of the ZOEE, ELES as an electricity undertaking discloses transactions with related parties where the individual value exceeds EUR 100,000.

Associated company	Type of business	in EUR
		Total
OPERATO	Research project on DLR sensors at the test site	150,000
	Maintenance and support for the SUMO system	260,640
	Enhancing SUMO's internal cybersecurity and the functional and security upgrade of mdeg1709 (GreenSwitch)	522,328
STELKOM	Maintenance of the NEDO system	746,574

### 4.8.2 Transactions with the Management Board, Supervisory Board and employees who are not subject to the tariff section of the collective agreement

Remuneration received by the Company Director and employees who are not subject to the tariff section of the collective agreement includes:

- gross salary and other compensations shown in the personal income tax;
- premiums for voluntary supplementary pension insurance (only for the Company Director).



Remunerations received by the members of the Supervisory Board and its committees include meeting fees and travel costs, as well as monthly payments for the performance of their function in the Supervisory Board and its committees and other payments (education, membership fees and insurance).

The Company has no receivables due from the Company Director, the Supervisory Board members and SB committee members arising from advances, securities and loans given.

#### Management remunerations in 2024

Name and surname		in EUR									
		Salary	Work performance	Holiday bonus	Education	Membership fees	Supplementary insurance	Benefits	Long-service bonus	Other remuneration	Total
Aleksander Mervar, MSc	gross	188,802	9,014	2,488	0	0	2,904	281	0	0	203,489
	net	92,415	3,511	2,397	0	0	0	0	0	0	98,323

#### Supervisory Board and SB Committee Remunerations in 2024

Name and surname	Function	Attendance at Supervisory Board and committee meetings	Remuneration for the performance of duties and allowances - gross per annum			Supervisory Board and Commissions' meeting fees - gross per annum	Total gross	Travel costs	Education	Membership fee	Insurance
			Basic remuneration for the performance of the duties of the office	Additional remuneration for the performance of an official function	Total						
			1	2	3=1+2						
<b>External members:</b>											
Andrej Ribič, MSc	Chairman of the Supervisory Board	9/9	10,890	5,445	16,335	2,420	18,755				907
	Member of the Development, Strategy and Investment Projects Committee	7/7		2,723	2,723	1,540	4,263				
David Skornšek, MSc	Deputy Chairman of the Supervisory Board	8/9	10,890	1,089	11,979	2,145	14,124	667			907
	Chairman of the Audit Committee	12/12		3,403	3,403	2,640	6,043				
	Deputy Chairman of the Personnel Committee	2/2		2,042	2,042	440	2,482				
Damjan Matičič	Member of the Supervisory Board	9/9	10,890		10,890	2,420	13,310	87			907
	Chairman of the Development, Strategy and Investment Projects Committee	7/7		4,084	4,084	1,540	5,624				
Denis Kostrevc, MSc	Member of the Supervisory Board	9/9	10,890		10,890	2,420	13,310				907
	Deputy Chairman of the Audit Committee	12/12		2,042	2,042	2,640	4,682				
	Chairman of the Personnel Committee	2/2		3,403	3,403	440	3,843				
Romana Jontes	External Member of the Audit Committee	12/12		6,534	6,534	2,640	9,174	1,767			
<b>Internal members:</b>											
Andrej Semprimožnik	Member of the Supervisory Board	9/9	10,890		10,890	2,420	13,310		168		907
	Member of the Human Resources Committee	7/7		2,723	2,723	1,540	4,263				
	Member of the HR Committee	2/2		2,723	2,723	440	3,163				
Simon Volk	Member of the Supervisory Board	9/9	10,890		10,890	2,420	13,310		168		907
	Deputy Chairman of the Development, Strategy and Investment Projects Committee	7/7		2,723	2,723	1,540	4,263				
<b>Total</b>			<b>65,340</b>	<b>38,932</b>	<b>104,272</b>	<b>29,645</b>	<b>133,917</b>	<b>754</b>	<b>1,767</b>	<b>336</b>	<b>5,442</b>

### 4.8.3 Transactions with majority state-owned companies and ministries

The table below shows transactions with companies in which the Republic of Slovenia or the SSH holds an ownership share of more than 50% that are important for the company, pursuant to the revenue or expense/investments criterion (EUR 500,000) in a particular year.

in EUR				
Companies in majority ownership by the state by sectors*	Outstanding receivables as at 31 Dec 2024	Outstanding liabilities as at 31 Dec 2024	Expenses in 2024	Revenues in 2024
<b>Power sector</b>	<b>58,764,121</b>	<b>63,482,870</b>	<b>348,246,285</b>	<b>358,992,696</b>
BORZEN, d. o. o.	2,442,286	8,061,006	14,834,829	35,585,652
GEN-I, d. o. o.	13,401,097	0	472	76,656,377
ECE, d. o. o.	6,745,361	1,180	1,180	40,775,158
ELEKTRO CELJE, d. d.	4,750,095	7,319,339	52,466,768	25,364,343
ELEKTRO ENERGIJA, d. o. o.	5,115,542	113,584	1,561,386	33,367,963
ELEKTRO GORENJSKA, d. d.	2,611,195	5,890,341	35,397,826	14,508,213
ELEKTRO LJUBLJANA, d. d.	8,771,805	13,987,269	81,778,118	47,587,435
ENERGIJA PLUS d. o. o.	6,344,339	189,763	849,615	39,452,082
ELEKTRO MARIBOR, d. d.	4,785,816	9,009,234	60,714,305	25,032,411
ELEKTRO PRIMORSKA d. d.	3,459,953	7,381,656	41,040,358	18,425,184
GEN energija d. o. o.	649	6,895,616	36,710,888	71,508
HOLDING SLOVENSKE ELEKTRARNE d. o. o.	165,441	4,618,785	22,874,414	1,169,221
ENERGETIKA LJUBLJANA d. o. o.	170,542	15,097	16,123	997,148
<b>Banking</b>	<b>0</b>	<b>7,500</b>	<b>3,445,320</b>	<b>2</b>
NOVA LJUBLJANSKA BANKA d. d.	0	7,500	3,445,320	2
<b>Post and telecommunications</b>	<b>22,330</b>	<b>217,676</b>	<b>1,565,015</b>	<b>79,202</b>
TELEKOM SLOVENIJE d. d.	22,330	217,676	1,565,015	79,202
<b>Insurance</b>	<b>108,143</b>	<b>16,374</b>	<b>2,417,087</b>	<b>186,929</b>
ZAVAROVALNICA TRIGLAV d. d.	108,143	16,374	2,417,087	186,929

