

# RESPONSIBLE ENERGY

ANNUAL REPORT  
OF GEN ENERGIJA AND  
THE GEN GROUP  
2024





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# TABLE OF CONTENTS

## INTRODUCTION

- 1.1.
- Operations of the GEN Group
- 1.2.
- Letter from the senior management
- 1.3.
- Report of the Supervisory Board of GEN energija d.o.o.  
for 2024

## BUSINESS REPORT

- 2.1.
- Presentation of the GEN Group
- 2.2.
- Corporate governance statement
- 2.3.
- Strategy
- 2.4.
- Economic trends in 2024 and their impact  
on the electricity sector
- 2.5.
- Operations of the GEN Group in 2024
- 2.6.
- Financial operations
- 2.7.
- Overview of significant events
- 2.8.
- Events after the end of the reporting period
- 2.9.
- Quality policy and safety assurance
- 2.10.
- Risk management

## SUSTAINABLE DEVELOPMENT

- 3.1.
- Sustainability guidelines
- 3.2.
- Sustainability efforts in 2024
- 3.3.
- General information
- 3.4.
- Key stakeholders and double materiality assessment
- 3.5.
- Environmental aspect
- 3.6.
- Social aspect
- 3.7.
- Governance aspect
- 3.8.
- Sustainable reporting according to the ESRS guidelines
- 3.9.
- Independent limited assurance report on the  
consolidated sustainability report

## FINANCIAL REPORT

- 4.1.
- Introductory notes on the compilation of the  
financial statements
- 4.2.
- Statement on the responsibilities of senior  
management
- 4.3.
- Individual financial statements of GEN
- 4.4.
- Notes to the individual financial statements of GEN
- 4.5.
- Independent auditor's report for GEN
- 4.6.
- Financial statements of the GEN Group
- 4.7.
- Notes to the consolidated financial statements  
of the GEN Group
- 4.8.
- Independent auditor's report for the GEN Group

## ACRONYMS AND ABBREVIATIONS



# 01 INTRODUCTION

## THE GEN GROUP IN 2024

1.1. Operations of the GEN Group	5
1.2. Letter from the senior management	8
1.3. Report of the Supervisory Board of GEN energija d.o.o. for 2024	10



# 1.1. Operations of the GEN Group

## MISSION

We are the leading regional implementer of the transition to a self-sustaining and low-carbon electric power grid based on **nuclear energy and renewable sources**.

Through a value-added chain that covers the spectrum from production to supply, we ensure the **reliable, competitive and customer-oriented supply** of energy and energy services.

## VISION

We will become a leading regional producer and supplier of low-carbon energy at a competitive price, and achieve excellence on a global scale.



The pursuit of the GEN Group's vision and mission is based on:

- Professional, highly motivated and qualified employees
- Responsible risk management
- Trust of stakeholders based on transparent operations
- Effective organisational management
- A highly innovative culture

In 2024, the GEN Group successfully pursued its mission as the leading regional implementer of the transition to a self-sustaining and low-carbon electric power grid based on nuclear energy and renewable sources. We continuously supplied Slovenian customers reliable, low-carbon energy at affordable prices. Production by our units was higher than planned, which meant operating results exceeded established objectives, despite falling energy prices on the market. The results achieved are a solid foundation for operations in 2025 and the continued implementation of the policies set out in the Strategic Development Plan of the GEN Group for the period 2024 to 2030.

### 1.1.1. Key highlights

- The GEN Group ensured the reliable supply of electricity at **competitive and guaranteed prices**, which allows us to exploit internal capacities for the production of electricity at a foreseeable price.
- The GEN Group ended 2024 successfully as the result of the prudent management of production costs, favourable hydrological conditions, successful portfolio management and unrealised risks.
- Electricity production** at all of our production facilities was **safe, reliable and environmentally friendly** throughout the year, as the result of our past and ongoing prudent investments in knowledge and equipment.

### 1.1.2. Business results

- The GEN Group ended 2024 successfully, with a net profit of EUR 185,834 thousand, which was

51% higher than planned and in line with the Strategic Development Plan. This was the result of the stable functioning of production facilities, the sound management of production costs, favourable hydrological conditions and successful portfolio management (interim purchases and sales), while certain risks failed to materialise in 2024.

### 1.1.3. Reliable low-carbon production

- The production units of GEN Group companies generated a combined total of **3,570.3 GWh of electricity** in 2024. All companies produced more electricity than planned.
- NEK** operated **stably and safely at full capacity most of the time**, and generated 5,551.2 GWh of electricity, half of which, or **2,775.6 GWh**, is the property of GEN, or effectively the Republic of Slovenia, under the Intergovernmental Agreement on NEK.
- In terms of production, 2024 was most characterised by **favourable hydrological conditions**. Through reliable and successful operations, our large **hydroelectric power plants** produced **710.5 GWh** of electricity, which is 86.3 GWh more than planned.
- Also functioning within the GEN Group are two large **solar power plants**, which produced **29.0 GWh** of electricity.
- Small RES units** produced **12.2 GWh** of electricity.
- The functioning of the entire electric power grid was stable during 2024. As a result, we only recorded seven positive tertiary frequency control activations, all of which were successful. TEB also functioned for commercial purposes due to favourable conditions on the electricity market.
- Electricity production** at all of our production



facilities was **safe, reliable and environmentally friendly** throughout the year, as the result of our past and ongoing prudent investments in knowledge and equipment.

#### 1.1.4. Sale of energy and services

- **We supply all of our customers in Slovenia exclusively low-carbon energy.** Our end-customers were supplied electricity produced from nuclear, solar and hydro sources again in 2024. Contributing to a **drop in electricity prices** relative to the end of 2023 were a mild winter, the normalisation of conditions on energy markets (in particular the natural gas and CO2 emission coupon markets), newly installed RES capacities for electricity production and still-low consumption by the commercial sector.
- As a long-term strategic response to the challenges of the energy crisis, GEN developed two new long-term products that allow suppliers to protect customers against extreme rises in prices on the wholesale electricity market, while enabling GEN to shield itself from extreme drops in the market prices of electricity (so-called nPPA). Customers thus have the option of purchasing baseload electricity over a five-year period to cover a portion of their needs, where upper and lower limits are placed on the wholesale price of energy. This option is available to business customers who purchase energy on the market in several phases through structured products that are adapted to their needs.
- The **number of switches of suppliers by households and small business customers has fallen due** to the regulation of electricity prices, while large business customers continuously search for the most affordable supplier with respect to market conditions.

#### 1.1.5. International trading

- Due to changing conditions on the international electricity and natural gas markets, the **scope of sales and the group's revenue from international trading were down in 2024** relative to 2023.
- **Through a prudent approach to trading**, we sold 134 TWh of energy products on the international energy markets, including **54 TWh of electricity**. To that end, we strove to achieve the highest margin and improved operating results.

#### 1.1.6. Investments in nuclear technologies

- As controlling company, the focus of GEN energija's attention was the **construction of a new nuclear power plant in Krško (JEK2)**, a key strategic development project. We enhanced **activities to promote nuclear technologies**. According to public opinion polls, support for nuclear power and the JEK2 project had risen to **more than 60%** at the national level at the end of 2024.
- A decision was taken to exclude the double-unit design from future proceedings with the aim of mitigating risks in connection with implementation of the JEK2 project.
- A detailed economic analysis of the JEK2 project was drafted, and updated several times and verified at the international level. The results indicated that the investment in the JEK2 project is economically justified. Those results were presented to the general public and other stakeholders.
- In May 2024, GEN submitted a draft initiative to begin the national spatial planning procedure to the Ministry of the Environment, Climate and Energy (MECE) and Ministry of Natural Resources and Spatial Planning (MNRSP). In response to

comments and requirements received, that initiative was appropriately amended and updated, and resubmitted in October 2024.

- Technical dialogue with planned suppliers, KHNP, EDF and Westinghouse, continued. The Korean supplier KHNP informed us that it will not participate in the tender procedure for JEK2. The JEK2 project will thus move forward with a selection of three single-unit variants: EDF's EPR 1200 and EPR designs, and the AP1000 design of US supplier Westinghouse.
- Parliamentary parties submitted a proposal in March 2024 for a consultative referendum on the implementation of the JEK2 project. That referendum was expected to take place at the end of November 2024 but was cancelled.
- We monitored the construction of a repository for low- and intermediate-level radioactive waste in Vrbina, and began the accelerated implementation of **activities in the area of nuclear technologies, in particular small modular reactors (SMR)**.

#### 1.1.7. Investments in RES, flexibility and advanced services

- The majority of investments in 2024 were aimed at **maintaining the high level of availability and functional reliability** of all of our production units.
- In terms of **investments in renewable energy sources**, solar energy represents an important source alongside the hydro energy production portfolios of HESS and SEL. With the new **Strategic Development Plan of the GEN Group for the period 2024 to 2030**, we have set ambitious objectives in this area as well.
- Total investments in 2024 amounted to **EUR 51,007 thousand**. The majority of investments relate to existing production units, while **EUR 9,299**

**thousand** was invested in **new units**.

- We continue to facilitate the green transformation for **Slovenian households** with solar energy.
- We continued to expand the self-sufficient energy supply market for **business customers** in 2024.
- We continued with the **self-sufficient communities, energy contractual partnership, solar power communities** and **e-mobility** projects.
- We actively **managed power purchase agreements (PPA)** and strove to conclude new agreements.
- On account of our extensive network of customers, knowledge and established infrastructure, we are increasingly establishing ourselves as a **leading aggregator (consolidator) of active customers**.

#### 1.1.8. Sustainable development

- In the scope of preparations for the drafting of the first sustainability report in accordance with the European Sustainability Reporting Standards (ESRS), we upgraded the **information collection process** in 2024 and added **new environmental, social and governance disclosures**.
- We **calculated carbon footprint** for Scopes 1, 2 and 3, and thus included emissions along the entire value chain.
- We continued to **strengthen the understanding of topics related to energy and the energy sector** amongst the general public, **developed energy literacy** among various target groups and coordinated criteria for funnelling **funds for sponsorship and donation to sustainable purposes (ESG)**.
- A total of 98.8% of all electricity produced by GEN Group companies in 2024 came from low-carbon and renewable sources (nuclear, hydro and solar).



### 1.1.9. Key indicators of GEN energija and the GEN Group

KEY ITEMS		GROUP			COMPANY		
		2024	2023	Index 2024/2023	2024	2023	Index 2024/2023
Revenue	in EUR thousand	2,141,530	2,972,047	72%	453,243	562,156	81%
EBIT	in EUR thousand	226,714	251,052	90%	168,726	193,805	87%
EBITDA	in EUR thousand	279,423	313,137	89%	169,507	194,569	87%
Net profit	in EUR thousand	185,834	204,315	91%	143,464	166,106	86%
Number of employees at year-end		1,435	1,394	103%	102	89	115%
Assets	in EUR thousand	1,650,907	1,659,278	99%	836,682	899,125	93%
Equity	in EUR thousand	1,260,900	1,226,833	103%	697,928	704,400	99%
Debt	in EUR thousand	123,138	130,930	94%	0	0	-
Electricity produced	in GWh	3,570	3,456	103%	0	0	-
Electricity sold	in GWh	14,491	14,792	98%	4,169	3,739	111%
Investments	in EUR thousand	51,007	43,658	117%	6,384	8,124	79%

PERFORMANCE INDICATORS		GROUP			COMPANY		
		2024	2023	Index 2024/2023	2024	2023	Index 2024/2023
Self-financing ratio	in %	76.38	73.94	103%	83.42	78.34	106%
Long-term financing ratio	in %	83.59	78.31	107%	95.82	89.00	108%
Fixed asset investment ratio	in %	46.01	42.32	109%	3.51	2.63	134%
Long-term investment ratio	in %	48.71	45.02	108%	63.10	58.16	108%
Equity to fixed assets ratio		1.66	1.75	95%	23.74	29.81	80%
Non-current debt to currents assets ratio		1.69	1.60	106%	1.49	1.50	99%
Cash ratio		1.90	1.31	146%	10.34	2.73	379%
Quick ratio		2.47	1.86	133%	13.69	3.55	386%
Current ratio		3.08	2.35	131%	12.37	3.74	331%
Operating efficiency ratio		1.12	1.10	102%	1.62	1.57	104%
Net return on equity (ROE)	in %	14.74	16.65	88%	20.56	23.58	87%
Net return on assets (ROA)	in %	11.26	12.31	91%	17.15	18.47	93%
Value added	in EUR thousand	390,107	459,199	85%	177,230	274,894	64%
Value added per employee	EUR	275,840	335,917	82%	1,855,811	3,372,932	55%
Debt to equity ratio		0.10	0.11	92%	0.00	0.00	-
Total financial liabilities/EBITDA		0.44	0.42	105%	0.00	0.00	-
EBITDA margin	in %	13.14	10.54	125%	38.58	34.61	111%
EBITDA/financial expenses for loans raised		50.89	54.95	93%	-	586.09	-
Total financial liabilities/assets		0.07	0.08	95%	0.00	0.00	-
Net financial liabilities/EBITDA		-1.40	-1.08	130%	-1.47	-1.37	107%
Gross margin	%	24.49	20.44	120%	50.63	47.59	106%



## 1.2. Letter from the senior management

**Dear Stakeholders,**

**The GEN Group successfully pursued its mission in 2024, and confirmed its important role in the Slovenian and regional electric power grids. In difficult conditions, characterised by uncertainty on energy markets, demanding regulatory frameworks, and climate and geopolitical challenges, we pursued our objectives and remained a reliable and responsible partner in the energy transition.**

We ended the 2024 financial year with excellent results. We recorded revenue of EUR 2.2 billion, a net profit of EUR 186 million and added value per employee of EUR 276 thousand, meaning we exceeded our planned financial objectives. This achievement is the result of stably functioning production units, favourable hydrological conditions, effective purchasing and sales strategies, and prudent risk management.

The stable production of our production facilities contributed significantly to our operational success. The NEK operated reliably and safely at full capacity most of the time in 2024, and produced 5,551 GWh of electricity. Hydroelectric power plants took advantage of favourable hydrological conditions and exceeded planned production, while solar power plants further strengthened our production portfolio with 29 GWh of energy. During a period of increased needs for electricity and low production from renewable sources, TEB's gas turbine units produced 42.9 GWh of energy. All production units operated stably and without major outages, which is a reflection of several years of investments in knowledge, technology and maintenance.

The GEN Group plays an important role in the supply of energy to Slovenia, which is confirmed by the fact that we again supplied Slovenian customers exclusively low-carbon electricity at acceptable and foreseeable prices in 2024. Our low-carbon production sources – nuclear, hydro and solar energy – together accounted for 98.8% of all energy produced within the group, which represents a major step towards sustainability and a responsible energy future.

Significant regulatory measures as a response to the energy crisis again characterised 2024. The burden of government-imposed price regulation borne by the group was EUR 104 million. These measures affected the group's revenue. However, on account of our own production at foreseeable cost prices, we were able to continue supporting government measures and shield Slovenian customers from excessive price fluctuations on the energy markets.

In addition to the stable supply of the domestic market, we remain active on the international markets, where we sold 134 TWh of energy, including 54 TWh of electricity. Although revenue on the aforementioned markets was lower due to energy and natural gas prices that were lower than the previous year, we maintained a good market position through a focused approach.

The GEN Group remains focused on the energy transition and sustainable development over the long term. One of our most important strategic projects remains the construction of a new nuclear power plant (JEK2), which will ensure Slovenia's long-term energy security and reliability. We enhanced activities in 2024 to promote nuclear technologies, while

more than 60% of the population expressed support for nuclear energy and the JEK2 project. We augmented communication regarding the project and the preparation of technical materials in part due to the consultative referendum regarding implementation of the JEK2 project, which was called by parliamentary parties but eventually cancelled. In parallel, we closely monitored the development of new nuclear technologies, such as small modular reactors, and secured funding for the low- and intermediate-level radioactive waste (LILW) repository in Vrbina.

We also place a great deal of emphasis on renewable sources and advanced energy solutions. With the new Strategic Development Plan of the GEN Group for the period 2024 to 2030, we have set ambitious objectives in connection with RES, flexibility of the system and advanced services. We earmarked more than EUR 50 million for investments in 2024. Via the subsidiary GEN-I, we built a 12 MW solar power plant in Northern Macedonia, continued activities in the area of self-sufficient supply, enhanced activities in the areas of solar communities and energy contractual partnerships, and further established our role as a leading aggregator of active customers.

We are aware that the future of the energy sector will be based on sustainable approaches and responsible governance. We augmented preparations in 2024 for the first sustainability report in accordance with the European Sustainability Reporting Standards, expanded environmental, social and governance disclosures, and calculated the carbon footprint for the entire value chain. We also strengthened the development of energy literacy,

and funnelled funds to sustainably oriented sponsorship and donation projects.

The results achieved in 2024 serve as confirmation that the GEN Group operates stably, responsibly and with a view to the future. None of this could have been achieved without the group's professional, hard-working and dedicated employees, and experienced and responsible management staff.

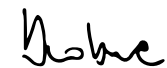
Our sincerest thanks to all employees, business partners, owners and other stakeholders for their trust, cooperation and support. Together we will create a safe, reliable, and low-carbon energy system for the benefit of future generations.

Vrbina, 21 August 2025

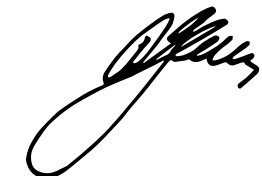
dr. Dejan Paravan  
CEO



mag. Nada Drobne Popović  
CFO



dr. Bruno Glaser  
COO









# 1.3. Report of the Supervisory Board of GEN energija d.o.o. for 2024

With the Report on the approval of the annual report of the company and the GEN Group for 2024

Pursuant to the Companies Act (hereinafter: the ZGD-1), the Articles of Incorporation of the limited liability company GEN energija d.o.o. (hereinafter: the Articles of Incorporation), Rules of Procedure of the Supervisory Board of the company GEN energija d.o.o. (hereinafter: the rules of procedure), and in accordance with the Corporate Governance Code for Companies with Capital Assets of the State (hereinafter: the Code), the Supervisory Board of GEN energija d.o.o. (hereinafter: the Supervisory Board) hereby adopts the

## REPORT OF THE SUPERVISORY BOARD OF GEN energija d.o.o. for 2024

### Composition and work of the Supervisory Board

In order to ensure the legality, correctness and efficiency of the senior management's decisions and in accordance with its powers under the Articles of Incorporation and pursuant to other applicable legislation, the Supervisory Board supervised the management of GEN energija d.o.o. (hereinafter: GEN) during the 2024 financial year.

In its work, the Supervisory Board complied with the company's values, vision and mission, and verified whether the management and thus the operations of the company were in line with the latter's strategic and short-term goals, with the aim of maximising the value of the company.

#### Composition of the Supervisory Board in 2024

The composition of the Supervisory Board remained unchanged throughout 2024, which ensured continuity in the supervision and strategic orientation of the company. The Supervisory Board currently comprises eight members, whose expertise and experience contribute to the effective functioning of the supervisory body.

#### COMPOSITION OF THE SUPERVISORY BOARD

from 1 January 2024 to 31 December 2024
Žiga Debeljak, MSc
Mateja Čuk Orel, MSc
Ivana Nedižavec Korada
Dr Miloš Pantoš
Marijan Penšek, MSc
Marjanca Molan Zalokar
Samo Fürst
Aleš Buršič

The Supervisory Board assesses its work as successful and its composition appropriately diversified to be able to perform the tasks vested in it by applicable regulations. The Supervisory Board comprises members with different expertise, experience and skills that are mutually complementary. Its composition is diverse both in terms of age and gender. Supervisory Board members strive to be independent in their work and to appropriately manage potential conflicts of interest in the performance of their tasks. One potential conflict of interest was recorded in 2024. Supervisory Board members perform their work diligently, responsibly and effectively. Sessions were conducted in such a way that all the members of the Supervisory Board were given the opportunity to participate in discussions, and that discussions of agenda items were thorough, which contributed to the adoption of responsible decisions.

The Supervisory Board has three committees that serve as consultative bodies: the audit committee, the HR committee and the investment committee.

The work of the aforementioned committees was performed in accordance with valid rules of procedure, i.e. based on the competencies and powers delegated to them by the Supervisory Board via resolutions. Members received materials

in a timely manner, while the quality of materials allowed them to be effectively briefed on matters pending decisions.

#### Composition of the Supervisory Board's committees in 2024

#### COMPOSITION OF THE AUDIT COMMITTEE

from 1 January 2024 to 31 December 2024
Ivana Nedižavec Korada
Dr Miloš Pantoš
Marijan Penšek, MSc
Samo Fürst
Slavica Pečovnik

#### COMPOSITION OF THE HR COMMITTEE

from 1 January 2024 to 31 December 2024
Žiga Debeljak, MSc
Mateja Čuk Orel, MSc
Dr Miloš Pantoš
Katja Simončič Stropnik



COMPOSITION OF THE INVESTMENT  
COMMITTEE

from 1 January 2024 to 31 December 2024

Dr Miloš Pantoš

Marijan Penšek, MSc

Ivana Nedižavec Korada

Marjanca Molan Zalokar

Data regarding the work of the super-  
visory board and its committees<sup>1</sup>

The Supervisory Board met regularly to discuss various aspects of operations. Members of the Supervisory Board met at a total of 12 (twelve) sessions, as follows: nine (9) regular sessions and three (3) correspondence sessions. The Supervisory Board adopted a total of 139 resolutions. With the exception of one absence, all members of the Supervisory Board attended all sessions, as evidenced by the table in the corporate governance statement.

The Supervisory Board's audit committee met at eight (8) ordinary sessions, at which it adopted 55 resolutions. The participation of committee members was 100% at individual sessions.

The Supervisory Board's HR committee met at eight (8) ordinary sessions, at which it adopted 49 resolutions. The participation of committee members was 100% at individual sessions.

The Supervisory Board's investment committee met at ten (10) ordinary sessions and one (1) correspondence session in 2024, at which it adopted 57 resolutions. The participation of committee members was 100% at individual sessions.

Members regularly received the most important information, reports and materials for sessions of the Supervisory Board and its committees, and closely monitored the implementation of adopted resolutions. The work of the Supervisory Board and its committees was performed in accordance with the valid rules of procedure.

Consents in connection with corpo-  
rate governance

The Supervisory Board was regularly briefed on the operations of the company and the GEN Group, and on the implementation of the Supervisory Board's resolutions. It also discussed the legal transactions of subsidiaries and matters relating to the status thereof, for which its consent is required in accordance with the company's Articles of Incorporation. It thus gave its consent to voting on proposed resolutions at the general meetings of GEN-I, trgovanje in prodaja električne energije d.o.o., GEN-EL naložbe d.o.o. and Nuklearna elektrarna Krško d.o.o., and consent to the commissioning of analyses and studies for JEK2.

Interim monitoring of operations

The Supervisory Board periodically (every quarter) discussed interim reports on the operations of GEN and the GEN Group, and interim reports on the management of risks for GEN and the GEN Group. The Supervisory Board was also briefed on all interim reports by the audit committee. The Supervisory Board was briefed on the current operations of the company and GEN Group, their investments, planned and implemented capital expenditure, the number of employees and the optimisation of la-

bour costs, the value of assets, equity, receivables, operating revenue and expenses, and the operating profit or loss and net profit or loss of GEN Group companies. The Supervisory Board was also briefed on other matters that impact the achievement of the goals set out in SSH's annual governance plan.

Major decisions by the Supervisory  
Board

Annual report of GEN energija and the GEN Group

Approval of the annual report of the company and  
the GEN Group for 2023

At its 19<sup>th</sup> ordinary session held on 24 July 2024, the Supervisory Board reviewed the composition of the annual report of the company and the GEN Group for 2023 and the proposed use of distributable profit. It also found that the annual report appropriately presents operating, commercial and financial results in 2023. The annual report was also discussed by the audit committee. The Supervisory Board had no comments regarding the annual report, and approved it together with the auditor's opinion for GEN energija d.o.o. and the GEN Group. The Supervisory Board of GEN energija d.o.o. compiled a written report for the founder on the results of its review of the annual report.

Financial statements and proposed use of distrib-  
utable profit for 2023

While reviewing the annual report of the company and the GEN Group for 2023, the Supervisory Board:

- verified the composition of the annual report of the company and GEN Group, and found that the company achieved good operating, commercial and financial results in 2023;
- confirmed the content of the annual report for

the company and the GEN Group, together with the auditor's opinion;

- compiled a written Report of the Supervisory Board for the founder; and
- gave its consent to the senior management's proposed use of distributable profit.

The annual report was audited by Deloitte Revizija d.o.o., Ljubljana, which was appointed on 3 October 2023 by Slovenian Sovereign Holding, acting in its capacity as founder, to perform the mandatory audit of the annual report and consolidated annual report of GEN energija d.o.o. and the GEN Group for the 2023, 2024 and 2025 financial years in accordance with valid regulations. The certified auditor issued an unqualified opinion regarding the annual report. The Supervisory Board had no comments regarding the auditor's opinion and gave its consent accordingly.

Acting in its capacity as the founder and sole owner of GEN, Slovenian Sovereign Holding adopted resolution no. 271/27/24 on 27 August 2024, with the following content:

- it was briefed on the annual report of GEN energija d.o.o. and the consolidated annual report of the GEN Group for 2023, together with the auditor's reports, and on the Supervisory Board's report on the verification of the annual report;
- the payment of distributable profit for 2023 in the amount of EUR 150,000,000.00, in its entirety, to the sole owner;
- it conferred official approval on the senior management (Dr Dejan Paravan) and members of the Supervisory Board who performed their functions during the 2023 financial year and were still in those functions on the day of the founder's de-

<sup>1</sup> Item 8.6 of the Code



cision, whereby claims for liability may be asserted against the persons on whom official approval was conferred;

- it was briefed on the Remuneration Policy of GEN energija d.o.o.'s Management Body, the Indicative Remuneration Policy of the Management Bodies of GEN Group Subsidiaries and the Remuneration Policy of GEN energija d.o.o.'s Supervisory Body;
- it was briefed on the remuneration of the senior management and supervisory boards of GEN energija d.o.o. and its subsidiaries during the 2023 financial year; and
- it was briefed on the JEK2 project status report, which includes information regarding analyses and studies carried out in 2023.

#### Business plan of the company and the GEN Group for 2025

At its 20<sup>th</sup> ordinary session held on 3 September 2024, the Supervisory Board was briefed on the draft Business Plan of GEN energija d.o.o. and the GEN Group for 2025. At its 21<sup>st</sup> ordinary session held on 15 October 2024, it gave its consent to the Business Plan of GEN energija d.o.o. and the GEN Group for 2025, with a forecast of operations for 2026 and 2027, and briefed the founder accordingly in line with the provisions of paragraph 4 of Article 23 of the company's Articles of Incorporation.

#### Consent to the electricity trading strategy

At its 16<sup>th</sup> ordinary session held on 15 May 2024, the Supervisory Board gave its consent to the Electricity Trading Strategy of GEN energija d.o.o. for 2025 and the years that follow.

#### Expansion of senior management

GEN had a one-member senior management from 1 January 2024 to 1 July 2024, and was led inde-

#### COMPOSITION OF SENIOR MANAGEMENT

	from 1 January 2024 to 30 June 2024	from 1 July 2024 to 31 December 2024
<b>CEO</b>	Dr Dejan Paravan	Dr Dejan Paravan
<b>CFO</b>	/	Nada Drobne Popović, MSc
<b>COO</b>	/	Dr Bruno Glaser

pendently by the company's CEO, Dr Dejan Paravan. The company transitioned to a three-member senior management, effective 1 July 2024. On 26 June 2024, the Supervisory Board appointed Nada Drobne Popović, MSc as CFO and Dr Bruno Glaser as COO.

#### Internal auditing

Until 3 October 2024, GEN performed internal auditing with the external contractor KPMG d.o.o., which was selected on the basis of a public tender. At its 1<sup>st</sup> ordinary session held on 13 September 2022, the Supervisory Board gave its consent to the conclusion of an agreement with that audit firm.

In 2024, the Supervisory Board approved the annual report of the internal audit department for 2023 and was briefed on the interim reports on internal auditing within the GEN Group.

#### Auditor for providing assurance services regarding sustainability

At its 22<sup>nd</sup> ordinary session held on 9 December 2024, the Supervisory Board authorised the Chairman of the Supervisory Board to sign an agreement, in accordance with the guidelines set out in the letter of the Ministry of the Economy, Tourism and Sport dated 21 November 2024, with Deloitte revizija d.o.o. for the review of the consolidated



sustainability report. The aforementioned company is also the auditor appointed for the mandatory audit of the annual report and consolidated annual report under resolution no. 458/36/23 of 3 October 2023.



## Self-assessment and disclosures pursuant to the Corporate Governance Code for Companies with Capital Assets of the State

### Self-assessment

An assessment of the effectiveness of the Supervisory Board for 2024 was carried out in February 2025 in the form of a self-assessment matrix. All members performed a self-assessment. Following the completion of the self-assessment procedure, the Supervisory Board adopted a report and an action plan for improvements, and the founder was briefed accordingly.

The Supervisory Board's audit committee also performed an assessment of its effectiveness in February 2024 by completing a self-assessment questionnaire for that purpose. In that process, it was determined that the members of the audit committee were largely unanimous and gave similar assessments, which confirms that the audit committee functions in accordance with the Recommendations for Audit Committees published by the Slovenian Directors' Association.

### Disclosures

Pursuant to the Code,<sup>2</sup> the company clearly and specifically discloses the remuneration and other rights of individual Supervisory Board members, broken down by individual type of remuneration and other rights (with a full breakdown of costs).

## COMPOSITION AND AMOUNT OF REMUNERATION RECEIVED BY MEMBERS OF THE SUPERVISORY BOARD AND ITS COMMITTEES DURING THE 2024 FINANCIAL YEAR

First name and surname	Function (chair, deputy, member, external committee member)	Payment for performance of function and allowances – gross annual amount			Session fees of Supervisory Board and its committees – annual amount gross (2)	Total gross (1+2)	Travel expenses
		Basic payment for performance of function	Allowances in connection with performance of function	Total (1)			
<b>Žiga Debeljak, MSc</b>	Chairman of the Supervisory Board	13,000.00	6,500.00	19,500.00	2,860.00	22,360.00	253.64
	Chair of the HR committee	0.00	0.00	0.00	1,540.00	1,540.00	120.61
<b>Mateja Čuk Orel, MSc</b>	Deputy Chairwoman of the Supervisory Board	13,000.00	1,300.00	14,300.00	2,860.00	17,160.00	249.50
	Member of the HR committee	3,250.00	0.00	3,250.00	1,540.00	4,790.00	120.61
<b>Ivana Nedižavec Korada</b>	Member of the Supervisory Board	13,000.00	0.00	13,000.00	2,585.00	15,585.00	367.74
	Chair of the audit committee	4,875.00	0.00	4,875.00	1,540.00	6,415.00	35.47
	Member of the investment committee	1,625.00	0.00	1,625.00	2,156.00	3,781.00	11.82
<b>Dr Miloš Pantoš</b>	Member of the Supervisory Board	13,000.00	0.00	13,000.00	2,860.00	15,860.00	245.36
	Member of the audit committee	3,250.00	0.00	3,250.00	1,540.00	4,790.00	7.09
	Member of the HR committee	3,250.00	0.00	3,250.00	1,540.00	4,790.00	117.06
	Chair of the investment committee	0.00	0.00	0.00	2,156.00	2,156.00	3.55
<b>Marijan Penšek, MSc</b>	Member of the Supervisory Board	13,000.00	0.00	13,000.00	2,860.00	15,860.00	718.34
	Member of the audit committee	3,250.00	0.00	3,250.00	1,540.00	4,790.00	449.33
	Member of the investment committee	3,250.00	0.00	3,250.00	2,156.00	5,406.00	89.87
<b>Marjanca Molan Zalokar</b>	Member of the Supervisory Board	13,000.00	0.00	13,000.00	2,860.00	15,860.00	569.35
	Member of the investment committee	3,250.00	0.00	3,250.00	2,156.00	5,406.00	222.30
<b>Samo Fürst</b>	Member of the Supervisory Board	13,000.00	0.00	13,000.00	2,860.00	15,860.00	465.89
	Member of the audit committee	3,250.00	0.00	3,250.00	1,540.00	4,790.00	432.75
<b>Aleš Buršič</b>	Member of the Supervisory Board	13,000.00	0.00	13,000.00	2,860.00	15,860.00	670.01
<b>Katja Simončič Stropnik</b>	External member of the HR committee	3,250.00	0.00	3,250.00	1,540.00	4,790.00	154.31
<b>Slavica Pečovnik</b>	External member of the audit committee	4,875.00	0.00	4,875.00	1,540.00	6,415.00	24.83

\* v EUR

Pursuant to the Code,<sup>3</sup> the company also discloses costs in connection with the Supervisory Board's work, including the costs of legal opinions, translation costs, travel expenses, education and training costs, the hiring of experts, D&O insurance costs, etc. The costs of additional education and training for Supervisory Board members amounted to EUR 2,287.95 (excluding VAT) in 2024. Travel costs are presented in the table detailing disclosures of remuneration.

<sup>2</sup> Item 8.4 of the Code

<sup>3</sup> Item 8.6 of the Code

## Report on the approval of the annual report of the company and the GEN Group for 2024

In the scope of its competences in connection with the annual report of the company and the GEN Group for 2024, the audit committee of GEN energija d.o.o.'s Supervisory Board was briefed on the draft annual report of the company and the GEN Group for 2024 at its 23rd ordinary session held on 2 April 2025. At its 24th ordinary session held on 19 May 2025, it was briefed on the draft financial and business report sections of the annual report of the company and the GEN Group for 2024. At its 25th ordinary session held on 7 July 2025, it was briefed on the draft sustainability section of the annual report of GEN and the GEN Group for 2024. At its 26th ordinary session held on 19 August 2025, it verified the annual report of the company and the GEN Group for 2024, and assessed that the financial report of GEN for 2024 was prepared in accordance with the provisions of the Intergovernmental Agreement on the NEK and the Slovenian Accounting Standards, in parts that are not explicitly regulated by the Intergovernmental Agreement on the NEK, and that the financial report of the GEN Group for 2024 was prepared in accordance with the accounting policies of the GEN Group. The audit committee of GEN energija d.o.o.'s Supervisory Board had no comments regarding the annual report of the company and the GEN Group for 2024, and therefore proposed that it be approved, as is, by the Supervisory Board of GEN energija d.o.o. Representatives of the external auditor, who presented the results of their au-

dit, were also present at the aforementioned session of the audit committee.

At its 25th ordinary session held on 19 May 2025, the Supervisory Board was briefed on the draft financial and business report sections of the annual report of the company and the GEN Group for 2024. At its 26th ordinary session held on 7 July 2025, it was briefed on the draft sustainability section of the annual report of GEN and the GEN Group for 2024. At its 27th ordinary session held on 21 August 2025, it reviewed the composition of the annual report of the company and the GEN Group for 2024 and the proposal on the use of distributable profit. The Supervisory Board had no comments regarding the annual report, and approved it together with the auditor's opinion for GEN energija d.o.o. and the GEN Group. It also found that the annual report appropriately presents operating, commercial and financial results in 2024.

### Financial statements and proposed use of distributable profit for 2024

While reviewing the annual report of the company and the GEN Group for 2024, the Supervisory Board:

- verified the annual report of the company and the GEN Group;
- confirmed the content of the annual report for the company and the GEN Group, together with the auditor's opinions;
- compiled a written Report of the Supervisory Board for the founder; and
- gave its consent to the senior management's proposed use of distributable profit.

The annual report was audited by Deloitte Revizija d.o.o., Ljubljana, which was appointed on 3 October 2023 by Slovenian Sovereign Holding, acting in its capacity as founder, to perform the mandatory audit of the annual report and consolidated annual report of GEN energija d.o.o. and the GEN Group for the 2023, 2024 and 2025 financial years in accordance with valid regulations. That firm also serves as the auditor of the consolidated sustainability report. The certified auditor issued an unqualified opinion regarding the annual report of GEN and the GEN Group for 2024, while is issued a limited assurance report for the sustainability section of the annual report for 2024. The Supervisory Board had no comments regarding the auditor's opinions and gave its consent accordingly.

The company will send a proposal to Slovenian Sovereign Holding that the latter, in its capacity as the founder and sole owner of GEN, pass the following resolutions:

- it was briefed on the annual report of GEN energija d.o.o. and the consolidated annual report of the GEN Group for 2024, together with the auditor's reports, and on the Supervisory Board's report on the verification of the annual report;
- it decided that a portion of distributable profit for 2024 in the amount of EUR 143,453,899.01 be paid to the owner in the amount of EUR 93,000,000.00, while distributable profit in the amount of EUR 50,453,899.01 is to remain undistributed; and
- it conferred official approval on the senior management and Supervisory Board for their work during the 2024 financial year, where claims for

liability may be asserted against the persons on whom official approval was conferred.

## Conclusion

The members of the Supervisory Board find that the operations of the company and the GEN Group were successful, reliable and safe in 2024. The GEN Group successfully pursued its mission in 2024, and through the reliable, stable and safe electricity production ensured the supply of Slovenian households with affordable, low-carbon energy. The GEN Group will continue to strive for sustainable growth and long-term success. Contributing significantly to the achievement of those objectives will be the construction of a second nuclear power unit (JEK2), which will ensure the modern, reliable, safe, environmentally friendly and forward-looking supply of electricity in Slovenia.

The Supervisory Board compiled this report in accordance with Article 282 of the ZGD-1. The Report of the Supervisory Board is intended for the founder and sole owner of the company.

Žiga Debeljak, MSc

Chairman of GEN energija's Supervisory Board





# 02 BUSINESS REPORT

2.1. Presentation of the GEN Group	16
2.2. Corporate governance statement	17
2.3. Strategy	21
2.4. Economic trends in 2024 and their impact on the electricity sector	23
2.5. Operations of the GEN Group in 2024	24
2.6. Financial operations	34
2.7. Overview of significant events	35
2.8. Events after the end of the reporting period	36
2.9. Quality policy and safety assurance	37
2.10. Risk management	39



## 2.1. Presentation of the GEN Group

### 2.1.1. General information regarding the controlling company GEN

**Full company name:** GEN energija d.o.o.

**Abbreviated company name:** GEN d.o.o.

**Registered office:** Vrbina

**Business address:** Vrbina 17, 8270 Krško

**Founder and sole owner:**

Republic of Slovenia

**Share capital:** EUR 250,000,000.00

**VAT ID no.:** SI44454686

**Registration number:** 1646613

**Activity:**

K/64.200 – Activities of holding companies

D/35.140 – Electricity trading, and other

registered activities.

### 2.1.2. Bodies of the controlling company GEN energija

The founder manages GEN energija d.o.o. directly and through the company's bodies in the following compositions as at 31 December 2024:

#### SUPERVISORY BOARD:

**Chairman:** Žiga Debeljak, MSc

**Deputy Chairwoman:** Mateja Čuk Orel, MSc

**Members:** Ivana Nedižavec Korada

Dr Miloš Pantoš

Marijan Penšek, MSc

Marjanca Molan Zalokar

Aleš Buršič

Samo Fürst

#### SENIOR MANAGEMENT:

Dr Dejan Paravan, CEO

Nada Drobne Popović, MSc, CFO

Dr Bruno Glaser, COO

Senior management comprised one member until 1 July 2024: Dr Dejan Paravan as CEO. Since that date, the company's senior management comprises three members: Dr Dejan Paravan (CEO), Nada Drobne Popović, MSc (CFO) and Dr Bruno Glaser (COO).

### 2.1.3. Associates

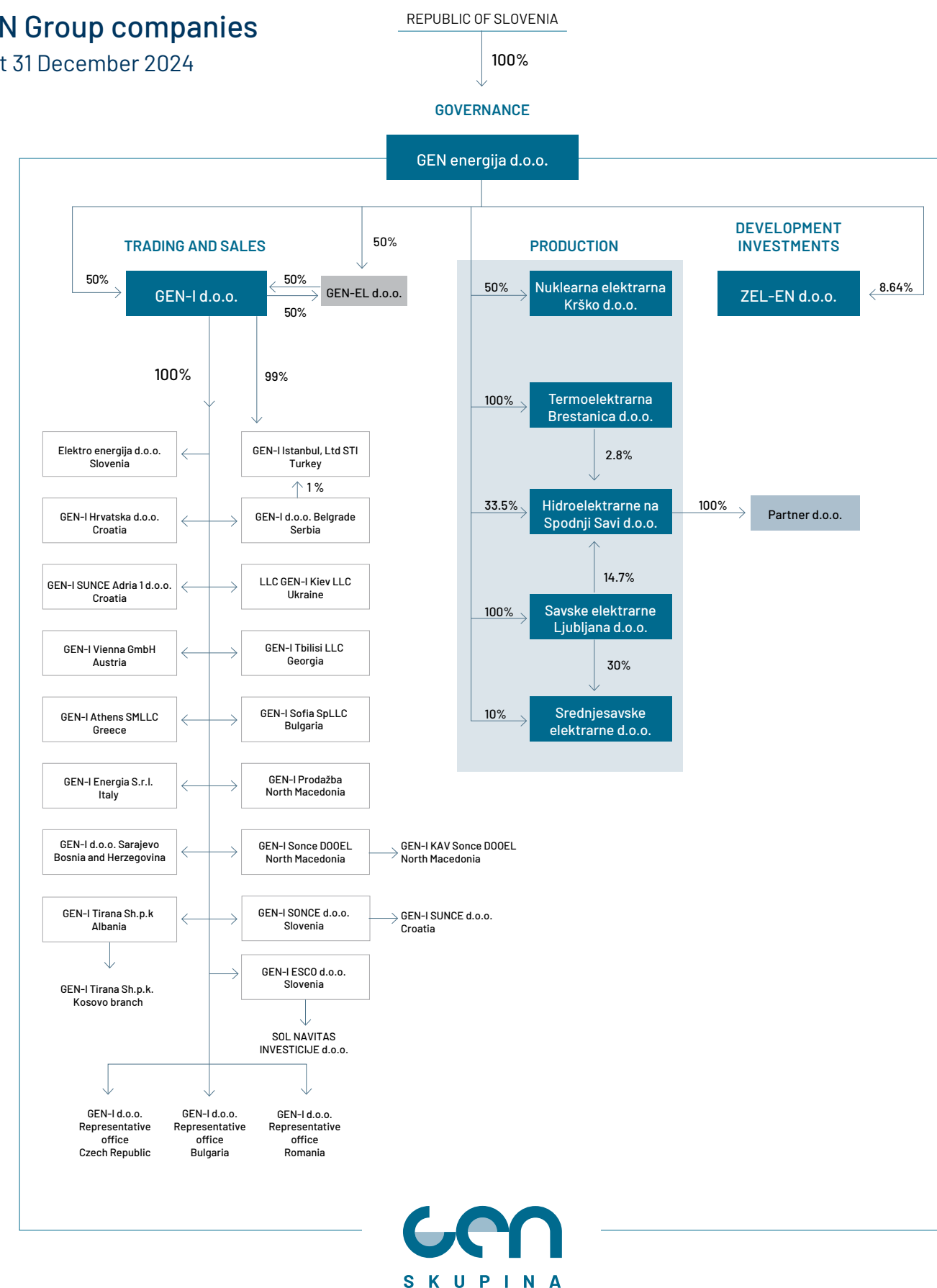
In 2024, the GEN Group comprised GEN as the controlling company, TEB and SEL as subsidiaries in which GEN holds a 100% ownership stake, the subsidiary HESS in which the GEN Group holds a 51% ownership stake, and since 14 December 2016, the subsidiaries GEN-I and GEN-EL in which GEN holds a 50% participating interest and exercises a controlling influence.

The group also includes NEK d.o.o. as a joint operation in which GEN holds a 50% ownership stake, and an investment in SRESA over which GEN exercises a controlling influence, as the GEN Group holds a 40% ownership stake.

In addition to stakes in energy companies, GEN also held an 8.64% ownership stake in ZEL-EN as at 31 December 2024.

### GEN Group companies

as at 31 December 2024



Pursuant to IFRS 11, the consolidated financial statements of the GEN Group for 2024 include the NEK as a joint operation. Unless stated otherwise, the data provided in this annual report are based on GEN's equity interest in the NEK.



## 2.2. Corporate governance statement

Pursuant to Article 70, paragraph 6 of the Companies Act (hereinafter: the ZGD-1) and points 3.6 and 3.6.1 of the Corporate Governance Code for Companies with Capital Assets of the State issued by SSH in December 2023 (hereinafter: the SSH Code),<sup>4</sup> GEN energija d.o.o., Vrbina 17, 8270 Krško (hereinafter: GEN), hereby issues its corporate governance statement for the period from 1 January 2024 to 31 December 2024.

The senior management of GEN energija d.o.o. (hereinafter: the senior management) hereby declares that GEN was governed in 2024 in accordance with valid laws and other applicable regulations, the Articles of Incorporation of the limited liability company GEN energija d.o.o. (hereinafter: the articles of incorporation), the valid SSH Code, and the Recommendations and Expectations of Slovenian Sovereign Holding<sup>5</sup> (hereinafter: the Recommendations and Expectations of the SSH).

The senior management hereby declares that the annual report and all of its constituent components, including this corporate governance statement, have been compiled and published in accordance with the Companies Act (ZGD-1) and the accounting policies of GEN energija and the GEN Group.

The company strives to respect and strengthen its corporate integrity and thus spread awareness of the importance of operations that comply with the law, good business practices and high ethical standards as one of the fundamental principles

of socially responsible operations. GEN energija d.o.o. adopted a Code of Business Ethics back in 2012. By the end of 2024, the Code of Ethics of the GEN Group had been drafted and will replace the existing code after it has been signed.

The corporate governance statement is an integral part of the annual report and is published on the company's website at <http://www.gen-energija.si>.

### 2.2.1. Statement of compliance with the code, and the Recommendations and Expectations of SSH

#### A/ Corporate Governance Code for Companies with Capital Assets of the State (hereinafter: the SSH Code)

In 2024, GEN followed the SSH Code, which was revised at the end of 2023, as its point of reference. In doing so, it also took into account the characteristics of its activities and the specific nature of its operations. In 2024, the company complied in full with the majority of recommendations set out in the SSH Code based on the 'comply or explain' approach. Below are explanations regarding individual deviations from the recommendations set out in the SSH Code:

Item 7.7: A culture of recognising talented employees was identified through a succession project, in the scope of which talented employees were

identified and development plans were drawn up. Those plans include a review of the fulfilment of formal criteria, an overview of the current development of professional, personal and leadership competences, a GAP analysis, proposals for the development of underdeveloped competences and a projected timeline. Development plans are not implemented for individual employees. Various measures, however, are implemented to identify talented employees, to stimulate motivation and promote responsibility and the desired behaviour amongst employees, and to develop employees' knowledge and skills.

Item 9.3.1: The internal audit function was performed by an external service provider in 2024.<sup>6</sup>

Item 11: The company's position of compliance and integrity officer is not currently filled. The function of compliance and integrity officer was performed in 2024 by a person appointed from the corporate governance department based on a resolution of senior management. An integrity plan is being drafted.

#### B/ Recommendations and Expectations of Slovenian Sovereign Holding (hereinafter: the Recommendations and Expectations of SSH)

In 2024, GEN complied with the majority of SSH's recommendations based on the 'comply or explain' approach, taking into account the characteristics

of its activities and specific nature of operations. Below are explanations regarding individual deviations from the SSH's recommendations:

Recommendation 3.10: Published on GEN's website are guidelines and instructions for the allocation and submission of applications.<sup>7</sup> Group companies have prescribed procedures and criteria in place for this area. Procedures at the group level are being harmonised and will be published when the process is completed.

Recommendation under Item 5: Upgrading the management of the corporate culture is an element of the Strategic Development Plan of the GEN Group for the period 2024 to 2030 and is being implemented. Because the internal audit function had not yet been established within the internal audit department in 2024, this area was not yet included in regular audits in the scope of annual internal plans or in audits.

Recommendation 6: We comply with this recommendation *mutatis mutandis* taking into account the company's organisational structure (as a limited liability company with a single owner).

Recommendation 8.6: Cooperation takes place in accordance with the Workers' Participation in Management Act, while efforts are being made to establish bilateral cooperation (through a participation agreement). The right of employees to participate in management is exercised in part through employee representatives on the company's Supervisory Board.

<sup>4</sup> [https://www.sdh.si/Data/Documents/pravni-akti/Kodeks%20korporativnega%20upravljanja%20druzba\\_december%202023.pdf](https://www.sdh.si/Data/Documents/pravni-akti/Kodeks%20korporativnega%20upravljanja%20druzba_december%202023.pdf)

<sup>5</sup> December 2023

<sup>6</sup> A head of the internal audit department was hired in January 2025.

<sup>7</sup> <https://www.gen-energija.si/odgovornost/sponzorstva-in-donacije>



2.2.2. Description of the company’s compliance and integrity system in accordance with the Code, and the Recommendations and Expectations of SSH

GEN’s compliance and integrity system was established through the application, inter alia, of the provisions of Section 6 of the ZSDH-1 and the provisions of Section 11 of the Code and Section 14 of the Recommendations and Expectations. The company’s senior management adopted a resolution appointing a compliance and integrity officer. The company is drafting an integrity plan, which will include all known risks in the area of compliance and integrity at the company. The company will dedicate special attention to the protection of personal data and internal information. Both areas are governed by bylaws adopted by the company. The company’s bylaws also cover other areas such as limiting conflicts of interest, lobbying, the prohibition of unethical or illegal conduct, the prohibition of and restrictions on the acceptance of gifts, restrictions on transactions with related parties, the protection of whistleblowers, etc. The company adopted a Code of Business Ethics back in 2012. That code is publicly accessible on the company’s website. The company also strives to upgrade compliance at GEN Group companies. The Code of Ethics of the GEN Group is in the process of adoption.

2.2.3. Report on the implementation of the diversity policy during the reporting period and associated results thereof

Pursuant to the provisions of Article 70 of the Companies Act, Article 21 of the Slovenian Sovereign Holding Act and based on Points 3.6, 3.6.1 and 3.6.2 of the Corporate Governance Code for Companies with Capital Assets of the State (SSH, November 2019), GEN’s Supervisory Board adopted a special bylaw on 3 April 2020, i.e. the Diversity Policy of the Senior Management and Supervisory Board of GEN energija d.o.o. That bylaw represents a framework of key principles regarding representation that facilitate and promote a diverse composition (particularly in terms of gender, age and education) of GEN’s governing body. The Supervisory Board’s committees are covered by the same framework. The founder has been briefed on the aforementioned bylaw, which is published on the company’s website.<sup>8</sup>

In 2024, the supervisory body and its committees ensured the diversity of their members in terms of all objectives of the bylaw referred to in the first paragraph of this point. Initially, until 1 July 2024, the governing body was headed by a senior management with one member (CEO). Two new members then joined the senior management: a CFO and a COO. The diversity of the governing body in terms of gender and education has thus been ensured since 1 July 2024 in accordance with the objectives of the act referred to in the first paragraph of this point.

Overview of the diversity of the members of GEN’s Supervisory Board and senior management in terms of gender and age.<sup>9</sup>

DIVERSITY OF MEMBERS OF THE SUPERVISORY BOARD IN TERMS OF GENDER IN 2024			
	Men	Women	Total
Period: 1 January 2024 to 31 December 2024			
Number of supervisory board members	5	3	8
Proportion/ Blau Index	62,5%	37,5%	Blau 46,9%

DIVERSITY OF MEMBERS OF SENIOR MANAGEMENT IN TERMS OF GENDER IN 2024			
	Men	Women	Total
Period: 1 January 2024 to 30 June 2024			
Number of senior management members	1	0	1
Proportion	100,0%	0,0%	Blau 0,0%
Period: 1 July 2024 to 31 December 2024			
Number of senior management members	2	1	3
Proportion/ Blau Index	66,7%	33,3%	Blau 44,4%

<sup>5</sup> [https://www.gen-energija.si/files/sitegenerator/204/pdf/Politika%20raznolikosti%20organov%20vodenja%20in%20nadzora%20druz%CC%8Cbe%20GEN\\_SLD\\_FINAL\\_april%202020.pdf](https://www.gen-energija.si/files/sitegenerator/204/pdf/Politika%20raznolikosti%20organov%20vodenja%20in%20nadzora%20druz%CC%8Cbe%20GEN_SLD_FINAL_april%202020.pdf)

<sup>8</sup> The Blau Index is used as a measure of diversity. That index measures how equally specific categories (e.g. gender, age and ethnicity) are represented in a group. A higher value means greater diversity, where the highest possible value arises when all categories of a group are represented equally. Source: Blau, Peter M. (1977). *Inequality and Heterogeneity: A Primitive Theory of Social Structure*. New York: Free Press.



DIVERSITY OF MEMBERS OF THE SUPERVISORY BOARD IN TERMS OF AGE IN 2024				
	Up to 30 years of age	From 30 to 50 years of age	Over 50 years of age	Total
Period: 1 January 2024 to 31 December 2024				
Number of supervisory board members	0	4	4	8
Proportion/Blau Index	0,0%	50,0%	50,0%	Blau 50,0%
DIVERSITY OF MEMBERS OF SENIOR MANAGEMENT IN TERMS OF AGE IN 2024				
	Up to 30 years of age	From 30 to 50 years of age	Over 50 years of age	Total
Period: 1 January 2024 to 30 June 2024				
Number of senior management members	0	1	0	1
Proportion/Blau Index	0,0%	100,0%	0,0%	Blau 0,0%
Period: 1 July 2024 to 31 December 2024				
Number of senior management members	0	2	1	3
Proportion/Blau Index	0,00%	66,67%	33,33%	Blau 44,4%

In accordance with the second indent of Article 254b of the ZGD-1, the company is obliged to achieve the balanced representation of genders amongst members of its management and supervisory bodies, and to adopt a diversity policy. In accordance with the law, the company's policy must state which proportions specified in the law it intends to achieve. Under the law, the company's Works Council is obliged to ensure that at least 33% of employee representatives appointed to the supervisory body are of the under-represented gender, unless there is no one of the under-represented gender available at the time of appointment. The company fulfilled all legal requirements regarding gender diversity in 2024.

2.2.4. Information regarding the activity of the founder in its role as the general meeting of GEN

Pursuant to its Articles of Incorporation, GEN was governed in 2024 by Slovenian Sovereign Holding (hereinafter: SSH) acting on the authorisation of the company's sole owner, the Republic of Slovenia. The senior management, comprising only the CEO until 1 July 2024 and the CEO, CFO and COO from 1 July 2024 on, served as GEN's management body in 2024. According to the Articles of Incorporation, the company's supervisory body is a nine members Supervisory Board, which functioned with eight members in 2024.

In 2024, as the founder and acting in its capacity as GEN's general meeting, SSH made decisions in accordance with the company's Articles of Incorporation, and adopted a seven-point resolution on 27 August 2024. SSH publishes its resolutions on its website (<https://www.sdh.si/sl-si/upravlanje-nalozb/koledar-skupscin>), while GEN continuously enters them in its register of resolutions in accordance with the ZGD-1. The responsibilities of the founder are set out in the Articles of Incorporation, which are publicly accessible on the website of the Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES).

2.2.5. Information regarding the composition and work of management and supervisory bodies in 2024

Composition of the Supervisory Board and its committees during the 2024 financial year

The relevant information is included in the Report of the Supervisory Board in 2024.

First name and surname	Function (Chairman, Deputy Chairman, member)	First appointment to function	Conclusion of function/ term of office	Shareholder/ employee representative	Participation in Supervisory Board sessions/total number of sessions	Gender	Nationality	Year of birth	Education	Professional profile	Status per statement of independence	Existence of conflicts of interest during financial year	Membership on supervisory bodies of other companies	Membership on committees (audit, HR, investment)	Participation in committee sessions/total number of sessions
<b>Žiga Debeljak, MSc</b>	Chairman	10 August 2022, (Chairman of the Supervisory Board since 16 August 2022)	10.8.26	Shareholder representative	12/12	Male	Slovene	1971	Bachelor's degree in computer engineering, master's degree in business and organisation (master of science)	Corporate governance, business and organisation, corporate finance	YES	NO	Chairman of Telekom Slovenije d.d.'s Supervisory Board	HR committee (chair since 16 August 2022)	8/8 (HR committee)
<b>Mateja Čuk Orel, MSc</b>	Deputy Chairwoman	10 August 2022, (Deputy Chairwoman of the Supervisory Board since 16 August 2022)	10.8.26	Shareholder representative	12/12	Female	Slovene	1980	Bachelor's degree in law, master's degree in law	Energy regulations, corporate governance	YES	NO	Member of Telekom Slovenije d.d.'s Supervisory Board	HR committee (member since 16 August 2022)	8/8 (HR committee)
<b>Ivana Nedžavec Korada</b>	Member	10.8.22	10.8.26	Shareholder representative	11/12	Female	Slovene	1977	Bachelor's degree in economics	Finance, energy, human resources, accounting, auditing, international cooperation	YES	NO	Deputy Chairwoman of Borzen d.o.o.'s Supervisory Board; member of the Supervisory Board of GEN-I d.o.o.	Audit committee (chair since 16 August 2022), investment committee (member since 1 June 2023)	8/8 (audit committee) 11/11 (investment committee)
<b>Dr Miloš Pantoš</b>	Member	10.8.22	10.8.26	Shareholder representative	12/12	Male	Slovene	1977	Bachelor's degree in electrical engineering, doctorate in electrical engineering	Highly specialised electrical engineer in the area of electricity	YES	NO	/	Audit committee (member 16 August 2022), HR committee (member since 16 August 2022) investment committee (chair since 1 June 2023)	8/8 (HR committee), 8/8 (audit committee), 11/11 (investment committee)
<b>Marijan Penšek, MSc</b>	Member	10.8.22	10.8.26	Shareholder representative	12/12	Male	Slovene	1959	Bachelor's degree in mechanical engineering, master's degree in mechanical engineering	20 years of work experience at Gorenje d.d. in different areas (product and service development, project management, sales of products and services); 16 years of work experience as the director of companies and specific areas; experience in the purchase and sale of companies; experience in the supervision of companies; four years of experience as an independent business consultant, primarily in the areas of renewable energy sources and business organisation	YES	NO	Deputy Chairman of Unior d.d.'s Supervisory Board; member of the Supervisory Board of Premogovnik Velenje d.o.o.	Audit committee (member 16 August 2022), investment committee (member since 1 June 2023)	8/8 (audit committee) 11/11 (investment committee)
<b>Samo Fürst</b>	Member	1.10.15	3.10.27	Employee representative	12/12	Male	Slovene	1981	Bachelor's degree in electrical engineering, master's degree in management (MBA)	Master's degree in electrical engineering	YES	NO	/	Audit committee (member 5 September 2018)	8/8 (audit committee)
<b>Aleš Buršič</b>	Member	3.10.23	3.10.27	Employee representative	12/12	Male	Slovene	1973	Bachelor's degree in mechanical engineering	"Nuclear energy, Quality management, Nuclear energy, quality management, machinery design and construction"	YES	NO	/	/	/
<b>Marjanca Molan Zalokar</b>	Member	2.10.19	3.10.27	Employee representative	12/12	Female	Slovene	1971	Bachelor's degree in law	Corporate governance, public procurement law, labour law	YES	NO	Member of Elektro Ljubljana d.d.'s Supervisory Board	Investment committee (member since 1 June 2023)	11/11 (investment committee)



External committee members (audit, investment and HR committees)

The relevant information is included in the Report of the Supervisory Board in 2024.

First name and surname	Committee	Participation in committee sessions/ total number of sessions	Gender	Nationality	Education	Year of birth	Professional profile	Membership on supervisory bodies of unrelated companies
Katja Simončič Stropnik	HR committee	8/8	Female	Slovene	Bachelor's degree in economics and HR management	1980	Economy, HR management, accounting, workers' participation in management, management board staffing, event organisation	/
Slavica Pečovnik	audit committee	8/8	Female	Slovene	Bachelor's degree in economics, certified auditor	1979	Certified auditor with many years of experience in the areas of auditing, accounting and finance, and consultancy for small, medium-sized and large enterprises in Slovenia.	/

2.2.6. Characteristics of GEN's internal control and risk management systems

In order to ensure the greater transparency, efficiency and responsibility of its operations, the company has in place an efficient internal control and risk management system. That system is based on the company's organisational structure, bylaws and quality management standards that include clearly defined reporting procedures in the scope of individual organisational units. In key positions, the internal control system is supported by control measures and limitations that ensure compliance with regulations and the proper functioning of the organisation.

The company's internal control system is based on the planned and systematic implementation of procedures and methods, the aim of which is to ensure the accuracy, reliability and completeness of information, the proper preparation of accounting records, and to prevent errors in business pro-

cesses. That system also ensures compliance with the law, regulations and the company's bylaws.

The company's senior management is responsible for the proper keeping of the books of account, the establishment and effective functioning of internal controls, and the selection of appropriate accounting policies that facilitate compliant and fair reporting.

The principle of three lines of defence is followed when establishing the internal control system:

- The **first line of defence** includes risk owners and administrators who are responsible for assessing the business environment and risks.
- The **second line of defence** includes various specialist departments and the risk committee, which together create and implement the control system.
- The **third line of defence** includes the internal audit department,<sup>10</sup> which monitors the functioning of the system and proposes improvements.

The internal control system is designed to ensure the achievement of three key objectives:

- ensuring the accuracy, reliability and completeness of accounting records, and true and fair financial reporting;
- ensuring compliance with the law and other regulatory requirements; and
- increasing the efficiency and success of operations.

The company's organisational structure includes the risk committee, while the internal audit department actively monitored the functioning of the internal control system in 2024.

<sup>10</sup> The internal audit function was performed in 2024 by a contracted service provider; in January 2025, the company hired a head of the internal audit department.

# 2.3. Strategy

## 2.3.1. Pillars of the Strategic Development Plan of the GEN Group for the period 2024 to 2030

The confluence of the climate and energy crises has led to significant changes in conditions on the European energy market. Ensuring energy self-sufficiency and striving to reduce dependence on imports have proven to be crucial for the country's strategic development, meaning the reasons for strengthening domestic production and improving the reliability of electricity supply are more relevant than ever before. New circumstances dictate that energy companies adapt. For this reason, we adopted the Strategic Development Plan of the GEN Group for the period 2024 to 2030 back in 2023 and began implementing that plan in 2024.

The alignment of the strategy and a clear definition of strategic guidelines at the GEN Group level is crucial for the pursuit of the GEN Group's updated mission:

"The GEN Group is the leading regional implementer of the transition to a self-sustaining and low-carbon electric power grid based on nuclear energy and renewable sources. Through a value-added chain that covers the spectrum from production to supply, we ensure the reliable, competitive and customer-oriented supply of energy and energy services."

The development document is the result of brainstorming between all GEN Group companies, which by successfully identifying synergies, formulated strategic guidelines aimed at a common vision:

"We will become a regional producer and supplier of low-carbon electricity at a competitive price, and achieve excellence on a global scale."

We are implementing the Strategic Development Plan of the GEN Group for the period 2024 to 2030 in the scope of three pillars:

- **reliable supply to customers** (1st pillar),
- **investments in nuclear technologies** (2nd pillar), and
- **investments in renewable energy sources, flexibility and advanced energy services** (3rd pillar).

Through the production of electricity and reliable supply to customers, by ensuring investment potential and through international trading, we will generate free cash flows to invest in nuclear technologies, renewable energy sources, flexibility (storage facilities, hydrogen, etc.) and advanced services (sustainable energy circle and energy community services, etc.).

The Strategic Development Plan of the GEN Group for the period 2024 to 2030 is used as the basis for the preparation of companies' business plans, which focus on the implementation of the policies set out in the aforementioned development plan and the initiatives set out in individual pillars.

An integral element of the Strategic Development Plan of the GEN Group for the period 2024 to 2030 is the Sustainability Policy of the GEN Group, which comprehensively addresses all three ESG factors (environmental, social and governance) and describes in detail our strategic guidelines relating to environmental (E), social (S) and governance (G) fac-

tors. More about the GEN Group's efforts in the area of sustainable development can be found in Section 3.

### Start of implementation and the establishment of reporting routines

Together with the implementation of the Strategic Development Plan, we established reporting routines in 2024 that facilitate the regular monitoring of progress in the achievement of established objectives. Initiatives are reported quarterly to the senior management of the GEN Group. In this way, we monitor the achievement of established objec-

tives and address potential deviations in a timely manner. Quarterly reports also facilitate greater transparency and a link between individual group companies, and the coordinated implementation of strategic priorities.

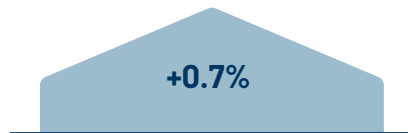
Through this comprehensive approach, we have laid sound foundations for the pursuit of our vision, and for a sustainable, low-carbon electric power grid that will support the energy and climate-related goals of the country and region.



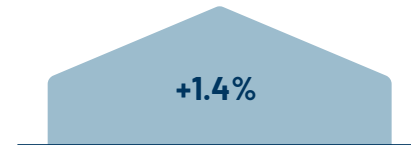


## 2.4. Economic trends in 2024 and their impact on the electricity sector

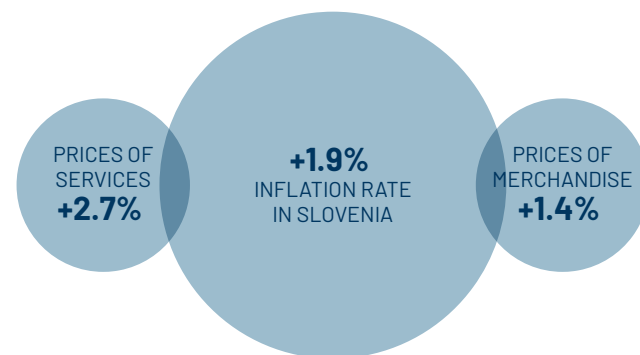
Economic growth in the euro area was 0.7%



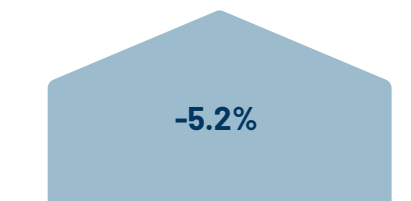
Slovenia recorded GDP growth of 1.4%



Annual inflation rate was 1.9%



Unemployment rose in Slovenia



Industrial production fell

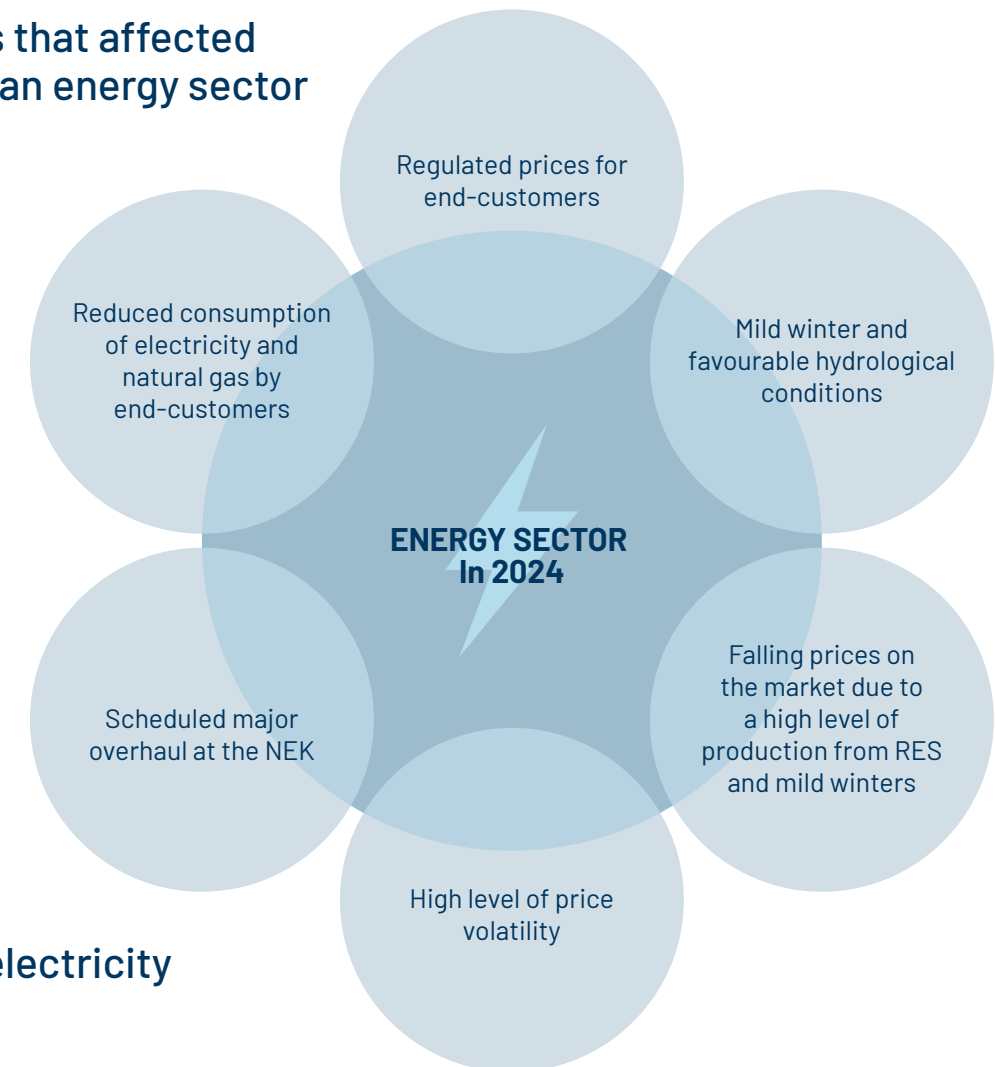


Increasing industrial production is important for the electricity sector since it is a major driver of rising consumption of electricity and other energy carriers.

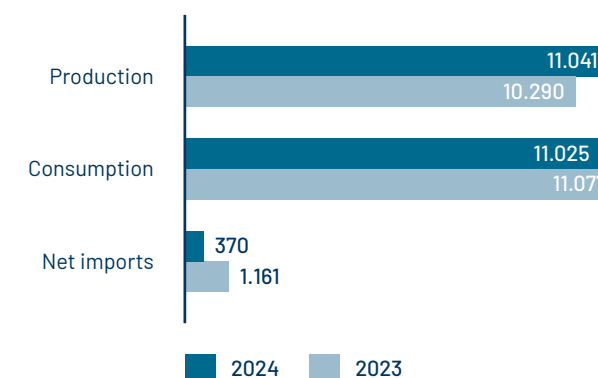
Wholesale electricity price



Key factors that affected the Slovenian energy sector in 2024



Slovenian electricity market in GWh



## 2.5. Operations of the GEN Group in 2024

### 2.5.1. Reliable supply to customers

**Reliable supply to customers represents the first pillar of the Strategic Development Plan of the GEN Group for the period 2024 to 2030. Most important within the GEN Group for ensuring the reliable supply of electricity is the high operational availability of production facilities, which is the result of the expertise and experience of operational staff, the responsible preventive and predictive maintenance of production facilities, the continuous rectification of deviations, and the timely planning and execution of scheduled major overhauls, revisions, modifications and investments in equipment and work processes.**

### Reliable production portfolio

The aim of electricity production is to maximise the volume of electricity produced in such a way that all of the GEN Group's production facilities operate safely, reliably and with minimum impacts on the environment. Representing a fundamental **example of operational excellence at the international level is the NEK**, which benchmarks itself against the international environment and follows the best performance criteria, while operating within the regulatory framework. All of the group's other production facilities (hydro, solar and gas power plants) have similar policies.

The production units owned by GEN Group companies produced a total of **3,570.3 GWh** of electricity in 2024. With the help of GEN's Control Centre, which combines production, short-term trading,

the provision of ancillary services and coordinates the operations of the entire GEN balancing subgroup, all production units operated in unison, and all unplanned events were effectively addressed.

**Production by large units** was higher than planned primarily due to the reliable and stable functioning of the NEK and favourable hydrological conditions. TEB also functioned to a greater extent than

planned due to improving market and commercial conditions.

### Large electricity production units in the GEN Group's balancing subgroup in Slovenia in 2024

NEK		NEK	TOTAL
Net electrical output	MW	700.0	700.0
Generator power rating	MVA	850.0	850.0

SEL		Moste	Završnica	Mavčiče	Medvode	Vrhovo	MHE	TOTAL
No. of production units		2	1	2	2	3	6	
Net electrical output	MW	13.0	8.0	38.0	25.0	34.0	3.7	121.7
Generator power rating	MVA	18.0	11.0	50.0	27.0	42.9	4.7	153.6
Gross head HBR	m	70.0	177.0	17.5	20.8	8.7		294.0
Installed Qi flow rate	m³/s	26.0	6.0	260.0	150.0	500.0		

HESS		Boštanj	Arto-Blanca	Krško	Brežice	TOTAL
No. of production units		3	3	3	3	
Net electrical output	MW	32.5	39.1	39.1	47.4	158.1
Generator power rating	MVA	43.5	49.5	49.5	64.5	207.0
Gross head HBR	m	7.5	9.3	9.1	11.0	36.9
Installed Qi flow rate	m³/s	500.0	500.0	500.0	500.0	

TEB		PB1	PB2	PB3	PB4	PB5	PB6	PB7	TOTAL
Net electrical output	MW	23.0	23.0	23.0	114.0	114.0	53.0	56.0	406.0
Generator power rating	MVA	32.0	32.0	32.0	155.0	155.0	67.4	68.1	541.5

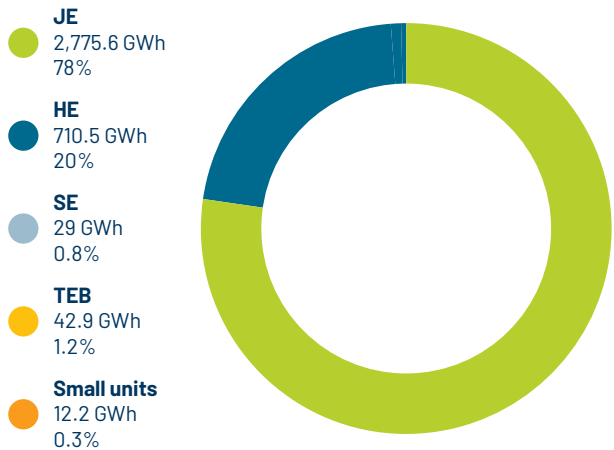


Electricity production sources at GEN Group companies in 2024

GEN Group			
	2024	2023	Difference in GWh 2024-2023
in GWh	Actual in GW	Actual in GW	
NEK (50%)	2,775.6	2,666.2	109.4
SEL	387.2	396.9	-9.7
TEB	42.9	5.2	37.7
HESS – HPPs (51%)	323.3	345.7	-22.4
HESS – SPPs (51%)	3.8	2.7	1.1
GEN-I – SPPs	25.2	25.7	-0.5
large units	3,558.0	3,442.4	90.5
small units	12.2	13.9	-1.7
TOTAL	3,570.3	3,456.3	88.8

In addition to large production facilities, GEN Group companies also own **small-scale production units**, some of which are included in GEN’s balancing subgroup and others that are operated independently by companies. The latter include hydro and solar power plants, and high-efficiency cogeneration plants. Those production units produced a combined total of 12.2 GWh of electricity during the reporting period.

Electricity production by the GEN Group with respect to energy source



The hub of the GEN Group’s activity and an important element of the reliable supply to customers is **GEN’s Control Centre**, which has been in operation since 2008. GEN’s Control Centre coordinates the functioning of GEN’s entire balancing subgroup and facilitates the achievement of the synergistic effects of electricity production. It is also responsible for the continuous provision of ancillary services for the needs of the electric power grid. Every production company in GEN’s balancing subgroup plays its own role in Slovenia’s electric power grid.

Krško Nuclear Power Plant (NEK)

The NEK covers base load power on the daily electricity consumption curve throughout the year. The NEK produced **5,551 GWh** of electricity in 2024. The amount of electricity to which GEN is entitled pursuant to the Intergovernmental Agreement on the NEK was **2,775.6 GWh**, which was **1.8% more than in the annual plan**. Higher-than-planned production was the result of reliable and stable functioning throughout the entire year. The

NEK also functioned without the use cooling towers and at a highly efficient rate most of the time due to favourable hydrological conditions. Even the major overhaul carried out in April was completed by the planned deadline. The power plant’s new power rating following the completion of that overhaul reached 700 MW, compared with 696 MW prior to the overhaul. The increase in power also had a positive impact on the scope of production in 2024.

Capability, availability and capacity factors for the NEK in 2024

**NEK capability factor** (according to WANO): **91.1%**  
Capability factor (as defined by the World Association of Nuclear Operators or WANO) is defined as the ratio of the available electricity generation over a given period to the reference electricity generation over the same period, expressed as a percentage.

**NEK availability factor: 91.5%**  
The availability factor is the ratio of the number of hours a generator was connected to the grid over a given period to the total number of hours over the same period, expressed as a percentage.

**NEK capacity factor: 94.9%**  
The capacity factor is the ratio of energy production over a given period of time to the energy that can be produced at maximum capacity under continuous operation over the same period, expressed as a percentage.

**Power plants on the Sava River (SEL)**  
Within the electric power grid, SEL’s production units are primarily designed to cover electricity on the daily load curve, with the possibility of using

storage facilities to shift night-time energy and energy generated by solar power plants in the middle of the day to the morning and evening peaks. Production by SEL’s large hydroelectric power plants amounted to **387.2 GWh** in 2024, which **exceeded the annual plan by 17.3%**.

Termoelektrarna Brestanica d.o.o. (TEB)

Typically, TEB’s production is highly dependent on how often it operates to cover failures of larger units in the electric power grid. When conditions on the electricity market are favourable, TEB’s production is also used to satisfy market needs. TEB generated **42.9 GWh of electricity** in 2024, meaning it **exceeded its annual plan by 71.4%**. Production was higher than planned due to commercial operations, particularly during the third quarter and at the end of the year when conditions on the electricity market were favourable for the functioning of gas turbines, whose internal price was frequently lower than market prices in a time of price peaks during the aforementioned period. The functioning of the entire electric power grid was stable, such that only seven activations of manual frequency restoration reserve, i.e. positive tertiary frequency control, were recorded in 2024. The scope of operations from positive tertiary frequency control was negligible relative to the scope of production due to commercial operations.

Hydroelectric power plants on the Sava River (HESS)

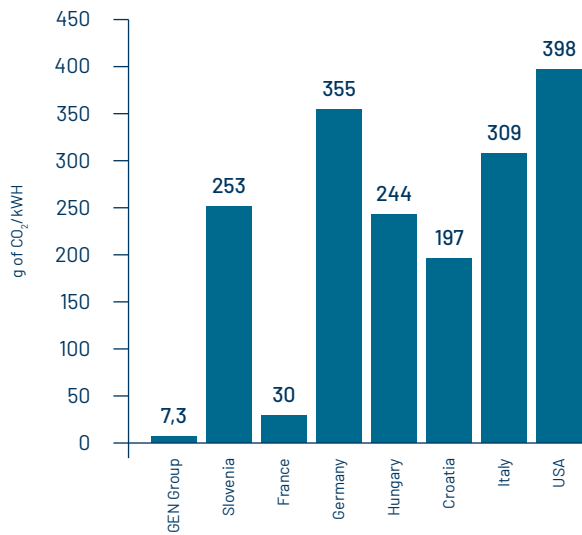
GEN received **327.1GWh of electricity** from HESS’s hydroelectric power plants in 2024, which was **9.9% higher than in the annual plan**. This quantity also includes production from the D3 solar power plant alongside Brežice HPP in the amount of 3.8 GWh.

Low-carbon energy source portfolio

A total of 98.8% of all the electricity produced by the power plants of GEN Group companies in 2024 came from low-carbon and renewable sources: nuclear, hydro and solar energy.

The GEN Group thus contributed significantly in 2024 to the low-carbon production of electricity, which is efficient and safe, with a view to maintaining and improving the quality of the environment and mitigating climate change.

Comparison of CO<sub>2</sub> emissions generated during the functioning of power plants (in g/kWh);



Source: Electricity maps, 2024

Sale of energy and services

In 2024, the GEN Group was committed to providing affordable and innovative solutions for its customers in both the household customer and business segments:

Electricity production in Slovenia

source: ELES

	Exports	Imports	Net imports	Purchased from the transmission network	Production on the transmission network	Import dependence
Slovenia						
2023	7,954	9,114	1,161	11,077	10,290	-10.5%
2024	9,599	9,969	370	11,025	11,041	-3.4%
difference	1,646	855		-52	751	
GEN						
	Production by GEN	Production by others	Proportion			
2023	3,429	6,860	33%			
2024	3,545	7,496	32%			

- **Reduction of regular prices for natural gas for both households and small business customers:** We cut standard pricelists by 15%, effective 1 December 2024. We also cut the standard electricity pricelist (by 11%) and the standard pricelist for self-sufficient supply under the net metering scheme for small business customers (by 10%).
- **Individual self-sufficient supply** We continued activities aimed at establishing and maintaining relations with other external builders of solar power plants. An offer was presented to all interest parties and agreement reached with them on continued cooperation in 2025.
- **Sales to medium-sized business customers:** We were very successful during the year in maintaining existing and attracting new customers. As at 1 January 2025, the total quantity for 2025 in the SPO portfolio was 327.2 GWh, an increase of more than 7% relative to the previous year.
- **Demand of former SunContract customers for self-sufficient supply (annual billing):** At the

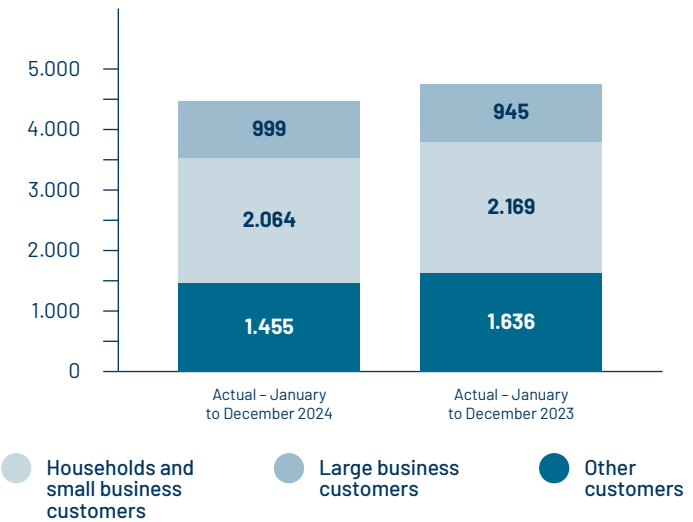
end of 2024, the supplier SunContract informed its self-sufficient supply customers that they have two possibilities: either switch to monthly billing in combination with a storage battery or switch suppliers, effective 1 January 2025, as after that date they planned to withdraw from self-sufficient supply contracts. Customers were outraged, and we signed 593 contracts with new customers during that period.

- **Activities in connection with the new network act:** We published content regarding the new network act on the website, and made it easier for customers to understand the changes brought about by the network act. On the B2C portal, we drew up and developed solutions for monthly consumption graphs in accordance with network blocks and an interactive display of the current network block with useful tips for customers.
- **Smart self-sufficient supply:** We successfully launched the smart self-sufficient supply product, together with the GEN-I Sonce team as sales representative.

Supply of electricity

In 2024, GEN Group companies supplied **domestic business customers and households 3,064 GWh of electricity**, as well as an additional **1,455 GWh to other Slovenian customers**, such as the transmission system operator and other electricity suppliers. We thus supplied a total of **4,518 GWh of electricity**.

Supply of electricity on the Slovenian market by GEN Group companies



The supply of households and small business customers (SBC) was lower than planned in 2024 and also down relative to supply in 2023. Supply to business customers was up by 54 GWh relative to the previous year. Supply to other customers in 2024 was down relative to 2023.

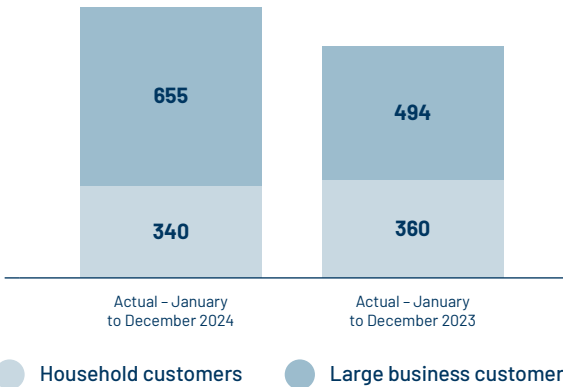
The GEN Group bore a significant portion of the burden of the government regulation of electricity prices for households and small business customers, in the amount of EUR 104 million.



## Supply of natural gas

Natural gas is supplied via the subsidiary GEN-I, which through its reliable supply and competitive prices maintains its position as the second-largest supplier of natural gas in Slovenia.

### Supply of natural gas by GEN Group companies in Slovenia



GEN-I purchases natural gas on European power exchanges, where natural gas prices are dictated by both fluctuations in oil prices and actual supply. In this way, our natural gas supply sources are diversified among the most trusted and best-known Western European partners. In 2024, we supplied natural gas in the broader region to slightly more than 32 thousand household customers and around 140 business customers. Total sales of natural gas thus amounted to **4,486 GWh**.

## Ancillary services

Playing a crucial role within the GEN Group in the provision of ancillary services for the Slovenian electric power grid is TEB, as the latter is an **ancillary power plant** that can provide manual frequency restoration reserve (mFRR), the black-start-up of generators, island mode operation for delivering power to the NEK, and voltage regulation and reactive power.

Due to its remarkably stable operations and ability to provide a large amount of voltage regulation and reactive power, and the regulation of energy, the NEK also plays a key **support role** in the balancing of critical operational and voltage conditions in the electric power grid in the scope of the ENTSO-E, while SEL and HESS units provide frequency control reserve (FCR), manual frequency restoration reserve (mFRR) and reactive power. Some of SEL's generating units can also be started up without an external power supply.

Nine positive and four negative tertiary frequency control activations were performed in 2024 for the needs of mFRR.

## International trading

With the exception of the first quarter, the **price of natural gas** (TTF FM) rose in 2024, while average price was EUR 43.30/MWh during the final quarter. Volatility was up. The market was characterised by falling demand, particularly in the energy production sector as the result of a higher proportion of renewable energy sources. Increased geopolitical risks were also present due to the escalating conflict between Israel and Iran. The most important factor in market instability was speculation in the final quarter regarding the future Russian supply of natural gas through Ukraine following the expiry of the existing agreement, which caused several rapid shifts in prices.

Rising prices were also supported by fundamental factors. The supply of liquified natural gas (LNG) to Europe continued to lag behind 2023, while a colder winter relative to the previous two years led to the more rapid depletion of warehouses. Natural gas warehouses were at 72% of capacity at the

end of the year, which is in line with the five-year average but down 14 percentage points relative to the previous year sparking uncertainty. During the final days of December when it finally became clear that the flow of Russian gas through Ukraine would be halted, prices rose to their highest level of the year and ended at EUR 50/MWh.

Fluctuations in natural gas prices also had a significant impact on fluctuations in electricity prices in 2024. The main factor in falling prices at the beginning of the year was lower demand for electricity due to the mild winter, rapid growth in the installed capacities of solar production and an increase in nuclear production in France. Electricity prices began to rise in March, primarily on account of an increase in geopolitical risks and the closure of coal and lignite power plants in Germany. Monthly prices on most major European electricity markets exceeded EUR 100/MWh in 2024. Despite rising prices, average prices on European markets reached their lowest level since 2021 at the end 2024.

The increasing scope of production from renewable energy sources had led to increased volatility in electricity prices. This has brought challenges for the network, which in turn has led to stricter limits on cross-border flows and thus greater differences in electricity prices between European countries. As a rule, electricity prices were closely tied to natural gas prices, but this has changed with the increased use of renewable sources, such as solar energy and wind power, which has reduced dependence on gas-fired power plants.

Through its activities, GEN-I successfully adapted to market conditions and exploited market opportunities in a dynamic environment in 2024, while contributing significantly to the success of the

GEN Group.

### Organisation of trading within the GEN Group

We studied the following three models in the scope of an analysis of scenarios regarding the development of trading within the GEN Group: (i) market access based on the appropriate contracts with traders such as GEN-I; (ii) the development of an independent 'trading floor' at GEN; and (iii) the integration of GEN's trading with GEN-I. A SWOT analysis and a cost calculation were performed for each of the described scenarios.

- The second option, i.e. the establishment of an independent trading department at GEN, would result in the loss of the synergies that we currently enjoy with GEN-I. Such an approach would result in a rise in costs for GEN, as it would require the hiring of additional workers and independent access to the market. In addition, GEN would have to invest in its own trading infrastructure and develop expertise in areas that are not currently present at the company.
- An integrated portfolio model is an interesting option, but is only feasible if GEN gains control over GEN-I as an economic unit. Without such control, such a solution cannot be implemented, as it would require a single governance structure for the effective coordination of operations.
- The first option, i.e. maintaining access to the market via an electricity trader such as GEN-I, offers the greatest benefits and synergies. Because GEN has a naturally long position and GEN-I has a typically short position, both entities could exploit such complementary positions to optimise results. To that end, GEN must strengthen its activities on the wholesale market so that the entire group can exploit the many opportunities offered by the market.

### Trading and geographical expansion:

- Improvement of activities on regional markets: We are continuing to optimise trading and exploit differences in prices between the CEE and SEE regions. We are successfully managing geopolitical risks and adapting strategies for the best possible operations according to the FBMC methodology on day-ahead markets. The FBMC methodology continues to have a significant impact on the results of day-ahead markets, to which we are responding with major investments in the predictive capacities of the PTDF and RAM parameters.
- Successful performance of a fundamental simulation for 2025: that simulation includes numerous scenarios of changes in fundamental components and is upgraded with portfolio analysis. We actively participated in CBTC auctions and obtained a share of capacities that we planned in the amount of around 6% market share at the EU level, which strengthens our position amongst leading trading companies.
- Algorithmic trading: The algorithmic trading team successfully began the automated management of a 120 kW proprietary storage battery in Nova Gorica on the Slovenian intraday market. During the first quarter of 2024, the algorithmic trading team was actively included in European intraday electricity markets, where we achieve encouraging results.
- Entry to new energy markets:

We successfully entered the electricity market in Belgium and the Netherlands in 2024. We are preparing intensively for entry on the UK electricity market, which is planned for the first quarter of 2025. During the final quarter of the year, we continued intensive preparations for entry on North American energy markets, which is proceeding according to plans. The drafting of the business

plan of the company GEN-I Trading North America is its final phase. We are in the process of hiring and identifying human resources.

### mPPA, cPPA and nPPA:

- Introduction of the new nPPA product: As a long-term strategic response to the challenges of the energy crisis, GEN developed two new long-term products that allow suppliers to protect customers against extreme rises in prices on the wholesale electricity market, while enabling GEN to shield itself from extreme drops in the market prices of electricity. Customers thus have the option of purchasing baseload electricity over a five-year period to cover a portion of their needs, where upper and lower limits are placed on the wholesale price of energy. This option is available to business customers who purchase energy on the market in several phases through structured products that are adapted to their needs.
- Expansion of the mPPA portfolio: we have successfully entered the Austrian market, where we have already concluded our first PPA transactions, as well as the market of Bosnia and Herzegovina, where we will soon be able to offer energy supply services for power plants' own use, which will provide us the necessary infrastructure to offer mPPA services. We increased the number of mPPA in Croatia and North Macedonia. The entire mPPA portfolio currently exceeds 600 MW of sources under management. We are continuing discussions with large companies in Serbia and Austria for new cPPA transactions.
- Ancillary services: Through VPP (virtual power plant) services, we offer ancillary services in Croatia, and signed a flexibility agreement for the largest wind power plant in Croatia, located in Senj, with rated power of 156 MW.

### Development of team:

- **Trading Challenge 2024** programme: We successfully organised a youth education programme with the primary aim of identifying potential staff with an affinity and experience in trading. We accepted 150 of 655 candidates into the programme.
- Internal training: We continued educating our traders and organised workshops with international experts on the topic of high-performance trading, which included psychological and psychophysical training for all our traders to help them work in stressful environments, and thus contributed to the team's effectiveness and motivation.