The Company is fully owned by the Republic of Slovenia. Transactions with ministries and other institutions where the scope of transactions was higher than EUR 25,000 are shown in the table.

in EUR				
Agencies, ministries, university	Outstanding receivables as at 31 Dec 2024	Outstanding liabilities as at 31 Dec 2024	Expenses in 2024	Revenue in 2024
Energy Agency	0	224,480	2,693,759	270
Ministry of Finance, Financial Administration of the Republic of Slovenia	0	15,555	258,453	0
Ministry of the Environment, Climate and Energy	0	13,569	1,642	0
Ministry of Public Administration	117,011	0	81,666	151,080
University of Ljubljana, Faculty of Electrical Engineering	0	82,059	308,211	0
University of Maribor	0	0	85,873	0



## 4.9 Financial risks

### 4.9.1 Credit risk

The Company is exposed to credit risk as there is a potential threat that it will not receive (due) payment for its rendered services.

The company manages this risk by regularly monitoring the trend of receivables and sending late payment notices. If buyers nevertheless fail to settle their liabilities, enforcement proceedings are instigated (which happens very rarely).

The other mechanism with which the company wishes to protect itself against default risks or the risks of not fulfilling obligations is based on securing the largest possible share of receivables and on the timely monitoring of the financial situation of its business partners.

Short-term operating trade receivables in Slovenia are mainly receivables due from electricity distribution companies and suppliers of electricity (network charges and contributions), while abroad these are trade receivables from managing congestion and revenues of system operators in Europe for the ITC mechanism and European clearing activity for the purchase of electricity to balance the systems.

In the area concerning the operation of the electricity distribution system, the collateral area is governed by the Network Code for the Electricity Distribution System, thus receivables are collateralised with bank guarantees, deposits or bills of exchange.

Inflows for CBTC are guaranteed because it is an auction house that has its receivables that are due from auction participants secured, and there are also no major problems from payers of the ITC mechanism. System balancing inflows are settled with the clearing house.

	in EUR		
Short-term accounts receivables	31 Dec 2024	Insured	Uninsured
Accounts receivables – domestic	66,429,125	60,476,349	5,952,776
Accounts receivables – foreign	17,044,459	0	17,044,459
<b>Total</b>	<b>83,473,584</b>	<b>60,476,349</b>	<b>22,997,235</b>
<b>Share of insurance of short-term receivables</b>	<b>100.00%</b>	<b>72.45%</b>	<b>27.55%</b>

Payments are generally regular and based on the payment deadlines as agreed in advance. In case of late payment, buyers are charged default interest, as agreed in the contract or laid down by the law.

In 2024, the Company performed a value correction for a doubtful trade receivable in the amount of EUR 279,273. A total of EUR 952 of doubtful receivables were finally written off.

Outstanding receivables due from buyers for which no value correction was made have been settled in 2024.

Credit risk is sufficiently managed at the Company, as attested by the presented facts.

Receivables as at 31 Dec 2024	Undue	Maturity				Value correction	Total
		Up to 90 days	between 91 and 180 days	between 181 and 365 days	Over 1 year		
Short-term accounts receivables	82,925,504	496,360	258,719	72,274	2,445	-281,718	83,473,584
Short-term accounts receivables due from others	9,152,630	222	0	0	0	0	9,152,852
<b>Total</b>	<b>92,078,134</b>	<b>496,582</b>	<b>258,719</b>	<b>72,274</b>	<b>2,445</b>	<b>-281,718</b>	<b>92,626,435</b>

Receivables as at 31 Dec 2023	Undue	Maturity				Value correction	Total
		Up to 90 days	between 91 and 180 days	between 181 and 365 days	Over 1 year		
Short-term accounts receivables	59,441,460	3,487,630	0	0	2,445	-2,445	62,929,090
Short-term accounts receivables due from others	12,669,871	13,627	0	0	0	0	12,683,498
<b>Total</b>	<b>72,111,331</b>	<b>3,501,257</b>	<b>0</b>	<b>0</b>	<b>2,445</b>	<b>-2,445</b>	<b>75,612,588</b>

## 4.9.2 Liquidity Risk

The policy of monitoring cash flows on the daily, weekly and monthly basis, together with the timeliness of information that have an impact on the cash flow, remains key for the efficient management of liquidity risk. In the medium-term that is ahead of us, these activities will be equally, if not more, important because we are facing a dynamic financial environment on which, in addition to the events on the energy and financial markets, the challenges of regulations are also having a major impact.

We may say that 2024 was quiet in terms of managing liquidity and we managed to show a surplus of cash assets throughout the year.