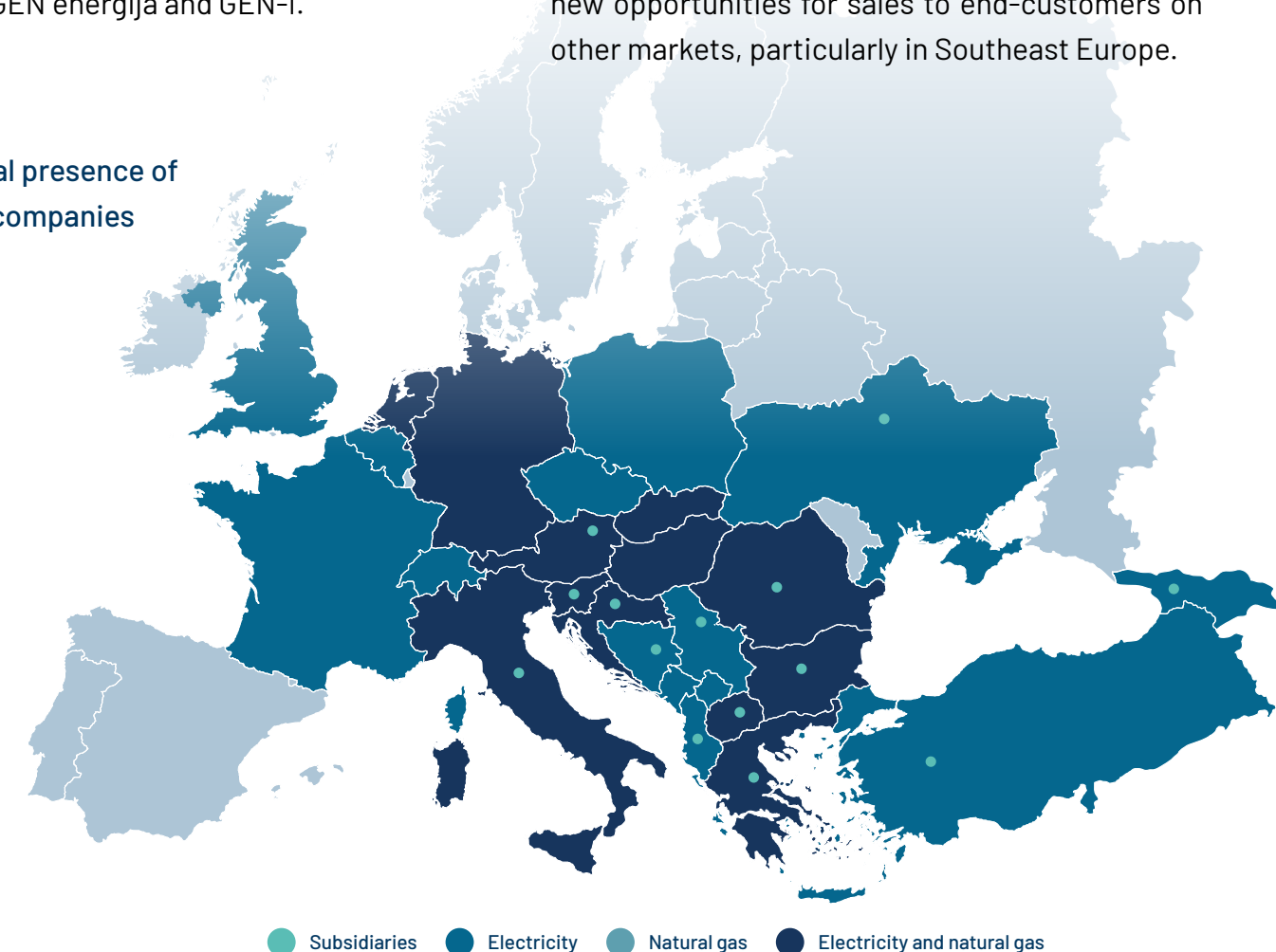
### Strateški dosežki in novosti:

- Successful revision of the umbrella agreement between GEN energija and GEN-I.

- We began the process of obtaining electricity and natural gas trading licences at GEN-I Bucharest in Romania.

We strengthen economies of scale by entering new markets. Our main purchase and sales markets remain the markets of Central, Southeast and Western Europe. Expansion into foreign markets is driven by subsidiaries possessing all the required authorisations, competences to adapt to distinctive local circumstances, and suitable trading infrastructure. We continue to be a **major player in electricity sales to end-customers in Slovenia**, while we were also active in the supply of electricity to end-customers abroad. The key sales markets were Germany, Austria, Hungary, Romania and Italy. We make good use of the experience gained in this way to accelerate development and search for new opportunities for sales to end-customers on other markets, particularly in Southeast Europe.

### Geographical presence of GEN Group companies

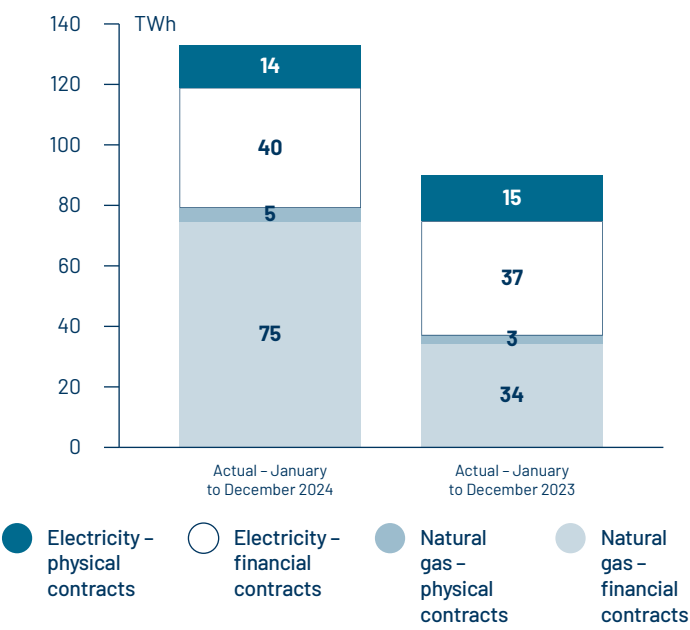




The GEN Group traded 134.51 TWh of energy products in 2024, including 54.85 TWh of electricity and 79.65 TWh of natural gas. The proportion of trading accounted for by financial contracts is higher than the proportion accounted for by physical contracts.

The scope of physical electricity trading in 2024 was 15.1 TWh. Revenue from that trading was lower than in 2023. The scope of physical trading of natural gas in 2024 was 4.6 TWh.

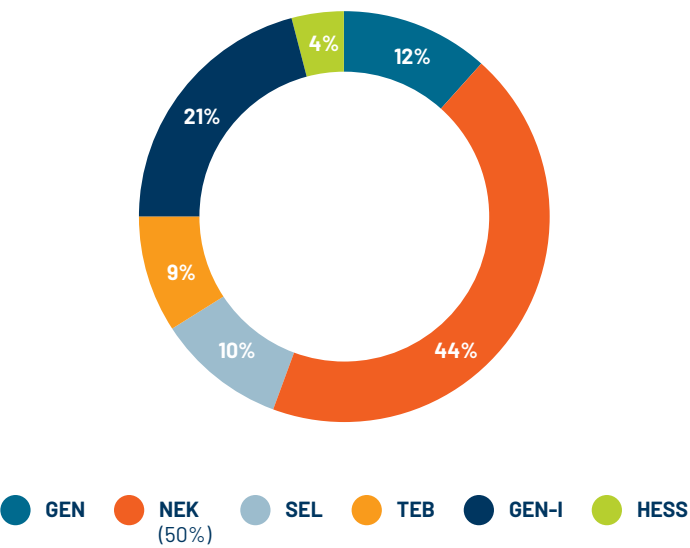
Quantities of electricity and natural gas sold – physical and financial contracts



Investments by the GEN Group for reliable supply to customers

The areas of research and development, capital expenditure and investments are essential to the long-term stability of operations and the further development of individual companies and the GEN Group as a whole. We earmarked a total of EUR 51,007 thousand for those purposes in 2024.

Breakdown of investments by GEN Group companies in 2024



2.5.2. Investments in nuclear technologies

In the Strategic Development Plan of the GEN Group for the period 2024 to 2030, investments in nuclear technologies represent the second pillar, on which the controlling company GEN energija focused its attention again in 2024. Presented below are the key elements of the project to expand nuclear production capacities (JEK2).

Strategic framework of JEK2: the electricity supply situation in Slovenia

Slovenia faces the problem of relatively old energy production facilities that will have to be replaced in the future. At the same time, we are becoming increasingly aware of limitations regarding the use of fossil fuels and their impact on the environment, and the associated need to comply with the requirements of the EU climate and energy pack-

age, which dictates a gradual reduction in the use of coal for electricity production. The energy crisis and war in Ukraine have exposed the price interdependence of energy products, which is reflected in high energy prices and clearly illustrates the overdependence of electricity production in Europe on imported natural gas and the lack of investments in new production capacities. All of this leads us to enhance energy self-sufficiency, which ensures the reliability of supply and price stability, and limits the risk of rising market prices.

JEK2 is crucial for the achievement of the goals of climate neutrality and the decarbonisation of the Slovenian electricity production system. As a domestic energy source, it will contribute to the reduction of dependence on electricity imports. In 2024, GEN energija continued with established steps to implement this core strategic development project of the GEN Group, which will contribute significantly to the development of the modern, reliable, safe, environmentally friendly and forward-looking supply of electricity in Slovenia at a competitive price. The aim of key activities of the JEK2 project is the adoption of a final investment decision, which is planned in 2028.

The GEN Group strives for the technically based, efficient, transparent and responsible progress of the JEK2 project in all phases of preparation and implementation.

The key advantages of the JEK2 project are as follows:

- the stable, safe and reliable supply of CO2-free electricity;
- domestic energy sources and reduced reliance on imported electricity;
- competitive energy sources that ensure afford-

ble, foreseeable and stable electricity prices;

- an optimal solution in response to environmental requirements and standards, as in addition to the reduction of CO2 emissions at the national level, JEK2 facilitates the preservation of natural, agricultural and residential areas, as well as biodiversity as the project involves large-scale production in a small area;
- third-generation reactor: improved technology, improved safety, increased competitiveness;
- small quantities of planned radioactive waste (in part due to the possible reuse of reprocessed fuel);
- base-load and load-following operations;
- compliance with the highest international safety requirements and standards;
- the possibility of waste heat sharing (district heating – locally and on a wider scale);
- the opportunity for the Slovenian economy to participate in all development stages (design, construction, equipment manufacturing, outfitting and installation, and co-financing); and
- positive effects on economic development and the standard of living, and highly skilled jobs.

Social responsibility and the sustainable JEK2 project

The JEK2 project has been designed with a clear commitment to sustainable development and social responsibility, in accordance with European climate neutrality goals, circular economy principles and valid national legislation. The emphasis of the sustainability and social strategy is on key goals, including the reduction of emissions, environmental protection, job security and generating positive impacts on local communities. Through the implementation of EU guidelines and compliance with EU Taxonomy requirements for sustain-

able investments, the JEK2 project contributes to energy security and a low-carbon future through the construction of a nuclear facility that meets the highest environmental and safety standards. The JEK2 project will strictly comply with the Sustainability Reporting Directive, which will ensure transparent and responsible reporting on the environmental, social and governance (ESG) impacts of the project, in accordance with the principle of double materiality reporting.

**The following are included in the sustainability strategy as it relates to the JEK2 project:**

- **Environmental aspect:** Our focus is on reducing greenhouse gas (GHG) emissions, the effective use of sources and the protection of biodiversity in accordance with the ESRS and the Environmental Protection Act (ZVO-1). Special emphasis will be placed on the circular economy and the responsible handling of radioactive waste, which will reduce the environmental impacts of the project.
- **Climate risks and opportunities:** The comprehensive plan for managing climate-related risks, which is in line with the CSRD, includes climate change adaptation and will contribute to innovation and sustainable solutions in the energy sector.
- **Social impacts:** Creating safe, high-quality jobs and the active inclusion of local communities in the decision-making process are key aspects of our strategy. We ensure the safety and health of employees in accordance with the ESRS. The project will contribute to social development and well-being by respecting the needs of affected communities.
- **Supply chain management:** In accordance with national and European legislation, we will ensure sustainability along the entire value chain,

including suppliers, business partners and customers, which contributes to responsible business practices and responsible engagement with all stakeholders.

- **Governance and transparency:** The project will be managed by a responsible team of experts, which will ensure transparent reporting regarding sustainability and financial results. Compliance with best practices in the area of business ethics, as defined in the valid ESRS and Slovenian legislation, will be crucial for our commitment to responsibility.

### Legal framework for the development of the JEK2 project

Strategic documents of the state comprise key documents that define long-term goals, priorities and plans for the development and management of the state. Their purpose is to provide guidelines and clear goals for various sectors of society, the government and institutions on how to make progress and achieve well-being for citizens and the state over the long term.

GEN implements activities in connection with the JEK2 project based on adopted national strategic plans, such as the Ordinance on the State-Owned Assets Management Strategy (OdSUND), the Resolution on the long-term peaceful use of nuclear energy in Slovenia (ReDMRJE), the National Energy and Climate Plan of the Republic of Slovenia (NECP), and others. The OdSUND also defines in detail for GEN strategic guidelines and goals in connection with the JEK2, such as the construction of new nuclear production capacities, the performance of the role of developer of the JEK2 project (coordination and management of all necessary activities with all key stakeholders) and the optimisation of the decision-making process with the aim of the effective,

responsible and accelerated implementation of the JEK2 and other investments.

### Previous progress on the project, with an emphasis on steps taken in 2024

GEN carried out a number of activities, analyses, surveys and studies in previous years, the aim and purpose of which were the comprehensive study of the feasibility and viability of the second nuclear power plant unit project, i.e. JEK2. The purpose of the aforementioned studies was to analyse:

- energy aspects;
- environmental impacts;
- technological options and limitations;
- the economic aspects of the project; and
- compliance of the JEK2 project with sustainable development goals.

The conclusions of previous studies clearly show that the JEK2 project is necessary, feasible and justified in the long term, both in terms of national development goals and Slovenia's comprehensive sustainable energy policy.

The majority of activities in 2024 related to the decision-making strategy and the first adopted decisions, project activities that are ongoing or in the public procurement process, the preparation of expert bases for the initiative and the submission of the initiative, meetings of the JEK2 coordination task force, the JEK2 advisory committee, ministries, the SNSA and other stakeholders, expert visits in the scope of expert dialogue with potential suppliers, communication activities, pre-referendum events, and several others.

An internal strategic decision-making document was drafted for JEK2 in 2024, and covers key decisions regarding power, suppliers and risk allocation,

with the aim of reaching a final investment decision (FID) by 2028. The first strategic document was drafted on that basis and included a decision regarding the selection of the number of units that, based on a technical analysis of the connection of JEK2 to the electric power grid and an analysis of various aspects of project risks, excluded the double-unit design from future proceedings with the aim of mitigating risks in connection with implementation of the JEK2 project. A decision to abandon the double-unit design was adopted during the adoption of a new version of NECP, which envisages and analyses two scenarios: nuclear energy + RES and RES + natural gas. In the nuclear scenario, the NECP envisages a rated nuclear power of 1,100 MWe, through which we achieve the goal of decarbonisation and high coverage of electricity consumption by production in Slovenia, as well as better supply reliability indicators than the RES + natural gas scenario. The scenario with a double-unit design represents a major risk in terms of the export of cheaper based-load electricity. On the other hand, it requires the cooperation of a foreign co-investor due to high investment costs, which the single-unit design does not necessarily require. To that end, a letter was sent to the Ministry of the Environment and Spatial Planning (MESp) in May 2024, as part of the NSP initiative submitted for JEK2. That letter outlined the advantages and reasons for siting a single-unit design and included a request that the ministry inform us as soon as possible if there are any facts regarding co-investment in JEK2 that are unknown to us, or any other circumstances that would require the construction of a higher-capacity nuclear power plant, i.e., a double-unit design. Because we did not receive a direct response regarding the abandonment of the double-unit design, we again asked the MESp in early August 2024 to inform us if it had any addi-



tional facts that would justify the continued development of a double-unit project. To that end, a proposal was submitted to GEN's Supervisory Board to approve the JEK2 project decision with a single-unit design, which appears to be a sufficient, less risky, financially sustainable and appropriate choice. In addition to the MESP and GEN's Supervisory Board, the decision was also duly communicated to the JEK2 advisory committee, the VRS JEK2 task force and other stakeholders.

The first iteration of the economic analysis of the JEK2 project was drafted at the beginning of 2024 and was updated several times during the year. Initially, a preliminary pre-investment economic analysis of the JEK2 project was drafted with the aim of evaluating the JEK2 project from an economic perspective based on currently known and available data obtained in the process of expert dialogue with suppliers and taking into account comparable data from the existing nuclear power plant in Krško (NEK). The results indicated that the investment in the JEK2 project is economically justified. Those results were presented to the general public and other stakeholders. In the middle of 2024, the MESP called on GEN to draw up and submit an international review of the input parameters of the economic analysis and to prepare a more detailed analysis of the external direct and indirect economic effects of the JEK2 project. The aforementioned studies were conducted in a timely manner, presented to the public and appropriately published on the JEK2.si website prior to the start of the referendum campaign. Based on recommendations, a review of the economic model was drawn up, and found that the input data used by GEN in its economic study were within an acceptable range of costs compared to academic research and industry standards for a new nuclear power plant, while the analysis of the direct and

indirect effects of the JEK2 project suggests that the construction of JEK2 is the optimal option for the future development of the Slovenian electric power grid, which can serve as a key factor in the stability of the entire grid.

In May 2024, GEN energija submitted a draft initiative to begin the national spatial planning procedure to the Ministry of the Environment, Climate and Energy (MECE) and Ministry of Natural Resources and Spatial Planning (MNRSP). Following in-depth expert reviews and consultations, the original conceptual solutions, which included the possibility of a double-unit design were appropriately revised and supplemented. The updated draft initiative, together with revised conceptual solutions, a summary for the public and the communication strategy for the JEK2 project, were formally submitted to the MESP in October 2024.

Technical dialogue with planned suppliers, KHNP, EDF and Westinghouse, continued in 2024. Technical specifications were drafted for that purpose with requirements specifying whether the proposed designs could be implemented at the JEK2 site, taking into account specific location and technical requirements and Slovenian nuclear legislation. The aim is to mitigate risks in connection with the implementation of the JEK2 project. We were later informed by the Korean supplier KHNP that it will not participate in the tender procedure for JEK2. In accordance with that decision, the JEK2 project will move forward with a selection of three single-unit variants: the French supplier EDF's EPR 1200 and EPR designs, and the AP1000 design of US supplier Westinghouse.

Completed in 2024 were several key orders that contributed to the analyses, planning and strategic decisions in the scope of the JEK2 project.



The following orders were completed: (1) *Review of the study Analysis of the connection of JEK2 to the electric power grid*, the purpose of which was to verify the impact of the installed capacity of JEK2 of up to 2,400 MWe on the electric power grid and to verify the static and dynamic analyses of the system based on the data available to date; (2) *Contract on the Provision of Consulting and Advisory Services for the New Nuclear Power Plant JEK2*, the main purpose of which was to provide support from a team of highly experienced companies and individuals capable of supporting GEN with the skills it needs in the current and future

phases of implementation of the JEK2 project; (3) *Consultation on Funds Used for JEK2*, the purpose of which was to review the funds already used for JEK2 that were charged to GEN; (4) *Independent Review of Input Data for the Economic Analysis of the JEK2 project*, the purpose of which was to assess the accuracy of input data for the initial investment and operating costs used in the study Preliminary Pre-investment Economic Analysis of the JEK2 Project, drafted by GEN with the aim of increasing the credibility and reliability of the results; (5) *Recalculations in the analysis of the effects of the construction and operation of JEK2*

on the Slovenian economy, the purpose of which was a macroeconomic analysis of the effects of the construction and operation of the new unit of the Krško Nuclear Power Plant (JEK2) on domestic production, gross domestic product (GDP), employment and public finance effects; (6) *Analysis of the State of the Site from an Environmental Perspective*, the purpose of which was to draft appropriate documentation to analyse the JEK2 project from an environmental perspective and in terms of radioactive waste management (HLW and LILW); (7) *Justification of the Location of JEK2 in Slovenia*, the purpose of which was to draft appropriate documentation to identify and analyse the suitability of the location based on selected criteria, and to identify all feasible locations for the construction of a nuclear power plant in Slovenia; (8) *Summary and Description of the PSHA Study*, the purpose of which was to draft documents that adequately describe the probabilistic seismic hazard analysis (PSHA) to and provide a summary of PSHA studies for the JEK2 and NEK sites, which is currently still in progress. The purpose of a project order is to inform the general public and management body of the SNSA.

Investments in studies and analyses in the scope of the JEK2 project totalled EUR 2,048 thousand in 2024, while total investments, including 2024, amount to around EUR 24 million.

Intensive public relations activities were carried out in 2024 in parallel with the strategic development of the JEK2 project, with the awareness that broadening support for nuclear energy is crucial for the successful continuation of the project and the development of the GEN Group as a key player in the Slovenian nuclear sector. Public debate re-

garding JEK2 has intensified with the announcement of a referendum campaign, as the public must have access to verified, technical and understandable information about such an important project. For this purpose, we strengthened cooperation with the media and promoted communication about nuclear energy and the JEK2 project in various national and regional media, at various public events, hearings and energy conferences using targeted communication and presentations of the JEK2 project. One of the most important activities was the so-called roadshow, where we presented the JEK2 project in 19 Slovenian towns, opened an information office in the premises of the Municipality of Krško, published informative content on the JEK2.si website and other platforms, etc.

A consultative referendum on JEK2 was announced in October 2024 based on a proposal by political parties. A timetable for that referendum was adopted at the 88th session of the State Electoral Commission based on a decree of the National Assembly. The National Assembly subsequently issued a new decree repealing the original decree. Following the cancellation of the referendum, GEN sent a letter to SSH asking it, in the spirit of maximum operational due diligence, to check with the founder whether it had any information that the competent ministry or the National Assembly was planning to amend the Ordinance on the State-Owned Assets Management Strategy (OdSUND) regarding strategic guidelines in connection with the JEK2 project for GEN. SSH<sup>11</sup> sent notification that its position is the same as GEN's position, i.e. that both the OdSUND and the Resolution on the long-term peaceful use of nuclear energy in Slovenia (ReDMRJE) task GEN with continuing the implementation of all activities in connection with

the JEK2 project as it has to date, while the MECE<sup>12</sup> later confirmed that it was not planning to amend the OdSUND or any other acts under in the scope of its responsibilities, and that as the competent ministry, it agrees with the positions of GEN and SDH that the implementation of all project and related activities should continue as envisaged by the currently valid legislation. GEN thus continued to implement all key activities on the JEK2 project, with an emphasis on the siting procedure and the continuation of technical studies. Notwithstanding the above, we believe that GEN energija succeeded in the following in 2024:

- effectively presenting the importance of the project for Slovenia's energy future;
- confirming the role of nuclear energy as a stable and low-carbon source; and
- contributing to increased public support and understanding of the benefits of the JEK2 project.

### Increased possibilities of using small modular reactors (SMR) in Slovenia

In accordance with its strategic guidelines, the group's objective is to become the leading promoter of nuclear technologies in Slovenia. GEN prepared a technical report in the past that provides a comprehensive overview of the availability of this technology in terms of its application to the JEK2 project. It was determined, however, that SMR technology is not suitable in terms of commercial availability on the market, as risks in the areas of licensing, siting and economics are too great. Because the intensive development of new nuclear technologies leads to the need for the continuous development of professional competencies and the monitoring of trends, where the GEN Group possesses the appropriate concentra-

tion of knowledge and skills amongst employees to face such challenges, we are closely monitoring the development of new nuclear technologies in scope of rational planning for the long-term supply of electricity and heat, with the aim of becoming the leading promoter of new nuclear technologies in Slovenia. To that end, we participated in various projects during 2024, such as the Phoenix project led by the MECE, and joined the European Industrial Alliance on SMRs and the One Stop Shop project.

### HIGHLIGHTS

- JEK2 is crucial for the achievement of the goals of climate neutrality and the decarbonisation of the Slovenian electricity production system. As a domestic energy source, it will contribute to the reduction of dependence on electricity imports.
- The aim of key activities of the JEK2 project, as the core development project of the GEN Group, is the adoption of a final investment decision, which is expected by the end of 2028.
- The GEN Group strives for the technically based, efficient, transparent and responsible progress of the JEK2 project in all phases of preparation and implementation.
- The group's objective is to become the leading promoter of nuclear technologies in Slovenia.

<sup>11</sup> Slovenian Sovereign Holding (hereinafter: SSH) sent a letter to GEN on 16 January 2025, on which the members of the Supervisory Board were briefed and in which SSH presented a position that mirrors the position of GEN's senior management.

<sup>12</sup> The Ministry of the Environment, Climate and Energy (hereinafter: the MECE) sent a letter to GEN on 23 January 2025, on which the members of the Supervisory Board were briefed and in which the ministry explained that changes to the strategic policies of the OdSUND were not planned nor were any legislative changes, for which it is responsible, planned. The MECE joined the position of GEN and SSH that the implementation of all project and related activities should continue, as envisaged by currently valid legislation.



### 2.5.3. Investments in RES, flexibility, advanced services

Investments in renewable energy sources, flexibility and advanced energy services represent the third pillar of the GEN Group's Strategic Development Plan for the period 2024 to 2030. In the scope of that pillar, we contribute significantly to the realisation of the green transition, decarbonisation targets, the increased share of RES and sustainable development, all with the aim of improving the quality of life. Through the use of advanced services, we facilitate self-sufficient supply for active users and provide them new solutions for their active participation on the energy market. In 2024, the GEN Group set up new solar power plants with a total rated power of 48 MW, the most in Slovenia, where new solar power plants with a total rated power of 292 MW were connected to the grid last year.

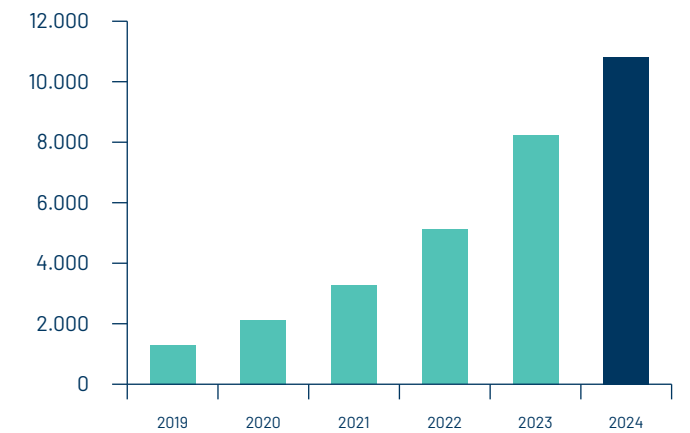
#### Solar power plants for the self-sufficient supply of households

Solar power plants for the self-sufficient supply of households were in high demand in 2024. For this reason, we remained the leading group in this field in Slovenia and maintained the largest market share of 17%. Via GEN-I Sonce, we offer a comprehensive and unique service that comprises the set-up, construction, maintenance, insurance and financing of solar power plants since its market entry. Intensive growth in interest for technologies and services related to the construction of solar power plants in 2024 was closely linked to regulatory changes and financial incentives, which affected all aspects of product sales.

By the end of 2024, we had facilitated the green transformation of nearly 10,730 Slovenian house-

holds through solar energy. We connected 2,540 new solar power plants to the grid.

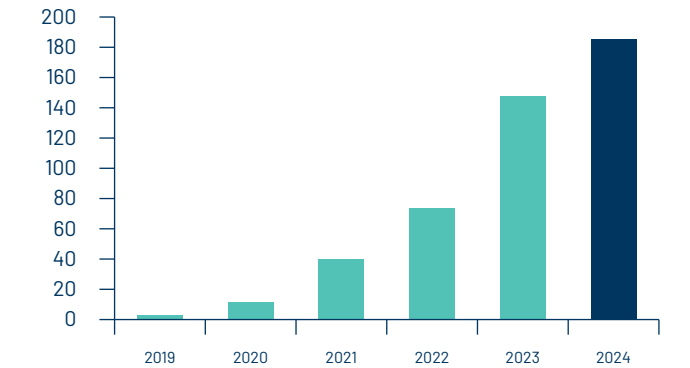
Number of small solar power plants handed over by year



#### Solar power plants for business customers

In 2024, we continued to expand the self-sufficient energy supply market for business customers (again at GEN-I Sonce). Setting up a solar power plant for self-sufficient supply reduces their carbon footprint and allows them to follow sustainability guidelines. In 2024, we set up 38 solar power plants with a total installed capacity of 4,543 kW on the roofs of companies, hotels, shopping centres and other major electricity customers.

Number of solar power plants handed over to business customers by year



#### Solar power communities

In order to facilitate the production of electricity by those who, for whatever reason, cannot do so in their own household, we attach a great deal of importance to community self-sufficient supply, i.e. the self-sufficient supply of apartment buildings and self-sufficient supply of communities with energy from renewable sources, which we aim to strengthen in the future through solar power communities.

By setting up solar power plants across Slovenia, GEN-I and GEN-I Sonce will make the long-term (co)use of panels possible for the members of solar power communities. To that end, we put into use five solar power plants on five public buildings in the Municipality of Ajdovščina in 2024, and thus established the Ajdovščina Solar Power Community and facilitated the (co)use of panels by more than 180 households. Solar panels with a total area of 5,432 square meters and total rated power of close to 700 kW ensure a reliable and clean energy source, lower monthly costs and the satisfaction that members of the community have contributed to the reduction of emissions without impacting the quality of life in their homes.

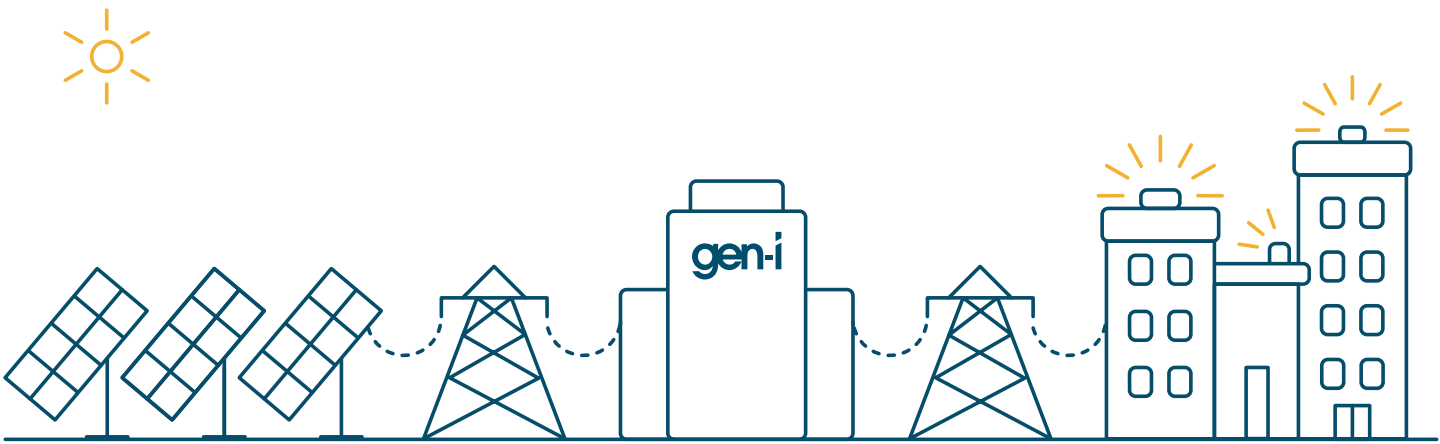
In September 2024, we built a second large solar power plant in North Macedonia on the slopes of

the hills near the town of Kavadarci. We purchased 70,000 m2 of degraded land and set up 17,612 photovoltaic modules covering 60,000 m2 of land. The associated maximum rated power is 12 MW, depending on weather conditions

The free-standing MFE TEB4 solar power plant with a rated power of 465 kW was built on an unused grassy slope at TEB, and was connected to the power grid in February 2025.

With the aim of expanding the range of energy services that support the green transformation and the digitalisation of the energy sector, GEN-I began the intensive development of battery storage units for business and household customers in 2024.

We continued with activities in connection with the construction of the last hydroelectric power plant on the lower course of the Sava River: the Mokrice HPP. The Administrative Court of the Republic of Slovenia upheld the appeal of a non-government organisation against the Slovenian government's decision stating that the public benefit of renewable energy sources overrides the public benefit of nature conservation. The aforementioned court reversed the government's decision and sent the matter back for reconsideration.



## 2.6. Financial operations

**GEN Group companies had no problem settling their financial liabilities and trade payables by contractual deadlines in 2024. The settlement of receivables by customers was also without issues.**

In addition to the obligations of controlled and jointly controlled companies, the financial operations of the company and the group are also significantly affected by the obligations GEN assumed when it was founded and that relate to the Intergovernmental Agreement on the NEK. Under that agreement, GEN not only received the right to one-half of the electricity produced by the NEK, but also assumed the responsibility to repay loans raised for its construction, to meet its financial obligations to the NEK Fund, and to secure funding to cover the NEK's fixed costs in the event of unscheduled outages.

### 2.6.1. Financing operations and borrowing

A key function in financial operations is the planning of a sufficient level of liquid funds to ensure solvency, where liabilities for supplied electricity and power are a crucial factor. A particularly important role is played by the coverage of the fixed costs of the NEK, which is one of the main factors for the timely settlement of GEN's liabilities and the optimisation of surpluses and deficits among GEN Group companies. An appropriate level of liquidity was also achieved through the consistent

recovery of past-due receivables. This is particularly evident at GEN-I, where this area is well-regulated by contractual provisions.

The focus of borrowing activities was on securing sufficient funding for both short- and long-term operations. All group companies raise loans independently. GEN and the other GEN Group companies in which the state has a decisive influence over management are also obligated to undertake long-term borrowing and borrowing that extends beyond the calendar year in accordance with the Decree on the Terms and Conditions and Methods of Borrowing by Legal Entities from Article 87 of the Public Finance Act (Official Gazette of the Republic of Slovenia, No. 112/2009).

Short-term borrowing is most frequently undertaken by GEN-I to ensure sufficient liquidity for its electricity trading operations, in the past primarily via loans, but in recent years also by issuing commercial paper and bonds, which has proven to be a very effective way of securing funding.

Long-term borrowing is used by the GEN Group's production companies, primarily for the purposes of investments and investment maintenance.

Loans are secured by bank guarantees or bills of exchange. Liabilities from financing were denominated in euros.

### 2.6.2. Settlement of liabilities to the NEK Fund

Pursuant to the Intergovernmental Agreement on the NEK and the Act Governing the Public Fund for Financing the Decommissioning of the NEK and Disposal of Radioactive Waste from the NEK, GEN is obligated to pay a contribution to the NEK Fund for each MWh of electricity it produces. According to Slovenian government resolution no. 36011-3/2021/7 of 13 January 2022, that contribution was raised from the previous amount of EUR 4.80/MWh to EUR 12.0/MWh, effective 1 January 2022. EUR 33.3 million was paid into the NEK Fund in 2024.

### 2.6.3. Securing funding to cover the NEK's fixed annual costs

Under the Intergovernmental Agreement on the NEK, GEN is obligated to cover the NEK's fixed costs incurred over a period of one year, regardless of whether the NEK is functioning or not. Since NEK is the dominating production unit in the GEN Group, whereby the performance and operations of the group are heavily dependent on its stable operation, the group is exposed to considerable risks even if only short outages of the power plant occur. To secure the resources for covering NEK's fixed costs, the company GEN decided as early as 2003 to make long-term provisions for one-half of NEK's annual fixed costs (the other half is to be provided by the other co-owner of NEK).

The total amount of planned long-term provisions was finalised by GEN at the end of 2009. The amount of provisions created is adapted every year due to changes in NEK d.o.o. operating costs, which are affected most by investments in technological and safety upgrades, and the repayment of principal on NEK d.o.o.'s loans.

Based on Revision 4 to the Resolution on the creation and use of provisions for the NEK, GEN created non-current provisions in the amount of EUR 7,994 thousand in 2024. The balance of non-current provisions was EUR 102,680 thousand as at 31 December 2024.

### 2.6.4. Placement of surplus cash

Due to the need for the short-term availability of funds, the investment strategy intended to cover long-term provisions used to cover the NEK's fixed costs in the event of unplanned reductions in the NEK's electricity production (hereinafter: the investment strategy for provisioning) does not provide for investments in debt and equity securities and only permits deposits with financial institutions with a maximum maturity of six months, as well as investments in the electricity sector. Available cash above the amount required for the investment strategy for provisioning is invested in the form of deposits of up to twelve months.



## 2.7. Overview of significant events

### JANUARY

GEN's senior management presented the operating results of the company and GEN Group for 2023 and plans for 2024 at the annual press conference.

GEN and NEK were visited by members of National Assembly's committee for the infrastructure, environment and spatial planning.

The Bistrica HPP began full operations again after cleanup efforts due to high water levels in September 2023.

### FEBRUARY

GEN-I offered the owners of solar power plants built after the introduction of the new scheme a product that facilitates the purchase of surplus electricity in the form of a credit, which reduces their electricity bill.

### MARCH

The Ajdovščina solar community was launched, with a total area of 5,432 m<sup>2</sup> and a total rated power of nearly 700 kW.

### APRIL

A scheduled major overhaul was successfully completed at the NEK, and comprised the replacement of fuel, preventive inspections, maintenance works and control testing.

GEN-I sent invited investors an offer to subscribe green bonds.

GEN-I signed an agreement with Messer for the supply of electricity to Serbia.

The 11th Young Geniuses competition was organised in Krško by GEN energija and the NEK, with 17 teams from primary schools in the Posavje region.

NEK d.o.o.'s general meeting reappointed Saša Medaković, MSc as member of that company's Management Board.

### MAY

The JEK2 project roadshow was presented for the first time in GEN's Information Centre, and then visited numerous locations throughout Slovenia in the months that followed.

GEN presented an economic assessment of the JEK2 project at a regular press conference.

GEN became a member of the European Industrial Alliance on Small Modular Reactors.

The Posavje Region Council met in GEN's Information Centre, where GEN's senior management presented activities in the scope of the JEK2 to the mayors of local municipalities.

### JUNE

GEN's Supervisory Board appointed two members to GEN's senior management, as follows: Nada Drobne Popović, MSc as CFO and Dr Bruno Glaser as COO.

In the scope of the Slovenian government's visit to Posavje region, an ordinary regular government session was held at the NEK.

During the government's visit, GEN was visited by the Minister of the Environment, Climate and Energy, Bojan Kumer.

During the government's visit, the Brežice HPP was visited by the Minister of Natural Resources and Spatial Planning, Jože Novak.

During the government's visit, TEB was visited by the Minister of Defence, Marjan Šarec.

GEN opened an information office for the JEK2 project in the premises of the Municipality of Krško.

GEN-I offered the market a new self-sufficient supply model that is suitable for solar power plants with and without storage batteries, and that facilitates the repurchase of surplus electricity in the form of a credit note.

GEN-I's new Memorandum of Association entered into force on 19 June 2024.

### JULY

Two new members of GEN's senior management began performing their functions on 1 July 2024.

As the largest Slovenian supplier of solar power plants according to the turn-key principle, GEN-I Sonce constructed its 10,000th solar power plant.

GEN presented to business customers an important new product on the Slovenian market: the long-term purchase of electricity at a capped price.

GEN-I entered the Belgian wholesale electricity market. This marks the company's 24th wholesale market.

### AUGUST

GEN-I received a national award from the Chamber of Commerce and Industry of Slovenia for the best innovations for its advanced innovative Smart Charge service.

### September

The GEN-I Group set up a second large solar power plant in North Macedonia, with a total rated power of 12 MW.

The Senj wind farm in Croatia, with a rated power of 156 MW, joined the GEN-I Group's virtual power plant.

In accordance with the amended Memorandum of Association of GEN-I, that company established a supervisory board with the following members: Dr Dejan Paravan, Ivana Nedižavec Korada, Mitja Učakar, Mateja Fridl Stojanovič, Matej Mavsar and Adrijana Germovšek.

HESS received a grant for the Multimedia Environment and Energy Hub project in the scope of the INTERREG Slovenia-Croatia 2021–2027 tender.

## OCTOBER

The GEN Group submitted a binding offer for the purchase of Gorenjske elektrarne d.o.o.

GEN and NEK were visited by the President of the National Council, Marko Lotrič.

HESS began the second phase of the renovation of Kušljan Villa and construction of the Multimedia Environment and Energy Hub.

The general meeting of GEN-I appointed Klemen Pleško to serve as member of the company's senior management and workers' director.

## NOVEMBER

HESS submitted supplemented environmental documentation for the Mokrice HPP project to the Ministry of the Environment, Climate and Energy.

GEN-I entered the Dutch wholesale electricity market.

## DECEMBER

The NEK celebrated the 50th anniversary of the laying of the foundation stone for the power plant.

GEN-I reduced electricity and natural gas prices for household and small business customers before the start of winter.

The new 6.3-kV switching station at the Medvode HPP began operating.

GEN-I's new Memorandum of Association entered into force.

## 2.8. Events after the end of the reporting period

In February 2025, at the proposal of the owner GEN-I d.o.o, the general meeting of GEN-EL d.o.o. appointed Tomaž Slana to serve as member of GEN-EL d.o.o.'s Supervisory Board.

In February 2025, the general meeting of ZEL-EN d.o.o. reappointed Domen Zorko to serve as the company's CEO. Mr Zorko's two-year term of office began on 20 February 2025.

In April 2025, at the proposal of the owner GEN d.o.o, the general meeting of NEK d.o.o. appointed Nada Drobne Popović, MSc to serve as member of NEK d.o.o.'s Supervisory Board.

GEN d.o.o., as the founder and sole owner of SEL d.o.o., appointed Dr Bruno Glaser to a four-year term of office as member of SEL d.o.o.'s Supervisory Board in May 2025 due to the resignation of member Kruno Abramovič, MSc.



## 2.9. Quality policy and safety assurance

**GEN's quality policy is based on the company's mission and vision, and is coordinated with the Strategic Development Plan of the GEN Group for the period 2024 to 2030. Key elements of the quality policy and ensuring safety include management systems, and improvements to nuclear safety and the safety culture.**

### 2.9.1. Management systems

All employees of GEN Group companies are directly included in management systems, while contractors and other stakeholders, who are required to act in accordance with established management systems, the principles of the safety culture, standards and other quality requirements, and business ethics, are included in those systems indirectly.

For several years now, GEN Group companies have held certificates according to the **ISO 14001** (environmental management system), **ISO 45001** (occupational health and safety system) and **ISO 9001** standards.

The GEN Group is committed to establishing and maintaining the highest level of **quality and safety culture**, as the basis for achieving its strategic objectives. We are aware that our success is directly linked to the inclusion and full commitment of our employees. Our commitment to continuously improve the quality management system is essential for our business excellence. We are also committed to **socially responsible conduct**, where we strive for the balanced development and support for all segments of society. Through the integration of these principles in the GEN Group's everyday operations, we optimise and rationalise our process-

es, while creating synergies between key activities, which leads to constant improvements in performance, and to improved efficiency in the achievement of business objectives and quality targets.

The table highlights some of the key activities in 2024 associated with the implementation, maintenance and development of management systems, and plans for 2025.