At the end of 2024, the company had favourable and stable liquidity indicators and indebtedness ratios. The more than favourable liquidity situation is due to the high income from revenue from congestion. To ensure better liquidity robustness, the Company has concluded two revolving loan contracts in the amount of EUR 35 million.

The Company paid off all of its liabilities regularly and within the agreed deadlines in 2024. Company suppliers for electricity and for the fixed and operating assets requested no financial guarantees.

Balance sheet item	Carrying amount as at 31 Dec 2024	Contract cash flows	Maturity		
			up to 2 years after IFP date	3–5 years after IFP date	5+ years after IFP date
Obtained long-term loans*	166,627,953	235,891,128	37,155,543	48,057,171	150,678,413
Received short-term revolving loans	0	35,000,000	35,000,000	0	0
Obtained short-term revolving loan*	1,738,628	4,859,633	1,227,355	1,255,749	2,376,529
Obligations from right-to-use assets	983,588	983,588	394,294	440,376	148,918
Other long-term operating liabilities	20,500	20,500	20,500	0	0
Receivables to group companies	76,011	76,011	76,011	0	0
Accounts payable	91,779,855	91,779,855	91,779,855	0	0
Other short-term operating liabilities	19,995,423	19,995,423	19,995,423	0	0
Liabilities based on advanced	106,858	106,858	106,858	0	0
<b>Total</b>	<b>281,328,817</b>	<b>383,853,363</b>	<b>184,528,485</b>	<b>48,497,547</b>	<b>153,203,860</b>

in EUR

\*Contractual cash flows for loans and financial derivatives include an assessment of the estimated interest. The assessment has been made on the basis of long-term projections of the EURIBOR reference interest rate trend.

## 4.9.3 Interest Rate Risk

Interest rate risk is the risk of unfavourable interest rate trends. Regular monitoring of the forecast on interest rate trends, semi-annual internal analyses and regular communication with domestic and foreign financial institutions provided a very good basis for adopting decisions with which the interest rate risk is reduced to an acceptable level, and this is how a significant impact is made on the stability of the cash flow and profit or loss of the company.

In 2024, interest rate management was focused on quality management with surplus cash and also on managing the interest rate risk in open liabilities from long-term loans.

The 6-month Euribor to which ELES has linked the majority of its credit portfolio increased from negative values in the years leading up to and including 2022 to approx. 4% in 2023, which also significantly increased the financing costs and an active approach to balance the exposure to this risk. The current long-term indebtedness level of the company and plans that forecast new needs for long-term debt show that interest risk management will be very important in the period that covers the current ten-year development plan concerning financial risks.

The most important risk factor during volatile interest rates are long-term loans concluded at a variable interest rate. We are pursuing the strategy to have part of the loans in the portfolio of long-term loans with a fixed interest rate. The aim ratio between loans under the fixed and variable interest rate, which is an important factor in managing interest risk, is 50%: 50%, which we will also monitor in all new debts.

On the other hand, the higher interest rates had a positive impact because the short-term deposits of surplus cash partially compensated for the higher interest costs in loans.

Based on the current situation on the financial market and measures being taken by the company, exposure to interest risk is relatively well-managed. Despite the above statement and the fact that the indebtedness level decreased in 2024, the reference interest rate growth risk is something that needs to be addressed actively.



in EUR		
Financial instruments with fixed interest rates	31 Dec 2024	31 Dec 2023
Financial assets	124,350,000	142,700,000
Financial liabilities	68,999,996	94,999,997
<b>Total</b>	<b>193,349,996</b>	<b>237,699,997</b>

in EUR		
Financial instruments with variable interest rates	31 Dec 2024	31 Dec 2023
Financial liabilities	97,627,957	104,513,979
<b>Total</b>	<b>97,627,957</b>	<b>104,513,979</b>

The table below shows the impact of changes to interest rates on the Company's profit or loss.

in EUR				
Financial instruments with variable interest rates	Net profit or loss in 2024		Net profit or loss in 2023	
	Decrease by 100 b. p.	Increase by 100 b. p.	Decrease by 100 b. p.	Increase by 100 b. p.
Instruments with variable interest rates	266,565	-266,565	199,398	-199,398
Interest for long-term loan	-864,717	864,717	-1,679,403	1,679,405
<b>Total</b>	<b>-598,152</b>	<b>598,152</b>	<b>-1,480,005</b>	<b>1,480,007</b>

## 4.9.4 Foreign Exchange Risk

Foreign exchange risk implies a threat of financial loss due to exchange rate variability. Since the Company does business with buyers and suppliers from the Euro area, it is not exposed to such risk. The share of suppliers outside the euro area is negligible.



## 4.10 Financial Statements by Activity

ELES is carrying out the **PUS activity** of an electricity transmission system operator (hereinafter: Activity 0) and electricity distribution operator (hereinafter: Activity 7) in line with the Electricity Supply Act (ZOEE) and the activity of providing and managing the supporting infrastructure and connection capacities in high-voltage charging parks for quick charging purposes, where the output power is at least 3 MW (hereinafter: Activity 8) in line with the Act on Infrastructure for Alternative Fuels and the Promotion of the Transition to Alternative Fuels (ZIAG).

In addition to the PUS activity, ELES is also performing other activities: leisure activities (activity 1), the management of long-term financial investments into stocks and shares (activity 2), the lease of residential and commercial premises (activity 3), the marketing of telecommunication services (activity 5). Therefore, in line with ZOEE and ZIAG, it is obligated to maintain separate accounting records for each of its PUS activities and for other activities, and it discloses separate financial statements for each of its PUS activities in the notes on the financial statements, as well as financial statements for other activities.

Recording separate activities is laid down in the internal Rules on criteria for the allocation of assets and liabilities, costs, expenses and revenues in individual activities of ELES, d. o. o. The reasons for the change are described in item e) Area of Company operations in chapter 4.4.2.

### 4.10.1 Bases and criteria for the preparation of financial statements by activity

The Company is recording both direct and indirect economic categories by accounts and activities. If an economic category is directly related to a product or service referring to activity 5, this is recorded in the CU that defines an individual TC product/service.

Below are the criteria for classifying economic categories that cannot be directly attributed to an individual activity.

Criterion no. 1: The criterion for classifying economic categories linked to all employees in the Company

$$\frac{\text{number of employees for each activity}}{\text{total number of employees at the Company}}$$

Criterion no. 2: The criterion for classifying economic categories linked to the maintenance and use of commercial facilities

$$\frac{\text{quadrature of each commercial facility used in an individual activity}}{\text{total quadrature of each commercial facility}}$$

Criterion no. 3: Criterion for classifying costs of electricity (EE) purchases for losses, supply and wrong measurements

$$\text{sum of the costs of all the electricity purchases for covering losses and supply in the year} * \text{the ratio of the realised quantities of losses and supply in the transmission and distribution grid.}$$

Criterion no. 4: Criterion for classifying labour costs

Employees are, based on the tasks they are performing, classified by activity. Based on this classification, labour costs are classified by activity when recorded.

Criterion no. 5: Criterion for classifying labour costs to projects and activities

$$\text{sum of labour hours per employee in a project} * \text{calculative hourly rate for labour}$$

Labour hours for all projects where labour costs are recorded through another activity, as is stemming from the project, are increasing labour costs in project activities and reducing labour costs in employee activities.

By using Criterion 5, capitalised own products, short-term liabilities for salaries and cash per employee activities are reduced, and capitalised own products, short-term liabilities for salaries and cash per project activities are increased.

Criterion no. 6: The criterion for allocating electricity funds and costs (less labour costs) for DWDM, IP/MPLS and SSH that refer to Activity 5

$$\frac{\text{bandwidth used by services for Activity 5}}{\text{total bandwidth}}$$

Criterion no. 7: The criterion for allocating electricity funds and costs (less labour costs) for collocations that refer to Activity 5

$$\frac{\text{quadrature of each node submitted for lease for performing Activity 5}}{\text{quadrature of the entire node}}$$

Criterion no. 8: The criterion for allocating optical fibre costs (less labour costs) that refer to Activity 5

$$\frac{\text{number of optical fibres given to lease}}{\text{total number of optical fibres}}$$

Criterion 10: Criterion for the classification of the remaining indirect economic categories from Activity 9

$$\frac{\text{direct labour costs for each activity}}{\text{all direct labour costs}} * \text{remaining labour costs in Activity 9}$$

The remaining indirect economic categories, which, after recording and using Criteria 1 to 9, have been classified as Activity 9, are divided by the Company by their activity based on Criterion 10.

DDPO is divided to those activities that generated a positive tax base in the period. If the Company does not display liabilities for DDPO, then it is also not shown based on DDPO activities.

## 4.10.2 Income statement by separate activity for 2024

Item	in EUR				
	System operator activity; SO	Distribution operator activity; DO	Activities according to the ZIAG; AG	Non-electricity activities; NEED	ELES Total
	1	2	3	4	5 (1 + 2 + 3 + 4)
1. Net sales revenue	249,888,277	340,774,585	0	1,358,987	592,021,849
a. on the domestic market	187,887,189	340,774,585	0	1,302,433	529,964,208
b. on foreign markets	62,001,088	0	0	56,554	62,057,642
3. Capitalised own products and services	3,978,396	13,048	516	8	3,991,968
4. Other operating revenue	12,870,802	2,415,842	0	2,814	15,289,458
<b>OPERATING REVENUE (1 + 2 + 3 + 4)</b>	<b>266,737,475</b>	<b>343,203,476</b>	<b>516</b>	<b>1,361,809</b>	<b>611,303,276</b>
5. Costs of goods, materials and services	158,769,861	335,719,432	21,695	426,429	494,937,416
a. Costs of goods, materials sold and costs of materials used	100,503,863	63,307,110	0	18,789	163,829,762
b. Costs of services	58,265,998	272,412,321	21,695	407,639	331,107,654
6. Labour costs	43,376,378	2,792,472	516	79,248	46,248,613
a. Costs of wages and salaries	31,515,197	2,050,824	516	70,715	33,637,252
b. Costs of pension insurance contributions	4,257,271	289,008	0	2,742	4,549,022
c. Costs of contributions and other taxes on wages and salaries	2,390,713	162,088	0	1,568	2,554,368
d. Other labour costs	5,213,197	290,551	0	4,223	5,507,972
7. Write-offs	50,652,022	3,623,950	0	568,438	54,844,409
a. Depreciation/amortisation	49,485,918	3,622,151	0	288,517	53,396,587
b. Revaluated operating expenses for intangibles and property, plant and equipment	1,165,189	1,763	0	647	1,167,598
c. Revaluated operating expenses associated with current assets	915	36	0	279,274	280,225
8. Other operating expenses	1,062,244	31,321	0	3,685	1,097,251
<b>OPERATING PROFIT (1+2+3+4-5-6-7-8)</b>	<b>12,876,971</b>	<b>1,036,301</b>	<b>-21,695</b>	<b>284,009</b>	<b>14,175,586</b>
9. Financial revenue from equity interests	1,651,911	0	0	53,483	1,705,394
b. Finance revenue from equity in associated companies	467,505	0	0	11,000	478,505
c. Financial revenue from equity in other companies	0	0	0	42,483	42,483
d. Financial revenue from other investments	1,184,406	0	0	0	1,184,406
10. Financial revenue from loans	2,789,136	158,970	0	4,474	2,952,580
b. Financial revenue from loans made to others	2,789,136	158,970	0	4,474	2,952,580
11. Financial revenue from operating receivables	295,008	4,756	0	25	299,788
b. Financial revenue from operating receivables due from others	295,008	4,756	0	25	299,788
13. Financial expenses from financial liabilities	7,766,438	13,745	0	169	7,780,353
b. Financial expenses from loans received from banks	7,629,962	1,478	0	42	7,631,481
d. Financial expenses from other financial liabilities	136,476	12,267	0	128	148,871
14. Financial expenses from operating liabilities	262,450	18,257	0	995	281,702
c. Financial expenses for other operating liabilities	262,450	18,257	0	995	281,702
<b>FINANCIAL OUTCOME (9+10+11-12-13-14)</b>	<b>-3,292,834</b>	<b>131,724</b>	<b>0</b>	<b>56,818</b>	<b>-3,104,292</b>
15. Other revenue	210,346	2,759	0	78	213,183
16. Other expenditure	95,761	6,167	0	174	102,102
<b>PROFIT BEFORE TAXES (1+2+3+4-5-6-7-8+9+10+11-12-13-14+15-16)</b>	<b>9,698,721</b>	<b>1,164,618</b>	<b>-21,695</b>	<b>340,731</b>	<b>11,182,375</b>
17. Income Tax	576,510	268,632	0	126,975	972,117
18. Deferred taxes	696,883	0	0	0	696,883
<b>NET PROFIT FOR THE PERIOD (1+2+3+4-5-6-7-8+9+10+11-12-13-14+15-16-17+18)</b>	<b>8,425,327</b>	<b>895,986</b>	<b>-21,695</b>	<b>213,755</b>	<b>9,513,374</b>