### Activities in the area of management systems

Company	Certificate	Implemented activities	Key plans for 2025
GEN	ISO 9001:2015	<ul style="list-style-type: none"><li>Internal assessment of the management system performed (December 2023 to January 2024) and start of an internal assessment for the coming period (November 2024).</li><li>Management review performed (February 2024).</li><li>External reassessment of the management system performed, during which no instances of non-compliance were identified (February 2023).</li><li>Continuous improvement based on recommendations of the external certification organisation, findings from the management review, internal assessment or proposals from employees.</li></ul>	<ul style="list-style-type: none"><li>Performance of an internal assessment of the management system (January 2025).</li><li>Performance of a management review (February 2025).</li><li>Performance of a regular external audit of the management system (February 2025).</li><li>Discussion of findings from external and internal assessments and the management review, and the implementation of improvements via the task management application (TMA).</li><li>Upgrading of the management system in the IMS and start of implementation of the ISO 37001 standard.</li></ul>
	ISO 14001:2015	<ul style="list-style-type: none"><li>Bureau Veritas performed a control assessment on 21 and 22 November 2024, without identified deviations. The associated certificate is valid until 18 December 2026.</li><li>Ongoing analysis of recommendations from an external assessment in NEK's corrective programme.</li><li>Internal assessment performed from 6 to 11 November 2024; open analysis and issued measures.</li><li>Management review performed for 2023.</li><li>A new version of the rules of procedure for the environmental management and occupational safety and health systems was issued.</li></ul>	<ul style="list-style-type: none"><li>Control assessment by 1 December 2025.</li><li>Implementation of measures and verification of the effectiveness of implemented measures.</li><li>Performance of management review for 2024.</li></ul>
NEK	ISO 45001:2018	<ul style="list-style-type: none"><li>Bureau Veritas performed a control assessment on 21 and 22 November 2024, without identified deviations. The associated certificate is valid until 30 December 2026.</li><li>Ongoing analysis of recommendations from an external assessment in NEK's corrective programme; measures issued.</li><li>Internal assessment performed from 6 to 11 November 2024; open analysis and issued measures.</li><li>Management review performed for 2023.</li><li>A new version of the rules of procedure for the environmental management and occupational safety and health systems was issued.</li></ul>	<ul style="list-style-type: none"><li>Control assessment by 1 December 2025.</li><li>Implementation of measures and verification of the effectiveness of implemented measures.</li><li>Performance of ongoing tasks by the occupational safety department, which supports the management system and the implementation of occupational safety and health in practice.</li><li>Performance of management review for 2024.</li><li>Preparations for and the safe implementation of a scheduled major overhaul in 2025.</li></ul>
	ISO 9001:2015	<ul style="list-style-type: none"><li>Internal assessment performed.</li><li>Management review performed.</li><li>First control assessment for the ISO 9001 management system performed.</li><li>One minor non-conformity (NCR), which was eliminated, and four opportunities for improvement (OFI) were identified.</li><li>Management adopted measures for OFI, which are being implemented.</li></ul>	<ul style="list-style-type: none"><li>Second control assessment for the ISO 9001 management system planned.</li><li>The revision of the process structure, the monitoring of process capability indicators, internal assessments and a management review are planned prior to a control assessment.</li></ul>
	Environmental and spatial content (without ISO 14001:2015 certification).	<ul style="list-style-type: none"><li>The process was included in the internal assessment, management review and recertification in accordance with the ISO 9001 standard.</li><li>During the process, we followed guidelines on sustainable hydro energy and the principles of the ISO 14001:2015 standard.</li></ul>	<ul style="list-style-type: none"><li>Activities will continue and we will pursue the objectives set out in the decarbonisation strategy for GEN Group companies (carbon-neutral GEN Group initiative).</li></ul>
SEL	Process of ensuring occupational health and safety, and fire safety (without ISO 45001:2018 certification).	<ul style="list-style-type: none"><li>The process was included in the internal assessment, management review and recertification in accordance with the ISO 9001:2015 standard. We followed sustainability guidelines in the process (social aspect in the scope of ESG) and the principles of the ISO 45001:2018 standard.</li><li>Activities were implemented according to the occupational safety and health and fire safety action plans for 2024.</li></ul>	<ul style="list-style-type: none"><li>Process is being adapted to ESG guidelines (social aspect). Activities will continue and will pursue the objectives set out in the initiative 'Ensuring a healthy and safe work environment'.</li></ul>
	ISO 9001:2015 ISO 14001:2015 ISO 45001:2018	<ul style="list-style-type: none"><li>An integrated management system was introduced and certified in accordance with the ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 standards.</li><li>Internal and external control assessments were performed in accordance with all three of the aforementioned standards.</li></ul>	<ul style="list-style-type: none"><li>Both internal and external control assessments of the management system were performed.</li><li>Optimisation of procedures in connection with individual processes, and promotion of improvements for the even greater digitalisation of processes in the scope of the management system.</li><li>Electronic archiving</li></ul>
TEB	Quality Management System (without ISO 9001:2015 certification).	<ul style="list-style-type: none"><li>Performance of an internal assessment with an external contractor.</li></ul>	<ul style="list-style-type: none"><li>Implementation of recommendations from the internal assessment.</li></ul>
HESS	ISO9001:2015 ISO14001:2015	<ul style="list-style-type: none"><li>Internal assessment of the management system performed (June 2024).</li><li>Management review performed (March 2024).</li><li>Performance of an external assessment of the management system.</li><li>Establishment of a new method for managing cases of non-compliance.</li><li>Establishment of a new method for managing development projects.</li><li>Continuous improvement based on recommendations of the external certification organisation, findings from the management review, internal assessment or proposals from employees.</li></ul>	<ul style="list-style-type: none"><li>Performance of an internal assessment of the management system (September 2025).</li><li>Performance of a management review (January 2025).</li><li>Performance of a regular external audit of the management system (December 2025).</li><li>Training for management system administrators organised.</li><li>Introduction of a new methodology for analysing risks and opportunities.</li><li>Start of the implementation of the ISO 45001 standard.</li></ul>
GEN-I (GEN-I Sonce)			

### 2.9.2. Improvements to nuclear safety and the safety culture

Nuclear safety and the safety culture are core values of the GEN Group that guide all levels of operations. This commitment is reflected in:

- Our commitment to ensuring a safe environment for the population, with a special emphasis on preventing events that could lead to the uncontrolled release of radioactive material.
- Continuous care for the health and safety of employees in all environments, from production facilities to offices, with an emphasis on continuous training and awareness-raising about nuclear safety and safety protocols.
- We strive for the constant improvement of operational efficiency and business excellence, where nuclear safety and the safety culture remain the key foundations for achieving those objectives.

We are aware that the human factor plays a crucial role in ensuring nuclear safety. For this reason, a great deal of attention is given to strengthening knowledge and the systematic training of employees. Our commitments to nuclear safety are demonstrated at all organisations within the GEN Group that are directly or indirectly linked to nuclear activities.

The safe functioning of the NEK and the development of the JEK2 project are a priority at all levels of planning and implementation. This includes:

- The regular monitoring of best practices in nuclear safety at the global level.
- Compliance with the recommendations of international organisations, such as the IAEA (mission of the OSART or Operational Safety Assessment Review Team), WENRA (Western European Nuclear Regulators Association) and WANO (World Association of Nuclear Operators).
- Investments in the modernisation of equipment, and the preservation and maintenance of the nuclear culture, safety culture and awareness amongst employees.

These measures rank the NEK as one of the leading nuclear facilities in the world in terms of safe and stable operations.

#### HIGHLIGHTS

- The GEN Group is committed to establishing and maintaining the highest level of nuclear safety and a safety culture, while striving for socially responsible conduct.
- The NEK is one of the leading nuclear facilities in the world in terms of safety criteria and stable operations.
- We are managing the JEK2 project according to the same principles as the functioning NEK.





## 2.10. Risk management

**Every organisation, regardless of size or activity, faces internal and external factors that can cause uncertainty and impact the achievement of established objectives. This uncertainty brings risks that must be appropriately identified and managed to achieve operational stability. In that respect, it is important that we are aware of the positive opportunities created by changes in the environment, which is in line with the definitions set out in the ISO 9001 Standard, and to remember that such opportunities also bring new risks that must be appropriately managed. The goal of the GEN Group is to effectively manage both positive and negative effects on the operations of the group, which means the comprehensive management of risks and opportunities that arise in daily operations.**

**Network fee reform:** The first network fee reform in more than twenty years was carried out in 2024 and brought new tariffs for the use of the transmission and distribution network. These changes impacted operations. However, effective cost management and the optimisation of processes helped us to maintain the competitiveness and reliability of services.

**Energy transition:** Slovenia faced the challenges of energy efficiency and optimisation of the sector. The new Krško nuclear power plant project (JEK2) was presented as the key project for ensuring electricity independence and stable supply. Efforts focused on accelerating the development of this important project.

**Climate and energy crisis:** The GEN Group focused on sustainable responses to the climate and energy crisis, and the reform of the EU energy market. We invested in the optimisation and maintenance of existing and the development of new production capacities, which allowed us to remain a reliable partner in the supply of electricity.

**Electricity trading:** Presence on the wider European market required the effective management of risks in connection with the purchase, trading and sale of electricity. We were able to maintain stability and competitiveness on the market through a strategic approach and innovative solutions.

The year 2024 was a period of groundbreaking changes and significant achievements for the GEN Group. Despite various challenges, the GEN Group ended the year on a positive note. All activities within the GEN Group are carried out successfully and companies are operating stably, and through their reliable functioning represent a sound basis for the successful operations of the entire group. All energy deliveries under the auspices of GEN-I are likewise reliable and uninterrupted.

The commitment to sustainable development, energy independence and the stable supply of electricity remains the core guideline of the GEN Group and facilitates an optimistic view into the future.

GEN successfully upgraded the risk management system in 2024. Full implementation is planned in the future and will provide guidelines for other companies in the group with the aim of standardising the risk and opportunity management process.

### 2.10.1. Risks and opportunities

GEN addresses all identified risks and opportunities of the group and defines them in its umbrella **Risk Management** document, taking into account the requirements of the company and the context in which it operates. The risks and opportunities identified by the company are recorded in the risk and opportunity register.

GEN classified risks and opportunities into five categories in 2024:

- **strategic risks and opportunities**
- **project risks and opportunities**
- **business risks and opportunities**
- **operational risks and opportunities**
- **financial risks and opportunities**

#### Strategic risks and opportunities

The pursuit of sustainable development is an integral part of the Strategic Development Plan of the GEN Group for the period 2024 to 2030. We have identified three pillars of sustainable development, at the heart of which are knowledge and safety. In each of these areas, group companies continuously strive for improvements with the aim of minimising potential negative impacts and maximising the positive effects their operations have on the environment and group.

The most important risks and opportunities for the GEN Group's operations relate to ensuring the safe, reliable and stable production and supply of electricity, as the survival and development of the company and GEN Group depend on it.

**Environmental and sustainability** risks have become increasingly relevant in recent years, as climate change cause more frequent extreme weather events, such as heat waves, storms and floods, which impact the functioning of energy facilities and the infrastructure. Environmental risks primarily relate to ecological damage that may occur to the natural environment and the GEN Group's facilities. The greatest risks occur due to accidents (machine breakdowns, the collapse of buildings, threats to the safety and health of employees, etc.) that result in fire, a threat to the safety of an entire facility and adjacent structures, an ecological disaster (oil and lubricant spills, acid spills and emissions of other hazardous substances), increased flow rates or even flood waves. Companies manage these types of risk through the preventive and predictive maintenance of technological systems, regular periodic particulate emission/concentration measurements, regular daily inspections of production facilities and wastewater flow measurements.

The GEN Group is adapting its strategy for the management of these risks and improving resilience to climate change.

**Capital asset management**, conducted by Slovenski državni holding, d.d. (hereinafter: SSH), is an important aspect of strategic risk management. Pursuant to the Slovenian Sovereign Holding Act (Official Gazette of the Republic of Slovenia, No. 105/2012, with amendments), SSH is responsible for managing capital assets owned either by the Republic of Slovenia or by SSH itself. The term capital asset management encompasses the ac-

quisition and disposal of investments, the exercising of shareholder or partner rights, and all other legal acts in accordance with the Companies Act (ZGD-1). Based on this legal title, SSH also manages the Republic of Slovenia's capital investment in GEN.

The company is actively governed with the aim of achieving business results that are in line with performance indicators. The emphasis of active governance is on the efficiency of operations in an effort to maximise profits and control costs across the entire group. The goal of active governance is to increase the company's profitability, and to promote the development and renovation of the energy infrastructure. The company is required to employ its investment capital potential for the implementation of energy projects to ensure the reliable, safe and stable functioning of the national electric power grid. The renovation and expansion of subsidiaries' production capacities is monitored through annual and quarterly operating reports and business plans.

Whether expected profitability will be achieved depends to a great extent on the market price of electricity, on the basis of which revenue is generated on the one hand, and costs incurred and investments made on the other. The GEN Group ensures expected profitability through appropriate planning and by following our strategy in the sale of electricity products.

Economic growth and inflation impact competitiveness and financial stability, which dictates changes in business strategies to **achieve the expected objectives of the owner**. The GEN Group must coordinate its objectives with macroeco-

nomical conditions and adapt its plans to achieve long-term objectives.

Also of importance are **regulatory risks** imposed on business entities by the government, such as new taxes and tax hikes, broader access to information of a public nature, the Slovenian Nuclear Safety Administration policy, and the regulation of prices for the supply of electricity to certain customer segments (households and part of the commercial sector) in Slovenia.

The new Companies Act (ZGD-1M) brought changes in reporting and transparency, which impact the **governance of subsidiaries and associates**. The GEN Group has adapted its processes and systems to ensure compliance with new regulatory requirements. In accordance with these changes, new supervisory boards were appointed at SEL and TEB in May and June 2024. A supervisory board was also established at GEN-I in September 2024 following the amendment of that company's Memorandum of Association. All three supervisory boards have appointed audit committees, which contributes to more effective corporate governance and ensures supervision of the operations of those companies. Appointments were made in the scope of harmonisation with legislative requirements and the strategic policies of the GEN Group, with the aim of improved risk management and the achievement of long-term stability and sustainable growth.

Given the importance of nuclear energy for the operations of the group and for maintaining GHG emissions at a low level in Slovenia, the most attention is given to ensuring effective **risk management in the area of nuclear safety**. Special

attention is given to ensuring and verifying the implementation of regulations and standards governing nuclear technology. Key in this regard is the continuous monitoring of global best practices in the area of nuclear safety, and recommendations from WANO and OSART missions and the implementation of those recommendations in the modernisation of the NEK.

The Krško Nuclear Power Plant (NEK) is the most important energy production facility in the group and in the country. The functioning of facilities is indirectly monitored by holding regular coordination meetings with the management staff of group companies, through the regular operational meetings of those companies, and by appointing experts to the supervisory and management boards of group companies and to various task forces.

**Renewable energy sources** represent a key strategic source of primary energy. The GEN Group is aware of their importance. For this reason, its portfolio includes hydroelectric power plants on the Sava River that contribute to the sustainable and stable production of electricity. Hydro energy is the most widely used renewable resource in Slovenia, and the construction of all planned hydroelectric power plants on the Sava River would maximise the hydro energy potential of the aforementioned basin. Due to administrative, political and environmental obstacles, failure to build the Mokrice HPP represents a strategic risk, as it hinders the completion of the chain of hydroelectric power plants on the lower course of the Sava River and reduces the exploitation of available water sources.

The GEN Group is expanding its commitment to renewable sources to the area of solar energy. In addition to regular upgrades to the equipment of large hydroelectric power plants, HESS is also investing in the development of its own photovoltaic power plants, and is thus further strengthening production from renewable energy sources and mitigating risks in connection with hydrological uncertainty. A solar power plant is set up on GEN's Information Centre, while GEN-I is continuing with intensive investments in the construction of new solar power plants.

Investing in renewable energy sources is a preventive measure for the management of strategic risks in connection with the transition to a low-carbon society. By investing in renewable sources, the GEN Group is mitigating that risk, ensuring the stability of operations and strengthening its role in the future sustainable energy mix.

In addition to renewable sources, the GEN Group supplements its production portfolio through the functioning of TEB, which produces energy using natural gas and extra light fuel oil, which are the most environmentally acceptable fossil fuels.

## Project risks and opportunities

GEN Group companies faced various project risks and opportunities that impacted their operation in 2024. The main focus was on the JEK2 project, which is crucial for electricity independence and the stable supply of electricity. Also of importance are investments in various projects at individual group companies.



Project risks and opportunities are identified and managed separately for major projects. The primary form of project risks are **investment risks**.

The functioning of the **NEK** is crucial to GEN's current operations and to the development of nuclear technology in Slovenia. For this reason, the functioning of the NEK must be monitored at all levels. Employee education and training play a vital role in this respect.

Given the importance of the **JEK2 project** to the national economy, the company has been exposed to general risks from the outset, most notably risks in connection with the political decision to implement the project and define it as part of the national strategic programme on the one hand, and with social acceptability of the project on the other. The company strives to manage general risks by presenting the relevant institutions, the Slovenian government and the social environment with factors relating to the justification and national strategic importance of the JEK2 project, which serve as the basis for making the necessary decisions to move ahead with the construction of JEK2.

Risks were identified in connection with the JEK2 project, including the risk of failure to organise a (consultative or legislative) referendum, the risks in connection with planning and following the JEK2 timeline, the risk of failure to recruit highly qualified personnel, risks in connection with the siting process, the risks of erroneous decisions, corruption risks, risks in connection with suppliers, risks in connection with the composition of the financial structure, regulatory risks and other social and political risks.

Special attention was given to the risks in connection with failure to organise a referendum and the adoption of erroneous decisions, which were preventively managed through the careful planning and implementation of appropriate measures. Risks in connection with failure to organise a referendum were managed through various activities that facilitated broad public engagement and awareness about the importance of the JEK2 project through various communication channels, while risks in connection with the adoption of erroneous decisions in the management of the JEK2 project derive in particular from complex and mutually linked procedures and a lack of guidance regarding the plan and timing of key decisions. This leads to the increased likelihood of erroneous decisions that could have a negative impact on the course of the project. Measures to manage these risks include regular communication, decisions by senior management, and consultation and the coordination of decisions with key external stakeholders.

In accordance with the Ordinance on the State-Owned Assets Management Strategy, GEN energija pursues the strategic policy of building new nuclear production facilities and plays the role of implementer of the JEK2 project.

**Investments in gas turbine units** are important as these serve as a backup power supply to NEK and offer the possibility of serving as a grid-connected standby source, adding flexibility to the production portfolio.

## Business risks and opportunities

Business risks and opportunities relate to GEN's core business processes.

**Market or price risks and opportunities** derive from fluctuating energy purchase prices on global markets, which in turn affects electricity selling prices on both the domestic and international markets.

The volatility of electricity prices characterised 2024, and was the result of the EU's energy policy, the transition to renewable energy sources, macroeconomic factors and geopolitical instability, all of which impacted the stability of the energy market.

At the GEN Group level, we are exposed to price risks in open trading positions when differences (in quantity and value) exist between purchase and sales quantities in a given supply period. Sudden changes in electricity prices can increase or decrease the value of the portfolio. To mitigate these risks, we continuously close positions, where every transaction is typically accompanied by a counter transaction with the appropriate characteristics to limit exposure to price fluctuations. If an identical counter position is not possible, we purchase cross-border transfer capacities to mitigate the risk of differences in prices between markets. The risk management policy defines the maximum open position of an individual portfolio based on the VaR (Value at Risk) method, as well as the maximum portfolio loss in proprietary trading.

The risks associated with sales of electricity for ancillary services have proven to be significant in the past, as the tender for ancillary services an-

nounced by ELES allowed foreign providers to bid for larger quantities of tertiary frequency control. These risks are managed by selling the majority of those services on a long-term basis.

Opportunities in connection with movement in electricity prices remain an important factor for the GEN Group's operations. If the company does not close open positions in a timely manner, it could exploit lower purchase prices or achieve higher selling prices, which could have a positive impact on operating results.

The GEN Group maintains a naturally long position due to its own production sources. That position facilitates the better management of market risks than traditional traders who only trade electricity. The stable functioning of production units facilitates the more precise forecasting of available quantities of electricity, which brings a competitive advantage and greater flexibility in the event of market fluctuations.

**Quantity risks** within the GEN Group derive from differences in planned and actual electricity produced or purchased. These risks are divided into internal and external risks. Internal risks are linked to technologies and logistical limitations in the production and timely supply of energy products, while external risks derive primarily from weather and hydrological conditions.

The most significant quantity risks arise in the production of electricity. Crucial is the management of the **risk of the failure of the NEK**, as it is the most important production unit in terms of quantity. To ensure the stability of supply, the GEN Group creates reserves on the purchase side and

uses TEB's production price as the marginal price for alternative energy. We manage risks in connection with the purchase of electricity from external sources through long-term agreements and the continuous monitoring of market conditions.

Every GEN Group company manages **internal quantity risks** through expertise, many years of experience, and the regular maintenance and diagnostics of production units (NEK, SEL, TEB and HESS). Crucial for mitigating risks of an external nature is appropriate IT support for the precise forecasting of electricity consumption and supply profiles, and for the daily monitoring of variations in quantity at the majority of its consumption and supply points. The GEN Control Centre plays a central role in that respect.

In addition to risks in the production and purchase of electricity, the GEN Group also addresses **risks in the supply of energy**. We manage those risks by creating the requisite inventories and through the timely implementation of measures necessary to ensure the smooth functioning of all production units in the group.

## Operational risks and opportunities

Operational risks and opportunities are present in all business processes. These are risks that could lead to financial damage for the group due to inefficient business processes and ineffective controls.

We manage process risks within the GEN Group by establishing control mechanisms at individual companies, where the principle of four eyes is crucial for the performance of all important operations. At the same time, innovations in the man-

agement of processes bring new operational opportunities. The group manages these risks and opportunities through clearly defined processes, precisely defined roles, responsibilities and authorisations, and compliance with codes and rules.

**Regulatory risks** represent some of the most important risks for the company, as they are extremely difficult because they arise outside the company's control, despite participation in public discussions. Nevertheless, at the operational level, GEN classifies these risks as key operational risks based on past experience, as changes in legislation and implementing regulations can have a significant impact on energy groups with their own production sources and can have major consequences for operations. The decisions of regulatory bodies can have a major impact on GEN: on continuing operations and on the economics of production facilities (concession fees, water contributions, real estate tax, levies on emissions such as CO<sub>2</sub>, changes in the contribution for the decommissioning of the NEK, etc.), and on decisions regarding investments and the development of the group as a whole due to regulatory interventions on the electricity market (regulation of electricity prices, etc.).

Legal risks relate to losses incurred due to breaches of or failure to comply with laws, regulations, instructions, recommendations, valid agreements and contracts, best practices, or ethical standards. Companies manage these risks primarily through the precise definition of contractual terms and conditions.

Risks also arise frequently due to vague legal bases or sudden changes in legislation. The company strives to mitigate these risks by regularly moni-

toring legislative changes and by carefully studying those changes before they are transposed into law.

In its operations, the GEN Group is facing increasingly stricter **regulatory requirements in the area of sustainability reporting**. Obligations to disclose data regarding the environmental and social impact of operations and the impact of sustainability-related matters on the company's performance, position and development are expanding significantly with the introduction of Directive (EU) 2022/2464 regarding corporate sustainability reporting (CSRD) and the associated European Sustainability Reporting Standards (ESRS; Commission Delegated Regulation (EU) 2023/2772).

New rules require more comprehensive and structured reporting, and the inclusion of sustainability indicators in business strategies and decision-making processes. This brings challenges in the adaptation of internal systems, data collection and ensuring compliance with new standards. These risks include an increased administrative and operational burden, the availability and integrity of data, the need for additional investments in IT systems and software solutions, and potential non-compliance in the implementation of new requirements.

In 2024, the GEN Group adapted its processes and began the phased introduction of the CSRD and ESRS requirements with the aim of ensuring timely compliance and the mitigation of regulatory risks. Further activities include the improvement of internal reporting, the training of employees and engagement with the relevant stakeholders for the effective implementation of sustainability matters and reporting standards.

At the GEN Group, which operates in the areas of energy and sustainable solutions, information technology (IT) risks are specific to the aforementioned activities. Key IT risks include cyber attacks, data security, a lack of IT skills, the growing costs of the IT infrastructure, a lack of coordination between systems, operational errors, bias in the use of artificial intelligence, and the management of cloud services and large quantities of data.

The GEN Group implements a number of measures to effectively manage these risks, including the establishment of security mechanisms, employee training and the strategic planning of IT sources.

Key measures include data protection, the upgrading of network and server systems, the introduction of advanced cyber protection and control over access.

Intensive preparations were made by the GEN Group in 2024 for the harmonisation of operations with the new Information Security Act (ZInfV-1), which will transpose the NIS2 Directive (Directive (EU) 2022/2555) into Slovenian law in 2025. To that end, an action plan was drawn up for the implementation of the requirements of the ZInfV-1. That plan will serve as the basis for further measures in the area of cyber security.

IT risks are regularly and closely monitored by the IT department with the aim of ensuring compliance with legislative requirements and strengthening digital resilience.

The GEN Group also emphasises the importance of employee awareness regarding the safe use of the internet, the testing of software, control over access and ensuring the support of external ex-



perts for the maintenance and implementation of IT solutions.

Through these measures, the GEN Group is mitigating operational risks, improving the resilience of IT systems and ensuring the continuous functioning of key processes.

Risks in connection with HR management include the planning and management of employees for the smooth functioning of the company's business processes. Most important for the latter is the identification of key staff with specific knowledge and competences, and the assessment of the likelihood/consequences of the sudden loss or protracted absence of employees.

HR planning within the GEN Group includes the identification of HR needs and the planning of recruitment activities. Crucial for effective HR management is the inclusion of all responsible stakeholders at the company.

The management of HR risks remains a priority task due to the growth of the GEN Group, expansion to new markets and intensive preparations for the JEK2 project. The employment of experts for the aforementioned project will continue, while the construction of new premises at the company's headquarters in Vrbina in the Municipality of Krško has begun and will ensure the necessary conditions for further development and growth.

## Financial risks and opportunities

Financial risks and opportunities within the GEN Group include risks in connection with liquidity, credit worthiness, interest rates, currency fluctu-

ations and access to financing, and opportunities to optimise costs and improve profitability.

**Credit risk** is risk that arises when a business partner fails to settle their physical (agreed supply/delivery of a certain quantity of electricity) or financial obligations (failure to settle contractual obligations, the repayment of loans to others, i.e. deposits). Such failure affects the ability of companies to settle their other obligations to contractual partners.

Companies manage credit risks by thoroughly verifying the credit ratings and liquidity positions of their existing and potential business partners and banks, by having a clearly defined debt collection procedure and reminder system in place, and by concluding contracts with the appropriate collateral (e.g. bills of exchange and bank guarantees). The level of assessed risk primarily depends on a partner's business results, in particular the level of their debt, short-term liquidity, solvency indicators, and profitability indicators. A great deal of importance is given to obtaining up-to-date information from the market, as various market and regulatory changes may cause a partner's status to change quickly.

Due to the expansion of operations to include new partners, the GEN Group revised its credit risk management approach in 2024. That process was upgraded through the integration of risk management and trading, which includes the continuous assessment of exposure, the adaptation of commercial limits for specific partners and the monitoring of their operations.

**Interest-rate risk** is a financial risk to which businesses are exposed in varying degrees in the roles of borrower and lender. Interest-rate risk means the possibility of the loss of revenue or an increase in expenses due to unfavourable movements in market interest rates. Unfavourable movements can be both an increase and a decrease in the interest rate. If a company needs money to implement a specific project, a rise in the interest rate represents an unfavourable change. A fall in the interest rate, however, may also represent a negative change if a company lends its surplus cash on the market. In terms of investing, interest-rate risk means that the value of an investment might decrease due to changes in market interest rates.

As a rule, the extent of exposure to interest-rate risk depends on the proportion of financial liabilities and financial investments at a company: a higher proportion also means higher exposure.

Interest-rate risks for the GEN Group in 2024 comprised risks in connection with changing market interest rates that could impact the value of investments of individual group companies. Group companies rarely raise loans and do not act as lenders. They are exposed, in particular, to investment risk. The Group has various investments, where changing interest rates could impact the value thereof. Interest-rate risk is managed using various financial instruments, whose aim is to mitigate the adverse effects of changes in market interest rates.

Companies can be exposed to currency risk in electricity trading and in the trading of cross-border transmission capacities. Subsidiaries' equity and loans can also be exposed to currency risk.

Companies are exposed to **currency risk** in international transactions and in operations with countries with an official currency other than the euro. This primarily entails exposure to exchange rate differences that occur between the conclusion of a contractual relationship and the moment the contractual sum is paid.



# 03 SUSTAINABLE DEVELOPMENT

3.1. Sustainability guidelines	45
3.2. Sustainability efforts in 2024	46
3.3. General information	46
3.4. Key stakeholders and double materiality assessment	53
3.5. Environmental aspect	57
3.6. Social aspect	83
3.7. Governance aspect	92
3.8. Sustainable reporting according to the ESRS guidelines	101
3.9. Independent limited assurance report on the consolidated sustainability report	103





# 3.1. Sustainability guidelines

The importance of sustainable development has risen in recent years and, in addition to the financial results of GEN Group companies, has become a nearly equal factor in the measurement of a company's performance. Contributing to this are the increasingly evident consequences of climate change, such as droughts, fires, heat waves and floods, which are already causing significant economic damage to society as a whole. Legislation in this area is becoming increasingly complex, while the same is true for the expectations of financial institutions. The European Union has established ambitious targets, with carbon neutrality by 2050 being key amongst them. Those who choose to lead by example will also be able to exploit the business opportunities presented by the transition to a sustainable society through a positive contribution to sustainable development. The GEN Group strives to remain a leader in the area of sustainable development and the green transition in Slovenia. For this reason, we included business and sustainability aspects, which are intertwined and complementary, in our strategic policies until 2030. We implement those policies through the functioning of eight sustainability initiatives that pursue operational ESG objectives. We also identified key Sustainable Development Goals (SDG) that we can contribute to and impact through our operations. Within this framework, we determined which goals we view as our responsibility and which we see as opportunities for further development.

## Sustainability is an integral part of the vision and mission of the GEN Group

We understand sustainable operations as the responsible management of the economic, govern-

ance, social and environmental impacts of our operations. The principle of sustainability is actively included in all aspects of our operations, while we identify and manage sustainability impacts, risks and opportunities in accordance with the ESG guidelines.

## Our responsibility



## Our opportunities



# 3.2. Sustainability efforts in 2024

As one of the leading representatives of the energy sector and the promoter of the green transformation, the GEN Group is aware that its responsibility to the environment and community requires a new way of thinking and working. We thus took the next steps in the area of sustainable development in 2024, in terms of the integration of sustainability aspects in strategic planning and operations. Amongst key activities, we present the following achievements:

## Highlights from last year:

- Upgrading of sustainable reporting: In the scope of preparations for the drafting of the first sustainability report in accordance with the European Sustainability Reporting Standards (ESRS), we upgraded the information collection process, added new environmental, social and governance disclosures, and concluded agreements to ensure the reliability (via audits) and readability of information provided.
- Comprehensive overview of emissions: For the first time, we performed a calculation of the carbon footprint for emissions in which we included GEN energija, HESS, SEL, TEB and GEN-I, including waste, business travel and employee commuting, which facilitates the improved planning of measures to reduce those emissions.

- Sustainability oriented remuneration policies: We included non-financial criteria in remuneration policies with the aim of further promoting the achievement of long-term sustainability goals.
- Support of communities: Through donations and sponsorships, we supported projects that promote sustainable development and the improved quality of life.
- Employee development: We measured employee commitment and set objectives for their growth and development. We improved the mentoring system, organised active breaks and workshops for maintaining physical and mental health, and studied possibilities for improving the employment of disabled persons.
- High ethical standards: We updated by-laws in the areas of business ethics and the prevention of corruption, and drafted new documents regarding succession, measures in the event of mobbing and a draft framework for systematically assessing the appropriateness of suppliers.
- Promoting a culture of sustainability: We organised training regarding the requirements and new developments in the area of sustainable reporting, strengthened cooperation with schools and faculties, and harmonised criteria for funnelling sponsorship and donation funds to sustainable purposes (ESG).

## 3.3. General information

### 3.3.1. Basis for preparation of the Sustainability Report

The Sustainability Report is a specific-purpose section of the annual report, which presents information regarding sustainability matters and is prepared based on the directive governing corporate sustainability reporting (CSRD) and the ESRS. It includes information required to understand the group's impact on sustainability matters, and information required for understanding how sustainability matters impact the development, performance and position of the group.

GEN, as the controlling company of a large group with an average of more than 500 employees on a consolidated basis, reports on sustainability on a consolidated basis in accordance with Article 29a of the CSRD. The scope of consolidation is not the same as in the financial statements, as NEK d.o.o. is not included in this Sustainability Report.

Due to the complexity of ownership and government relations of the NEK, which are defined in the Agreement between the Government of the Republic of Slovenia and the Government of the Republic of Croatia governing status and other legal relationships in connection with investments in the Krško Nuclear Power Plant, and the operation and decommissioning thereof (BHRNEK), the timeframe for the harmonisation of reporting processes in the current Sustainability Report was too short.

The ZGD-1M, which transposed into Slovenian law

the CSRD and thus the obligation to report in accordance with the ESRS pursuant to the CSRD, entered into force on 18 December 2024. GEN energija began collecting data and disclosures for the drafting of the Sustainability Report in accordance with the CSRD. However, the NEK's other partner, Hrvatska elektroprivreda (HEP) did not participate, so we were unable to obtain all the necessary data.

Because we are aware of the importance of reporting on the group's impacts in future reports, we are striving to establish appropriate mechanisms and stress that NEK d.o.o. should report independently on sustainability in accordance with the CSRD.<sup>13</sup> Based on legislative changes in connection with the CSRD, we expect that the GEN Group will likely not be obliged to draft a sustainability report in 2025 if a so-called 'omnibus' legislative package is adopted raising the threshold for mandatory reporting for certain companies. Information regarding policies, measures and goals as a rule relate to companies and the geographical region in which GEN, SEL, TEB, HESS and the GEN-I Group operate. Where this is not the case, it is clearly stated to which companies specific disclosures relate.

The GEN Group's Sustainability Report for 2024 does not yet include all information regarding the company's upstream and downstream value chains. In the coming years, the group will thus strive to upgrade its data collection processes and due diligence procedures to obtain the necessary information for disclosure. Key elements of due diligence are directly expressed and, where rele-

vant and possible, disclosed in the scope of ESRS 2 and thematic ESRS disclosure requirements, and will be further developed in accordance with the provisions of paragraph 61 of ESRS 1. In addition to the ESRS, the GEN Group takes into account the requirements of the EU Taxonomy Regulation when preparing sustainability disclosures.

Primary responsibility for the implementation of policies stated in the scope of material topics lies with the GEN Group's senior management. The base year for measuring progress in connection with sustainability goals has been set as 2024, while established goals are monitored via monthly, quarterly and annual reports. Data prior to 2024 and comparable calculations based on data prior to 2024 are not subject to the provision of an auditor's limited assurance for 2024.

The GEN Group does not apply the option to omit confidential and sensitive data and information regarding intellectual rights, knowledge and experience, nor does it apply the exemption for disclosures of anticipated events or matters that are the subject of ongoing negotiations. We only omitted deferred disclosures ESRS 2, SBM-3 48 e; ESRS E1-9; ESRS E4-6, ESRS S1-7 and S1-13 that we were not obliged to report for the year in question.

In the scope of reporting on Scope 3 greenhouse gas emissions, we used metrics that include data regarding parts of the value chain estimated using indirect sources. Scope 3 emissions include eight key categories, where categories 3.1 (Purchased goods and services) and 3.2 (Capital goods) use

estimated data calculated according to the value method based on financial-accounting records and emission factors from the Exio database, which are based on sectoral averages. The aforementioned methodology is in line with the GHG Protocol and the ISO 14064-1:2018 standard. Due to the use of indirect sources, the level of accuracy of the two aforementioned categories is lower than emissions based on actual measurements. Nevertheless, we assess that it is sufficient for assessing impacts in the value chain. We do not currently work directly with suppliers to obtain these data. Activities are, however, in progress to establish a methodology that will facilitate the inclusion of specific data, which will gradually contribute to improved accuracy in the future.

We did not define or disclose quantitative metrics or monetary assessments with a high level of measurement uncertainty.

### 3.3.2. Strategy, business model and value chain (SBM-1)

The GEN Group ensures the comprehensive supply of electricity based on low-carbon and renewable sources, and includes the following key categories of products and services.

Electricity production:

- Nuclear energy: Main source of production, which ensures stable and reliable supply.
- Hydro energy: Electricity production from hy-

<sup>13</sup> The Sustainability Report of NEK d.o.o. for 2024 is not subject to the provision of assurance by an auditor.



droelectric powerplants, which are crucial in terms of renewable sources.

- Solar energy: Growing role of solar power plants in the production portfolio.

Ancillary services:

- Providing tertiary reserves and other ancillary services for the stable functioning of the electric power grid, in particular via the Brestanica Thermal Power Plant (TEB).

Trading and supply of energy products:

- Trading and sale of electricity and natural gas to households and business customers, in particular via GEN-I.

Sales of energy technologies:

- Sale, installation and maintenance of solar power plants and battery storage units.
- Establishment of community solutions for self-sufficient supply, such as solar power communities.

Advanced energy services:

- Development and implementation of solutions for energy efficiency, e-mobility and smart self-sufficient supply systems.

## Market presence

The GEN Group is active on several markets, where the Slovenian market plays the central role, in terms of production, the supply of electricity and advanced energy services. The group supplies a broad spectrum of customers in Slovenia, including households, companies, industrial users and public institutions. It also plays an important role in the reliable supply of energy and the provision of ancillary services. The GEN Group is present via GEN-I on numerous European markets, including Austria, Italy, Germany, Croatia, Serbia, Bosnia and Herzegovina, Northern Macedonia, Greece, Romania and other countries. GEN-I trades electricity

and natural gas on those markets, and introduces solutions for carbon-free supply.

More detailed information regarding this topic and entry on new markets is provided in Section 2.5 'Operations of the GEN Group in 2024'.

## Sustainability policy of the GEN Group

The GEN Group's Sustainability Policy is an integral part of the Strategic Development Plan of the GEN Group for the period 2024 to 2030, and serves as the primary basis for the strategic sustainable management of the group in terms of environmental (E), social (S) and governance (G) aspects. That policy defines management approaches in key sustainability areas, and defines core principles and efforts for sustainable operations that the GEN Group follows in its operations and in its relationships with different stakeholder groups, from suppliers to customers and subsidiaries of the GEN Group. The main objective of including the GEN Group's principles and approaches to sustainable management in management processes and business decisions is to improve the identification and management of sustainability risks and opportunities that may affect the performance of the GEN Group over the long term. Thus, in the scope of the GEN Group's Sustainability Policy, we organised sustainability initiatives back in 2022, in which the employees of GEN Group companies participated. More than 30 employees thus actively contributed to the group's sustainability efforts. Key performance indicators (KPIs), which are described in detail in the group's business plan, were defined for each initiative. For more efficient work in the scope of initiatives, an operational plan was drawn up for each initiative, and pursues the achievement of the sustainabil-

ity objectives and guidelines set out in the group's Strategic Development Plan and business plan. The administrators of sustainability initiatives report quarterly on their work, activities and challenges to the head of the strategic management department at the controlling company GEN, and semi-annually to all management teams of all GEN Group companies. We attribute a great deal of importance to the inclusion of management, as their decisions and management style impact the success of the long-term and sustainable development of companies. We appointed ESG coordinators at individual companies with the aim of improving the flow of information, experience, knowledge and best practices, and to ensure the transparent functioning of the group. Twice a year, we organise strategic sustainability workshops, as well as sustainability training for all group employees, as required.

In addition to the sustainability policy, sustainability is deeply embedded in the core activity of our operations: a total of 98.8% of all electricity produced in 2024 came from low-carbon and renewable sources (nuclear, hydro and solar). We thus actively contribute to the decarbonisation of the energy sector, and to long-term energy reliability and sustainable development.

### Key elements of the GEN Group's strategy in relation to sustainability:

1. Vision
2. Mission
3. Sustainability guidelines

We are also aware that the achievement of long-term energy sustainability requires continuous development, strategic investments and adaptation to a dynamic regulatory and market environment.

### Major future challenges

- The obtainment of social consent and regulatory support for JEK2.
- Ensuring sufficient investments in low-carbon and flexible production sources.
- The adaptation of the business model to changes in the energy sector (market risks, regulation and climate policies).
- The management of climate-related risks and the resilience of the infrastructure to extreme weather events.

### Key solutions and projects

- JEK2 project: strategic investment in future nuclear production.
- Investments in new production sources and the increased efficiency of existing production sources.
- Energy storage: development of flexibility sources.
- ESG compliance and reporting in accordance with the CSRD: updating of sustainability indicators and management systems.

### Effects and results in terms of current and future benefits for customers, investors and other stakeholders

The GEN Group's business model focuses on the reliable, safe and competitive supply of electricity from low-carbon sources. Through the consistent implementation of strategic policies we create benefits for various stakeholders:

For customers, we ensure the long-term stable supply of energy, competitive prices, a greater selection of products (e.g. RES, self-sufficient supply and e-mobility) and new digitalised services and energy communities, which facilitate an active role on the energy market.

For our owner, we represent a reliable partner with a clear development path and stable investment potential, as evidenced by investments in RES, nuclear projects and advanced energy services.

For other stakeholders, such as local communities, employees and the general public, we create environmental and social value via sustainable development, concern for employees, the support of decarbonisation, investments in innovations, and the promotion of the long-term energy security of Slovenia and the region. More information is provided in the business report section of the annual report.

The successful implementation of strategic projects and the management of future challenges do not depend solely on internal processes and decisions, but also on the wider ecosystem in which the GEN Group operates. Playing a key role in this regard is the value chain, which links key suppliers, distribution channels and end-customers. Understanding the structure of the value chain, mutual relations and impacts on operations facilitates more effective risk management, the exploitation of opportunities and the long-term sustainable supply of energy.

For the purpose of implementing its business model, the GEN Group uses various types of input data that derives from physical sources and from developing information, HR and infrastructure systems. To obtain input data for the value chain, the GEN Group used internal information sources provided by our business processes and engagement with key players in the value chain.

## Value chain of the GEN Group

### Upstream supply chain

#### Key suppliers:

- **Nuclear fuel:** The main suppliers are global producers of nuclear fuel, such as URENCO and Westinghouse, who provide fuel for the Krško Nuclear Power Plant (NEK). These suppliers are of strategic importance, as nuclear energy accounts for more than 50% of the GEN Group's total electricity production.
- **Water infrastructure:** Regional suppliers and partners who contribute to the reliable functioning of water sources for the group's hydroelectric power plants, companies who participate in the on-site and remote management of devices, project companies that participate in the design of major development or investments works, and the providers of comprehensive solutions.
- **Natural gas and diesel fuel:** Geoplin is the largest supplier of natural gas, while Petrol is a key supplier of liquid fuels.
- **Technological partners:** Include local and international suppliers of equipment for the maintenance and modernisation of energy facilities, such as HSE Invest, Siemens, Alstom, Westinghouse, Mitsubishi Heavy Industries, Litostroj and Hitachi.

#### Contribution to the creation of value:

- The reliable supply of nuclear fuel, natural gas and diesel fuel, and a reliable water infrastructure facilitate the stable and competitive production of low-carbon electricity.
- Technological partners facilitate the modernisation and efficiency of production processes.

### Own operations

#### Production segments:

- **Nuclear energy:** The NEK is a key source of low-carbon electricity, and represent a stable basis for the supply of energy to Slovenia and the region, as through scheduled major overhauls it has been operating for more than 40 years.
- **Hydro energy:** Hidroelektrarne na Spodnji Savi (HESS) and Savske elektrarne Ljubljana (SEL) contribute significantly to the increase share of electricity produced from renewable sources, and represent the reliable and flexible supply of electricity.
- **Termoelektrarna Brestanica (TEB):** Functions to ensure flexibility and reserve capacities in the event of the outage of primary sources and as a production unit during periods of favourable market prices.
- **Solar power plants:** The GEN Group connected new solar power plants with a total rated power of 47.5 MW in 2024.

#### Contribution to the creation of value:

- Production segments contribute to the total annual production of electricity, where the vast majority of that energy is from low-carbon sources.
- The effective management of sources and the optimisation of production capacities reduce costs and improve competitiveness on the market.

### Downstream value chain

#### Distribution channels:

- As the key selling company within the group, GEN-I ensures the supply of households and business customers, as well as international electricity trading. We traded 134 TWh of ener-

gy products, including 54 TWh of electricity in 2024.

#### Key customers and markets:

- Households and small enterprises: These customer segments account for more than 50% of the direct supply of electricity. The GEN Group bore the burden of price regulation for the aforementioned segment in 2024, which amounted to EUR 104 million.
- International markets: GEN-I is an important player on the regional market as it operates in several countries in Southeast Europe.

#### Contribution to the creation of value:

- End-customers represent a key source of revenue, as the GEN Group generates stable revenue by providing accessible, competitive and sustainable energy.
- Market share and success on the international market strengthen financial stability and expand commercial influence.

### Key risks and opportunities

#### Upstream value chain:

- Potential disruptions in the supply chain for nuclear fuel, natural gas or spare parts for large units (damage to turbines, steam generators, etc.).
- Potential changes in environmental requirements for water sources.

#### Own operations:

- Requirements for the modernisation of the infrastructure and adaptation to stricter regulations (e.g. the CSRD and EU Taxonomy).
- Requirements for a sufficient number of appropriately trained employees.



01

Raw material  
suppliers



- Suppliers of nuclear fuel, fuel oil, diesel fuel
- Suppliers of other necessary materials for power plant operation

02

Production



- Nuclear power plants
- Hydropower plants
- Thermal power plants
- Solar power plants

03

Transmission and  
distribution\*



- Transmission networks (high-voltage power lines)
- Distribution networks (low-voltage power lines)

04

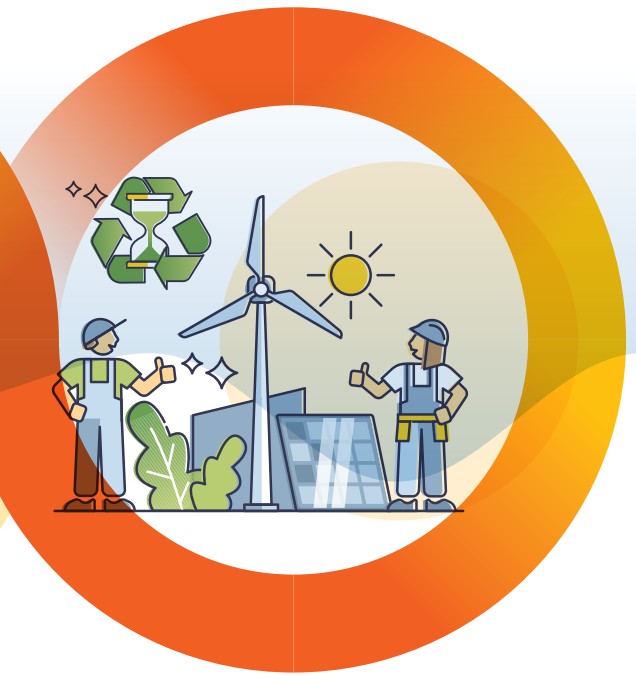
End users



- Industrial consumers
- Household consumers
- Commercial consumers

05

Auxiliary  
services



- Maintenance and servicing
- Waste management
- Regulation and supervision

\* Not within the scope of the GEN Group.

**Downstream value chain:**

- Maintenance of competitive prices and sustainable practices in light of rising customer demand for green energy.

**Key business partners**

In addition to the suppliers of energy sources and technologies, the GEN Group also cooperates with partners who support business processes:

- Financial institutions: banks that provide loans and other financial services.
- Maintenance companies: companies that specialise in the maintenance of power plants.
- Communication and awareness-raising: PR agencies and media companies.
- Support services: leasing of media, studies, maintenance of software, organisation of business travel, and support for sales and production.