## 4.10.3 Balance sheet by activity as at 31 December 2024

Item	in EUR				ELES Total
	System operator activity; SO	Distribution operator activity; DO	Activities according to the ZIAG, AG	Non-electricity activities; NEED	
<b>ASSETS</b>	1	2	3	4	5 (1+2+3+4)
<b>A. Fixed assets</b>	<b>828,368,815</b>	<b>49,817,737</b>	<b>20,527</b>	<b>6,425,837</b>	<b>884,632,917</b>
<b>I. Intangible assets and long-term accrued and deferred asset items</b>	<b>17,979,826</b>	<b>3,194,559</b>	<b>0</b>	<b>14,456</b>	<b>21,188,842</b>
1. Long-term property rights	17,979,826	643,029	0	14,456	18,637,312
2. Goodwill	0	2,522,336	0	0	2,522,336
5. Other long-term accrued and deferred asset items	0	29,194	0	0	29,194
<b>II. Property, plant and equipment</b>	<b>792,791,493</b>	<b>46,623,178</b>	<b>20,527</b>	<b>2,826,108</b>	<b>842,261,305</b>
1. Land and buildings	424,445,578	19,754,468	0	2,167,084	446,367,130
a) Land	65,803,067	783,198	0	22,922	66,609,187
b) Buildings	358,642,511	18,971,270	0	2,144,162	379,757,943
2. Equipment and spare parts	327,513,106	26,777,762	0	657,985	354,948,853
3. Other property, plant and equipment	519,129	3,141	0	38	522,309
4. Property, plant and equipment in acquisition	40,313,679	87,807	20,527	1,000	40,423,013
a) Property, plant and equipment in the course of construction or production	39,792,428	83,554	20,527	0	39,896,510
b) Advances for property, plant and equipment	521,251	4,253	0	1,000	526,504
<b>III. Investment properties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,541,911</b>	<b>1,541,911</b>
<b>IV. Long-term financial investments and loans</b>	<b>4,576,390</b>	<b>0</b>	<b>0</b>	<b>2,043,363</b>	<b>6,619,753</b>
1. Long-term financial investments, excluding loans	3,023,745	0	0	1,944,076	4,967,821
a) Shares and stakes in companies in the group	0	0	0	245,870	245,870
b) Shares and stakes in associated companies	0	0	0	625,020	625,020
c) Other shares and interests	3,023,745	0	0	1,073,186	4,096,931
2. Long-term loans	1,552,645	0	0	99,287	1,651,932
b) Long-term loans to others	1,552,645	0	0	99,287	1,651,932
<b>VI. Deferred tax receivables</b>	<b>13,021,106</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,021,106</b>
<b>B. Short-term assets</b>	<b>185,817,287</b>	<b>74,723,941</b>	<b>-42,222</b>	<b>-3,053,054</b>	<b>257,445,952</b>
<b>II. Inventories</b>	<b>3,200,234</b>	<b>879</b>	<b>0</b>	<b>6</b>	<b>3,201,118</b>
1. Materials	3,200,234	879	0	6	3,201,118
<b>III. Short-term financial investments and loans</b>	<b>24,797,500</b>	<b>1,510,000</b>	<b>0</b>	<b>42,500</b>	<b>26,350,000</b>
2. Short-term loans	24,797,500	1,510,000	0	42,500	26,350,000
b) Short-term unpaid called-up equity	24,797,500	1,510,000	0	42,500	26,350,000
<b>IV. Short-term operating receivables</b>	<b>34,310,838</b>	<b>57,581,185</b>	<b>0</b>	<b>734,412</b>	<b>92,626,435</b>
2. Short-term trade receivables	32,702,243	50,144,499	0	626,842	83,473,584
3. Short-term trade receivables due from others	1,608,595	7,436,687	0	107,570	9,152,852
<b>V. Cash and cash equivalents</b>	<b>123,508,715</b>	<b>15,631,877</b>	<b>-42,222</b>	<b>-3,829,972</b>	<b>135,268,398</b>
<b>C. Short-term accrued and deferred asset items</b>	<b>20,573,357</b>	<b>5,393,669</b>	<b>0</b>	<b>3,743</b>	<b>25,970,769</b>
<b>TOTAL ASSETS</b>	<b>1,034,759,460</b>	<b>129,935,347</b>	<b>-21,695</b>	<b>3,376,526</b>	<b>1,168,049,638</b>

Item	System operator activity; SO	Distribution operator activity; DO	Activities according to ZIAG,AG	Non-electricity activities; NEED	ELES Total
	1	2	3	4	5 (1+2+3+4)
<b>LIABILITIES</b>					
<b>A. Equity</b>	<b>443,222,224</b>	<b>26,295,189</b>	<b>-21,695</b>	<b>2,750,412</b>	<b>472,246,131</b>
<b>I. Called-up capital</b>	<b>85,903,117</b>	<b>19,311,458</b>	<b>0</b>	<b>0</b>	<b>105,214,575</b>
1. Share capital	85,903,117	19,311,458	0	0	105,214,575
<b>II. Capital reserves</b>	<b>302,949,522</b>	<b>5,479,777</b>	<b>0</b>	<b>1,836,962</b>	<b>310,266,261</b>
<b>III. Reserves from profit</b>	<b>50,192,639</b>	<b>833,674</b>	<b>0</b>	<b>27,181</b>	<b>51,053,494</b>
1. Legal reserves	4,696,263	84,143	0	11,489	4,791,895
5. Other revenue reserves	45,496,376	749,531	0	15,693	46,261,599
<b>IV. Revaluation adjustment surplus</b>	<b>-3,574,769</b>	<b>-181,012</b>	<b>0</b>	<b>683,176</b>	<b>-3,072,605</b>
<b>VII. Net profit/loss for the financial year</b>	<b>7,751,716</b>	<b>851,292</b>	<b>-21,695</b>	<b>203,093</b>	<b>8,784,405</b>
<b>B. Provisions and long-term accrued and deferred liability items</b>	<b>360,392,495</b>	<b>48,416,026</b>	<b>0</b>	<b>242,410</b>	<b>409,050,930</b>
1. Provisions for pensions and similar liabilities	9,853,398	650,244	0	6,421	10,510,063
2. Other provisions	7,685,256	0	0	0	7,685,256
3. Long-term accrued and deferred liability items	342,853,841	47,765,782	0	235,988	390,855,611
<b>C. Long-term liabilities</b>	<b>153,964,239</b>	<b>272,543</b>	<b>0</b>	<b>194,186</b>	<b>154,430,969</b>
<b>I. Long-term financial liabilities</b>	<b>153,870,457</b>	<b>192,543</b>	<b>0</b>	<b>1,012</b>	<b>154,064,012</b>
2. Long-term financial liabilities to banks	151,560,164	0	0	0	151,560,164
4. Other long-term financial liabilities	2,310,293	192,543	0	1,012	2,503,848
<b>II. Long-term operating liabilities</b>	<b>26,408</b>	<b>80,000</b>	<b>0</b>	<b>0</b>	<b>106,408</b>
4. Long-term operating liabilities arising from advances	5,908	80,000	0	0	85,908
5. Other long-term operating liabilities	20,500	0	0	0	20,500
<b>III. Deferred tax liabilities</b>	<b>67,374</b>	<b>0</b>	<b>0</b>	<b>193,174</b>	<b>260,548</b>
<b>D. Short-term liabilities</b>	<b>72,136,864</b>	<b>54,846,869</b>	<b>0</b>	<b>174,664</b>	<b>127,158,397</b>
<b>II. Short-term financial liabilities</b>	<b>15,214,686</b>	<b>69,275</b>	<b>0</b>	<b>2,195</b>	<b>15,286,157</b>
2. Short-term financial liabilities to banks	15,067,789	0	0	0	15,067,789
4. Other short-term financial obligations	146,897	69,275	0	2,195	218,368
<b>III. Short-term operating liabilities</b>	<b>56,922,178</b>	<b>54,777,593</b>	<b>0</b>	<b>172,469</b>	<b>111,872,240</b>
1. Short-term operating liabilities to companies in the group	76,011	0	0	0	76,011
2. Short-term operating liabilities to suppliers	47,819,087	43,832,236	0	128,533	91,779,856
4. Short-term operating advance payables	1,600	19,350	0	0	20,950
5. Other short-term operating liabilities	9,025,481	10,926,007	0	43,935	19,995,423
<b>E. Short-term accrued and deferred liability items</b>	<b>5,043,637</b>	<b>104,720</b>	<b>0</b>	<b>14,854</b>	<b>5,163,212</b>
<b>TOTAL LIABILITIES</b>	<b>1,034,759,460</b>	<b>129,935,347</b>	<b>-21,695</b>	<b>3,376,526</b>	<b>1,168,049,638</b>

## 4.10.4 Note on a deviation from accounting standards

In its income statements for 2024, the Company did not recognise all the revenue from managing the congestion of interconnection capacities and revenue from the transmission of the amortisation/depreciation of assets obtained free of charge, but took into account the provision of Article 113 of the ZOEE and EZ-2. The Company also considers Article 35, paragraph six of the Act and activates easement rights by activating the assets to which the easement rights refer.