**3.3.3. Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)**

The material impacts, risks and opportunities that we present in the scope of each material topic below are closely linked to the GEN Group’s core activities, at the core of which is ensuring the safe, reliable, affordable and low-carbon supply of electricity. Their treatment is an integral part of the Group’s strategic plan, meaning they are addressed systematically within existing governance structures, investment plans, internal policies, and the monitoring of the effectiveness via key indicators. On this basis, we assess that the resilience of the GEN Group’s strategy is high in most areas. The

business model is based on diversified production with a majority share of low-carbon sources, a stable regulatory framework, long-term investment plans (e.g. JEK2) and an established system of internal controls. We also believe that we have the necessary capabilities to adapt to future challenges, such as the decarbonisation of the economy. The identification of our impacts, risks and opportunities is adapted to the GEN Group’s activities and strategic objectives. Although some align thematically with certain topics, subtopics and sub-areas of the ESRS, many are specifically tailored to our business model, operational reality and long-term priorities. Impacts, risks and opportunities that are not directly linked to ESRS topics, sub-topics and sub-sub-topics and that are specific to the GEN Group, include:

- Production of low-carbon electricity
- Supply of safe, clean and reliable energy
- Achievement of the highest international operating standards
- Limited availability of space and instability of energy sources
- Regulatory uncertainty
- Social (un)acceptability
- Transition costs
- Enhanced trust of customers
- Breaches of data protection
- Implementation of advanced cyber security systems and data protection
- Support for the commercial and social goals of the GEN Group
- Financial losses due to poor risk management
- Upgrading of the risk management system and policy
- Education and training of management staff in the area of business ethics

- Optimisation of processes and increased operational resilience
- Cyber attacks
- Maintenance of high cyber security standards and optimisation of operations

**3.3.4. The role of the administrative, management and supervisory bodies (GOV-1 and GOV-2)**

The effective management of future challenges and the implementation of strategic projects within the GEN Group are based on the technical support of management and supervisory bodies, which steer sustainable development and ensure compliance with the group’s long-term objectives. The management staffs of group companies are responsible for the implementation of all policies and for the operational realisation of development guidelines at individual companies.

Members of the controlling company’s senior management have extensive managerial experience in the energy sector, including in the area of production, the sale and trading of electricity, financial management and the development of the nuclear infrastructure. Their references included the domestic and international markets (e.g. Croatia, Italy and Austria).

The members of the Supervisory Board comes from various professional backgrounds, and have experience in the areas of energy, finance, law and corporate governance. Members regularly attended training in 2024 in areas that are crucial for the company’s activities, including:

- cyber security;
- sustainable development and the ESG aspects of operations;
- corporate governance, internal audits and the shielding of supervisors from influences in decision making; and
- auditing practices, the functioning of audit committees, and financial and energy-related topics.

We thus strengthen competences for the necessary strategic supervision of the operations of the company, whose activities include the management of crucial energy infrastructure and the development of long-term investment projects.

More details about the composition, diversity and professional qualifications of the members of GEN energija, d.o.o.’s management and supervisory bodies are presented in Section 2.2.5 ‘Information regarding the composition and work of management and supervisory bodies in 2024’ and the GEN Group’s website, while this information is available for subsidiaries in their annual reports and on companies’ websites.

**Two-tiered governance system**

Body	Proportion of women	Proportion of men
Senior management of the GEN Group	9.1%	90.9%
Supervisory boards of GEN Group companies	30.8%	69.2%
Senior management of GEN Group companies	34.9%	65.1%



The expertise and skills possessed by supervisory bodies and to which they have access in the management of sustainability issues are also presented in the Report on the Work of the Supervisory Board of GEN energija d.o.o. The senior management staff and supervisory boards of companies actively maintain and upgrade this knowledge through several key mechanisms. Senior management participates in training programmes organized by SSH that allow them to deepen their knowledge of the latest trends and regulations in the area of sustainability. They are also briefed quarterly on business reports, which include sustainability matters. In the event of potential changes to key sustainability legislation, senior management is immediately briefed on the changes so that it can quickly adapt its strategies and measures. Sustainability is also included in regular weekly management meetings, which facilitates the continuous discussion of current issues and the adaptation of activities to new information.

Supervisory boards ensure that all key matters are appropriately discussed. They work with senior management in the development and approval of strategic documents such as the Strategic Development Plan (SDP). Final confirmation is given by the owner, which facilitates the coordination of sustainability goals at all levels of governance. Additional expertise that these bodies do not possess is accessible via internal support functions and with the help of external advisors, if necessary.

For illustrative purposes, we also maintain a list of conferences, training courses and other management events that are directly or indirectly related to sustainability and the GEN Group's material topics. These include events, such as:

- the NENE conference;
- The Bled Strategic Forum;
- the professional seminar 'Green Hydrogen of the Future';
- Women in the energy sector '24;
- the 1st scientific consultation of the Academy of Science for the Sustainable Development of Slovenia;
- The Impact of Cyber(in)security on operations and the strengthening of organisations' resilience;
- Corporate governance conference;
- Integrity in the commercial sector;
- Round table regarding energy: Reality of the energy transition: What is the right balance between low-carbon sources and a stable supply?;
- 5th Go Net Zero Energy Summit;
- Round table: Enhancing equality in STEM and the energy alliance for success, Slovenia's Energy (R) evolution.

In this way, we ensure that strategic and operational management bodies have access to and possess the relevant knowledge in the area of sustainability and other areas related to relevant impacts, risks or opportunities. The Supervisory Board's audit committee also monitors whether the appropriate skills and expertise are at members' disposal for the supervision of sustainability matters.

In Section 2.2.6 'Characteristics of GEN's internal control and risk management systems', we describe the role of senior management in control over the management of material impacts, risks and opportunities. The highest level of the organisation responsible for implementing the risk management policy is senior management, while all employees are committed to that implementation. To that end,

we follow the model of three lines of defence. Our due diligence process, as part of the management of sustainability topics, is based on international frameworks, as defined in Section 4 of ESRS 1. We report on the monitoring of exclusively sustainability matters in the scope of the communication and sustainable development sector at weekly sectoral and management meetings, and in quarterly reporting by the Supervisory Board's audit committee and the risk committee, as required. Such reporting is carried out in accordance with the internal document 'Reporting Routines'. Reporting Routines is a key document that specifies the implementation of the sustainability guidelines set out in the Strategic Development Plan. In the scope of reporting routines, we organise an annual strategic workshop, and provide half-yearly reports to the senior management of companies and quarterly reports to the head of the strategic management department. In

this way, we help shape and monitor established goals and the resources required to achieve them. Sustainability-related impacts, risks and opportunities were also addressed by senior management as part of the double materiality assessment.

Administrative, management and supervisory bodies consistently take into account identified impacts, risks and opportunities when monitoring the company's strategy, making decisions on major transactions and formulating risk management policies. They do this with the help of advisory bodies such as the Supervisory Board's investment committee. To that end, they carefully assess compromises between different factors to ensure balanced decisions that minimise potential negative impacts and maximise positive impacts. All members of the supervisory and management bodies are independent, while employees are represented on supervisory



ry boards via committees or works councils, and the workers’ assembly. At GEN energija, the interests of employees are represented by three members of the nine-member supervisory board, who are appointed and dismissed in accordance with the Employee Participation in Management Act.

### 3.3.5. Integration of sustainability-related performance in incentive schemes (GOV-3)

GEN, TEB, SEL and HESS formulated remuneration policies in 2024 in accordance with the Recommendations for formulating the remuneration policies of companies with capital assets of the state and for governing remuneration in contracts with members of SSH’s governance bodies in accordance with best corporate practices. Supervisory boards have already or are in the process of adopting documents that define the variable element of senior management’s remuneration, where 50% of that variable element is linked to the achievement of sustainability goals. These included investments in RES and flexibility, the calculation of the carbon footprint, the measurement of employee commitment, employee training, the establishment of an internal audit department for the group and the strengthening of the role of compliance and integrity. Group companies have thus already or are in the process of drafting remuneration policies in which the variable element of remuneration depends in part on the achievement of annual objectives in connection with reducing the carbon footprint, the updating of governance practices and the contribution to society..

### 3.3.6. Statement on due diligence (GOV-4)

Where possible, key elements of due diligence are expressed directly in the disclosure requirements set out in ESRS 2 and thematic ESRS, as stated and illustrated below.

### 3.3.7. Risk management and internal controls over sustainability reporting (GOV-5)

VThe GEN Group is aware that sustainable operations are not merely a regulatory requirement, but also an opportunity to improve resilience and create value. For this reason, we established and upgraded internal controls and processes in 2024 that

ensure the integrity and timeliness of sustainability reporting. To that end, we performed a self-assessment of key risks in connection with sustainability reporting, but have not yet classified those risks in terms of materiality.

To ensure accurate sustainability reporting, we organised training in 2024 on requirements and new developments in connection with sustainability reporting (CSRD, ESRS and Taxonomy Regulation), appointed ESG coordinators, briefed individual companies and their ESG coordinators on the relevant mandatory requirements set out in the ESRS and Taxonomy Regulation requirements, and appointed material topic administrators. At joint meetings with the administrators of material topics, attendees reviewed the requirements of the relevant standards to ensure a uniform understanding of legislative requirements and, depending on the specifics and availability of resources of an individual company and data received, requested supplements and clarifications, as required. This ensured the ownership of processes and limited the risk of data availability. Findings regarding potential risks in connection with sustainability reporting are discussed at regular weekly management meetings, at meetings of sustainability initiative administrators, in quarterly reports to the head of the strategic management department at the controlling company GEN, and in semi-annual reports to the senior management of companies. Such procedures facilitate the timely inclusion of findings in business decisions and operational plans, as we are aware of the importance of involving senior management in sustainability efforts.

We understand ensuring the integrity and quality of data as a process that will improve and update reporting over time.

Key elements of due diligence	Paragraphs in the statement
Embedding due diligence in governance, strategy and business model	ESRS 2 BP-1 5c ESRS 2 GOV-1 20b-c; 23 a, b ESRS 2 GOV-2 26 a-c ESRS 2 SBM-1 40 g, e; 42 b, c ESRS 2 SBM-3 48 a, c
Engaging with affected stakeholders	ESRS 2 GOV-1 21 b ESRS 2 SBM-2 45 a, b, d ESRS 2 SBM-3 48 b, c ESRS 2 E4-3 28c ESRS S1-2, 27 to 27 e ESRS S3-2, 21 ESRS S3-3, 28 ESRS G1-1, 10 c
Identifying and assessing negative impacts on people and the environment	ESRS 2 IRO-1 20 a, b; 53 a-h ESRS E1-5, 37-42 ESRS E1-6, 44, 48 a, b, 49b, 51, 52a-b ESRS E4-2 AR 16 ESRS E4.IRO-1 19 a, b ESRS S1-14, 88 c, e ESRS 2 S3.SBM-3 9
Taking action to address these harmful impacts	ESRS E1.MDR-A 68 a ESRS 2 SBM-3 48 b
Tracking the effectiveness of these efforts and communication	ESRS 2 SBM-3 48 b ESRS 2 SBM-1, 45 a, b, d ESRS E1-5, 37-42 ESRS E1-6, 44, 48 a, b, 49 b, 51, 52 a-b ESRS S1-2, 27 do 27 e



# 3.4. Key stakeholders and double materiality assessment

With the aim of ensuring the comprehensive understanding of our impact, we identified key stakeholders, analysed their interests and expectations, and identified common material topics that reflect the core areas of operations. We then linked that process to a double materiality assessment and identified key areas that require our attention and action in accordance with the GEN Group’s sustainability guidelines.

## 3.4.1. Identification of stakeholders

When identifying internal and external stakeholders, we first identified stakeholders on which we have an impact as the GEN Group and those that have an impact on the GEN Group, based on due diligence and cooperation, as well as the areas in which we operate and where we perform our activities. These include internal stakeholders, such as GEN’s senior management, the management of associated companies, all group employees and the administrators of associated companies, and external stakeholders, such as the owner, administrative bodies and decision makers, the professional public, the social environment, organisations associated with environmental issues and suppliers. When identifying stakeholders, we also recognised customers as a key stakeholder for the GEN Group. After careful consideration, however, we did not include them in our questionnaire, as we decided internally that our subsidiary GEN-I, as the leading supplier of electricity to households and small business customers, should include customers as a key stakeholder group during the preparation of the double materiality assessment in the scope of its own annual report.

## Stakeholders of the GEN Group

Key stakeholders	Methods of cooperation and communication
SENIOR MANAGEMENT OF GEN	Crucial communication at the group level (external and internal): communication with senior management is crucial for aligning strategies and ensuring the overall strategy at the GEN Group level. That communication includes internal and external aspects, which contributes to the harmonised functioning of the company.
MANAGEMENT OF ASSOCIATED COMPANIES	Direct communication with the group’s senior management: direct internal communication is crucial for creating an effective link between the management of associated companies and the senior management of the GEN Group. That communication facilitates the coordination of strategies and the achievement of common objectives. Via regular quarterly and monthly meetings, GEN’s senior management communicates with the management staffs of group companies about following the annual business plan, and ordinary and extraordinary events.
ALL GROUP EMPLOYEES	Comprehensive internal communication for development: internal communication with employees is essential for their development, the creation of a positive work environment and the achievement of a high level of motivation and satisfaction amongst employees. Via regular quarterly meetings, senior management presents the results from continuing operations, while all major business events are reported directly to employees.
ADMINISTRATORS OF ASSOCIATED COMPANIES	Monitoring of the investments and operations of companies; communication with companies: internal communication with the administrators of associated companies facilitates the effective monitoring of investments and operations, and ensures transparent communication between the GEN Group and its associated companies. The administrators of associates, management staff of companies and senior management exchange information at regular quarterly meetings of companies.
OWNER	Achieving commercial success, risk management and corporate governance: external communication with the owner is crucial for ensuring their understanding of commercial success, risk management and effective corporate governance. GEN’s senior management communicates with the owner directly or via SSH.
REGULATORY BODIES AND DECISION MAKERS	Ensuring compliance with the law; impact on decisions: external communication with regulatory bodies and decision makers is essential for ensuring compliance with the law, the transparency of operations and the establishment of effective dialogue that impacts decisions and the implementation of policies. GEN’s senior management and expert employees participate in the relevant sessions of government working groups and government advisory committees, and attend meetings at the ministerial level, where they are included in the development of the energy sector, sustainability legislation and regulatory frameworks.
PROFESSIONAL PUBLIC	Cooperation in the acquisition of professional competences: external communication with the professional public facilitates the acquisition of professional competences and the achievement of common objectives. GEN Group employees regularly attend professional training, meetings and conferences organised by the professional public, where they exchange information.
SOCIAL ENVIRONMENT	Establishment and maintenance of good relations in the social environment: external communication with the social environment is crucial for establishing and maintaining positive relations, and for co-creating a high-quality social environment. GEN energija organises regular surveys to gauge the thinking of people from the environment in which it operates, with the aim of exchanging relevant information via meeting with local communities and associations. When allocating funds for sponsorships and donations, the GEN Group follows the policy of earmarking 50% of funds for the local environment and 70% for activities that are in line with sustainability policies.
ORGANISATIONS ASSOCIATED WITH ENVIRONMENTAL ISSUES	Transparent dialogue regarding environmental issues: external communication with organisations associated with environmental issues is essential for establishing transparent dialogue and providing information about initiatives and issues relating to environmental sustainability; environmental organisations are crucial for monitoring and assessing the environmental efforts of the group.
SUPPLIERS	Achievement of common sustainability goals and strengthening of sound business relations: external communication with suppliers is essential for ensuring the functioning of supply chains, and for achieving common sustainability objectives and establishing sound business relations.
CUSTOMERS <sup>14</sup>	Crucial in terms of the market share of the subsidiary GEN-I: communication and relations with customers are crucial for the pursuit of the GEN Group’s mission and vision, and for maintaining market shares, particularly for the subsidiary GEN-I, as the leading supplier of electricity to households and small business customers in Slovenia.

<sup>14</sup> Included in the double materiality assessment in the scope of the GEN-I Group’s annual report.

Every subsidiary has its own specific stakeholders, with whom they engage in a way that ensures compliance with sustainability goals and values. Of particular importance at group companies is cooperation in concession areas through different written environmental and spatial initiatives, and requests for consent from local communities and other interested parties, which are taken into account in accordance with environmental restrictions and valid spatial-planning documents. The purpose of that cooperation is to resolve open issues regarding new investments and maintenance interventions in specific areas, to address potential concerns regarding environmental and social impacts, and to include feedback from stakeholders in sustainability policies.

The group's senior management is briefed on the interests of stakeholders through quarterly meetings with subsidiaries, where reports are presented on the 'Socially responsible operations' initiative and the associated catalyst 'Stakeholder Trust' (the initiative and catalyst are part of the GEN Group's Strategic Development Plan for the period 2024 to 2030). The group's senior management is also briefed on the interests of stakeholders through regular general meetings of companies, sessions of the Supervisory Board, quarterly meetings with employees, regular meetings with representatives of the Works Council, business communication with partners, engagement with ministries to achieve companies' objectives and the monitoring of data regarding companies' operations; engagement with the local community through sponsorships and donations, and with the professional public through the publication of content in professional publications, attendance at congresses and conferences, and proposals for improvements; engagement with the media through publications and contributions in the media; engagement with non-governmental organisations through proposals for improving the social

and environmental aspects of the company's operations, engagement with educational institutions through various projects, involving high school and university students in practical training and tours of electricity production facilities, and the presentation of the company's operations as an example of best practice. We are also actively included in the development of regulations governing energy and sustainability, and legislative frameworks in cooperation with regulatory and government bodies.

The GEN Group's Supervisory Board is briefed on the interests of stakeholders at ordinary monthly sessions of the Supervisory Board and reports of senior management on important communications with stakeholders. At the request of the Supervisory Board, senior management drafts special response reports regarding the interests of stakeholders.

The GEN Group strives to take into account the results of stakeholder engagement. The results of engagement with institutional stakeholders (the management staff of companies, the owner, regulatory bodies and decision makers) are recorded in official documents (minutes of meetings, regulations, decrees and laws), while the results of engagement with employees are presented in the minutes of meetings of the Works Council and at quarterly meetings with employees.

The results of engagement with organisations linked to environmental issues and the social environment are taken into account in accordance with Slovenian law, into which the Aarhus Convention has been transposed, in the drafting of national spatial plans, where the justified arguments of those organisations are taken into account. In addition, an annual report is drawn up on sponsorships and donations, which sets out the amounts earmarked for organisations in the local and wider social environment.

The results of engagement with the professional public are taken into account in the drafting of technical bases for the GEN Group's projects.

### 3.4.2. Double materiality assessment and inclusion of material topics in sustainability reporting

Based on a careful analysis of the markets on which we operate, our operations, our mission and vision, the internal and external business environment, business relations and relations with other

stakeholders, the management teams of all direct subsidiaries, GEN's senior management and other key employees identified 15 material topics *that were then included in sustainability issues covered by ESRS topics*. In that process, we also relied on professional materials, guidance from external experts and best practices from similar companies around the world. Also serving as a relevant basis for the identification process was the Strategic Development Plan of the GEN Group for the period 2024 to 2030, which defines our strategy, and strategic and sustainability guidelines, objectives and initiatives.

Ensuring safe, reliable, clean and affordable energy	E1 – Climate change	Environmental aspect (E)
Contribution to the increase in the share of RES	E1 – Climate change	
Reduction of the group's carbon footprint	E1 – Climate change	
Care for the ecosystem and compliance with the highest standards in the area of biodiversity	E4 – Biodiversity and ecosystems	
Development and retention of staff	S1 – Own workforce	Social aspect (S)
Ensuring a healthy and safe work environment	S1 – Own workforce	
Responsibility to customers and the protection of personal data	/	
Socially responsible operations and giving back to society	S3 – Affected communities	
Zero-tolerance for all forms of discrimination and violence in the workplace, and respect for human rights	S1 – Own workforce	
Digitalisation of operations and cyber security	/	Governance aspect (G)
Corporate governance	G1 – Business conduct	
Comprehensive risk management	/	
Compliance and transparent management	G1 – Business conduct	
Implementation of anti-corruption and conflict of interest policies	G1 – Business conduct	
Management staff selection and development strategy in terms of business ethics	/	



We drew up a double materiality assessment in accordance with guidelines and legislation in the area of sustainable non-financial reporting, and in the scope of corporate social responsibility. That assessment illustrates different aspects of an impact on the value and performance of the GEN Group, and covers both internal and external aspects. Following the successful identification of relevant stakeholders and material topics, we drew up an online questionnaire (in Slovene and English), which was sent to identified relevant stakeholders for completion. Based on that questionnaire, the final classification of material topics was carried out according to materiality, taking into account double materiality, as shown in the diagram of the materiality of topics for stakeholders and the GEN Group.

Double materiality assessment

A double materiality assessment facilitates the identification of key focuses and strategies to meet expectations, implement sustainability policies and achieve the GEN Group’s sustainable development objectives. In terms of the GEN Group’s external impacts, the double materiality assess-

ment reflects the most significant impacts on people, the environment and the economy, including impacts on human rights; in terms of the GEN Group’s internal impacts, the matrix shows the expectations that affect business decisions based on their assessments of the short-, medium- and long-term financial performance and value of the company. A higher value means a factor has a greater impact on the company’s operations and objectives; from the viewpoint of stakeholders, the value indicates the importance of a particular factor.

Based on an analysis of completed questionnaires and taking into account everything described in this section, we drafted an internal expert double materiality matrix report for the GEN Group, which includes a detailed description of the methodology and a description of the entire process.

The findings of the double materiality assessment process are broken down and described in more detail in individual sections.

Illustration of the importance of content for stakeholders and the GEN Group

Ranking of material topic	Material topic	Topics according to ESRS AR 16
1	Ensuring safe, reliable, clean and affordable energy	E1 – Climate change
2	Ensuring a healthy and safe work environment	S1 – Own workforce
3	Development and retention of staff	S1 – Own workforce
4	Responsibility to customers and the protection of personal data	/
5	Comprehensive risk management	
6	Corporate governance	G1 – Business conduct
7	Socially responsible operations and giving back to society	S3 – Affected communities
8	Zero-tolerance for all forms of discrimination and violence in the workplace, and respect for human rights	S1 – Own workforce
9	Reduction of the group’s carbon footprint	E1 – Climate change
10	Contribution to the increase in the share of RES	E1 – Climate change
11	Compliance and transparent management	G1 – Business conduct
12	Digitalisation of operations and cyber security	/
13	Implementation of anti-corruption and conflict of interest policies	G1 – Business conduct
14	Care for the ecosystem and compliance with the highest standards in the area of biodiversity	E4 – Biodiversity and ecosystems
15	Management staff selection and development strategy in terms of business ethics	/

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

The identification of material topics and the associated impacts, risks and opportunities was followed by the mapping of individual material topics and the associated ESRS. Based on the double materiality assessment, we determined that the following ESRS topics are relevant to the group: ESRS E1 Climate Change; ESRS E4 Biodiversity and ecosystems; ESRS S1 Own workforce; ESRS S3 Affected communities and ESRS G1 Business conduct, while the remaining topics that are specific to the group and do not fall under the aforementioned thematic standards were defined in accordance with minimum disclosures.

Initially identified impacts were reviewed and supplemented with additional sustainability impacts, risks and opportunities. We considered the links between impacts and related risks and opportunities during the identification phase. We assessed them in the context of the business model, the existing risk management system, and internal and external analyses, and thus ensured a comprehensive approach to materiality assessment. In the scope of identified material topics, we then reviewed identified impacts in more detail during meetings with the administrators of individual material topics from group companies, and supplemented them with information regarding the type of impact, the associated time horizon, the relevant value chain, a quantitative scale, and additional risks and opportunities relevant to companies. To that end, we drew on previous materiality assessments, the findings of stakeholders (primarily experts from different areas), professional training, internal data from group companies and

publicly available information. We then defined impacts, risks and opportunities within the framework of ESRS topics, taking into account the severity and likelihood of impacts. Using a quantitative assessment on a scale of 1 (low materiality) to 3 (high materiality), we determined that IROs rated 2 (moderate materiality) or higher are deemed material.

The primary focus in the process was on key activities in our own units, taking into account IROs in the value chain (e.g. suppliers or customers). An in-depth analysis of specific activities, business relationships, geographical areas or other factors that could pose the increased risk of negative impacts has not yet been carried out.

When assessing materiality, we took into account the scale, scope and irremediability of actual negative impacts in accordance with Section 3.4 of the ESRS, and the probability of potential negative impacts. For positive impacts, we considered the scale and scope of actual impacts, while we also took into account probability for potential positive impacts. When assessing financial materiality, we took into account Section 3.5 of the ESRS, which states that a sustainable issue is financially material if it causes or can reasonably be expected to cause material financial effects on the company.

When assessing risks and opportunities, we considered the fact that their materiality is assessed based on a combination of the probability of financial effects occurring and their potential scope, and linked this to our own methodology used in the risk management system. We thus compiled descriptions of risks and opportunities and identified their materiality based on probability, consequences and financial impact, and linked them



where possible to the risks in the controlling company's register. In terms of consequences, we assessed the impact of a risk on cash flow over a one-year period and on solvency over a three-year period.

Based on the assessment of risks and opportunities identified in the context of preparations for sustainability reporting, we determined that these risks and opportunities are low to moderate in terms of their potential impact on cash flow and solvency. We did not identify any risks that would result in a material adjustment to carrying amounts. Because ESG risks do not pose a material threat to the group's operations over the next three years based on our current assessment, we set a maximum financial threshold of EUR 1,250,000 for those risks. For other risks that may have a more material direct impact on operations, the thresh-

olds may be higher, while we also included ESG criteria as one of the aspects of our assessment of other risks. The procedure for defining and assessing the materiality of IROs was updated during the reporting period in line with the requirements of the ESRS.

After formulating in-depth IRO assessments, we reviewed descriptions with internal experts, the head of the strategic management department, and the head of the communications and sustainable development sector, and then confirmed them at the senior management level of GEN.

Sustainability-related risks are also an element of the regular annual risk assessment, while the revision of the risk management policy also established more precise risk materiality thresholds, with one of the criteria being ESG impact.



# 3.5. Environmental aspect

## 3.5.1. Disclosures in accordance with Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

### Introductory remarks regarding the EU Taxonomy as a tool for transitioning to climate neutrality

In accordance with Article 8 of the Taxonomy Regulation,<sup>15</sup> the GEN Group discloses information regarding how and to what extent the activities of the GEN Group relate to economic activities that are deemed environmentally sustainable in accordance with Articles 3 and 9 of the aforementioned regulation. The EU Taxonomy is a classification system that defines criteria for economic activities that are aligned with the net zero emissions curve by 2050 and broader environmental goals. To that end, the GEN Group presents information under the Taxonomy Regulation based on the provisions of Commission Delegated Regulation (EU) 2021/2178<sup>16</sup>, which defines in detail the content of and methodology for disclosing information, and Commission Delegated Regulations (EU) 2021/2139<sup>17</sup>, 2023/2485<sup>18</sup> and 2023/2486<sup>19</sup>, which define the technical screening criteria for determining whether an economic activity contributes substantially to the six environmental objectives set out in the Taxonomy Regulation (climate change mitigation, climate change adaptation, sustainable use and protection of water and marine sources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems) and does not significantly harm environmental objectives.

Taking into account Article 10 of Commission Delegated Regulation (EU) 2021/2178, the GEN Group discloses for the year ending 31 December 2024 the proportion of its turnover, capital expenditure and operating expenditure from Taxonomy non-eligible economic activities and Taxonomy-eligible but not Taxonomy-aligned activities, and Taxonomy-aligned activities and other relevant qualitative information.

The GEN Group discloses information in accordance with Commission Delegated Regulation (EU) 2022/1214<sup>20</sup>, through which the Commission, taking into account scientific opinions, expert consultations and current technological progress, concluded that selected natural gas and nuclear activities are in line with the EU's climate and environmental objectives and will facilitate the accelerated transition from more polluting activities (such as coal) to a climate-neutral future based primarily on renewable energy sources.

### Identification of Taxonomy-eligible economic activities

In order to identify Taxonomy-eligible economic activities, the GEN Group reviewed the above-described delegated regulations that define Taxonomy-eligible economic activities taking into account six environmental goals. Only if an economic activity of the GEN Group is covered by one of those delegated regulations and the associated technical criteria for further assessment of the activity's eligibility exist is it considered Taxonomy-eligible.

Otherwise an activity must be classified as a Taxonomy-non-eligible economic activity.

In the first step, the GEN Group identified as Taxonomy-eligible activities relevant for its turnover, CapEx and OpEx the activities listed below, which are included in Commission Delegated Regulation (EU) 2021/2139 and for which technical criteria are available to determine whether those activities contribute significantly to two environmental goals, i.e. climate change mitigation and climate change adaptation:

Economic activities under Commission Delegated Regulation (EU) 2021/2139	Economic activities of the GEN Group
4.1 Production of energy using photovoltaic technology	• Production of solar energy; and • Energy contractual partnerships.
4.5 Production of electricity from hydro energy	• Operation of hydroelectric power plants
4.29 Production of electricity from fossil gaseous fuels	• Electricity production from natural gas
7.6 Installation, maintenance and repair of technologies for energy from renewable sources	• Construction of solar power plants • Electricity storage.

In that respect, the following activities are relevant for the GEN Group in terms of non-sales related investments in fixed assets:

- 6.5: Transport by motorcycles, passenger cars and light commercial vehicles; and
- 7.4: Installation, maintenance and repair of electric vehicle charging stations in buildings (and in parking lots connected with buildings).

### Identification of Taxonomy-aligned economic activities

For Taxonomy-eligible economic activities, verification followed as to whether:

- they contribute significantly to climate change mitigation, i.e. whether they are in line with technical criteria under Commission Delegated Regulation (EU) 2021/2139 that are linked to a significant contribution to environmental goals. The assessment of the GEN Group's economic activities was, in part to avoid double counting, carried out solely on the basis of the environmental goal of climate change mitigation (and not also the goal of climate change adaptation), as that is also the main goal that the GEN Group's economic activities pursue;
- they cause no significant harm to other relevant environmental goals (climate change adaptation, sustainable use and protection of water and marine sources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems); and

<sup>15</sup> 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 (Official Journal L 198, 22 June 2020, pp. 13–43).

<sup>16</sup> 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, and specifying the methodology to comply with that disclosure obligation (OJ L 443; 10 December 2021; pp. 9–67; last amended with Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 (OJ L 2023/2486; 21 November 2023).

<sup>17</sup> Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (OJ L 442; 9 December 2021; ppr. 1–349; last amended by Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 (OJ L 2023/2485; 21 November 2023).

<sup>18</sup> Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending Delegated Regulation (EU) 2021/2139 establishing additional technical screening criteria for determining the conditions under

der which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause no significant harm to any of the other environmental objectives (OJ L 2023/2485; 21 November 2023).

<sup>19</sup> Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of

the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities (OJ L 2023/2485; 21 November 2023).

<sup>20</sup> Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities (OJ L 188; 15 July 2022, pp. 1–45).

- they are implemented in accordance with the minimum safeguards under Article 18 of the Taxonomy Regulation. If both conditions are met, an economic activity is deemed Taxonomy-aligned.

Only if the answer to all of the above questions is positive is an economic activity deemed Taxonomy-aligned. If this is not the case, an economic activity is deemed not Taxonomy-aligned.

The results of the assessment of the GEN Group’s economic activities are presented in the table below:

Economic activities under Commission Delegated Regulation (EU) 2021/2139	Description of economic activities under Commission Delegated Regulation (EU) 2021/2139	Economic activities of the GEN Group	Assessment of Taxonomy-alignment
4.1 Production of energy using photovoltaic technology	Construction or operation of electricity generation facilities that produce electricity using photovoltaic technology	Production of solar electricity  Energy contractual partnerships	The criterion for an economic activity’s significant contribution to the environmental objective of climate change mitigation is already met due to the very nature of the economic activity (i.e. the production of electricity using photovoltaic energy). However, the economic activity cannot be considered Taxonomy-aligned because: <ul style="list-style-type: none"><li>• the GEN Group’s criteria/processes for assessing whether an economic activity does not significantly harm relevant environmental objectives under Commission Delegated Regulation (EU) 2021/2139 have been developed, but were not yet fully applied in 2024; and</li><li>• the GEN Group’s criteria/processes for assessing compliance with the minimum safeguards under Article 18 of the Taxonomy Regulation were developed in 2023, but were not yet fully applied in 2024 in connection with GEN’s supply and value chains.</li></ul>
4.5 Production of electricity from hydro energy	Electricity production at hydroelectric power plants	Operation of hydroelectric power plants	However, the economic activity cannot be considered Taxonomy-aligned because: <ul style="list-style-type: none"><li>• the GEN Group’s criteria/processes for assessing whether an economic activity does not significantly harm relevant environmental objectives under Commission Delegated Regulation (EU) 2021/2139 have been developed, but were not yet fully applied in 2024; and</li><li>• the GEN Group’s criteria/processes for assessing compliance with the minimum safeguards under Article 18 of the Taxonomy Regulation were developed in 2023, but were not yet fully applied in 2024 in connection with GEN’s supply and value chains.</li></ul>
4.29 Production of electricity from fossil gaseous fuels	Production of electricity from fossil fuels	Electricity production from natural gas	Activity 4.29 is deemed a transitional activity in accordance with Article 10(2) of Regulation (EU) 2020/852, which means that: <ul style="list-style-type: none"><li>• it facilitates the transition to carbon neutrality but is not entirely carbon-free;</li><li>• it has no appropriate carbon-free alternatives; and</li><li>• it facilitates the immediate reduction of emissions.</li></ul> For compliance with the Taxonomy, an activity must: <ul style="list-style-type: none"><li>• Produce emissions of ≤ 100 g CO<sub>2</sub>e/kWh</li></ul> <p>The GEN Group’s economic activity does not meet the criterion, as emissions produced in the production of electricity exceed 100 g CO<sub>2</sub>e/kWh. As a result, the activity cannot be considered Taxonomy-aligned In addition, The GEN Group’s economic activity cannot be considered Taxonomy-aligned because:</p> <ul style="list-style-type: none"><li>• the GEN Group’s criteria/processes for assessing whether an economic activity does not significantly harm relevant environmental objectives under Commission Delegated Regulation (EU) 2021/2139 have been developed, but were not yet fully applied in 2024; and</li><li>• the GEN Group’s criteria/processes for assessing compliance with the minimum safeguards under Article 18 of the Taxonomy Regulation were developed in 2023, but were not yet fully applied in 2024 in connection with GEN’s supply and value chains.</li></ul>
7.6 Installation, maintenance and repair of technologies for energy from renewable sources	On-site installation, maintenance and repair of technologies for energy from renewable sources	Construction of solar power plants  Electricity storage	The criterion for an economic activity’s significant contribution to the environmental objective of climate change mitigation is already met due to the very nature of the economic activity (the activity includes: the installation, maintenance and repair of photovoltaic systems and auxiliary technical equipment, and the installation, maintenance, and repair of units for storing thermal energy or electricity and auxiliary technical equipment). However, the economic activity cannot be considered Taxonomy-aligned because: <ul style="list-style-type: none"><li>• the GEN Group’s criteria/processes for assessing whether an economic activity does not significantly harm relevant environmental objectives under Commission Delegated Regulation (EU) 2021/2139 have been developed, but were not yet fully applied in 2024; and</li><li>• the GEN Group’s criteria/processes for assessing compliance with the minimum safeguards under Article 18 of the Taxonomy Regulation were developed in 2023, but were not yet fully applied in 2024 in connection with GEN’s supply and value chains.</li></ul>



Because the economic activities of the GEN Group have not yet been comprehensively assessed in terms of compliance with all the technical criteria for review under Commission Delegated Regulation (EU) 2021/2139 and the criteria for assessing compliance with the minimum safeguards under Article 18 of the Taxonomy Regulation, meaning we cannot say with certainty that they meet all the necessary requirements for the classification of activities as Taxonomy-aligned, we have designated our economic activities as Taxonomy-eligible but not Taxonomy-aligned. The GEN Group thus did not have Taxonomy-aligned activities in 2024, but is planning to do so in 2025.

We can reach a similar conclusion for economic activity 6.5 Transport by motorcycles, passenger cars and light commercial vehicles, as this involves investments in electric and hybrid vehicles for own use, and economic activity 7.4 Installation, maintenance and repair of electric vehicle charging stations in buildings (and in parking lots connected with buildings), as the activity includes investments in electric vehicle charging stations for internal use. This means the two activities are Taxonomy-eligible. However, because they have not been assessed against the technical screening criteria and the minimum safeguards, they are deemed not taxonomy-aligned.

## Key performance indicators

Key performance indicators for turnover, capital expenditure (CapEx) and operating expenditure (OpEx) are calculated based on our understanding of the definitions in Annex I to Commission Delegated Regulation (EU) 2021/2178.

Activities relevant for the EU Taxonomy, whose turnover, CapEx and OpEx are included in the calculation of the numerator, are carried out at the following GEN Group companies:

- **GEN-I:** generates revenue from the performance of two Taxonomy-eligible activities (4.1 and 7.6). The basis for including turnover at the level of an individual economic activity at the aforementioned company is the actual turnover generated at the level of an individual economic activity. The turnover generated by an economic activity at the aforementioned company also represents a key for the allocation of CapEx and OpEx at the level of an individual economic activity of that company.
- **HESS:** generates revenue from the performance of one Taxonomy-eligible activity (4.5). When capturing this company's data, there is thus no need to use a key to allocate turnover, CapEx and OpEx.
- **SEL:** generates revenue from the performance of one Taxonomy-eligible activity (4.5). When capturing this company's data, there is thus no need to use a key to allocate turnover, CapEx and OpEx.
- **TEB:** generates revenue from the performance of one Taxonomy-eligible activity (4.1 and 4.29).
- **NEK\*:** generates revenue from the performance of two Taxonomy-eligible activities (4.1 and 4.28). Not included in the analysis.

Only turnover, CapEx and OpEx of the above companies, in terms of the provisions of Commission Delegated Regulation (EU) 2021/2178, are included in the calculation of the numerator.

Through the quantification of key performance indicators solely for the goal of climate change mitigation, as the most important goal for the GEN Group, we avoided double counting.

When analysing economic activities, we defined key performance indicators for Taxonomy-eligible economic activities (fully meet criteria) and Taxonomy-aligned economic activities (partially meet criteria) at the GEN Group level for all three categories. Based on an analysis of whether an economic activity contributes substantially to climate change mitigation, and an assessment of whether it does not significantly harm any other environmental objectives and is performed with minimum safeguards, it was determined that activities are classified as Taxonomy-eligible but not Taxonomy-aligned.

### \*Consideration of the results of NEK d.o.o. in Taxonomy-related calculations

Due to the complexity of ownership and governance relations of the NEK, which are defined in the Agreement between the Government of the Republic of Slovenia and the Government of the Republic of Croatia governing status and other legal relationships in connection with investments in the Krško Nuclear Power Plant, and the operation and decommissioning thereof (BHRNEK), under which Slovenia and Croatia each hold a 50% participating interest in the NEK, the timeframe for

the harmonisation of reporting processes in the current Sustainability Report was too short.

The ZGD-1M, which transposed into Slovenian law the CSRD and thus the obligation to report in accordance with the ESRS pursuant to the CSRD, entered into force on 18 December 2024. GEN energija has begun collecting data and disclosures for the drafting of the Sustainability Report in accordance with the CSRD. However, the NEK's other partner, Hrvatska elektroprivreda (HEP) did not participate, so we were unable to obtain all the necessary data.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure for 2024

2024 financial year	2024			Substantial contribution criteria						Does no significant harm criteria (h)									
Economic activities (1)	Code (a)(2)	Absolute turnover (3)	Proportion of turnover in 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion turnover, Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2), 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		EUR	%	YES; NO; TNE (b) (c)	YES; NO; TNE (b) (c)	YES; NO; TNE (b) (c)	YES; NO; TNE (b) (c)	YES; NO; TNE (b) (c)	YES; NO; TNE (b) (c)	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	NO	NO	NO	NO	NO	NO	NO	%		
Of which enabling		-	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	NO	NO	NO	NO	NO	NO	NO	%	E	
Of which transitional		-	0,00%	0,00%						NO	NO	NO	NO	NO	NO	NO	%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				TE; TNE (f)	TE; TNE (f)	TE; TNE (f)	TE; TNE (f)	TE; TNE (f)	TE; TNE (f)										
Production of electricity from fossil gaseous fuels		CCM 4.29	8.528.621	0,40%	SP	SP	NSP	NSP	NSP								NSP		
Production of electricity from hydro energy		CCM 4.5	43.027.519	2,04%	SP	SP	NSP	NSP	NSP								NSP		
Production of energy using photovoltaic technology		CCM 4.1	3.696.403	0,18%	SP	SP	NSP	NSP	NSP								NSP		
Installation, maintenance and repair of technologies for energy from renewable sources		CCM 7.6	43.599.499	2,07%	SP	SP	NSP	NSP	NSP								NSP		
Turnover from Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)			98.852.041	4,68%	4,68%	0,00%	0,00%	0,00%	0,00%										
Turnover from Taxonomy-eligible activities (A.1 + A.2)			4,68%	4,68%	0,00%	0,00%	0,00%	0,00%	0,00%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		2.011.963.742	95,32%																
TOTAL		2.110.815.783	100%																

The indicator relates to turnover from Taxonomy-eligible activities in relation to total turnover. The proportion of Taxonomy-eligible turnover fell to 4.68% in 2024 from 7.77% in 2023. That decrease was the result of the exclusion of turnover from Taxonomy-eligible activities such as electricity production from nuclear energy on existing devices. Lower turnover was also noted in the construction of solar power plants due to the planned discontinuation of the net metering system at the end of 2024.



Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure for 2024

2024 financial year	2024			Substantial contribution criteria						Does no significant harm criteria (h)									
Economic activities (1)	Code (a) (2)	Absolute turnover (3)	Proportion of turnover in 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion turnover, Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2), 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		EUR	%	YES; NO; TNE (b) (c)	YES; NO; TNE (b) (c)	YES; NO; TNE (b) (c)	YES; NO; TNE (b) (c)	YES; NO; TNE (b) (c)	YES; NO; TNE (b) (c)	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	NO	NO	NO	NO	NO	NO	NO	%		
Of which enabling		-	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	NO	NO	NO	NO	NO	NO	NO	%	E	
Of which transitional		-	0,00%	0,00%						NO	NO	NO	NO	NO	NO	NO	%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				TE; TNE (f)	TE; TNE (f)	TE; TNE (f)	TE; TNE (f)	TE; TNE (f)	TE; TNE (f)										
Production of electricity from fossil gaseous fuels		CCM 4.29	3.524.313	9,57%	SP	SP	NSP	NSP	NSP								NSP		
Production of electricity from hydro energy		CCM 4.5	5.999.899	16,29%	SP	SP	NSP	NSP	NSP								NSP		
Production of energy using photovoltaic technology		CCM 4.1	7.134.185	19,37%	SP	SP	NSP	NSP	NSP								NSP		
Installation, maintenance and repair of technologies for energy from renewable sources		CCM 7.6	758.239	2,06%	SP	SP	NSP	NSP	NSP								NSP		
Installation, maintenance and repair of electric vehicle charging stations in buildings (and in parking lots connected with buildings).		CCM 7.4	253.541	0,69%	SP	SP	NSP	NSP	NSP								NSP		
Transport by motorcycles, passenger cars and light commercial vehicles		CCM 6.5	845.540	2,30%	SP	SP	NSP	NSP	NSP								NSP		
CapEx from Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)			18.515.717	50,27%	50,27%	50,27%	0,00%	0,00%	0,00%								0,00%		
A. CapEx from Taxonomy-eligible activities (A.1 + A.2)			50,27%	50,27%	50,27%	0,00%	0,00%	0,00%	0,00%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		18.316.761	49,73%																
TOTAL		36.832.478	100%																

The indicator relates to CapEx from Taxonomy-eligible activities in relation to total CapEx at the GEN Group level in 2024. The proportion of Taxonomy-eligible CapEx fell to 50.27% in 2024 from 72.44% in 2023. That decrease is primarily the result of the exclusion of data regarding eligible CapEx in the existing nuclear power plant.

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure for 2024

2024 financial year	2024			Substantial contribution criteria						Does no significant harm criteria (h)									
Economic activities (1)	Code (a) (2)	Absolute turnover (3)	Proportion of turnover in 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion turnover, Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2), 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		EUR	%	YES; NO; TNE (b) (c)	YES; NO; TNE (b) (c)	YES; NO; TNE (b) (c)	YES; NO; TNE (b) (c)	YES; NO; TNE (b) (c)	YES; NO; TNE (b) (c)	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	NO	NO	NO	NO	NO	NO	NO	%		
Of which enabling		-	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	NO	NO	NO	NO	NO	NO	NO	%	E	
Of which transitional		-	0,00%	0,00%						NO	NO	NO	NO	NO	NO	NO	%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				TE; TNE (f)	TE; TNE (f)	TE; TNE (f)	TE; TNE (f)	TE; TNE (f)	TE; TNE (f)										
Proizvodnja električne energije iz fosilnih plinastih goriv		CCM 4.29	921.766	8,73%	TE	TE	TNE	TNE	TNE							TNE		0,00%	
Proizvodnja električne energije iz vodne energije		CCM 4.5	3.297.014	31,24%	TE	TE	TNE	TNE	TNE							TNE		17,85%	
Proizvodnja energije z uporabo fotovoltaične tehnologije		CCM 4.1	231.024	2,19%	TE	TE	TNE	TNE	TNE							TNE		0,39%	
Namestitev, vzdrževanje in popravilo tehnologij za energijo iz obnovljivih virov		CCM 7.6	221.516	2,10%	TE	TE	TNE	TNE	TNE							TNE		0,12%	
OpEx from Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)			4.671.319	44,26%	44,26%	0,00%	0,00%	0,00%	0,00%							18,36%			
A. OpEx from Taxonomy-eligible activities (A.1 + A.2)			4.671.319	44,26%	44,26%	0,00%	0,00%	0,00%	0,00%	18,36%									
B. DEJAVNOSTI, NESPREJEMLJIVE ZA TAKSONOMIJO																			
OpEx of Taxonomy-non-eligible activities			5.883.858	55,74%															
TOTAL			10.555.177	100%															

The indicator relates to lease costs, training costs and costs associated with the on-going and investment maintenance of fixed assets in connection with Taxonomy-eligible activities in relation to rental costs, maintenance costs and costs associated with the on-going and investment maintenance of fixed assets at the GEN Group level. The proportion of Taxonomy-eligible OpEx fell to 46.83% in 2024 from 95.98% in 2023.



Due to the GEN Group’s exposure to natural gas-related activities, we present the following tables in accordance with Annex XII of Commission Delegated Regulation (EU) 2022/1214.

Table 1:  
Nuclear and natural gas related activities

Nuclear energy related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Natural gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities

Table 2:  
Taxonomy-aligned economic activities (denominator)

Economic activities		Value and proportion (information is stated in monetary amounts and as proportions)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Value	%	Value	%	Value	%
1	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
2	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
3	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
4	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
5	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
6	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
7	Value and proportion of Taxonomy-aligned economic activities that are not included in lines 1 to 6 above, in the denominator of the key performance indicator used	0	0	0	0	0	0
8	Total value of the key performance indicator used	0	0	0	0	0	0

Table 3:  
Taxonomy-aligned economic activities (numerator)

Economic activities		Value and proportion (information is stated in monetary amounts and as proportions)					
		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
		Value	%	Value	%	Value	%
1.	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the numerator of the key performance indicator used	0	0	0	0	0	0
2.	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the numerator of the key performance indicator used	0	0	0	0	0	0
3.	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the numerator of the key performance indicator used	0	0	0	0	0	0
4.	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the numerator of the key performance indicator used	0	0	0	0	0	0
5.	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the numerator of the key performance indicator used	0	0	0	0	0	0
6.	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the numerator of the key performance indicator used	0	0	0	0	0	0
7.	Value and proportion of Taxonomy-aligned economic activities that are not included in lines 1 to 6 above, in the numerator of the key performance indicator used	0	0	0	0	0	0
8.	<b>Total value and proportion of Taxonomy-aligned economic activities, in the numerator of the key performance indicator used</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 4:  
Taxonomy-eligible but not Taxonomy-aligned economic activities

Economic activities		Value and proportion (information is stated in monetary amounts and as proportions)					
		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
		Value	%	Value	%	Value	%
1	Value and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity, as set out in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
2	Value and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity, as set out in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
3	Value and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity, as set out in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
4	Value and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity, as set out in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	8.528.621	0,40%	8.528.621	0,40%	0	0
5	Value and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity, as set out in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
6	Value and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity, as set out in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
7	Value and proportion of Taxonomy-aligned economic activities that are not included in lines 1 to 6 above, in the denominator of the key performance indicator used	90.323.420	4,28%	90.323.420	4,28%	0	0
8	<b>Total value and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activities, in the denominator of the key performance indicator used</b>	<b>98.852.041</b>	<b>4,68%</b>	<b>98.852.041</b>	<b>4,68%</b>	<b>0</b>	<b>0</b>

Table 5:  
Not-Taxonomy-eligible economic activities

Economic activities		Value	Proportion
1	Value and proportion of Taxonomy-non-eligible economic activity from line 1 of Template 1, in accordance with Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0
2	Value and proportion of Taxonomy-non-eligible economic activity from line 2 of Template 1, in accordance with Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0
3	Value and proportion of Taxonomy-non-eligible economic activity from line 3 of Template 1, in accordance with Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0
4	Value and proportion of Taxonomy-non-eligible economic activity from line 4 of Template 1, in accordance with Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	16.172.320	65,33%
5	Value and proportion of Taxonomy-non-eligible economic activity from line 5 of Template 1, in accordance with Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0
6	Value and proportion of Taxonomy-non-eligible economic activity from line 6 of Template 1, in accordance with Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0
7	Value and proportion of other Taxonomy-non-eligible economic activities that are not included in lines 1 to 6 above, in the denominator of the key performance indicator used	1.995.791.422	29,99%
8	<b>Total value and proportion of Taxonomy-non-eligible economic activities, in the denominator of the key performance indicator used</b>	<b>2.011.963.742</b>	<b>95,32%</b>

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities

Table 1:  
Taxonomy-aligned economic activities (denominator)

Economic activities		Value and proportion (information is stated in monetary amounts and as proportions)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Value	%	Value	%	Value	%
1	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
2	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
3	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
4	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
5	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
6	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
7	Value and proportion of Taxonomy-aligned economic activities that are not included in lines 1 to 6 above, in the denominator of the key performance indicator used	0	0	0	0	0	0
8	<b>Total value of the key performance indicator used</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



Table 2:  
Taxonomy-aligned economic activities (numerator)

Economic activities		Value and proportion (information is stated in monetary amounts and as proportions)					
		CCM + CCA		Climate change mitiga- tion (CCM)		Climate change adapta- tion (CCA)	
		Value	%	Value	%	Value	%
1.	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the numerator of the key performance indicator used	0	0	0	0	0	0
2.	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the numerator of the key performance indicator used	0	0	0	0	0	0
3.	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the numerator of the key performance indicator used	0	0	0	0	0	0
4.	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the numerator of the key performance indicator used	0	0	0	0	0	0
5.	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the numerator of the key performance indicator used	0	0	0	0	0	0
6.	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the numerator of the key performance indicator used	0	0	0	0	0	0
7.	Value and proportion of Taxonomy-aligned economic activities that are not included in lines 1 to 6 above, in the numerator of the key performance indicator used	0	0	0	0	0	0
8.	<b>Total value and proportion of Taxonomy-aligned economic activities, in the numerator of the key performance indicator used</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 3:  
Taxonomy-eligible but not Taxonomy-aligned economic activities

Economic activities		Value and proportion (information is stated in monetary amounts and as proportions)					
		CCM + CCA		Climate change mitiga- tion (CCM)		Climate change adapta- tion (CCA)	
		Value	%	Value	%	Value	%
1	Value and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity, as set out in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
2	Value and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity, as set out in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
3	Value and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity, as set out in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
4	Value and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity, as set out in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	3.524.313	9,57%	3.524.313	9,57%	0	0
5	Value and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity, as set out in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
6	Value and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity, as set out in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
7	Value and proportion of Taxonomy-aligned economic activities that are not included in lines 1 to 6 above, in the denominator of the key performance indicator used	14.991.404	40,70%	14.991.404	40,70%	0	0
8	<b>Total value and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activities, in the denominator of the key performance indicator used</b>	<b>18.515.717</b>	<b>50,27%</b>	<b>18.515.717</b>	<b>50,27%</b>	<b>0</b>	<b>0</b>

Table 4  
Not-Taxonomy-eligible economic activities

Economic activities		Value	Proportion
1	Value and proportion of Taxonomy-non-eligible economic activity from line 1 of Template 1, in accordance with Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0
2	Value and proportion of Taxonomy-non-eligible economic activity from line 2 of Template 1, in accordance with Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0
3	Value and proportion of Taxonomy-non-eligible economic activity from line 3 of Template 1, in accordance with Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0
4	Value and proportion of Taxonomy-non-eligible economic activity from line 4 of Template 1, in accordance with Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	915.154	20,07%
5	Value and proportion of Taxonomy-non-eligible economic activity from line 5 of Template 1, in accordance with Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0
6	Value and proportion of Taxonomy-non-eligible economic activity from line 6 of Template 1, in accordance with Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0
7	Value and proportion of other Taxonomy-non-eligible economic activities that are not included in lines 1 to 6 above, in the denominator of the key performance indicator used	17.401.607	29,66%
8	<b>Total value and proportion of Taxonomy-non-eligible economic activities, in the denominator of the key performance indicator used</b>	<b>18.316.761</b>	<b>49,73%</b>

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities

Table 1:  
Taxonomy-aligned economic activities (denominator)

Economic activities		Value and proportion (information is stated in monetary amounts and as proportions)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Value	%	Value	%	Value	%
1	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
2	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
3	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
4	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
5	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
6	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
7	Value and proportion of Taxonomy-aligned economic activities that are not included in lines 1 to 6 above, in the denominator of the key performance indicator used	0	0	0	0	0	0
8	<b>Total value of the key performance indicator used</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 2:  
Taxonomy-aligned economic activities (numerator)

Economic activities		Value and proportion (information is stated in monetary amounts and as proportions)					
		CCM + CCA		Climate change mitiga- tion (CCM)		Climate change adapta- tion (CCA)	
		Value	%	Value	%	Value	%
1.	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the numerator of the key performance indicator used	0	0	0	0	0	0
2.	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the numerator of the key performance indicator used	0	0	0	0	0	0
3.	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the numerator of the key performance indicator used	0	0	0	0	0	0
4.	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the numerator of the key performance indicator used	0	0	0	0	0	0
5.	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the numerator of the key performance indicator used	0	0	0	0	0	0
6.	Value and proportion of Taxonomy-aligned economic activity, as set out in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the numerator of the key performance indicator used	0	0	0	0	0	0
7.	Value and proportion of Taxonomy-aligned economic activities that are not included in lines 1 to 6 above, in the numerator of the key performance indicator used	0	0	0	0	0	0
8.	<b>Total value and proportion of Taxonomy-aligned economic activities, in the numerator of the key performance indicator used</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 3:  
Taxonomy-eligible but not Taxonomy-aligned economic activities

Economic activities		Value and proportion (information is stated in monetary amounts and as proportions)					
		CCM + CCA		Climate change mitiga- tion (CCM)		Climate change adapta- tion (CCA)	
		Value	%	Value	%	Value	%
1	Value and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity, as set out in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
2	Value and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity, as set out in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
3	Value and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity, as set out in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
4	Value and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity, as set out in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	921.766	8,73%	921.766	8,73%	0	0
5	Value and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity, as set out in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
6	Value and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity, as set out in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0	0	0	0	0
7	Value and proportion of Taxonomy-aligned economic activities that are not included in lines 1 to 6 above, in the denominator of the key performance indicator used	3.749.553	35,52%	4.671.319	35,52%	0	0
8	<b>Total value and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activities, in the denominator of the key performance indicator used</b>	<b>4.671.319</b>	<b>44,26%</b>	<b>4.671.319</b>	<b>44,26%</b>	<b>0</b>	<b>0</b>



Table 4:  
Not-Taxonomy-eligible economic activities

Economic activities		Value	Proportion
1	Value and proportion of Taxonomy-non-eligible economic activity from line 1 of Template 1, in accordance with Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0
2	Value and proportion of Taxonomy-non-eligible economic activity from line 2 of Template 1, in accordance with Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0
3	Value and proportion of Taxonomy-non-eligible economic activity from line 3 of Template 1, in accordance with Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0
4	Value and proportion of Taxonomy-non-eligible economic activity from line 4 of Template 1, in accordance with Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	829.366	27,91%
5	Value and proportion of Taxonomy-non-eligible economic activity from line 5 of Template 1, in accordance with Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0
6	Value and proportion of Taxonomy-non-eligible economic activity from line 6 of Template 1, in accordance with Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, in the denominator of the key performance indicator used	0	0
7	Value and proportion of other Taxonomy-non-eligible economic activities that are not included in lines 1 to 6 above, in the denominator of the key performance indicator used	5.054.492	27,83%
8	<b>Total value and proportion of Taxonomy-non-eligible economic activities, in the denominator of the key performance indicator used</b>	<b>5.883.858</b>	<b>55,74%</b>

The GEN Group is aware of the importance of reducing its carbon footprint and achieving carbon neutrality, its role in ensuring the achievement of decarbonisation targets, and the importance of comprehensive, environmentally friendly operations. Because we are part of the wider environment, it is important that we preserve biodiversity and ecosystems, reduce the consumption of energy and natural resources, and prudently manage waste. Because we want to serve as an example of the green transformation, we have started that process with ourselves. We have identified four material environmental topics that we pursue by establishing focused policies, targets and performance indicators: ensuring safe, reliable, clean and affordable energy, reduction of the GEN Group’s carbon footprint, contribution to the increase in the share of RES, and care for the ecosystem and compliance with the highest standards in the area of biodiversity.

### 3.5.2. Ensuring safe, reliable, clean and affordable energy

The material topic ‘Ensuring safe, reliable, clean and affordable energy’ is the highest assessed topic of the group and is extremely important for all identified stakeholders in the electricity sector. It is both our mission and the foundation of our successful operations, through which we ensure the smooth functioning of the economy and everyday life. We achieve our ambitious plans, which we pursue by following the criteria of the safety, reliability, cleanliness and affordability of energy, through the high operational availability of production facilities, international trade and investments in nuclear and renewable energy sources, flexibility and advanced services. Through these investments, we strengthen energy self-sufficiency and reliable supply in Slovenia, and contribute to the transition to a low-carbon society.

Ensuring safe, reliable, clean and affordable energy represents the core element of the GEN Group’s business model and the basis for several material impacts, risks and opportunities. Actual material impacts include the production of electricity from low-carbon sources, which contributes significantly to reducing greenhouse gas emissions, the achievement of EU climate targets and broader environmental and social benefits. The GEN Group produces most of its electricity from low-carbon sources, and thus contributes directly to a cleaner energy mix in Slovenia. Moreover, the reliable supply of energy contributes significantly to the stability of the economy and quality of life in the country, as it covers hundreds of thousands of customers and has a national reach.

IRO	Thematic ESRS	Sub-topic	Category	Type of impact	P/A	Time horizon	Value chain	Materiality of impact	Financial materiality	Notes
Production of low-carbon electricity	Specific topic	/	I	+	A	ST/MT/LT	OO/VC	3		Contributes to the reduction of greenhouse gas emissions and EU targets, and has global environmental benefits.
Supply of safe, clean and reliable energy	Specific topic	/	I	+	A	ST/MT/LT	OO/VC	3		Ensures economic stability, the competitiveness of enterprises and access to energy for by households
Achievement of the highest international operating standards	Specific topic	/	O			MT/LT	LO/VV		2	Maintaining high standards impacts competitiveness and the quality of services.
Extreme weather and impact on production capacities	E1 – Climate change	Climate change adaptation	R			MT/LT	LO/VV		2	Increased risk of damage to facilities and system network behaviour.

These impacts are closely tied to the group's own activities in the mid-stream and upstream value chains, from production, systems management and the maintenance of facilities to the distribution and supply of electricity. The group also recognises an opportunity to further raise its operating standards, and thus increase operational efficiency, mitigate the risk of outages and strengthen the trust of investors and regulatory bodies. The group already achieves a high level of compliance with international standards and has the will to make further progress.

Posing a risk to production is the increased incidence of extreme weather events, such as droughts, heat waves, floods and extreme flows,

which are already impacting the capacities of hydroelectric power plants and the cooling capacity of thermal and nuclear power plants. Such phenomena are expected primarily in the medium and long term, and may result in increased maintenance costs, production outages and higher end-costs for users. The impact of climate change is evident both in our own production activities and in business relations with the suppliers of energy sources and technologies, who will be forced to improve the resilience of the infrastructure.

The GEN Group is responding to the above-described impacts, risks and opportunities strategically by increasing the capacities of low-carbon production, through the diversification of sources

and the implementation of international operating standards, and by assessing and improving the resilience of production facilities. Measures are included in long-term development plans that anticipate the improved reliability of supply, the improved safety and robustness of systems and the increased share of low-carbon energy sources. All of these aspects represent key elements of the group’s strategy, help address the challenges of the energy transition and contribute to environmental and social sustainability.

## Policies

The commitment to ensure safe, reliable, clean and affordable energy derives from the GEN Group's mission and vision, and is in line with the pillars of the Strategic Development Plan of the GEN Group for the period 2024 to 2030. That commitment is pursued through the business plans of companies. It relates to the group's operations on the entire Slovenian market, where it acts as a key energy producer and supplier, and to electricity trading and sales in the wider region and Europe where GEN-I operates.

We indirectly monitor the functioning of all facilities within the group via regular coordination meetings with management staff, through operational meetings, and by appointing experts to the supervisory and management boards of group companies and to various task forces.

## Actions

As stated in the section 'Reliable supply to customers', the high operational availability of production facilities is the main factor in ensuring a reliable supply of electricity. This is the result of the expertise and experience of operational staff, the responsible preventive and predictive maintenance of production facilities, the continuous rectification of deviations, and the timely planning and execution of scheduled major overhauls, revisions, modifications and investments in equipment and work processes. These types of measures in 2024 from the aforementioned area include a software upgrade at the Control Centre at GEN and SEL,

which coordinates the functioning of the entire GEN balancing subgroup and ensures that production facilities function in harmony and balance potential unexpected external events or minimise deviations. Also organised was the training of operational staff on the simulator, the replacement and maintenance of hardware and the strengthening of the cyber security of the industrial network. Key measures in connection with ensuring safe, reliable, clean and affordable energy are also described in Section 1.2 'Letter from the senior management' and Section 2.5.1 'Reliable supply to customers', where we describe how we ensure a reliable production portfolio, with as few impacts on the environment as possible.

## Targets

The aim of electricity production is to increase the volume of electricity produced in such a way that all of the GEN Group's production facilities operate safely, reliably and with minimum impacts on the environment.

The GEN Group laid out three strategic guidelines relating to reliable supply for the period until 2030:

- to achieve global levels of excellence;
- to ensure the highest level of nuclear safety; and
- to become one of the leading providers of comprehensive ancillary services.

The maintenance of power plants is crucial for ensuring the reliable production of electricity and the provision of ancillary services. The main objectives in terms of operation and maintenance are:

safety, reliability, availability, flexibility, efficiency, usefulness and sustainability. All of this is laid out in annual business plans and ensured through a quality management system (according to the ISO 9001 Standard).

We also follow strategic guidelines through the Business Scorecard, a tool used for the strategic management and monitoring of performance, which provides a comprehensive overview of the achievement of the GEN Group's key objectives. Indicators for monitoring the provision of safe, reliable, clean and affordable energy cover financial, investment, operational, environmental and social aspects. At the group level for 2024, they included:

- In financial terms: target levels of free cash flow (EBITDA), an adequate return for the owner (ROE) and an adequate financial position (debt/assets), and increased competitiveness/productivity (control of own production costs (costs/kWh)).
- In terms of investments: investments in SPPs, WPPs, HPPs and flexibility (MW), and JEK2 (milestones achieved in accordance with business plans).
- In terms of transactions with customers: the most trustworthy supplier of electricity (measurement of customer satisfaction), the retention of customers (churn rate) and increased trust in nuclear energy (surveys).
- In terms of internal business processes: the highest international operating standards (availability and start-up reliability), the management of investments, procurement, compliance and

sustainability reporting (compliance with standards).

- In terms of learning and growth: committed employees (satisfaction survey), the retention of key employees (identification of key positions in the group), and qualified and competent employees (no. of training hours/employee).

Success in the achievement of objectives was recorded in all areas, except in the procurement process, and investments in RES and flexibility, to which we will dedicate special attention in the coming years.

We also follow strategic guidelines when establishing sustainability initiatives, which have their own performance indicators. The price and average price on the BSP exchange are used to monitor the achievement of the highest international operating standards.



3.5.3. Reduction of the GEN Group’s carbon footprint

IRO	Thematic ESRS	Sub-topic	Category	Type of impact	P/A	Time horizon	Value chain	Materiality of impact	Financial materiality	Notes
Reduction of emissions	E1 – Climate change	Climate change mitigation	I	+	A	MT/LT	OO/VC	2.3		The reduction of emissions contributes to climate change mitigation.
Regulatory uncertainty	Specific IRO	/	R	-	O	MT/LT	LO/VV		2	Regulatory changes impact the price of energy and investment decisions.
Transition costs	Specific IRO	/	R	-	A	ST/MT	OO/VC		2.5	High costs of the transition to low-carbon technologies.
Increasing the share of low-carbon technologies	E1 – Climate change	Climate change mitigation	O	+	O	MT/LT	LO/VV		2	Low-carbon technologies strengthen the group’s competitiveness.

The reduction of the GEN Group’s carbon footprint represents an important step in efforts to ensure sustainable and responsible operations. With the increased share of renewable energy sources and more effective production, the GEN Group is not only contributing to global efforts to reduce the carbon footprint, but also increasing its resilience to future regulatory requirements and fluctuations on the energy market. It is thus becoming more attractive to environmentally conscious customers, investors and other stakeholders, which can improve its market position and facilitate access to new business opportunities. Reducing the group’s carbon footprint is therefore an increasingly important part of its strategy for long-term sustainable growth and risk management.

The main positive impact derives from efforts to reduce greenhouse gas emissions through the transition to low-carbon technologies and an increase in the share of renewable energy sources.

That impact is being seen, in particular, in the production of electricity, optimisation of the use of resources and the technological upgrading of facilities, which has long-term environmental and social benefits, including improved health, stabilised energy prices and the improved sustainability of the entire system. Although low-carbon sources already account for 98% of the GEN Group’s portfolio, certain impacts are already being realised (e.g. emissions and energy efficiency), while others are still emerging and linked to the implementation of projects such as JEK2. Material risks include regulatory uncertainty, which can impact energy prices and investment decisions. Frequent changes in sectoral legislation can result in adjustment costs and uncertainty regarding the profitability of projects, which is particularly evident in strategic decisions, design and supplier relations, while the associated impact is also passed on to end-customers through regulation and prices. Representing another ma-

terial risk are the transition costs associated with the decarbonisation of the infrastructure and upgrades to systems. Despite the fact that the carbon footprint is already low, any additional requirements (e.g. the inclusion of flexibility, digitalisation and energy efficiency) will require significant investments that will impact operating costs. These costs can also impact final prices for users, particularly in segments with lower price elasticity. Transition costs arise in our own activities and in the wider value chain, where new requirements must be passed on to suppliers and investors.

The GEN Group also recognises a material opportunity in increasing investments in low-carbon technologies. Demand for clean, reliable energy is growing and increasing the attractiveness for sustainability-oriented investors, employees and customers. This opportunity is related to the implementation of specific projects and to the successful positioning of the company in the context of EU sustainability policies.

Taken together, these impacts, risks and opportunities affect medium- and long-term policies in connection with the GEN Group’s business model, investment strategy and choice of technologies, the development of partnerships in the supply chain, and the way environmental and social factors are included in strategic decisions. They contribute to environmental and social goals through the group’s own production, engagement with suppliers and indirect influence on consumers and society at large.

Management of impacts, risks and opportunities

Climate-related risks and opportunities are managed in the scope of the Risk Management Policy, which also covers environmental and sustainability risks, while we have studied examples of physical and transition risks and opportunities with representatives of subsidiaries. We perform resilience analysis as part of the Risk Management Policy, as required, but at a minimum once a year during the annual risk review, while we review the classification of physical and transition risks as part of the collection and verification of information for sustainability reporting. With the exception of the GEN-I Group, we have defined physical and transition events for our own activities, without distinguishing between the short-, medium- and long-term, and without considering climate-related scenarios. The group will perform a more comprehensive analysis of climate-related scenarios in the scope of the drafting of the Decarbonisation Strategy, where we will rely on scenarios based

on the guidelines of the Intergovernmental Panel on Climate Change (IPCC) and the latest scientific findings. We reviewed the events described below in the scope of the material topic, 'Reduction of the GEN Group's carbon footprint', and identified the following, mostly long-term exposure of our assets and business activities.

### Climate-related physical risks

#### Chronic risks

Changes in air and freshwater temperatures and heat stress impact production units that use water, natural gas and nuclear fuel, as these changes can reduce cooling efficiency and operating capacities, and destroy or reduce the efficiency of solar cells. Changes in patterns and types of precipitation (rain, hail and snow/ice) impact hydroelectric power plants on account of changes in river flows and the availability of water supplies, while the variability of precipitation poses an additional risk to hydroelectric power plants, as it impacts the variable availability of water resources. The erosion of soil can cause increased sedimentation in rivers and reservoirs, which can reduce the capacity of water reservoirs and the output of hydroelectric power plants. It can also impact the quality of water and ecosystems around power plants.

#### Acute risks

Cold spells and frost impact all production sources, in particular hydroelectric power plants, where freezing water can obstruct flows and reduce production. Wildfires, landslides, soil subsidence and storms (including snowstorms, dust storms and sandstorms) pose a risk to all GEN Group compa-

nies, as they can threaten the infrastructure and disrupt the functioning of production facilities. Hydroelectric power plants can also be impacted by heavy precipitation (rain, hail and snow/ice), which results in increased flows and potential high-water events that can damage the infrastructure and disrupt production, and by droughts due to the reduced availability of water and the resulting reduction in production. Also possible under certain hydrological and meteorological conditions is the excessive eutrophication of water, and the associated negative effects on water bodies, biodiversity, ecosystem services and human health.

In connection with the above-stated risks, we determined that, based on their severity and likelihood of occurrence, the risks stated in the table are low from the GEN Group's perspective, as it is not frequently exposed to extreme weather events. At the same time, we emphasise that we have not performed a detailed analysis of the ability to adapt the group's strategy and business model to climate change. In terms of the resilience of the GEN Group's business model and strategy to climate change, we base our assessment on the key assumption that the transition to a low-carbon and resilient economy will involve long-term growth in the share of carbon-free sources in the electric power grid, the decarbonisation of industry and transport, and the enhanced development of advanced technologies to balance the grid. To that end, the GEN Group is already actively transitioning to a self-sufficient and low-carbon electric power grid, based on two strategic investment pillars: investing in nuclear technologies as a source of stable and low-carbon production and investing

in renewable energy sources and increasing the flexibility of the grid.

#### Transition risks

In the areas of politics and the law, we expect further regulatory changes, including the introduction of stricter requirements for reporting emissions and a possible increase in the emission coupon prices. Future increases in those prices have been identified as a risk that could result in a 5% increase in TEB's operating costs. Strict environmental legislation could make it more expensive for group companies to cooperate with banks. On the other hand, it is possible that this will be subject to price regulation again in the future. In terms of technology, we expect an increasing shift towards low-carbon energy sources on account of consumer preferences and technological improvements. We will strive in that area to replace or upgrade existing equipment and services with those with lower GHG emissions, where possible. Transition risk in this area includes the costs of transitioning to lower-emission technologies (due to more expensive imports of green technologies, such as solar panels and storage devices due to stricter environmental legislation like the CBAM), potential failed investments in new technologies, potential difficulties in integrating new technologies with existing systems, the reduced reliability and efficiency of new technologies compared to established technologies, as well as a lack of alternatives (i.e. at the moment, solar panels and storage batteries cannot be fully recycled, while green gases are not yet commercially available). In this case, TEB is most exposed to transition risk, while other companies must consider possible regula-

tory changes and market requirements. Market developments are thus leading to an increase in demand for low-carbon energy solutions. Due to changes in customers' behaviour, we also expect changes in electricity consumption patterns and profiles, which may lead to inaccurate consumption forecasts. We also allow for the possibility of changes in consumer preferences, which could lead to declining interest in sustainable products and services. In terms of reputation, there may also be greater concern and negative feedback from stakeholders in connection with potential new low-carbon energy facilities.

In any case, we comply with the prescribed legislation and perform detailed analyses when constructing or maintaining energy facilities. This allows us to identify and manage risks and improve the resilience of our energy facilities. In the scope of analyses for potential energy projects, we address and analyse individual risks within the framework of project risks. That process continues both during construction and operation.

### Policies

The GEN Group does not have in place a transition plan to mitigate climate change, but plans to adopt a decarbonisation strategy for GEN Group companies in 2025. The content of that strategy will be drawn up by a special multidisciplinary team, which will include experts from GEN Group companies and is expected to prepare three climate scenarios based on analyses: the BAU (business as usual) scenario, the 2°C warming limit scenario and the 1.5°C warming limit scenario. Those scenarios will facilitate the identification of target

implementation measures to achieve carbon neutrality by 2045.

Climate change is also included in the strategic sustainability guidelines of the SDP, and represent a key pillar of our mission. The aspects addressed by the aforementioned guidelines include ensuring clean energy, where we monitor carbon intensity and the share of low-carbon electricity produced, while we are planning to increase production from low-carbon sources, to care for ecosystems and to achieve the highest standards in the area of biodiversity. To that end, we are striving to reduce impacts on aquatic and terrestrial ecosystems and biodiversity, and to preserve biodiversity when siting new low-carbon facilities. For that purpose, we use various levers to increase positive impacts, manage risks and exploit opportunities in connection with climate change mitigation.

## Actions

The measures being implemented to reduce the carbon footprint vary from company to company and include:

- Increase in installed capacities for production from RES and storage of associated energy.
- The electrification of company vehicles.
- Regular monitoring and reporting of Scope 1, 2 and 3 emissions, and further steps in the drafting of comprehensive decarbonisation strategy for GEN Group companies.
- The organisation of events with the aim of raising awareness about the importance of sustainable mobility, training regarding the latest regulatory developments in the area of sustainability and the introduction of the systematic measure-

ment of the CO<sub>2</sub> footprint from business travel.

- The organisation of ESG workshops, where we pursue specific sustainability goals relating to the environment, society and governance, and indirectly contribute to the reduction of the GEN Group's carbon footprint.
- The enhancement of energy efficiency measures, which we pursue through:
  - internal challenges and advice;
  - investments in more energy efficient equipment;
  - the implementation of technological improvements (thermal envelope protection of buildings, heating, ventilation and air conditioning systems, etc.) and the digitalisation of operations; and
  - campaigns to raise public awareness with the aim of a 10% reduction in energy consumption by customers relative to the previous year, and objectives to reduce energy consumption in commercial buildings.
- The preparation of a draft conceptual framework for assessing the ability of suppliers to meet the conditions and criteria of sustainable practices, taking into account the provisions of ZJN-3.
- Continued compliance and the deepening of environmental responsibility in the development of innovative products and services.
- The adaptation of the infrastructure and introduction of advanced technologies for controlling and managing hydroelectric power plants to ensure the safe and reliable production of electricity.
- Engagement with local and national authorities with the aim of continuously improving the infrastructure to prevent floods and provide protection against extreme weather conditions.

- The implementation of measures for the restoration and preservation of ecosystems along the Sava River (maintenance of nature conservation arrangements, an adapted grass-cutting regime, the removal of invasive alien plant species, the implementation of environmental monitoring, etc.), which is crucial for preserving ecosystems and mitigating climate change.
- In accordance with the third pillar of the SDP, the first hires were made at the controlling company in 2024 for the purpose of introducing RES.

Because the GEN Group's Decarbonisation Strategy is still being drafted, we did not quantify the results of climate change mitigation measures during the reporting year. It was thus not possible to assess the achieved or expected reduction in GHG emissions. For the same reason, we have not yet mapped planned or adopted measures to material financial resources. These elements will be appropriately covered and disclosed after the strategy has been finalised, when specific investment plans and emission reduction targets will also be defined.

## Targets

The Decarbonisation Strategy will include the goal of maintaining the GEN Group's carbon footprint under a set sector-comparable threshold of g/kWh in the short, medium and long term.

We manage risks in connection with transition costs, regulatory uncertainty and opportunities to increase the share of low-carbon technologies through the establishment of processes, risk management, strategic objectives and investments.

These areas have not been specifically defined due to the comprehensive approach of specific goals.

## Carbon footprint of the GEN Group

The activities and plans that define actual and potential future sources of GHG emissions at the company and within the GEN Group are reviewed as part of the annual calculation of the carbon footprint and the ESG initiative, the aim of which is to establish a decarbonisation strategy for GEN Group companies. Emissions sources for 2024 were identified in accordance with the Greenhouse Gas Protocol (GHG Protocol) for Scopes 1, 2, and 3.

Scope 1 GHG emissions from regulated emission trading schemes accounted for 99.06% of TEB's carbon footprint emissions. TEB has no obligations for other regulated emissions trading systems (e.g. EU ETS 2/BRT).



Total GEN Group (excluding NEK)	Retrospective				Milestones and target years			
	Baseline year (2022)	Comparative year (2023)	N year (2024)	% N/N-1	2025	2030	-2050	Annual target in % / baseline year
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (in t CO2e)	35.910,73	4.558,58	26.672,94	5,85				
Proportion of Scope 1 GHG emissions from regulated emission trading schemes (in %)	0,98	0,86	0,98	1,13				
Scope 2 GHG emissions								
Gross Scope 2 location-based GHG emissions (in t CO2e)	2.626,05	2.041,68	2.272,04	1,11				
Gross Scope 2 market-based GHG emissions (in t CO2e)	267,74	268,16	320,17	1,19				
Material Scope 3 GHG emissions								
Total gross indirect Scope 3 GHG emissions		937,81	226.157,43	241,15				
1. Purchased products and services	/	/	4.161,77					
2. Capital goods	/	/	7.520,98					
3. Fuel- and energy-related activities not included in Scope 1 or Scope 2	/	/	213.349,33					
4. Upstream transportation and distribution	/	/	74,37					
5. Waste generated in activities	/	28,29	8,49	0,30				
6. Business travel	/	162,38	163,77	1,01				
7. Employee commuting	/	747,14	878,72	1,18				
TOTAL LOCATION-BASED (1+2+3)	38.536,78	7.538,07	255.102,42					
TOTAL MARKET-BASED (1+2+3)	36.178,46	5.764,56	253.150,55					

REVENUE OF THE GEN GROUP [€] <sup>20</sup>	TOTAL GHG EMISSIONS OF THE GEN GROUP (SCOPES 1+2+3)				EMISSION INTENSITY	
	LOCATION-BASED METHOD [t]	LOCATION-BASED METHOD [g]	MARKET-BASED METHOD [t]	MARKET-BASED METHOD [g]	LOCATION-BASED METHOD [t/€]	MARKET-BASED METHOD [t/€]
2.110.815.783,00	255.102,42	255.102.418.917,96	253.150,55	253.150.546.753,61	0,000121	0,000120

<sup>21</sup> Stated on page 204 of the financial report.

## Calculation methodology for the GEN Group

The calculation methodology meets the requirements of the GHG Protocol Standards. Direct and indirect emissions are calculated and reported in accordance with the requirements of the GHG Protocol and ISO 14064-1:2018 Standard as CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O emissions and emissions expressed in CO<sub>2</sub> equivalent (CO<sub>2</sub>e).

The aforementioned methodology includes three key dimensions:

- **Organisation boundaries** are defined in accordance with accounting consolidation and include all companies in which GEN energija holds an ownership stake of more than 50% (GEN-I, HESS, SEL and TEB). In contrast to 2023, we do not include NEK in the calculation due to the complexity of ownership and management relationships defined by the intergovernmental agreement, as stated in BP-1.
- **Operational boundaries** include all material sources of Scope 1, 2 and 3 emissions.
- The **reporting period** is the same as the calendar year (1 January to 31 December).

All group companies use a standard methodology, while calculations are performed separately. The controlling company combines data collected in this manner into a single report. Calculations are performed using MS Excel templates, where the basic formula is the product of the volume of an activity and the emission factor, taking into account net caloric value:

$$\text{emissions [t CO}_2\text{e]} = \text{activity [unit]} \times \text{net caloric value [TJ/unit]} \times \text{emission factor [\"t CO}_2\text{e/TJ\"]}$$

or the product of the volume of an activity and the corresponding GWP (global warming potential) factor in the event of gases that have global warm-

ing potential, such as refrigerants:

$$\text{emissions [t CO}_2\text{e]} = \text{activity [unit]} \times \text{factor GWP [\"t CO}_2\text{e/unit\"]}$$

The applied emission factors are primarily based on data obtained from the databases of the ARSO, DEFRA and GHG, and the suppliers of electricity and heat. Those data are regularly updated. The assessment of uncertainty is based on the guidelines of the GHG Protocol. Data for Scopes 1 and 2 have a high or good level of confidence, while Scope 3 is assessed as good.

## Included sources of emissions by scope

### Scope 1

Scope 1 includes all sources of emissions that arise under the operational control of GEN Group companies:

- **Stationary emissions:** fossil fuels for heating and hot water, and fossil fuels for own production of electricity and heat
- **Mobile emissions:** fossil fuels used by non-electric vehicles owned or leased by the company
- **Fugitive emissions:** refrigerants or gases for refrigeration devices, other greenhouse gases (e.g. SF6)

### Scope 2

Scope 2 includes emissions in connection with the use of purchased energy:

- **Electricity:** used for the needs of buildings, the functioning of SPPSs, and for the needs of holiday facilities and the charging of electric vehicles. The calculation is performed according to the **market-based method** (based on suppliers' emission factors) and the **location-based method**, if data are not available.

- **Thermal energy:** the use of thermal energy to heat buildings according to the **market-based** or **location-based method**.

## Scope 3

The GEN Group included the following relevant Scope 3 categories in 2024:

- **3.1 Purchased goods and services:** estimate of emissions from the manufacture of purchased materials and services.
- **3.2 Capital goods:** emissions linked to the purchase of major infrastructure assets and equipment.
- **3.3 Fuel- and energy-related activities not included in Scope 1 or Scope 2:** 'cradle-to-gate' emissions from purchased energy.
- **3.4 Upstream transportation and distribution:** emissions in connection with the transportation of purchased goods.
- **3.5 Waste:** emissions from waste disposal.
- **3.6 Business travel:** emissions from travel with own vehicles, public transport, air travel and accommodations.
- **3.7 Employee commuting:** based on the distance between place of residence and place of work.

Of total Scope 3 emissions, 20.27 % of emissions were calculated based on primary data. The remaining Scope 3 categories **are not included** because there are no relevant emissions for them in the scope of the GEN Group's business model or they are already included in other scopes.

## Explanation of the exclusion of the remaining Scope 3 emission categories:

### 8. Leased assets

Emissions from leased assets are appropriately captured in Scopes 1 and 2, as these are used under the company's operational control. Leases

costs, if the company leases premises or assets, are included in the calculation of emissions according to the value method in Scope 3.1.

### 9. Downstream transportation and distribution

This category would only be relevant if the company covered the costs of transportation to end-customers.

### 10. Processing of sold products

Our services and products sold (e.g. electricity and PV systems) do not require additional processing. This category does not generate further emissions.

### 11. Use of sold products

Excluded. As GEN-I's main product, PV panels do not generate emission during use, as they do not require fuel or electricity. There are thus no emissions in this phase of use.

### 12. End-of-life treatment of sold products

Currently not included. PV systems have not yet reached the end of their useful life. For this reason, reliable data are not available at this time.

### 13. Downstream leased assets

The group does not lease out assets. This category is thus irrelevant.

### 14. Franchises

The GEN Group does not use a franchising model. This category thus does not generate emissions.

### 15. Investments

The GEN Group comprises all group companies, i.e. GEN energija and all companies under its ownership, except NEK d.o.o. (for explanation see Section 3.5.1).

Emission factors and sources of input data for the calculation of GHG emissions by scope

EMISSION FACTORS IN 2024			SOURCE OF INPUT DATA	UNIT OF INPUT DATA	VALUE OF EMISSION FACTOR or GWP	SOURCE OF EMISSION FACTOR or GWP
SCOPE 1	STATIONARY EMISSIONS	Natural gas	Supplier invoices	[Nm³]	56.5 t CO <sub>2</sub> e/TJ	ARSO
		Diesel fuel	Supplier invoices	[l]	74.1 t CO <sub>2</sub> e/TJ	ARSO
		Gasoline	Supplier invoices	[l]	69.3 t CO <sub>2</sub> e/TJ	ARSO
		Extra light fuel oil	Supplier invoices	[l]	74.1 t CO <sub>2</sub> e/TJ	ARSO
		Propane	Supplier invoices	[kg]	3.0 t CO <sub>2</sub> e/t	DEFRA
	MOBILE EMISSIONS	Diesel fuel	Supplier invoices	[l]	74.1 t CO <sub>2</sub> e/TJ	ARSO
		Gasoline	Supplier invoices	[l]	69.3 t CO <sub>2</sub> e/TJ	ARSO
		LPG	Supplier invoices	[kg]	63.1 t CO <sub>2</sub> e/TJ	ARSO
	FUGITIVE EMISSIONS	R-22	Repair invoices	[kg]	1.760 t CO <sub>2</sub> e/kg	IPCC AR5
		R-32	Repair invoices	[kg]	0.677 t CO <sub>2</sub> e/kg	IPCC AR5
		R-125	Repair invoices	[kg]	3.170 t CO <sub>2</sub> e/kg	IPCC AR5
		R-134a	Repair invoices	[kg]	1.300 t CO <sub>2</sub> e/kg	IPCC AR5
		R-407c	Repair invoices	[kg]	1.624 t CO <sub>2</sub> e/kg	IPCC AR5
		R-410a	Repair invoices	[kg]	1.924 t CO <sub>2</sub> e/kg	IPCC AR5
		SF6	Repair invoices	[kg]	23.500 t CO <sub>2</sub> e/kg	IPCC AR5
SCOPE 2	EMISSIONS FROM THE CONSUMPTION OF ELECTRICITY	Market-based method	Supplier invoices	[kWh]	Varies; 0.459 kg CO <sub>2</sub> e/kWh	Supplier; Energy Agency of Slovenia; AIB Residual mix
		Location-based method	Supplier invoices	[kWh]	0.235 kg CO <sub>2</sub> e/kWhe	CEU IJS
	EMISSIONS FROM THE CONSUMPTION OF HEAT	Market-based method	Supplier invoices	[kWh]	Varies	Supplier
		Location-based method	Supplier invoices	[kWh]	0.269 kg CO <sub>2</sub> e/kWht	CEU IJS
SCOPE 3	PURCHASED GOODS AND SERVICES		Internal database	[€]	Varies with regard to subcategory	EXIOBASE; EcolInvent; DEFRA/BEIS; GHG Protocol Calculation Tools; Base Carbone
	CAPITAL GOODS		Internal database	[€]	Varies with regard to subcategory	EXIOBASE; EcolInvent; DEFRA/BEIS; GHG Protocol Calculation Tools; Base Carbone
	FUEL-, ENERGY- AND HEAT-RELATED ACTIVITIES NOT INCLUDED IN SCOPE 1 OR SCOPE 2	WTT natural gas	Supplier invoices	[Nm³]	0.337 kg CO <sub>2</sub> e/Nm³	DEFRA
		WTT diesel fuel	Supplier invoices	[l]	0.611 kg CO <sub>2</sub> e/l	DEFRA
		WTT gasoline	Supplier invoices	[l]	0.581 kg CO <sub>2</sub> e/l	DEFRA
		WTT extra light fuel oil	Supplier invoices	[l]	0.611 kg CO <sub>2</sub> e/l	DEFRA
		WTT LPG	Supplier invoices	[kg]	0.349 kg CO <sub>2</sub> e/kg	DEFRA
		Loss of electricity from the grid	Supplier invoices	[kWh]	0.235 kg CO <sub>2</sub> e/kWhe	CEU IJS
		Loss of heat from the district heating system	Supplier invoices	[kWh]	0.269 kg CO <sub>2</sub> e/kWht	CEU IJS
	UPSTREAM TRANSPORTATION AND DISTRIBUTION	Transport with vans	Internal database	[km]	0.250 kg CO <sub>2</sub> e/km	DEFRA
		Transport with trucks	Internal database	[km]	0.977 kg CO <sub>2</sub> e/km	DEFRA
	WASTE	Paper and cardboard packaging	Notification from suppliers	[t]	Varies with regard to processing method	DEFRA
		Mixed packaging	Notification from suppliers	[t]	Varies with regard to processing method	DEFRA
		Mixed municipal waste	Notification from suppliers	[t]	Varies with regard to processing method	DEFRA
		Biodegradable waste	Notification from suppliers	[t]	Varies with regard to processing method	DEFRA
		Glass packaging	Notification from suppliers	[t]	Varies with regard to processing method	DEFRA
	BUSINESS TRAVEL	Own vehicles	Internal data	[km]	0.184 kg CO <sub>2</sub> e/km	ARSO
		Air travel	Internal data	[kgCO <sub>2</sub> e] or [km]	Varies with regard to destination	ICAO
		Overnight accommodations	Internal data	[dni]	Varies with regard to country	Greenview Hotel Footprinting Tool
	EMPLOYEE COMMUTING		Internal data	[km]	0.154 kg CO <sub>2</sub> e/km	ARSO



Consumption of energy and energy mix

ENERGY CONSUMPTION CATEGORY	CONSUMPTION (MWh)
Total energy consumption (own activities)	135.327,96
Consumption of energy from fossil fuels	126.963,36
Consumption of fuel from coal and coal products	0,00
Consumption of fuel from crude oil and petroleum products	15.709,39
Consumption of fuel from natural gas	110.066,67
Consumption of fuel from other fossil-based sources	104,16
Consumption of purchased or acquired electricity, heat, steam or cooling from fossil-based sources	1.083,10
Consumption of energy from nuclear sources	4.888,41
Consumption of energy from renewable sources	3.476,19
Consumption of fuel for renewable sources including biomass (including industrial and municipal waste of biological origin), biofuels, biogas, and hydrogen from renewable sources)	-
Consumption of purchased or acquired electricity, heat, steam or cooling from RES	3.231,89
Consumption of self-generated energy from non-fuel RES	244,31
Stroški varstva okolja (tisoč EUR)	46.205

The GEN Group’s energy intensity based on net revenue as defined on page 219 of the financial section of the annual report and in connection with activities in climate-impacting sectors, is 0.000064081.<sup>22</sup>

- Climate-impacting sectors, which are used to define the above-described intensity include:
- electricity production;

- electricity trading;
- natural gas trading;
- the supply of electricity; and
- the supply of natural gas.

Production of electricity from renewable sources (MWh)	758,017.64
Production of electricity from non-renewable sources (MWh)	42,860.51

The group did not implement any projects in 2024 involving the removal and storage of GHG emissions in the scope of own activities or along our value chain, nor do we use internal carbon pricing schemes.

3.5.4. Contribution to the increase in the share of RES



IRO	Thematic ESRS	Sub-topic	Category	Type of impact	P/A	Time horizon	Value chain	Materiality of impact	Financial materiality	Notes
Increasing the share of RES in the energy balance group	E1 – Climate change	Climate change mitigation	I	+	P	MT/LT	OO/VC	2.66		Contribution to the reduction of greenhouse gas emission and to a healthy living environment.
Increasing the share of RES in the energy balance group	E1 – Climate change	Climate change mitigation	I	+	P	MT/LT	OO/VC	2.66		Contribution to the reduction of greenhouse gas emissions and to the sustainable use of resources.
Limited availability of space and instability of energy sources	Specific IRO	/	R	-	A	ST/MT/LT	OO/VC		2.5	Limited space and fluctuating production due to weather conditions represent risks for the stability of the grid and growth in RES.
Regulatory uncertainty	Specific IRO	/	R	-	A	ST/MT	OO/VC		2	Changing legislation leads to risks in connection with investments and the long-term planning of RES projects.
Social acceptability	Specific IRO	/	R	-	A	ST/MT	OO/VC		2.5	Local communities may oppose new RES projects due to their impact on the environment and landscape.
Social acceptability	Specific IRO	/	I	-	P	ST/MT	OO/VC	2.75		Determines the speed of the energy transitions and the scope of decarbonisation.