Because the above is not in line with the SAS, the following table shows the difference in the income statement and balance sheet regarding the matter.

in EUR

The impact of differences between the ZOEE and SAS (Art. 113 of ZOEE)	Income statement	Balance sheet	
		ASSETS	LIABILITIES
Transfer of revenue from managing congestion in the connection capacities to ADLI	-159,604,751		159,604,751
Transfer of ADLI (previous years, SO) to revenue	54,535,764		-54,535,764
Transfer of ADAI (previous years, DO) to revenue	-1,580,108	-1,580,108	
Transfer from the long-term ADLI to revenue	4,492,941		-4,492,941
ADAI (network deficit of DO 2024)	34,244,048	34,244,048	
<b>OPERATING REVENUE and DEFERRALS UNDER THE ZOEE</b>	<b>-67,912,106</b>	<b>32,663,940</b>	<b>100,576,046</b>
Amortisation from non-activated easement rights	39,896	39,896	
<b>Impact on the income statement/ balance sheet</b>	<b>-67,872,210</b>	<b>-67,872,210</b>	
Offset of the DO deficit with PO surpluses (between SO and DO)		-37,988,122	-37,988,122

If the company recognised operating revenue in 2024 in line with the SAS without considering the provisions of the ZOEE, then the accrued and deferred items in 2024 would be lower by EUR 67,912,106. The network deficit for the distribution network for 2024 and the deficit on the basis of the final decision of the EA for 2023 is EUR 37,988,122 and is settled with the network surpluses for the transmission network. The easement amortisation has a negative impact on the profit or loss for 2024 in the amount of EUR 39,896.





## Income statement for 2024, prepared in line with the SAS

		in EUR	
Income statement		2024	2023
1.	Net sales revenue	664,426,896	577,160,156
	a. on the domestic market	442,764,504	408,954,109
	b. on foreign markets	221,662,392	168,206,047
3.	Capitalised own products and services	3,991,968	3,930,830
4.	Other operating revenues (with operating revenues from revaluation)	10,796,518	11,994,571
<b>OPERATING REVENUE (1+2+3+4)</b>		<b>679,215,382</b>	<b>593,085,557</b>
5.	Costs of goods, materials and services	494,937,416	495,971,586
	a. Costs of sold goods and materials, including costs of materials used	163,829,762	178,976,346
	b. Costs of services	331,107,654	316,995,240
6.	Labour costs	46,248,613	42,652,432
	a. Costs of wages and salaries	33,637,252	31,010,521
	b. Costs of pension insurance contributions	4,549,022	4,214,030
	c. Costs of social insurances	2,554,368	2,333,430
	d. Other labour costs	5,507,972	5,094,451
7.	Value write-offs	54,884,306	51,625,010
	a. Depreciation and amortisation expenses	53,436,483	51,227,330
	b. Revaluated operating expenses for intangible assets and property, plant and equipment	1,167,598	397,639
	c. Revaluated operating expenses associated with current assets	280,225	41
8.	Other operating expenses	1,097,251	885,729
<b>OPERATING PROFIT (1+2+3+4-5-6-7-8)</b>		<b>82,047,796</b>	<b>1,950,800</b>

		in EUR	
Income statement		2024	2023
9.	Financial revenue from equity interests	1,705,394	435,535
	b. Finance revenue from equity in associated companies	478,505	0
	c. Financial revenue from equity in other companies	42,483	60,690
	d. Financial revenue from other investments	1,184,406	374,845
10.	Financial revenue from loans	2,952,580	4,489,798
	b. Financial revenue from loans given to others	2,952,580	4,489,798
11.	Financial revenue from operating receivables	299,788	140,970
	b. Financial revenue from operating receivables due from others	299,788	140,970
12.	Financial expenses from impairments and write-offs of investments	0	0
13.	Financial expenses from financial liabilities	7,780,353	7,001,756
	b. Financial expenses from loans received from banks	7,631,481	6,916,245
	d. Financial expenses from other financial liabilities	148,871	85,511
14.	Financial expenses from operating liabilities	281,702	67,066
	c. Financial expenses from other operating liabilities	281,702	67,066
15.	Other revenue	213,183	62,716
16.	Other expenses	102,102	1,208,418
<b>PROFIT/LOSS BEFORE TAXES (1+2+3+4-5-6-7-8+9+10+11-12-13-14+15-16)</b>		<b>79,054,584</b>	<b>-1,197,421</b>
19.	<b>NET PROFIT/LOSS FOR THE FINANCIAL YEAR (1+2+3+4+5-6-7-8+9+10+11-12-13-14+15-16-17+18)</b>	<b>79,054,584</b>	<b>-1,197,421</b>



## 4.11 Other notes

### 4.11.1 Auditor remuneration

The Company appointed the Forvis Mazars d. o. o. audit firm as the auditor of its financial statements for the 2022-2024 period.

In line with Article 69, paragraph four, item 2 of the ZGD-I, the cost of the audit of the annual report of the Company for 2024 amounts to EUR 26,062. The contractual value of providing guarantees is EUR 27,905, of which EUR 1,000 is for financial commitments, EUR 1,000 is for the criteria and EUR 25,500 is for sustainability. All values are without VAT.

### 4.11.2 Notes related to the Financial Transactions of Enterprises Act

ELES meets the criteria for financial suitability. Within the scope of the financial function and pursuant to the Financial Transactions of Enterprises Act and business policies, the Company monitors and manages the financial risks to which it is exposed during its operations.

## 4.12 Events after the balance sheet date

No events that would affect the true and fair presentation of the financial statements for 2024 have been identified between the date of the financial statements and the date of the compilation of this Report.