<sup>22</sup> The GEN Group discloses energy intensity by taking into account total energy consumption, which includes consumption from fossil fuels and electricity, in relation to net revenue from activities in climate-impacting sectors. The measurement is made in MWh/EUR.

Increasing the share of renewable energy sources (RES) is a key sustainability goal for the GEN Group, with a material positive impact on reducing greenhouse gas emissions, energy security and alignment with EU climate goals. This impact is seen in all key elements of the business model, from own electricity production, through development investments and engagement with technology suppliers, to the impact on end users. The transition to RES is gradual, with medium- and long-term effects. However, it is already having a positive impact on the environment, human health and user awareness.

The group is actively responding to these impacts and opportunities by expanding its RES capacities, planning new projects (including hydro, solar, and potential wind projects), performing environmental assessments and introducing mechanisms for stakeholder engagement. The strategy includes a long-term increase in the share of RES in the production portfolio. This, in turn, dictates changes in the way investment decisions are made, projects are managed and the regulatory environment is managed.

There are, however, numerous risks that can impact the speed and success of the introduction of RES. The first challenge is the limited availability of space and the volatility of RES sources, which results in technical and spatial constraints, and additional costs for the stabilisation (e.g. energy storage batteries and flexibility). The second risk is regulatory uncertainty, as frequent changes in legislation (e.g. support for RES, CO<sub>2</sub> levies and grid fees) impact investment decisions and project costs. Social (un)acceptability also poses a material risk: local opposition (e.g. to hydro, thermal and wind power) can result in delays, additional costs or even the abandonment of projects, thereby reducing the actual contribution to increasing the

share of RES. These risks are present in all parts of the value chain, from design and permits to the supply and distribution of energy.

The group responds to these risks by assessing locations, through dialogue with local communities, by participating in consultation processes, and through a structured process for managing regulatory risks.

Despite these challenges, RES represent a material opportunity for the GEN Group. Increasing RES improves the company's image, facilitates access to sustainable financial instruments and increases customer loyalty. In this way, the group strengthens its position on the sustainable energy market, and supports long-term climate goals and its vision of becoming the leading regional producer and supplier of low-carbon electricity.

## Policies

We connected new solar power plants with a combined rated power of 47.5 MW in 2024. GEN-I continuously analyses markets, which could facilitate further plans to develop solar power plants and battery storage unit.

We report on measures from this area in the sections 'Ensuring safe, reliable, clean and affordable energy' and in 'Reduction of the GEN Group's carbon footprint', and in Sections 2.5.1 'Reliable supply to customers' and 2.5.3 'Investments in RES, flexibility, advanced services'.

In connection with identified impacts, risks and opportunities, we present how we address specific sustainability-related impacts, risks and opportunities.

- We manage the risk of regulatory uncertainty by regularly monitoring legislative and regula-

tory requirements in the areas of energy and sustainability and, if necessary, by coordinating group companies in the scope of public consultations with the aim of ensuring compliance and a timely response to changes.

- We strengthen social acceptability by actively raising awareness about topics related to energy and the energy sector, by encouraging energy literacy among various target groups, through regular communication with the local community, and through contributions such as concessions for the use of space and water in the production of electricity.
- We enhance attractiveness for environmentally conscious customers and investors by developing sustainable energy solutions, adapting our products to market demands and environmental and sustainability regulations, and actively promoting low-carbon energy sources.
- We manage the risk of regulatory uncertainty by regularly monitoring legislative and regulatory requirements in the areas of energy and sustainability and, if necessary, by coordinating group companies in the scope of public consultations.
- We address the topic of social acceptability by strengthening understanding of topics related to energy and the energy sector, by developing energy literacy among various target groups, through regular communication with the local community, and through concessions for the use of space and water in the production of electricity.

## Targets

We are pursuing the objectives of the green transition and sustainable development by planning investments in the construction of new production

capacities to increase the share of renewable, primarily solar and hydro sources, investments in the construction of new capacities for the management of flexibility and the pursuit of the strategic objective to become the most trustworthy supplier of electricity. We pursue these objectives in the scope of established initiatives to increase RES capacities and business plans, while our activities relate to both Slovenia and the wider regional and European area where group companies operate. More about this area is presented in Section 1.2 'Letter from the senior management' and Section 2.5.3 'Investments in RES, flexibility, advanced services'.

We monitor established objectives in the scope of business initiative metrics and the business plans of companies, and in the scope of the Business Scorecard (BSC) tool for strategic management and the monitoring of performance. BSC indicators for monitoring the increase in the share of RES also include target levels of investment in SPPs, WPPs, HPPs and flexibility.

We measure social acceptance through public opinion polls, in which we verify, in particular, growing trust in low-carbon energy and the retention of customers, while we measure attractiveness for environmentally conscious customers and investors by measuring customer satisfaction and the ratio between lost and new customers.

3.5.5. Care for the ecosystem and compliance with the highest standards in the area of biodiversity

IRO	Thematic ESRS	Topic	Category	Type of impact	P/A	Time horizon	Value chain	Materiality of impact	Financial materiality	Notes
Preservation of biodiversity	E4 – Bio-diversity and eco-systems	– Impacts on the status of species	I	+	A	MT/LT	OO/VC	2.3		The GEN Group contributes to the preservation of biodiversity through minimal interference in nature.
Ecosystem restoration	E4 – Bio-diversity and eco-systems	– Impacts on the scope and status of eco-systems	I	+	P	MT/LT	LO/VV		2	Measures aimed at ecosystem restoration can help mitigate environmental risks and improve resilience.

Care for the ecosystem and compliance with the highest standards in the area of biodiversity emphasises the GEN Group’s commitment to the sustainable management of the environment. We are addressing the aforementioned topic through active inclusion in the preservation of natural ecosystems. This includes measures to preserve habitats, the promotion of plant and animal diversity, and the adaption of business processes to minimise their environmental impact. We are also developing best practices in the preservation of biodiversity in cooperation with various expert stakeholders, while concern for ecosystems is becoming a key element of sustainable operations, which is leading the GEN Group towards a balance between energy needs and preserving nature for future generations.

Identified impacts derive primarily from our own activities in connection with the use of natural resources and spatial interventions, particularly in the scope of construction activities, watercourse management and maintenance of the energy infrastructure. These impacts may be actual or potential, with medium- and long-term consequences. The GEN Group responds to these impacts by

implementing specific measures to preserve and restore biodiversity, including the environmentally friendly management of habitats, the establishment of fishways, and the restoration of degraded areas. These measures are already included in the planning processes for new projects and in regular environmental monitoring practices. Environmental sustainability is also becoming an increasingly important factor in the decision-making of investors and regulators. For this reason, care for ecosystems and biodiversity is already included in the group’s strategic policies. This impacts investment decisions, risk management and stakeholder engagement.

The environmental impacts that derive from these activities and relationships are largely positive, as they contribute to improvement in the status of species and ecosystems, increased environmental resilience and the mitigation of flood risks. Indirect effects include the increased value of land, and benefits for local communities, protected areas and society as a whole, which reinforces the long-term acceptability of energy projects and the GEN Group’s reputation in terms of sustainability.

Dependence on biodiversity and ecosystem services

Based on the information available to the group, we assessed the controlling company’s dependence on biodiversity and ecosystem services, and the impact of physical and transition risks on its operations. We did not assess the resilience of the business model and strategy to physical, transition and systemic risks because environmental risk, in the scope of the risk management system, did not reach the key materiality threshold based on defined thresholds or scale, and scope.

In connection with dependence on biodiversity and ecosystem services that support the functioning of our production facilities and activities at own locations, we determined that a key ecosystem service whose disruption could significantly affect our operations is our dependence on aquatic ecosystem services. The functioning of hydro-electric power plants is directly linked to the water level of the Sava River. Changes in water level and temperature, as the result of climate change or human factors, impact operating costs and reduce production efficiency. When assessing risks, we take into account that disruptions to these key

ecosystem services represent significant business risks.

Based on these assessments, we implement proactive measures to mitigate risks, including participation in the sustainable management of water resources and the preservation of biodiversity in the Sava River system. We thus ensure sustainable operations while taking environmental constraints into account and supporting nature conservation goals.

In the assessment of the materiality of impacts, risks and opportunities, we also identified physical and transition risks in connection with to biodiversity and ecosystems. These risks, including potential systemic risks, did not exceed the materiality threshold in the scope of the double materiality assessment. We nevertheless list them as one basis for monitoring and future assessments, as we deem them to be potentially relevant due to the nature of our activities.

Physical risks

The production of energy, particularly from renewable sources, puts considerable pressure on biodiversity. This pressure is specific (especially on certain aquatic species and habitat types, and a specific group of birds) and local (where production capacities are located at points that are important for individual species), and can lead to the degradation of ecosystems.

Transition risks

Transition risks include legal risks and changes in legislation that could make it more difficult to site new energy projects. These include the strict protection of land, requirements for enhanced report-



ing on biodiversity and the associated lack of data on the status of the environment.

During the assessment process, we also assessed whether there were any areas that could have a negative impact on affected communities. Despite the fact that no significant systemic impacts exceeding the materiality threshold were identified, we involve local communities in the planning and construction of projects, as is evident from the construction of the Brežice HPP. In the case of the construction of the Brežice HPP, special project groups worked in the municipalities of Brežice and Krško. Those groups monitored the construction of the hydroelectric power plant and represented the interests of local communities. Both groups included representatives of local communities from the areas covered by the National Spatial Plan (NSP). Local communities have been actively involved since the start of the drafting of spatial planning acts through their participation in spatial planning conferences and through the submission of opinions and guidelines on individual phases of the NSP (including expert bases and technical solutions). In addition to increasing flood safety, the hydroelectric power plants on the lower course of the Sava River have had numerous positive impacts on the local environment, as they included the regulation of watercourses, the construction of infrastructure such as roads, sewage systems and water supply networks, and improvements in the quality of life. They have also facilitated tourism and economic development, the creation of new jobs, and the efficient use of local space.

## Policies

Care for ecosystems and achieving the highest standards in the area of biodiversity represent one of the sustainable guidelines of the GEN Group's Strategic Development Plan and are important at all our production sites located near areas with different nature conservation statuses. The controlling company does not have a specific policy in place in this regard. We do, however, monitor the impact of our activities on biodiversity and ecosystems in accordance with valid environmental legislation, administrative permits, project and technical documentation, the results of monitoring, the Act Governing Conditions Regarding the Concession for Exploitation of the Energy Potential of the Lower Sava River (ZPKEPS-1, as amended) and the Concession Agreement for the Exploitation of the Energy Potential of the Lower Sava River, the Concession Agreement for the Use of the Sava River for Electricity Production at the Moste, Mavčiče, and Medvode hydroelectric power plants, and at HESS, SEL and TEB by following the guidelines of the ISO 14001 standard. Analyses and assessments of impacts did not identify any specific mitigation measures in connection with biodiversity that would need to be implemented under the Birds Directive (2009/147/EC), the Habitats Directive (92/43/EEC) or the Environmental Impact Assessment Directive (2011/92/EU). According to monitored environmental parameters, the most obvious impacts are seen in the natural hydrology of rivers, adaptation and resilience to climate change and, in the case of gas-fired power plants, air pollutants, while the location of new energy facilities in the area results in changes in land use and habitats, and thus changes in the composition of species.

The GEN Group has not adopted specific policies that address links to biodiversity and ecosystems in accordance with the provisions of ESRS E4, including impacts, dependencies, risks and opportunities, the traceability of raw materials and societal impacts, nor has it adopted specific policies for the protection of biodiversity and ecosystems, policies in connection with land and agriculture, or policies to address deforestation. All our activities are in line with EU legislation. In the event of impacts on biodiversity, we implement appropriate mitigation measures in the scope of our own activities to limit potential negative impacts. We did not assess these impacts in the value chain, while during the reporting period, it was not determined that mitigation measures should be implemented in accordance with European directives or international standards on the preservation of biodiversity.

## Actions

The GEN Group performs environmental impact assessments (EIA) or comprehensive environmental impact assessments (CEIA) in accordance with legislation, depending on the size and nature of a project. For projects with a material impact on the environment, it obtains environmental consent prior to intervention and implements mitigation and compensation measures for sustainable spatial planning. For maintenance investments without a building permit, the guidelines and conditions of expert bodies in the fields of nature, ichthyology, water management and forestry for the preservation of biodiversity are taken into account.

The concession agreements of hydroelectric pro-

duction companies also stipulate that measures must be taken during the implementation of a concession to preserve biodiversity and the autochthonous nature of habitats and biological balance in a concession area in accordance with nature conservation regulations, and to monitor the ecological state in accordance with administrative permits. As a concessionaire, we must also ensure that measures are taken to protect water quality in a concession area in accordance with administrative acts, while the protection of natural values and cultural heritage must also be ensured.

For that purpose, hydroelectric production companies implement a series of measures, such as ensuring the functionality of existing spawning grounds, the regular maintenance of spawning grounds, restocking, the monitoring of surface water conditions, ichthyological monitoring (optional), and debris removal. Environmental monitoring is carried out throughout the entire year. Construction modifications are planned for the spring, while the removal of invasive alien plant species is carried out between May and September, and maintenance works are performed in the winter months and early spring.

With the aim of ensuring continuous passage for aquatic organisms and thus the continuous connectivity of populations and gene flow, HESS also modified the passage for aquatic organisms to ensure water flow, even during extraordinarily low water levels. To contribute to improved local biodiversity, a pilot project was implemented to remove invasive alien plant species, a riparian habitat was established on the Sava River near Kompol-

je, arrangements were made for beaver migration alongside the Krško hydroelectric power plant, and the maintenance of nature conservation arrangements in the area of reservoirs was established. In addition, late grass-cutting is carried out to protect pollinators and facilitate the reproduction of native plant species, which also limits the spread of invasive alien plants.

Moreover, for any intervention that does not require a building permit and is considered maintenance work in our concession areas, we obtain nature conservation consent or an expert opinion from the Institute of the Republic of Slovenia for Nature Conservation, a water permit, an opinion from the Fisheries Research Institute of Slovenia and, depending on the relevance, an opinion from the Slovenia Forestry Service. When performing maintenance works, we always follow the guidelines from permits and opinions relating to nature conservation and biodiversity.

With the aim of monitoring the state of nature and the impacts of group companies, we carry out various measurements and monitoring activities, which include:

- the consumption of drinking water and waste water;
- the amount and treatment of waste to reduce the impact on soil and the environment;
- the consumption and reuse of water for the management of resources;
- measurements of water temperature, which are crucial for assessing impacts on water habitats;
- the operational monitoring of emissions into the

air and the operational monitoring of outdoor air quality, especially at TEB;

- seismological measurements;
- the operational monitoring of the condition of soil;
- measurements of environmental noise that impact animal species and local communities;
- measurements of electromagnetic radiation and radiological radiation, particularly at the NEK, to ensure the safety of people and ecosystems;
- additional monitoring of surface waters, ichthyological monitoring and biosphere monitoring are carried out for hydroelectric power plants (HPP).

Also carried out in addition to monitoring, are research, the monitoring of expert findings and the integration of knowledge, regular training, and the regular maintenance and upgrading of nature conservation arrangements and production facilities. These activities are carried out continuously and are supplemented over time. Engagement with external stakeholders, such as professional organisations, ministries and municipalities, is also crucial in this regard. By linking energy companies and the nature conservation profession, and taking into account European guidelines and past experience, projects are developed that bring added value to people and the natural environment. Such progress is also evident in the improvement of arrangements to ensure the flow of rivers, where there has been a transition from the construction of hydroelectric power plants without fishways to the inclusion of advanced fishways in modern multipurpose projects, such as the Arto-Blanca,

Brežice and Mokrice hydroelectric power plants. The latter reflects significant progress in the integration and synergy of energy and environmental protection.

High environmental protection standards are also present at TEB, which operated in 2024 in accordance with several environmental permits, including an IED environmental permit and Seveso environmental permit, a water permit and consent for a pumping station on the Brestanica stream, and a greenhouse gas emissions permit. In the scope of its environmental commitments, the company carried out all planned monitoring and took into account the guidelines of opinion-formers when planning the project to secure an independent water source from the Sava River. The route of the new pipeline will not encroach on the riparian land of the Brestanica stream, which is the habitat of several protected fish species, while measures will be taken to prevent the washing away of construction material and the introduction of invasive alien species.

Environmental responsibility is one of GEN-I's fundamental guiding principles which, as an electricity trader, includes in its operations the assessment of large investment projects in terms of the responsible use of water and land, the preservation of biodiversity and ecosystem, and waste management and recycling, thereby ensuring compliance with the highest environmental standards.

Our measures do not include biodiversity offsets, but we finance them with our own funds in accordance with the business plan.

## Targets

Companies have not defined specific measurable targets directly linked to biodiversity and ecosystems. However, we include indicators for obtaining environmental permits and annual investments in new RES capacities in the scope of our strategic objectives regarding investments in flexibility and the reliable supply of customers. We also control the effectiveness of measures through monitoring, where we implement measures, as required, based on results and ensure that the monitoring results do not deteriorate over the years.

Group companies do not have specific metrics for the care of ecosystems, but they monitor environmental parameters specified by law and pursue the target of zero or as few negative environmental events as possible.

## 3.6. Social aspect

The vision that the GEN Group pursues and the objectives that it achieves are the result of the successful work of all employees. Employee development therefore represents a key objective. We are also aware of our responsibility to our customers, business partners and society as a whole. We will therefore continue to provide customers competitive and sustainable solutions, while ensuring the reliable supply of energy. Cooperation with business partners will be transparent and reliable, and we will strive for inclusion and give back to society, in particular the local environments in which we operate.

### 3.6.1. Development and retention of staff

#### Policies

Responsible relations with employees is one of the key priorities of the GEN Group. We are aware that our employees are our greatest asset, as their motivation, professionalism and loyalty contribute significantly to the achievement of our strategic objectives. This is also confirmed by our Strategic Development Plan, which defines human resources as one of the five key catalysts for the successful implementation of our strategy and long-term competitiveness. The impact of retaining talent and improving employee satisfaction is thus directly linked to our business model, which is based on professional excellence, stability and innovation.

Due to our dependence on our own workforce and expertise, we face risks such as a shortage of key staff, which can have a negative impact on operational efficiency and stability, and our ability to respond quickly to changes in the sector. At the same time, we recognise significant opportunities in maintaining and promoting employee commitment, developing competencies and promoting equal opportunities, all of which has a positive impact on productivity, innovation and market differentiation. These aspects are closely linked to our business model, which is based on professional excellence, safety and the development of advanced solutions in the energy sector. We did not identify any material risks or opportunities during

the reporting year that relate solely to individual groups within our own workforce, but only to the workforce as a whole.

Although no standard umbrella policy has been adopted at the group level that would include all aspects of employee development and retention, these key aspects are systematically governed in the rules and bylaws of individual companies. These documents include material aspects that affect all employees and prevent the occurrence of negative impacts, and are defined by the controlling company in documents with the following names:

IRO	Thematic ESRS	Sub-topic	ESRS sub-sub-topic	Category	Type of impact	P/A	Time horizon	Value chain	Materiality of impact	Financial materiality	Notes
Retention of talented people and increasing employee satisfaction	S1 – Own workforce	Working conditions	Job security Work hours	I	+	A	MT/LT	OO/VC	2.5		Preserving jobs, ensuring smooth operations, and achieving long-term business and social stability.
Shortage of key staff	S1 – Own workforce	Working conditions	Social dialogue	R	-	P	MT/LT	OO/VC		3	Impact on the effectiveness and stability of operations, and competitiveness.
Maintaining and improving work commitment	S1 – Own workforce	Working conditions	Freedom of association, existence of works councils, and workers' rights to information, consultation and participation Collective bargaining, including with those workers covered by collective agreements Work-life balance	O	+	P	MT/LT	OO/VC		2	Increase productivity, innovation and competitiveness.
Increasing competitiveness and innovations	S1 – Own workforce	Equal treatment and opportunities for all	Training and the development of knowledge and skills	O	+	P	MT/LT	OO/VC		2	Facilitates adaptation and differentiation on the market, and increases profitability.



Social issues and issues in connection with human rights	Internal procedures
Job security	Employment Relationship Rules
Decent wages	Rules on Assessment, Advancement and Remuneration
Work hours	Employment Relationship Rules Rules on Working Hours Rules on Work from Home
Health and safety	Employment Relationship Rules Safety declaration with risk assessment Fire safety rules Rules prohibiting work under the influence of alcohol, drugs and other prohibited substances Health risk assessment Guidelines on the promotion of occupational health Rules on the provision and implementation of medically programmed active break periods
Existence of works councils Freedom of association	Workers' Participation in Management Act Collective agreement for Slovenia's electricity sector
Work-life balance	Employment Relationship Rules Rules on Work from Home Family-Friendly Company Certificate
Gender equality and equal pay for work of equal value	Rules on the organisation and systemisation of jobs Code of ethics
Training and the development of knowledge and skills	Rules on the professional training of workers
Measures against violence and harassment in the workplace	Rules on the protection of workers against discrimination, harassment and bullying in the workplace
Forced labour	Rules on the establishment of internal channels for reporting breaches Statement on the respect of human rights Legal provisions of the Employment Relationship Act
Child labour	
Diversity	

Certain companies supplement their policies with socially responsible employer certificates, governance policies, rules and safety instructions, while HESS and GEN have also added a diversity policy for their supervisory boards to these documents. At the same time, we have not identified any risks in connection with forced labour, child labour or other particularly vulnerable groups in our activities, and thus do not explicitly address these aspects. We provide financial resources for

these policies in the scope of adopted business plans, where we also define the target number of employees in a given period and their professional development through education and training. In the scope of the double materiality assessment, we did not identify any risks or opportunities that would impact financial performance or result in a material adjustment to carrying amounts in the future.

### Actions

On this basis, we implement a range of continuous measures that include:

- investments in knowledge, skills and competences;
- the promotion of the role of employees in decision making;
- the enhancement of employee satisfaction and commitment;
- succession planning and mentorship;
- the creation of new jobs linked to low-carbon energy sources;
- the recruitment, remuneration and retention of perspective employees; and
- measures from Family-Friendly Company certificates that facilitate work-life balance.

Through these measures, we are strengthening the foundations for retaining and attracting key talents, long-term employee commitment, the transfer of knowledge and the strengthening of competitiveness, and the preservation of a positive organisational culture.

We also implemented the following specific measures at the controlling company in 2024:

- introduction and upgrading of training programmes for management staff and other employees;
- measurement of employees' well-being;
- enhancement of systems for communication and informing employees;
- redesigning of the remuneration system;
- workshops on the topics of business communication and personal growth;
- introduction of new programmes for the psychological support of employees; and
- systematic identification of key positions within the group.

By strengthening employee commitment and through well-planned remuneration and motivation, we have a positive impact on employee growth and loyalty, profitability, productivity, turnover, absenteeism and the quality of work. At the same time, we invest in additional professional training, which facilitates the professional and personal development of employees and strengthens their contribution to the group. We also organise several specialised programmes in areas relating to the production of electricity from nuclear energy:

- on the NEK's simulator;
- at the NEK's Maintenance Training Centre; and
- in the framework of the Milan Čopič Nuclear Training Centre (ICJT) at the Jožef Stefan Institute, Ljubljana.

We have not seen any negative impacts on jobs due to the transition to more environmentally friendly and sustainable activities. On the contrary, these changes are creating new employment opportunities and the development of skills. At the same time, the lack of suitable staff on the labour market, particularly in the areas of the green transition, renewable energy sources, flexibility and advanced services, the JEK2 project and the development of new nuclear technologies dictates that we carefully plan staffing needs.

Another important aspect of an inclusive organisational culture is the active participation of employees in decision-making. We ensure this by appointing employee representatives to the supervisory boards of companies, through the active role of trade unions and works councils, and through regular communication via various internal channels, such as:

- speeches by management;
- weekly management meetings and newsletters;
- internal websites;
- training and workshops;
- mentorship programmes, events and joint activities; and
- quarterly meetings of senior management and employees at the controlling company.

Works councils participate in the adoption of by-laws, submit proposals and opinions, and participate in the management of the company’s bodies, thereby actively supporting measures that benefit employees. At HESS, where no workers’ council has been established, employees submit their opinions, proposals and initiatives through the workers’ assembly or the HR department, which are then considered at the company’s management meetings. The proportion of group employees represented by employee representatives is 100%. The group takes a position on submitted opinions, suggestions and initiatives, and thus ensure employees’ right to a response. We monitor the effectiveness of cooperation through initiatives and suggestions presented, the responsiveness of senior management and the inclusion of relevant positions in the final texts of bylaws and decisions. We also assess the level of employee satisfaction. Similar to other policies, senior management bears the brunt of responsibility for ensuring cooperation, while works councils and employees’ assemblies strive for the effective implementation of legislation, collective agreements, bylaws and agreements reached. A total of 99.7% of all employees at group companies registered in Slovenia enjoy the rights set out in the collective agreement of the Slovenian electricity

sector. During the reporting year, we did not have any agreements on employee representation in the scope of a European Works Council, a European Company Works Council, or a European Cooperative Society Works Council.

### Coverage by collective negotiations and social dialogue

	Coverage by collective negotiations	Social dialogue
Level of coverage 80–100%	Employees – EEA (for countries with more than 50 employees who represent >10 % of total employees)	Representation in the workplace – EGP (for companies with more than 50 employees who represent >10 % of total employees)
	Slovenia	Slovenia

### Targets

We measure the success of the retention and development of employees within the GEN Group using a combination of several key indicators:

- Value added per employee;
- Indicator of employee commitment;
- Retention of key employees; and
- Average number of education and training hours per employee.

We are expecting a decrease in the short term in value added per employee, primarily due to the increased number of new hires. The majority of new hires are expected at GEN and GEN-I, where the number of employees will increase significantly due to the JEK2 project and other support functions. In addition, the focus of growth in the number of employees at production companies will be on managing operational risks, which will not directly increase added value, but will significantly

contribute to mitigating the risk of production outages (e.g. additional teams to respond to extreme weather events, the replacement of retiring employees, etc.).

We set the following objectives in 2024 in the scope of ESG initiatives involving employees from all companies:

- Active participation of the representatives of companies at employment events.
- Recruitment of people to fill planned positions in accordance with development needs.
- At least three qualified applications for each new job.
- Timely submission of offers to promising candidates.
- Providing opportunities for internships, apprenticeships or summer jobs for at least 5% of total employees annually.

Based on those objectives, we set the following key indicators for 2025:

- Employee commitment: remeasurement in 2025 and achievement of an average rating comparable to or higher than the previous period, with 70% participation of all employees.
- Number of education and training hours per employee – average of 16 hours and year.

All indicators are in line with the GEN Group’s long-term objectives for human resource development and talent management, and support the company’s sustainable growth and competitiveness. We monitor those indicators in the scope of ESG initiatives, periodic reviews of the HR plan, training and education plans, and annual plans.

Information regarding employees by contract type, broken down by gender at the end of 2024:

GEN Group	Women	Men	Total
No. of employees	472	632	1104
No. of permanent employees	457	615	1072
No. of temporary employees	15	17	32
No. of employees without a guaranteed number of working hours	0	0	0
No. of full-time employees	449	627	1076
No. of part-time employees	23	5	28

Data are presented based on the number of employees at the end of the reporting period. Because none of the companies included in the sustainability statement employs more than 50 people abroad, the geographical scope of the report is limited to Slovenia. We also report on wages, and social security and other labour costs in the financial statements under Expenses and costs (Note 27). The number of employees is in line with the group’s growth and development and the challenges they bring.

Retaining experienced and highly-qualified employees ensures organisational stability and the continuity of work. It also facilitates the transfer of crucial knowledge within the group and the management of potential challenges in connection with the departure of key employees. A relatively low employee turnover rate, which fluctuated at around 9% at the group level in 2024 (99 employees left the group), is evidence that our employees are dedicated and motivated to work in an environment that promotes knowledge, responsibility and networking. With the aim of the long-term retention of staff and ensuring financial security in the period after employment, we offer employees the option of contributing to the second pension pillar through voluntary supplementary pension insurance. All GEN Group employees are also entitled to leave for family reasons in accordance with the social policy and valid collective agreements, which further contributes to work-life balance and the long-term loyalty of employees.

3.6.2. Ensuring a healthy and safe work environment

IRO	Thematic ESRS	Sub-topic	ESRS sub-sub-topic	Category	Type of impact	P/A	Time horizon	Value chain	Materiality	Notes
Mitigation of risks in connection with workplace injuries and accidents	S1 – Own workforce	Working conditions	Health and safety	I	+	A	ST	00/VC	2	Through a strong safety culture and regular preventive practices, we positively impact the health and safety of employees.

The material topic ‘Ensuring a healthy and safe work environment’ is essential for the organisation’s performance and the well-being of employees. Creating a safe work environment contributes to the mitigation of the risk of workplace injuries and accidents, which both protects the health of employees and contributes to the preservation of their work potential, while it also serves as the basis for protecting external stakeholders against the consequences of potential accidents. Concern for the health and safety of employees is a key element of sustainable operations and brings long-term benefits to the GEN Group and its employees, and indirectly to the wider community.

Policies

Similar to employee development and retention at the group level, no standard umbrella policy has been adopted that would cover all aspects of ensuring a healthy and safe working environment due to the specific characteristics of individual companies. However, key aspects are systematically governed in the rules and bylaws of individual companies, which prevent the occurrence of neg-

ative impacts. These documents include material aspects that affect all employees, and are defined by the controlling company in documents with the following names:

Social issues and issues in connection with human rights	Company
Health and safety	<ul style="list-style-type: none"><li>• Employment Relationship Rules</li><li>• Safety declaration with risk assessment</li><li>• Fire safety rules and evacuation plan</li><li>• Rules prohibiting work under the influence of alcohol, drugs and other prohibited substances</li><li>• Health risk assessment</li><li>• Guidelines on the promotion of occupational health</li><li>• Rules on the provision and implementation of medically programmed active break periods</li></ul>

We monitor the occupational safety and health management system through regular audits and the assessment of risks, while funding for the achievement of objectives is ensured in accordance with annual business plans.

Actions

To that end, we adopt long-term measures to mitigate and eliminate potential risks to health and the

occurrence of accidents. We refer employees to periodic preventive medical exams and offer them the possibility of the payment of premiums for collective accident insurance and specialist health insurance. We also comply with all key regulations and bylaws governing the area of occupational health and safety, which includes the organisation of occupational safety training and the promotion of health in the workplace. The occupational safety and health management system includes all group employees. Also in place is a declaration of safety with risk assessment, which assesses the hazards and harmful effects that may affect the health of employees, and includes principles to mitigate these risks and appropriate safety measures.

The GEN Group recorded six workplace accidents in 2024 that resulted in minor bodily injuries, while a total of 81 days were lost on account of work-related injuries. No deaths occurred as the result of work-related injuries and diseases.



A healthy work environment has a direct impact on productivity and the quality of work. For this reason, we provide fresh fruit in offices every day. In the scope of sports clubs, we offer the use of capacities, and visits to numerous activities and courses.

To ensure a positive work atmosphere and strengthen team bonds, we organise teambuilding events, sports games and picnics, while in December we organise New Year's Eve parties for all colleagues. Because we believe that employees who feel safe and valued are more motivated and thus more effective at work, we also strive to improve their resilience and psycho-physical well-being. Various activities in this area are organised at individual companies, while we are planning to expand those activities to the entire group in the coming years.

Targets

In the scope of ESG initiative of 'Ensuring a healthy and safe work environment, objectives were also defined and included in the business plan for the period 2024 to 2026 and, for 2024, include the annual organisation of a safety day, the organised delivery of fresh fruit to all group companies, the opportunity for employees to participate in sports clubs and enjoy equal access to activities and benefits, and the organisation of active breaks. The administrators of ESG initiatives report on implementation on a quarterly basis.

Objectives are managed by means of a declaration of safety with risk assessment, which is regularly reviewed when changes are identified, while additional measures are defined as required.

3.6.3. Zero-tolerance for all forms of discrimination and violence in the workplace, and respect for human rights

IRO	Thematic ESRS	Topic	ESRS topics, sub-topics and sub-sub-topics	Category	Type of impact	P/A	Time horizon	Value chain	Materiality of impact	Notes
Raising employee morale and enhancing the company's reputation	S1 – Own workforce	Working conditions and equal treatment and opportunities for all	Decent wages Gender equality and equal pay for work of equal value Employment and the inclusion of disabled persons Diversity Measures against violence and harassment in the workplace	I	+	A	LT	OO/VC	2.5	Contribution to an improved working atmosphere.

The impact of improving employee morale and the working atmosphere derives directly from our own activities, in particular from human resource practices and internal governance procedures. This impact is real and long-term, with a direct effect on the psychosocial well-being of employees and an indirect impact on commitment, the quality of relationships and the public perception of the company. The effects of these aspects also impact broader strategic decision-making, the strengthening of the company's reputation as an attractive employer, and the internal organisation of work and support processes.

Policies

In all countries where the GEN Group operates, we are guided by a policy of zero-tolerance for all forms of discrimination and violence in the workplace, and respect for human rights.

Our operations are based on compliance with valid legislation and internationally recognised standards, such as the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. The compliance monitoring mechanism includes the review of the above-described documents and the identification of principles in the GEN Group's business processes and bylaws. GEN and GEN-I have also signed the Commitment to Respect Human Rights in Business. That commitment is based on the Universal Declaration of Human Rights and other relevant documents mentioned above in the area of protecting and promoting respect for human rights in economic activities.

We place dignity, personal integrity, and privacy at the core of everything we do, with special atten-

tion paid to freedom of expression and open, two-way communication based on respect for diversity, transparency and inclusion. We reject all forms of unfair or illegal work, and strive for an organisational culture based on integrity, fairness and mutual respect.

All forms of harassment and bullying in the workplace are unacceptable. We achieve this based on the Rules on the protection of workers against discrimination, harassment and bullying in the workplace. We ensure the necessary working conditions, and a work environment that is open to innovation and creativity. We do not tolerate exposure to psychological pressure, sexual or other harassment or bullying by co-workers, supervisors or third parties. All employees are obligated to refrain from inappropriate conduct that may threaten the dignity of others. Any employee can report mobbing to one of the mobbing prevention

officers, who study each case and propose the appropriate measures to protect employees and improve the work environment.

Procedures are also included in the Code of Ethics for addressing any negative impacts on employees. We raise awareness regarding the accessibility of such channels through internal communication channels and in the scope of annual training, but we do not currently carry out systematic assessments of employee awareness of these mechanisms. Employees can report concerns or potential breaches to their superiors or an authorised person within the company. In the event of serious and recurring breaches, a committee for compliance with the GEN Group's Code of Ethics is formed and includes representatives of all group companies. That committee reviews reports and informs senior management of its position regarding a breach and, in the most serious cases, proposes termination of the employment contract. The effectiveness of measures is ensured through the careful review of reports and a commitment to adapt bylaws, if required. Reports are treated confidentially and employees are protected from any retaliatory measures. Group companies have adopted Rules on the protection of whistleblowers and the establishment of internal channels for reporting breaches of regulations.

No incidents of discrimination or serious human rights violations were reported in the GEN Group during the reporting period, while no complaints were filed through internal or external mechanisms, and thus no fines, sanctions or damages were imposed in connection with these issues. The group will continue to pursue its objective of minimising or eliminating incidents of discrimination and violence in the workplace.

In accordance with the recommendations of the Slovenian Directors' Association, the senior management and Supervisory Board of the parent company adopted a publicly accessible Diversity Policy, based on which we take into account the principles of inclusion and equal opportunities to the greatest extent possible, including in the composition of supervisory and management bodies.

We treat all employees equally regardless of nationality, racial or ethnic background, national or social affiliation, gender, skin colour, medical condition, disability, religion or belief, age, sexual orientation, family status, trade union membership, financial status or other personal circumstances. The percentage of disabled employees within the group is 0.82%.

The majority of GEN Group companies have works councils that actively strive to protect and pursue the interests of employees, to brief employees on developments at companies and their participation in management, and to include employees in the adoption of important economic, HR-related and social decisions. In accordance with the law, all GEN Group employees are protected through a social protection programme against loss of income due to significant life events, and receive a decent salary.

Based on the above-described processes, we are seeing an improvement in employee morale and in the working atmosphere, which derives directly from our own activities, in particular from human resource practices and internal governance procedures. This impact is real and long-term, with a direct effect on the psychosocial well-being of employees and an indirect impact on commitment, the quality of relationships and the public percep-

tion of the company. The effects of these aspects also impact broader strategic decision-making, the strengthening of the company's reputation as an attractive employer, and the internal organisation of work and support processes.

**Actions**

The GEN Group has responded to the materiality of these aspects by introducing internal policies, raising awareness and providing training on respect for human rights. Guidelines were established in 2024 for the adoption of bylaws, for the adaptation of internal processes to address cases of inequality, discrimination and/or any form of violence in the workplace, and for the adoption of the right to disconnect.

**Metrics**

Gender representation at the highest level of management		
	Men	Women
Senior management and Supervisory Board		
Number	28	9
Proportion	75.7%	24.3%
Senior management		
Number	69	37
Proportion	65.1%	34.9%

Breakdown of employees by age group and number		
younger than 30 years of age	30 to 50 years of age	older than 50 years of age
228	718	158

The pay gap between female and male employees is 23.74%, while the highest individual earnings are 5.74 times the median earnings of employees

at the company. The remuneration of employees at NEK was not taken in account in data for the value of a factor (coefficient). If the remuneration of all GEN Group employees is taken into account, the ratio of the highest earnings to average employee earnings is in line with the law.

The GEN group does not have specific metrics in place to measure the impact of raising employee morale and improving the company's reputation. It does, however, indirectly monitor these factors through regular employee commitment measurements. These measurements are conducted by EHC Partners using Gallup's standardised questionnaire.

**Targets**

The long-term objective of measuring employee commitment is to improve commitment to work, and strengthen the psychological resilience and awareness of employees through management by objective, enhanced engagement, team spirit and interpersonal relationships.

### 3.6.4. Responsibility to customers and the protection of personal data

IRO	Thematic ESRS	Category	Type of impact	P/A	Time horizon	Value chain	Materiality of impact	Financial impact	Notes
Enhanced trust of customers	Specific IRO	I	+	A	MT/LT	OO/VC	2		Reduced customer turnover.
Breaches of data protection	Specific IRO	R		P	ST	OO/VC		2.5	Growth in cyber and data risks.
Implementation of advanced cyber security systems and data protection	Specific IRO	O		P	MT/LT	OO/VC		2.5	Potential material cost savings due to the prevention of attacks, fines and legal claims.

#### Policies

Responsibility to customers and the protection of personal data are key elements of sustainable operations, and contribute to the strengthening of the group companies’ reputations, while establishing long-term and trustworthy relationships with customers. We thus create a safe environment that facilitates trouble-free, transparent and trustworthy operations. The group believes that customer satisfaction goes beyond meeting customers’ expectations, and includes ethical behaviour, transparent communication and the provision of high-quality products and services. The reliable protection of personal data is the basis for trust and long-term relationships with customers, through which we not only comply with regulatory requirements, such as the GDPR, but also build sustainable partnerships with customers at all levels of operations.

In the group’s business model, identified impacts are primarily present in customer relationship segments within the GEN-I Group and in digital business processes, where data security and privacy are closely linked to the group’s reputation. The

GEN Group contributes to these impacts primarily through its activities, such as the establishment of privacy policies, digital data processing, communication with customers and the management of users. Additional impacts derive from business relationships, particularly when working with external personal data processors with whom the group has entered into agreements that dictate compliance with equally high standards of data protection, compliance with the GDPR and information security.

To ensure compliance in this area, the GEN-I Group has adopted all necessary legal bases and implemented numerous internal processes that are regularly reviewed and updated. The umbrella policy governing information security at GEN-I, which has been adopted by the senior management of GEN-I and other GEN-I Group companies, was drafted in accordance with best practices and the ISO IEC 27001:2013 standard, and supports the achievement of GEN-I’s strategic objectives. Bylaws have been adopted to ensure the effective protection of personal data and to govern the use of ICT resources, and the management and protection of

user accounts, passwords and confidential information from employment relationships. The GEN-I Group thus strives to strengthen the trust of users by introducing clear privacy policies, raising the awareness of customers about their rights, and implementing technical measures to protect data in daily operations.

Direct communication is also an important element of trustworthy relationships with customers. This is the responsibility of GEN-I’s Customer Contact Centre, which provides users with support and advice, and raises awareness about the importance of carbon-free electricity and energy efficiency. In addition to traditional communication channels, we inform customers via our website, email and social networks. The My GEN-I portal allows customers to view their consumption and costs, submit meter readings, receive bills and contact advisors. Through opinion polls and surveys, we gather information regarding the needs, challenges and suggestions of our customers. We use that information in the development of products and services, and in the sustainable business practices of the GEN-I Group. We thus improve the

user experience, and long-term customer loyalty and satisfaction.

#### Actions

Key measures during the reporting period included the work of the Personal Data Protection Commission, which handles any identified breaches, adopts corrective measures and notifies senior management and supervisory bodies, as required. We also continuously perform data processing impact assessments (DPIA) and legitimate interest assessments (LIA), particularly in the development of new products and services. The scope of measures covers all GEN-I Group companies and all stakeholders involved in personal data processing. Those measures are continuous and include regular training for new employees and the permanent functioning of a data protection officer. Progress is seen in improved customer awareness, the accessibility of information regarding privacy and the reduced number of incidents.

#### Targets

More specific objectives in connection with the protection of rights and customer satisfaction, the empowerment of end-customers and ethical operations will be defined in the revised Sustainability Strategy of the GEN-I Group. More information on this topic is included in the annual report of the subsidiary GEN-I, which is the leading supplier of electricity to households and small business customers.



3.6.5. Socially responsible operations and giving back to society

IRO	Thematic ESRS	Sub-topic	ESRS sub-sub-topic	Category	Type of impact	P/A	Time horizon	Value chain	Materiality	Financial materiality	Notes
Enhancing positive impact on communities	S3 – Affected communities	Civil and political rights of communities	Freedom of expression Freedom of assembly	I	+	A	ST/MT	00/VC	2.5		Impacts that contribute to the improving quality of life, the support of education and sustainable development.
Negative public perception of the group	S3 – Affected communities	Economic, social and cultural rights of communities	Land-related impacts	R	-	P	MT/LT	00/VC		2	Possible damage to reputation, delays and failure to implement projects.

Policies

Socially responsible operations and giving back to society are key elements of sustainable operations and go beyond the economic objectives of the group. They thus include a commitment to social values and ethical conduct, which affects GEN Group’s reputation in the eyes of the wider community.

We recognised this in the group’s Strategic Development Plan, in the scope of which the trust of stakeholders is one of the five key catalysts required to implement the established strategy and to pursue strategic policies. Accordingly, we establish, maintain, update and strengthen mutual relationships with local communities, the general public, non-governmental organisations and other affected communities, based on knowledge, expertise and continuous efforts to ensure safety. A special ESG initiative is also in place with the objective of socially responsible operations and giving back to society, while the views and interests of communities are communicated to governance bodies through regular reporting by expert departments, internal coordination and in the scope of key projects, in particular the placement of new energy facilities.

The GEN Group thus recognises the social environment as a key stakeholder, and is committed to actively respecting the interests, views and rights of

local communities in the development and implementation of its strategy. Continuous cooperation with local stakeholders improves our understanding of the needs and expectations of the community, which facilitates the adaptation of our business practices to mitigate negative impacts and strengthen positive effects.

We recognise our significant impact on local communities, particularly in areas where our production facilities are located or where we are planning new energy projects. This derives directly from our business model, which involves the siting of energy facilities (e.g. hydro and solar power plants), the long-term use of natural resources, and our presence in local communities. In the scope of the double materiality assessment process, we identified impacts, such as our contribution to local development (e.g. jobs and engagement with local companies), as well as risks in the form of potential public opposition to the placement of new facilities, which may impact the time, cost and implementation frameworks of projects. These impacts are systematically taken into account in the formulation of the group’s strategic policies, particularly in the scope of stakeholder management and strategic communication with the public. Impacts on communities are also a key factor in the drafting of feasibility studies, environmental assessments and the process of obtaining permits and authorisations.

At the same time, the GEN Group recognises that our activities can also impact communities along the broader value chain, particularly at the beginning and end of project life cycles. This includes, for example, impacts related to the extraction of raw materials for construction or waste management. Nevertheless, our current assessment of impacts focuses primarily on the environments and activities where GEN Group companies operate directly. The most material impacts therefore relate to local communities living or working in the vicinity of our production facilities.

We dedicate special attention to respecting the human rights of affected communities. In the scope of project assessments, we assess impacts on local communities and ensure that their rights are not violated. We also engage with communities through regular communication, consultations and the inclusion of their representatives in the planning and implementation phases of key projects. In this way, we strive to ensure that their views are appropriately considered and that trust and long-term partnerships are established. The group does not have in place specific procedures for assessing the awareness of affected communities about existing mechanisms for expressing concerns, nor has it drawn up a policy for protecting individuals from retaliation. In the event of identified negative impacts on human rights, complaint handling mechanisms are in place

to ensure that appropriate corrective measures are taken where necessary. During the reporting period, there were no cases of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises involving affected communities. Anonymous reporting mechanisms are in place for reporting breaches and concerns, which in turn are reported annually to the Commission for the Prevention of Corruption. Concerns can also be reported via the contact information published on companies’ websites or by e-mail. Although these channels are not intended exclusively for affected communities, they may also be used by these stakeholders. No special processes have been established to promote the accessibility of these channels in the scope of business relationships, or to promote the effectiveness thereof.

In addition to ensuring respect for human rights, the GEN Group also implements selected measures and initiatives whose primary aim is to contribute to positive effects for broader communities. Giving back to society is expressed through active participation in social and environmental initiatives, such as donations and volunteer activities.