Below are events that will affect the Company operations in 2025:

- By the end of 2024, the Company successfully completed negotiations with the union of two banks for the refinancing of a long-term loan under two tranches, with the remaining principal of EUR 66.8 million due by 2038 or 2045. The agreement with the bank's union includes a reduction of the interest margin, which entered into force on 1 January 2025.
- In April 2025, the Company terminated its contract with the EBRD early for the revolving loan of EUR 25 million concluded in 2023.

## 5. List of abbreviations

ACER	Agency for the Cooperation of Energy Regulators	ECB	European Central Bank	GRI	Global Reporting Initiative
EA	Energy Agency	EE	Electric Power	GWh	Gigawatt Hour
GDP	Gross Domestic Product	EE	Electricity	GWP	Global Warming Potential
ESU	Electricity Storage Unit	ED	Electricity Device	HPP	Hydro Power Plant
BS	Balance Sheet	EBIT	Earnings Before Interest and Taxes	HVAC	Heating, Ventilation and Air Conditioning
BSP	Regional energy exchange	EBITDA	Earnings Before Interest, Taxes and Amortisation	IEC	International Electrotechnical Commission
CEF	European Connecting Europe Facility	EES	Electricity System	IJS	Jožef Stefan Institute
CIPO	Transmission System Infrastructure Centre	EFQM	European Foundation for Quality	ISO	International Organisation for Standardisation
CORE	The region that includes Austria, Belgium, Croatia, the Czech republic, France, Germany, Hungary, Luxembourg, the Netherlands, Poland, Romania, Slovakia, and Slovenia	PSS	Power Supply Substation	IT	Information Technology
CO <sub>2</sub>	Carbon dioxide	ENTSO-E	European Network of Transmission System Operators for Electricity	ITC	Information Technology and Telecommunications
CSAM	Methodology for coordinating operational security analysis	ES	Power System	ITC	International Transmission Capacity
CSRD	Corporate Sustainability Reporting Directive	ESG	Environmental, Social, Governance	ITSM	Information Technology Service Management
PSP	Pumped Storage Plant	ESRS	European Sustainability Reporting Standards	SSRA	Safety Statement with Risk Assessment
CBTC	Cross-border transmission capacity	ETR	Power transformer	JAO	Joint Allocation Office
VAT	Value-Added Tax	EUR	Euro	JEK 2	Krško Nuclear Power Plant 2
DEFRA	Conversion factors of greenhouse gases	EZ	Energy Act	PC	Public Contract
NSP	National Spatial Plan	FLICKER	A perceivable phenomenon resulting from the fluctuation of voltage amplitude in a specific frequency zone that takes place due to the action of non-linear consumers	KDD	Director's board meeting
LSP	Long-Term Strategic Plan	GHG	Greenhouse Gas Protocol	KPI	Key Performance Indicator
TL	Transmission Line	GIS	Gas Insulated Switchgear	kV	Kilovolt
DTR	Dynamic Thermal Rating	PUS	Public utility service	KZDE	External stakeholder satisfaction indicator
				AP	Annual Plan



OC	Own Consumption
MSc	Master of Science
MED-TSO	Mediterranean Transmission System Operators
MIO	Million
MECE	Ministry of the Environment, Climate and Energy
IAS	International Accounting Standards
MVA	Megavolt-ampere power unit in electricity systems
MWh	Megawatt Hour
NEK	Krško Nuclear Power Plant
NECP	National Energy and Climate Plan
SB	Supervisory Board
OPGW	Optical Ground Wire Cable
PPE	Property, Plant and Equipment
FA	Fixed Asset
RES	Renewable Energy Sources
ADLI	Accrued and Deferred Liability Items
TN	Transmission Network
REMIT	Regulation on Wholesale Energy Market Integrity and Transparency
ACSB	The Audit Committee of the Supervisory Board
TSDP	Transmission System Development Plan
RF	Regulatory Framework
ROA	Return on assets
ROE	Return on Equity
SS	Substation
RS	Republic of Slovenia

TSS	Transmission System Substation
SBR	Silver Bullet Risk programme
SG	Strategic goal
SSH	Slovenski Sovereign Holding
SDH	Synchronous Digital Hierarchy
SHB	Regulation block of Slovenia, Croatia and Bosnia and Herzegovina
SPP	Solar power plants
SIQ	Slovenian Institute of Quality and Metrology
CS	Controlling Service
SODO	Electricity distribution system operator
SONPO	System operating instructions for the electricity transmission network
CHP	Combined Heat and Power
SRIP PMiS	Strategic Research and Innovation Partnership Smart cities and communities
SAS	Slovenian Accounting Standards
SLA	Service Level Agreement
SPOT	Standing Spot
CU	Cost Unit
SS	System Services
SUMO	System for identifying operating limits
SVC	Static Var Compensator
TPP	Thermal power plant
GHG	Greenhouse gases
TC	Telecommunications
TS	Transformer Substation

SSE	Sustainability strategy of the company
TSC	Transmission System Operator Security Cooperation
VOC	Security operations centre
VZD	Health and safety at work
ZNUOPOVO	Act Determining the Emergency Measures to Mitigate the Consequences of High Network Charges for Households
USA	United States of America
ZDDPO	Corporate Income Tax Act
CDS	Closed Distribution System
ZGD	Companies Act
ZOEE	Electricity Supply Act
ZUOPVCE	Act Determining the Measures to Mitigate the Consequences of Rising Energy Prices

**A DECADE OF  
ELECTRICITY  
TRANSMISSION  
FOR A SMART AND  
SUSTAINABLE  
FUTURE**