## Actions

In 2024, the GEN Group earmarked more than 50% of all funds relating to social responsibility for the local environments in which our companies operate, while the remainder was received by organisations throughout Slovenia. In line with our responsible operations, we also strive to actively help formulate activities in local communities, particularly in the areas of education, science, sports, culture, charity, healthcare, environmental protection, humanitarianism and other areas. In the **areas of health-care and humanitarian activities**, we encourage GEN Group employees in various ways to donate blood, while we **implement the following activities in the area of education and training**:

- We promote the **interest of young people in natural and technical sciences**. For more than a decade, we have been establishing and developing partnerships with individuals and organisations actively engaged in spreading knowledge of and raising interest in natural and technical sciences and energy topics, in particular with:
  - primary and secondary schools, and faculties from across Slovenia (in particular the Faculty of Electrical Engineering at the University of Ljubljana, the Faculty of Electrical Engineering and Computer Science at the University of Maribor and the Faculty of Energy Technology at the University of Maribor);
  - scientific centres (in particular the House of Experiments in Ljubljana and Tehnopark Celje), and by participating in the creation of a new science centre in Ljubljana; and
  - other programmes and projects that address sustainable development and promote energy literacy in Slovenian schools.
- Every year we organise the **nationwide 'Young in the World of Energy' contest**, which includes several hundred children and adolescents who

present their views and understanding of electricity, energy and energy sources.

- We organise **the Young Geniuses project**, which takes the form of a quiz on energy topics and includes several primary schools and technically-oriented secondary schools every year.
- We organise **training in the World of energy**, where we recorded 6,024 visitors from Slovenia and abroad in 2024. Through a well-planned approach, the planning of activities and video content, we offer schools a remote visit to the World of Energy, where they can choose from previously prepared content to match their needs as a part of their regular curriculum, in the organisation of activity days or for work with talented pupils and students.
- The JEK2 project roadshow, with which we visited 19 cities and towns across Slovenia, recorded around 3,000 visitors.
- In addition to in-house projects, events and other activities designed to promote knowledge of energy and the energy sector, GEN Group companies provided organisational, technical or financial support again in 2024 to various **national, professional, business and educational/awareness-raising events and projects related to the energy sector**. That support included:
  - regular monthly meetings with journalists;
  - presentations for Slovenian companies regarding the possibility of inclusion in the supply chains of EDF, Westinghouse and KHNP;
  - meetings with the mayors of municipalities in the Posavje region;
  - visit to GEN and NEK by members of National Assembly's committee for the infrastructure;
  - meetings with non-governmental organisations;
  - Nuclear Society of Slovenia (NSS) round table;
  - Energy Days, organised by the media company Finance;

- international SEEnergy conference in Celje;
- financial conference in Portorož organised by the Finance Academy;
- presentation of the JEK2 project to the City Council of the Municipality of Krško;
- energy-financial forum, organised by Properia;
- visit to GEN by the Minister of the Environment, Climate and Energy;
- international NENE conference in Portorož; and
- the Energy Conference, organised by the media company Delo.

We demonstrate our focus on transparency and openness for communication with interested parties through numerous presentations of our work and major development projects at various professional and other events. GEN-I contributes significantly in this regard by sharing scientific results and internal studies in the scope of research and development projects, professional contributions and conferences, and through lectures at faculties. By introducing innovative services and technologies, and searching for comprehensive solutions, we promote the sustainable development of the local and broader environment towards the green transition. We see the further development of the local and broader social environment towards the green transition as a positive impact of this area, which we will achieve primarily by raising awareness of the importance of preserving the natural environment and introducing innovative services and technologies.

We monitor the effectiveness of measures in connection with the community through predefined indicators that facilitate the measurement of progress and the achievement of objectives in the areas of trust, inclusion and support for the local envi-

ronment. Key indicators include:

- The number of visits to visitor centres and production facilities (objective: 9,000/year);
- The number of awareness-raising events and information days (objective: 10/year);
- The proportion of sponsorship and donation funds earmarked for local communities (objective: 50%/year);
- The proportion of funds earmarked for sustainability content (objective: 70%/year); and
- The annual organisation of public opinion surveys that measure the perception of communities.

## Targets

Objectives are directly linked to strategic policies laid out in the Socially responsible operations and giving back to society initiative. The measurable objectives stated in the above paragraph are regularly monitored in the scope of strategic management and used to adapt approaches when effects deviate from established objectives. The objectives apply to all GEN Group companies operating in Slovenia and include cooperation with local communities. The base year for all objectives is 2024, with an initial value of 0. The timeframe for implementation is 2024 to 2026, with annual milestones in 2025 and 2026. Objectives were established based on past experience, identified social risks, and internal strategic documents, with the participation of key internal stakeholders. Progress is monitored annually based on collected indicators, while the first comprehensive assessment will be carried out after the conclusion of half-yearly reporting for 2024. The company did not engage directly with communities during the setting of objectives in the areas of engagement with local communities and socially responsible operations.

# 3.7. Governance aspect

## 3.7.1. Comprehensive risk management

IRO	Thematic ESRS	Category	Type of impact	P/A	Time horizon	Value chain	Materiality of impact	Financial materiality	Notes
Support for the commercial and social goals of the GEN Group	Specific IRO	I	+	A	MT/LT	OO/VC	3		Effective risk management supports business and social objectives, improves the stability of supply and ensures compliance with regulations.
Financial losses due to poor risk management	Specific IRO	R	-	P	ST/MT	OO/VC		2.25	Insufficient risk management can result in erroneous investment decisions, increased costs and the loss of the regulatory body's trust.
Upgrading of the risk management system	Specific IRO	O	+	P	MT/LT	OO		2	Improved risk management increases the reliability of supply, reduces the number of disruptions and optimises costs.

### Policies

Comprehensive risk management is crucial for the sustainable and successful operations of the GEN Group in a dynamic business environment. Awareness and the identification of risks allow the GEN Group to make preventative preparations for potential challenges, while exploiting opportunities for growth. Through a systematic approach to risk management, the GEN Group establishes a sound basis for resilience to unexpected events, and thus reduces the possibility of financial losses and the loss of its reputation, while facilitating improved flexibility in a changing environment. Comprehensive risk management also strengthens the trust of stakeholders, including customers, investors and regulatory bodies. The GEN Group thus fulfils regulatory requirements and lays a sound foundation for sustainable growth and competitiveness. Comprehensive risk management is thus an indispensable element of the business strategy, which facilitates responsiveness to uncertainties and the creation of a stable operating environment.

For this reason, it is recognised as one of the five catalysts for the implementation of our Strategic Development Plan.

Effective risk management directly supports the achievement of the GEN Group's business and social objectives, which strengthens the stability of energy supply and the trust of stakeholders, and ensures a positive impact on society.

The risk management process is set out in the by-laws of companies (such as risk management and similar documents), while the controlling company follows the ISO 31000:2018 guidelines and employs the three lines of defence model. We manage risks in all areas of our operations, which includes all business units in various regions, while certain risks also impact the value chain.

We monitor the risk management process via structured procedures that include internal and external audits, internal control assessments and

an annual review of the risk management policy, where that policy is adapted with respect to changes in the business environment and stakeholder feedback. We update the business risk policy and risk register in each report on the operations of companies (quarterly) and when drafting business plans (annually).

The regular identification of risks and opportunities by individual area and work process is thus a daily activity for every group employee, with senior management being responsible for implementing the risk management policy at the highest level. At the controlling company GEN, senior management is also responsible for monitoring all risks that arise from cooperation with subsidiaries.

### Actions

With the aim of following best practices, we began overhauling the risk management system at the controlling company in 2024. We began that process based on a gap analysis performed by an ex-

ternal contractor in cooperation with GEN employees. Based on that analysis, we revised umbrella documents, with the new umbrella Risk Management document (hereinafter: the document) covering the risk management policy, the risk management framework, the risk appetite framework, the risk appetite statement and risk limits. The policy includes the fundamental principles of governance that are based on risk management with the aim of supporting the business and social objectives of the GEN Group, while the framework implements the principles of the policy at a high level and ensures their comprehensive and coordinated implementation in all business areas. The document thus offers detailed content, specifications, methodologies and procedures that guide every aspect of risk and opportunity management. The aim in the coming years is to standardise the risk and opportunity management system to the greatest extent possible, including in relation to subsidiaries.

More about risk management is presented in Section 2.10 'Risk management'.

### Targets

We use specific methods and indicators, which are coordinated and agreed for every risk, to assess risks and progress in the management of every risk. Basic information in this regard is available in companies' annual reports, while more detailed information regarding risks and opportunities is provided to the specialised committees of the Supervisory Board and the company's Supervisory Board and, in the case of some subsidiaries, to special risk committees (GEN-I).



3.7.2. Corporate governance

IRO	Thematic ESRS	Sub-topic	Category	Type of impact	P/A	Time horizon	Value chain	Materiality of impact	Financial materiality	Notes
Trust of stakeholders	G1 – Business conduct	Corporate culture Political influence and lobbying activities	I	+	A	MT/LT	OO/VC	3		A high level of transparency, ethical conduct and effective governance enhances stakeholder trust.
Non-transparent business activities and non-compliance with regulations	G1 – Business conduct	Corporate culture	R	-	P	ST/MT	OO/VC		2	Can lead to legal risks, financial losses and damage to the company's reputation.
Compliance with best corporate governance practices	G1 – Business conduct	Protection of whistleblowers	O	+	P	MT/LT	OO		2	Greater resilience of the company, improved decision making and increased attractiveness for investors and business partners.

Policies

Corporate governance is essential for establishing an effective and responsible business environment. By applying the highest standards of management and supervision, corporate governance ensures that the GEN Group operates in accordance with the principles of transparent and ethical operations. Responsible corporate governance contributes to the establishment of trust between a company and all stakeholders, including customers, investors and employees, as this ensures the clear demarcation of responsibilities, open reporting and decision-making in the long-term interests of the GEN Group. Corporate governance also contributes to the effective management of internal processes, prevents conflicts of interest and strengthens the accountability of management staff. It contributes to decisions that are oriented to the long-term sustainable performance of the GEN Group and not merely to short-term profits. By establishing a balance between all stakeholders, corporate governance protects the interests of each subsidiary and supports broader social responsibility, which sets the foundations for the stable and sustainable growth of the GEN Group in the global business environment.

Such an approach to governance has a positive impact on people, as it strengthens the trust of employees, investors and other stakeholders in the fairness and transparency of decisions, and mitigates the risk of harmful social effects, such as discrimination, the abuse of position or a lack of oversight. The GEN Group actively contributes to this trust through its management, supervision and internal control activities, and through its relations with employees, regulators and business partners. Because the trust of stakeholders is one of the five key catalysts for the implementation of the GEN Group's strategic policies it represents the basis for long-term stability and support in the implementation of key projects.

We promote corporate culture at GEN Group companies through a system of rules, practices and processes that guide and control the company. The corporate culture defines expected business conduct and ethical standards (such as integrity, honesty, accountability, transparency, risk management, sustainability and the promotion of innovation), which are laid down in writing in the GEN Group's Code of Ethics. Based on the provisions of the Whistleblower Protection Act, GEN Group com-

panies have also adopted Rules on the protection of whistleblowers and the establishment of internal channels for reporting breaches of regulations. Those rules establish methods and procedures for reporting violations of valid regulations in the Republic of Slovenia that individuals have learned about in the work environment, and for handling such reports and protecting individuals who report or publicly disclose information about breaches. In accordance with the ZZPri, whistleblowers are entitled to protection, and GEN, being aware of the importance of ethical and lawful operations, undertakes:

- not to attempt to identify whistleblowers;
- not to take retaliatory measures, and forbids the employees of GEN energija d.o.o. from doing so; and
- to encourage employees to report information about breaches, including the basis for suspicion of actual or potential breaches of regulations that have occurred or are very likely to occur, through internal reporting channels, as this will enable reports to be handled effectively, and errors and breaches to be rectified quickly.

An internal channel has been established for the purpose of reporting breaches of regulations, including with regard to the prevention of corruption, conflicts of interest, money laundering and terrorist financing, public procurement, competition protection, etc. Reports from persons who are in an employment or other similar relationship with GEN are considered.

The GEN Group's senior management drafts key strategic and annual documents (SDP at the controlling company, and business plan and annual report at all companies), which include commitments regarding business conduct. The Supervisory Board gives its consent to the SDP and approves business documents, while SSH, in its role as owner, adopts the SDP by resolution. Such a structured approach facilitates the integration of sustainability goals and the principles of responsible business conduct into governance at all levels, from strategic planning to annual reporting.

## Actions

With regard to corporate governance, the company continued to study the need for updates and changes, and established the necessary foundations in 2024, and then implemented specific changes in the aforementioned area in 2024. As founder and sole owner, GEN adopted new Articles of Incorporation at TEB and SEL, and constituted a supervisory board and audit committee at both companies, and changed the value of legal transactions for which the management of those companies must obtain the supervisory board's consent before the conclusion thereof (including credit transactions, etc.) thereby standardising the amount of such transactions at TEB, SEL and HESS, while taking into account the recommendation of the founder's internal audit department regarding a change in terminology in such a way that it is unambiguously clear for which investment documents the management of TEB and SEL must obtain the founder's consent before the implementation of an investment. In 2024, GEN-I twice coordinated amendments to its Memorandum of Association and the rules of procedure of the company's senior management, which is inextricably linked to the aforementioned document. GEN-I is a public interest entity. For this reason, the aim of the first amendment to its Memorandum of Association was to constitute a supervisory board and audit committee, and to segregate powers between the company's bodies as

required. The aforementioned amendment also facilitates the expansion of the governance body to include the workers' director. The main element of the second amendment related to the withdrawal of GEN's commitment, as owner, regarding the sale of electricity under the umbrella agreement and associated articles.

For more information regarding governance within the group, see Section 2.1 'Presentation of the GEN Group', while more information regarding specific activities and guidelines in the area of corporate governance can be found in Section 1.1.1 'Key highlights' and Section 2.2 'Corporate governance statement' and Section 2.10 'Risk management'.





### 3.7.3. Compliance and transparent management

IRO	Thematic ESRS	ESRS topics and sub-topics	Category	Type of impact	P/A	Time horizon	Value chain	Materiality of impact	Financial materiality	Notes
Trust of the market and stakeholders	G1 – Business conduct	Management of supplier relations, including payment practices	I	+	A	MT, LT	OO/VC	3		Crucial for relations with regulatory bodies, investors and the general public.

#### Policies

Compliance and transparent management represent the core pillars of sustainable and responsible operations in a contemporary business environment. Compliance includes the consistent respect of all regulatory requirements and ethical standards outlined in the codes of ethics of individual companies, while ensuring the integrity of the GEN Group and mitigating the risks of unethical or unlawful conduct. The GEN Group thus not only fulfils its obligations to stakeholders, but also strengthens the confidence of customers, investors and other stakeholders in the group’s ethical conduct and accountability.

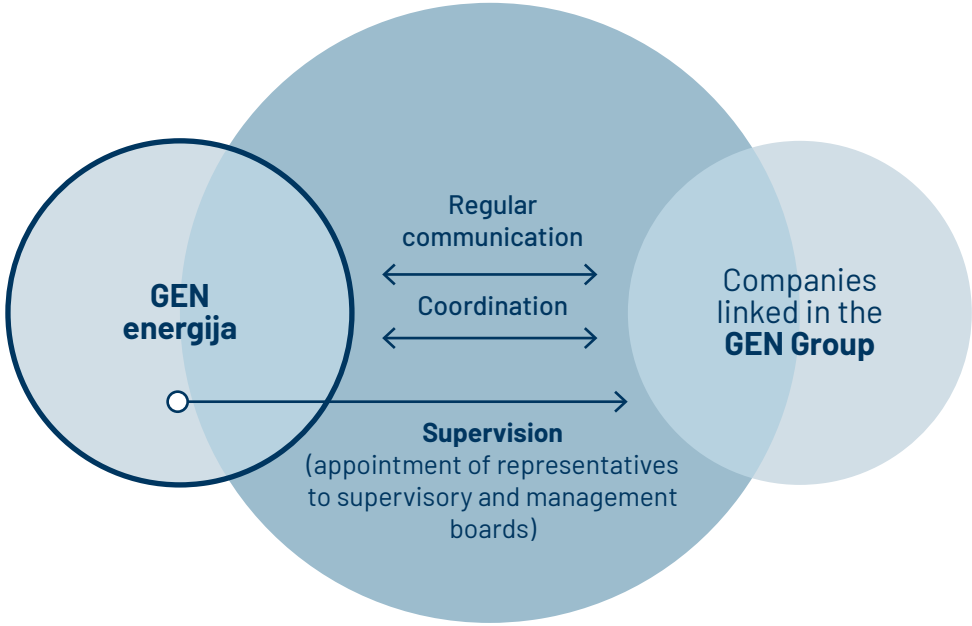
This is also achieved through the quality policy of the GEN Group, which binds us to:

- establishing the best possible quality assurance and safety culture in order to achieve the strategic goals of the GEN Group;
- creating a work environment that encourages employees to be fully engaged in the achievement of goals;
- meeting requirements and continuously improving the performance of our quality management system; and
- operating in a socially responsible manner and ensuring balanced support for the development of all structures of the social environment.

Transparent management is crucial for the establishment of open communication channels between management staff and stakeholders. Clear reporting on business activities, financial results, environmental impacts and the social responsibility of the GEN Group allows stakeholders, including customers, investors, employees and administrative bodies, to better understand the GEN Group and make decisions on the basis of relevant information. The transparency of management strengthens the GEN Group’s reputation and increases the accountability of management staff, as open communication is essential for building trust and long-term partnerships with the wider community.

The positive impact of the trust of the market and stakeholders in the company derives from the GEN Group’s strategic focus on transparent, responsible and compliant operations, and from its own governance practices and business relations with stakeholders.

#### GEN’s cooperation with GEN Group companies



We ensure compliance through the regular monitoring of legislative and regulatory changes in the area of sustainability and other areas relevant to the company’s operations, with the aim of continuously implementing legal requirements and best practices in the business processes of all GEN Group companies. We also perform internal audits to verify the effectiveness of the implementation of policies and to identify potential risks or opportunities for improvement.

Companies also raise awareness and regularly organise internal training on the subjects of compli-

ance and integrity. That training is intended for all employees, with the controlling company providing basic training for all new employees. Existing employees receive annual refresher training, while additional topical training is provided as required, especially in the event of changes in legislation or internal policies. Training is conducted by internal or external experts in the areas of compliance, ethics and the law. Senior management has not yet adopted a document giving priority to higher risks in certain jobs. According to the ZIntPK, these are functions and bodies or employees involved in public procurement who are required to report



on their financial status. They include managing directors, members of the Supervisory Board and employees (in particular project managers and others who may have a significant influence over the selection of the tenderer/documentation). Management and supervisory functions are entered in the court register and publicly accessible on the AJPES website, while project managers are appointed by decision and recorded in document systems.

A compliance and integrity officer was appointed at the controlling company in May 2024 by senior management resolution, while a special position was created for this function in accordance with the founder's recommendations. Training was also organised on the subjects of compliance and integrity, while a draft Code of Ethics had been drafted at group level by the end of the year.

We also plan to adopt an integrity plan at the level of the controlling company for the next financial year. The purpose of that plan is to propose improvements and define measures to manage risks and prevent their recurrence, while defining the responsible persons and deadlines for the implementation or enforcement of those measures.

Monitoring implementation and the updating of measures includes the following procedures:

- Management monitors the implementation of the integrity plan.
- The integrity plan administrator regularly reports to management regarding progress and potential needs for supplementation or amendments.

- Two-way communication between the integrity plan administrator and employees: the administrator actively informs employees about the implementation of measures, while receiving feedback, initiatives and observations from the field.

## Engagement with suppliers

The GEN Group manages supplier relations in accordance with internal rules and legislation governing public procurement. That approach is based on a uniform procurement procedure that includes objective criteria for selecting suppliers and preventing conflicts of interest. To that end, we are aware of potential risks that we address in the scope of regular work processes and take into account during supplier selection. We ensure equal conditions based on a request for three offers, the predefined subject of an order and technical specifications and the appointment of an expert committee, if required. When establishing and maintaining these relations, we strive for fair conduct, transparent communication and long-term cooperation.

The process of defining criteria for supplier selection in terms of sustainability is carried out at the ESG initiative level, while the controlling company is developing an information solution module and revised instructions that will provide guidance for supplier selection criteria. These criteria will be part of our broader approach to mitigating risks and maximising positive impacts on the environment and society in our supply chain. TEB already includes in its tender and contract terms the re-

quirement that suppliers must comply with social and environmental criteria. It draws attention to cases of non-compliance and suggests measures to improve the situation.

The GEN-I Group has in place KYC (know your customer) procedures that include the comprehensive assessment of partners, including an assessment of regulatory compliance, verification of inclusion on sanctions lists and potential social risks. For projects involving renewable energy sources and green technologies, the assessment includes ESG KYC questionnaires, which also verify compliance with human rights, anti-corruption standards and fair competition. Similar principles of monitoring apply to GEN-I Sonce, which assesses environmental compliance, the origin of equipment and the quality of supply.

## Payment practices

The GEN Group consistently respects agreed and legally prescribed payment terms in its transactions with suppliers, including small and medium-sized enterprises (SMEs). The average time for the payment of invoices is approximately 30 days from receipt, which is also the standard contractual payment term applied for the majority of suppliers (close to 80%). In certain cases, payment terms are adjusted to the type of cooperation (e.g. long-term or one-time) and to country of origin of suppliers, which is in line with sectoral practice. The special rules of partners or trading standards (e.g. EFET) are taken into account for payments of infrastructure and exchange costs.

The group did not record any delays in payments to SMEs, nor are there any open legal proceedings on account of payment delays. All companies settle invoices in accordance with their bylaws and the Prevention of Payment Delays Act (ZPreZP-1), which include timely confirmation, multi-level approval, and monitoring of the fulfilment of payment obligations.

3.7.4. Implementation of anti-corruption and conflict of interest policies

IRO	Thematic ESRS	Topic	Category	Type of impact	P/A	Time horizon	Value chain	Materiality of impact	Financial materiality	Notes
Ethical and transparent operations	G1 – Business conduct	Corporate culture	I	+	A	MT/LT	00/VC	2		Stakeholder relations Mitigates risks and promotes transparent decision making.
Operations in accordance with the highest standards of ethical conduct	G1 – Business conduct	Corporate culture	O	+	P	MT/LT	00/VC		2	Facilitates responsible growth and sustainable operations, and strengthens trust in and the reputation and long-term stability of the GEN Group.

Policies

The implementation of anti-corruption and conflict of interest policies within the GEN Group represents the basic pillar of ethical and responsible operations. The GEN Group has not adopted separate policies for these areas. However, content relating to the prevention of corruption and conflicts of interest are included in the Code of Ethics and are in line with valid legislation.

The **anti-corruption policy** ensures that the GEN Group operates in accordance with the highest standards of ethical conduct and diligently prevents all forms of corruption. It includes clear rules regarding the acceptance of gifts, transparency in business transactions and the education of employees on the importance of ethical conduct. The GEN Group thus not only fulfils regulatory requirements, but also protects its reputation and ensures integrity in the business environment. Individual GEN Group companies have anti-corruption policies and practices in place that allow companies to immediately identify and take appropriate action when potential risks arise. Anonymous reporting mechanisms are in place for reporting breaches and concerns, which in turn are reported annually to the Commission for the Prevention of Corruption. Concerns can also be reported via the contact information published on companies’

websites or by e-mail. No incidents of corruption or bribery were reported at GEN Group companies during the reporting period.

Special emphasis is also placed on the prohibition of financing political parties, which is not permitted or practiced within the group. All lobbying activities are governed by internal guidelines and reports in accordance with valid legislation. In accordance with the provisions of the Integrity and Prevention of Corruption Act (ZIntPK), GEN energija d.o.o. is deemed an ‘interest organisation’ in the area of lobbying and is obliged to report on lobbying activities. The company must report in writing to the Commission for the Prevention of Corruption (CPC) on lobbying by unregistered lobbyists by 31 January of the current year for the previous year. Topics that could be the subject of lobbying activities relate in particular to legislation, regulations and policies that affect the areas of energy, investments and the long-term infrastructure. The company did not formally harmonise the content of these topics with the results of the assessment of material impacts, risks and opportunities carried out as part of the preparation of disclosures under the ESRS.

Because anti-corruption activities are governed in detail by the Integrity and Prevention of Cor-

ruption Act (ZIntPK), which specifies measures aimed at preventing corruption, group companies have yet to adopt any specific measures or objectives in this area. As part of their regular practices, GEN Group companies include an anti-corruption clause in their contracts, and either raise awareness or organise internal training on the subjects of compliance and integrity once a year. The training is organised online, lasts one hour, and is intended for all the company’s employees. It thus covers 100% of work functions that may be exposed to the risk of corruption or bribery. Members of the company’s supervisory body and representatives of the founder are handled by SSH’s HR committee and nominations committee, which are advisory bodies to the Management Board of Slovenian Sovereign Holding. Based on the Slovenian Sovereign Holding Act, the aforementioned committee carries out procedures for selecting candidates for members of the supervisory boards of companies with capital assets of the state, procedures for evaluating these candidates and procedures for the accreditation thereof.

Employee representatives on the company’s supervisory body are appointed in accordance with the Workers’ Participation in Management Act. GEN has adopted a competency profile for members of the Supervisory Board, which defines the required professional profile of a Supervisory

Board member (education, expertise, experience, skills and additional competencies) and is publicly accessible on the company’s website, together with the Diversity Policy for Management and Supervisory Bodies.

Each time the selection process for members of the management body is carried out, the Supervisory Board’s HR committee draws up a specific competency model for each individual member of senior management. Information regarding whether a specific individual candidate for member of the governance body has held a comparable position in public administration (including regulators) in the two years prior to appointment is evident from the CVs reviewed at the time of appointment. To that end, the condition set out in the company’s Memorandum of Association, which specifies the work experience required for management or senior management positions at medium-sized and/or large companies, is always taken into account.

The **conflict of interest policy** is crucial for establishing trust amongst stakeholders and for maintaining an ethical environment within the GEN Group. Through operations in line with the Code of Ethics at the group level and risk management rules, the GEN Group protects itself from situations that could pose a threat to fair and transpar-



ent decision making. Monitoring and preventing potential conflicts of interest between employees and external stakeholders puts the GEN Group on a path of sustainable and responsible operations, in which it is committed to honesty, integrity and open communication at all levels of the organisation. Companies publish on their websites statements of independence of supervisory board members, while the controlling company also publishes a list of entities subject to restrictions on transactions with GEN in accordance with Article 60 of the ZSDH-1.

Risk management is closely linked to these principles and is systematically included in the business plan and regular (quarterly and annual) reports. Indicators of risks and measures for the management thereof are discussed weekly at departmental and sectoral meetings and at management meetings, while employees are required to continuously report any perceived changes. Risk records and the risk register are updated, at a minimum, in each report on the company's operations (quarterly and annual) and during the drafting of the company's business plan.

The positive effects of ethical and transparent operations are reflected in the greater trust of employees, customers and partners, and in reduced risks of corruption, abuse or unfair practices. These effects are linked to the GEN Group's business model and strategy, which is based on responsible conduct and compliance.





3.7.5. Digitalisation of operations and cyber security

IRO	Thematic ESRS	Category	Type of impact	P/A	Time horizon	Value chain	Materiality of impact	Financial materiality	Notes
Optimisation of processes and increased operational resilience	Specific IRO	I	+	A	MT/LT	OO/VC	3		Increased operational efficiency, responsiveness and stability.
Cyber attacks	Specific IRO	R	-	P	ST/MT	OO/VC		2.5	Increase in cyber threats.
Maintenance of high cyber security standards	Specific IRO	O	+	P	MT/LT	OO/VC		2	Reduced costs of security incidents.

Policies

The digitalisation of operations and cyber security are key components that form the GEN Group’s contemporary approach to effective and safe operations in the digital world.

Digitalisation allows the GEN Group to optimise processes, increase efficiency and keep pace with the latest technological trends in the electricity sector. Through technological innovations, the GEN Group improves control over production processes, optimises the use of resources and ensures improved adaptability to dynamic challenges on the energy market. Enhanced digitalisation requires increased attention to cyber security. The rising number of digital devices and connections increases vulnerability to cyber attacks, which represent a serious risk for the functioning of electric power grids. It is therefore crucial that the GEN Group establishes and maintains high cyber security standards, including systematic control, employee training, innovative security technologies and close cooperation with cyber security experts. Key objectives in this area include ensuring the confidentiality, integrity and availability of information, and protection against cyber threats, such as unauthorised access, the loss of data or disruptions to the functioning of information systems.

The application of policies covers all business activities that involve the use of digital technologies and systems at all group companies. IT departments and cybersecurity experts are responsible for the implementation of those policies, where the active participation of all employees is key. The management staff of companies controls the implementation of policies, and ensures the allocation of resources and support required for effective implementation. Functioning at GEN-I are digitalisation and information security committees that ensure the expert and in-depth treatment of relevant topics, the formulation of expert bases for management decisions regarding those topics or direct decision-making regarding topics if this has been delegated to them, the preparation of draft decisions and the implementation thereof.

The group’s information security and management policies have been defined in accordance with the guidelines of the ISO/IEC 27001:2013 standard and are accessible by employees via the intranet portals of individual companies. Before being granted access to information systems, external contractors must also be familiar with the aforementioned policies and receive a summary thereof before beginning their work.

When managing this area, companies rely on umbrella policies and sectoral guidelines that include the technical protection of systems, the systematic training of employees and regular security audits. The effectiveness of policies and measures in the area of digitalisation and security is regularly monitored and evaluated through security audits, periodic assessments of security threats and vulnerabilities, phishing tests, employee training, review of the implementation of action plans and cooperation with external experts.

The optimisation of processes and increased operational resilience have a positive impact on employees and other stakeholders, as they facilitate greater operational efficiency, more rapid responses and stabler operations, even during crises. Such impacts are directly linked to the GEN Group’s strategic objective of reliable, flexible and sustainable operations over the long term.

Actions

In 2024, the GEN Group achieved numerous important breakthroughs in the areas of digitalisation, cyber security and the development of information systems. An internal audit was carried out in the area of cyber security at GEN and TEB in accordance with the CIS Guidelines, followed by the implementation of measures from an external security

audit performed at the beginning of the year. The focus was on the development of mechanisms for the continuous monitoring and detection of anomalies in cyberspace, which strengthens the stability of systems and ensures protection against potential threats. The group continued to invest intensively in the broader digitalisation of operations, with individual companies implementing numerous measures to enhance the digital transformation. Key activities included the establishment of business intelligence (BI) platforms to support decision-making processes, the upgrading of document systems, the development of modern digital solutions and the fortification of a robust data and security infrastructure. In this respect, GEN-I is giving special attention to the introduction of cloud solutions and the use of advanced analytics, while developing new information systems, such as Mecoms for the retail sector and ETRM for trading processes, which facilitate the optimisation of operations, expansion to new markets and a rapid response to market opportunities. Security incidents are recorded and measures taken in accordance with internal procedures.

Targets

The effectiveness of future measures will be measured through the comprehensive implementation of digital archiving, the introduction of new document management software (DMS), integration with other digital systems, the training of employees, the results of security audits, risk assessments and the updating of security measures.

An initiative that covers the area of information security was also developed at the GEN Group level. Individual KPIs were developed in the scope of that initiative. The administrators of individual initiatives coordinate activities for the group and report periodically on the achievement of KPIs to GEN’s senior management (participants in the initiative report to administrators before the latter report to senior management).

### 3.7.6. Management staff selection and development strategy

IRO	Thematic ESRS	Category	Type of impact	P/A	Time horizon	Value chain	Materiality of impact	Notes
Education and training of management staff in the area of business ethics	Specific IRO	I	+	A	MT/LT	00	2	Improves decision making, transparency and accountability.

#### Policies

The management staff selection and development strategy is directly linked to high standards of business ethics and reflects the group’s commitment to sustainable operations. The selection of management staff who identify with the GEN Group’s high ethical standards ensures that business ethics are integrated at the top of the decision-making structure. When selecting management staff, the GEN Group focuses on the expertise, experience, ethical conduct and values of individuals. The development of management staff includes continuous education and training in the area of business ethics.

The GEN Group has no specific policy on the selection and development of management staff, but the associated procedures are part of the governance arrangements set out in the memorandums of association, articles of incorporation and internal documents of individual companies. Those procedures are in line with SSH’s guidelines, the recommendations of the Slovenian Directors’ Association, the guidelines of the Commission for the Prevention of Corruption and the bylaws of group companies (including the Code of Ethics and Diversity Policy). In addition to valid provisions of the law and the Memorandum of Association, the governance of GEN-I d.o.o. also takes into ac-

count, mutatis mutandis, the recommendations of the Code.

Procedures regularly carried out for the selection and appointment of management staff include:

- multi-phase selection procedures that include the verification of eligibility, past references, employment history, ethics, and personal integrity;
- psychometric testing, where appropriate, to assess leadership skills and values and to complement competencies in multi-member management boards;
- the participation of internal and external experts, which increases the objectivity and professionalism of procedures; and
- the initiation of appointed management members through internal training as part of staff development.

Supervisory boards and HR committees, which appoint senior management, bear the greatest responsibility for the selection and appointment of management staff. As one on the company’s bodies, the founder also makes independent decisions regarding the appointment and recall of members of the company’s Supervisory Board, who represent the founder’s interests, and regarding the conferral of official approval on senior manage-

ment and the Supervisory Board.

The appointment policy and procedures are accessible by key stakeholders, in particular founders, supervisory boards and professional departments. Included stakeholders are briefed on the content and implementation of the aforementioned procedures in accordance with their roles and responsibilities.

#### Targets

All GEN Group companies have adopted a formal succession policy, with the exception of GEN-I, where numerous measures are being implemented to strengthen management positions. TEB and SEL have formally adopted the umbrella policy, while HESS has adopted its own succession policy. The aim of that policy is to ensure the continuity of management, to facilitate the planned development of internal talents and to mitigate risks in connection with the unexpected departure of management staff.

The success of the development of management staff is monitored at several levels:

- the annual assessment of senior management by the HR committee;
- the achievement of operating results and objectives set by the owner and SSH;

- the performance-based variable element of the remuneration of management staff;
- the regular recording and monitoring of training in the scope of the BC programme;
- the use of an objectives and key results tool with the aim of tracking objectives; and
- the use of the Measurement 360 development tool, which provides managers an overview of how they are perceived by coworkers and the environment, what individual managers excel at and what are their strengths, as well as which traits and competences they can improve.

The effectiveness of the selection and development of staff is monitored by the Supervisory Board, which is responsible for the appointment and recall of senior management.

The development and training of management staff is also described in Section 3.3.3 ‘Role of the administrative, management and supervisory bodies’. The training of management staff in the area of business ethics has a positive impact on employees, the organisational culture and the company as a whole, as it enhances transparency and accountability, and mitigates the risk of unethical conduct. The aforementioned impact derives from the GEN Group’s strategic focus on the development of managerial competences and the long-term strengthening of stakeholders’ trust. The group contributes to that impact through the inclusion of ethical content in its strategy on the selection and development of management staff and by promoting responsible management at all levels.

# 3.8. Sustainable reporting according to the ESRS Guidelines

This year’s annual report includes changes in the preparation and presentation of information regarding sustainability relative to previous reporting periods, as the sustainability statement was prepared according to the ESRS and not the GRI in accordance with the CSRD. In sustainability reporting, we apply the ESRS reporting framework, together with disclosures specific to electricity companies. We thus ensure the clarity and transparency of data regarding our operations, results and plans, and ensure their comparability at the national and international levels.

Statement regarding application: The GEN Group reports with reference to the ESRS for the period 1 January 2024 to 31 December 2024.

ESRS disclosure requirements	Page
Basis for preparation	
BP-1	73-74
BP-2	74, 163
Governance	
GOV-1	80-82, 143
GOV-2	80, 82, 110, 113, 125, 127, 133-34, 139, 141, 144, 146, 150, 151-152, 153-154
GOV-3	82
GOV-4	83
GOV-5	83-84

Strategy	
SBM-1	72-74
SBM-2	82-84, 149
SBM-3	110, 113, 125, 127, 133-134, 139, 141, 144, 146, 150, 161
Management of impacts, risks and opportunities Disclosures on the materiality assessment process	
IRO-1	87, 90-91
IRO-2	90-91, 163
ESRS E1	
E1.GOV-3	82
E1.SBM-3	113, 114-116
E1.IRO-1	120
E1-1	122
E1-2	122
E1-3	122
E1-4	122
E1-5	130
E1-6	118-123
E1-7	130
ESRS E4	
E4.IRO-1	129-131
E4-1	135
E4-2	134
E4-3	138

Ensuring safe, reliable, clean and affordable energy	
MDR-P	73, 109-111
MDR-A	111-112
MDR-T	112-113
SBM-3	110-111
Reduction of the GEN Group’s carbon footprint	
MDP-P	111-116
MDR-A	116-117
MDR-T	117-118
SBM-3	113-114
Contribution to the increase in the share of renewable energy sources	
MDR-P	73, 125-126
MDR-A	126-127
MDR-T	133
SBM-3	125-126
Care for the ecosystem and compliance with the highest standards in the area of biodiversity	
MDR-P	73, 128-130
MDR-A	130-132
MDR-T	139
SBM-3	134
ESRS S1	
S1.SBM-3	134-136
S1-1	134-136, 139, 142
S1-2	136-137, 141

S1-3	148
S1-4	137-138
S1-5	143
S1-6	144
S1-8	143
S1-9	149
S1-10	149
S1-11	149
S1-12	148
S1-14	146
S1-15	144
S1-16	149
S1-17	148
ESRS S3	
S3.SBM	153
S3-1	141, 146
S3-2	153
S3-3	148-149
S3-4	147,149
S3-5	155
Development and retention of staff	
MDR-P	73, 133-135
MDR-A	135-137, 138
MDR-T	137-138
SBM-3	133-138



Ensuring a healthy and safe work environment	
MDR-P	73,139
MDR-A	146
MDR-T	146
SBM-3	139-140
Responsibility to customers and the protection of personal data	
MDR-P	73, 141-143
MDR-A	149
MDR-T	150
SBM-3	141-143
Zero-tolerance for all forms of discrimination and violence in the workplace	
MDR-P	73, 141-143
MDR-A	149
MDR-T	150
SBM-3	141-143
Socially responsible operations and giving back to society	
MDR-P	73, 146-147
MDR-A	147-149
MDR-T	155
SBM-3	147-149
ESRS G1	
G1.GOV-1	73, 80, 152
G1-1	152, 155
G1-2	156-157
G1-4	163

G1-6	156-157
Comprehensive risk management	
MDR-P	140-151
MDR-A	157
MDR-T	157
SBM-3	150-151
Corporate governance	
MDR-P	73, 151-153
MDR-A	152-153
MDR-T	159
SBM-3	152-153
Compliance and transparent management	
MDR-P	163
MDR-A	163
MDR-T	164
SBM-3	157-159
Implementation of anti-corruption and conflict of interest policies	
MDR-P	73, 155
MDR-A	153-155
MDR-T	153-156
SBM-3	153-156
Digitalisation of operations and cyber security	
MDR-P	159-160
MDR-A	166
MDR-T	167
SBM-3	160-161

Management staff selection and development strategy		
MDR-P	73, 161-162	
MDR-A	167	
MDR-T	168	
SBM-3	161-162	
List of datapoints that derive from other EU legislation		
ESRS 2 BP-2, 15	Taxonomy Regulation (disclosures in accordance with Article 8 of Regulation (EU) 2020/852)	91-109

# 3.9. Independent limited assurance report on the consolidated sustainability report



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## INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED SUSTAINABILITY REPORT to the owners of GEN energija d.o.o.

We have conducted a limited assurance engagement on the Consolidated Sustainability Report included in section ‘Sustainable development’ of the Management Report of the GEN energija Group (hereafter the “Group”) as at December 31, 2024, and for the period from January 1, 2024, to December 31, 2024 (the “Consolidated Sustainability Report”).

### Identification of Applicable Criteria

The Consolidated Sustainability Report was prepared by the management of the Group in order to satisfy the requirements of 70(c) and 70(č) of the Companies Act (ZGD-1) 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 as regards sustainability reporting standards (“ESRS”), including that the process carried out by the Group to identify the information reported in the Consolidated Sustainability Report (the “Process”) is in accordance with the description set out in note ‘Double materiality assessment and integration of material topics into sustainability reporting’;
- Compliance of the disclosures in subsection ‘Disclosures in accordance with Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation)’ within the environmental section of the Consolidated Sustainability Report with Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”); and
- Compliance with the requirement to prepare the Consolidated Sustainability Report in accordance with Article 58 of ZGD-1 which requires the Group to prepare Consolidated Sustainability Report in single electronic format as defined in Article 3 of Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the “ESEF Regulation”).



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### Inherent Limitations in Preparing the Consolidated Sustainability Report

The criteria, nature of the Consolidated Sustainability Report, 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 Group 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 Group. Actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Consolidated Sustainability Report, management of the Group interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

We draw your attention to the following specific limitations discussed in the Consolidated Sustainability Report:

- Any supply chain emissions metrics listed in the Consolidated Sustainability Report may include information provided by suppliers and third-party sources. Our procedures did not include obtaining assurance over the information provided by suppliers or third parties.
- The Consolidated Sustainability Report 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 Group

Management of the Group is responsible for designing and implementing a process to identify the information reported in the Consolidated Sustainability Report in accordance with the ESRS and for disclosing this process in note *Double materiality assessment and integration of material topics into sustainability reporting* of the Consolidated Sustainability Report. This responsibility includes:

- understanding the context in which the Group’s activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the entity’s financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management of the Group is further responsible for the preparation of the Consolidated Sustainability Report, in accordance with 70(c) and 70(č) of the ZGD-1 implementing 29(a) of the EU Directive 2013/34/EU, including:

- compliance with the ESRS;
- preparing the disclosures in subsection ‘Disclosures in accordance with Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation)’ within the environmental section of the Consolidated

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- Sustainability Report, in compliance with Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”);
- designing, implementing and maintaining such internal controls that management determines are necessary to enable the preparation of the Consolidated Sustainability Report that is free from material misstatement, whether due to fraud or error; and
  - the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

Management of the Group is also responsible for the preparation of the Consolidated Sustainability Report in line with the technical requirements related to the single electronic format as determined in Article 58 of ZGD-1 and Article 3 of the ESEF Regulation. This responsibility also includes the design, implementation and maintenance of internal controls to enable the preparation of the Consolidated Sustainability Report that is free from material non-compliance with the requirements of Article 58 of ZGD-1 and Article 3 of the ESEF Regulation.

Those charged with governance are responsible for overseeing the Group’s sustainability reporting process.

Practitioner’s Responsibility

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information (“ISAE 3000 (Revised)”).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated 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 decisions of users taken on the basis of the Consolidated Sustainability Report as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgment and maintain professional skepticism throughout the engagement.

- Our responsibilities in respect of the Consolidated Sustainability Report, in relation to the Process, include:
- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
  - Designing and performing procedures to evaluate whether the Process is consistent with the Group’s description of its Process, as disclosed in note ‘ *Double materiality assessment and integration of material topics into sustainability reporting*’.

- Our other responsibilities in respect of the Consolidated Sustainability Report include:
- Obtaining an understanding of the entity’s control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Report but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;



- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error;
- Designing and performing procedures responsive to disclosures in the Consolidated Sustainability Report where material misstatements are likely to arise. 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;
- Assess whether the Consolidated Sustainability Report has been prepared, in all material respects, in the format specified in Article 58 of ZGD-1 and Article 3 of the ESEF Regulation.

Our Independence and Quality Management

We complied with the applicable independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the “Code”). The Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We applied International Standard on Quality Management (“ISQM 1”), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Report.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Consolidated Sustainability Report.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - reviewing the Group’s internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in note ‘ *Double materiality assessment and integration of material topics into sustainability reporting*’.

In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Report, we:

- Obtained an understanding of the Group’s reporting processes relevant to the preparation of its Consolidated Sustainability Report by:
  - performing inquiries to understand the Group’s control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Report;
- Evaluated whether material information identified by the Process is included in the Consolidated Sustainability Report;
- Evaluated whether the structure and the presentation of the Consolidated Sustainability Report is in accordance with the ESRS;



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- Performed inquires of relevant personnel and analytical procedures on selected disclosures in the Consolidated Sustainability Report;
- Performed substantive assurance procedures based on a sample basis on selected disclosures in the Consolidated Sustainability Report;
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Report;
- Evaluated whether the Consolidated Sustainability Report has been prepared in the format specified in Article 58 of ZGD-1 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 qualified conclusion.

**Basis for Qualified Conclusion**

As explained in section 3.3.1. *Basis for preparation of the Sustainability Report* the consolidation scope in the Consolidated Sustainability Report is not aligned with the consolidation scope in the Consolidated Financial Statements of the GEN Group. Due to limitations in data availability during the preparation of the Consolidated Sustainability Report, GEN energija d.o.o. did not include a joint operation Nuklearna elektrarna Krško d.o.o. (“NEK”) in the report. The limitations are explained in section 3.3.1. and relate to complexity of the ownership and governance arrangements of NEK — governed by the Intergovernmental Agreement between the Government of the Republic of Slovenia and the Government of the Republic of Croatia on the Regulation of Status and Other Legal Relations Related to the Investment in NEK, its Exploitation and Decommissioning (BHRNEK). This omission constitutes non-compliance with ESRS 1, BP-1, paragraph 5(b)(i), which requires the reporting boundary for sustainability reporting to be consistent with the financial consolidation scope.

The exclusion of NEK from the sustainability reporting boundary may impact the coverage of material topics, as its inclusion could affect the identification of material impacts, risks and opportunities. Furthermore, this exclusion affects reporting in accordance with the Taxonomy Regulation, as turnover, as well as capital expenditures (CapEx) and operating expenditures (OpEx) related to NEK, are not included in the taxonomy-aligned KPIs. As a result, these KPIs are not consistent with the financial statements of the GEN Group. This misalignment also affects compliance with Commission Delegated Regulation (EU) 2022/1214, which amends Delegated Regulation (EU) 2021/2178 by adding Annex XII, particularly regarding disclosures related to nuclear energy and fossil gas activities.

**Qualified Limited Assurance Conclusion**

Based on the procedures we have performed and the evidence we have obtained, except for the effects of the issue referred to in the “Basis for Qualified Conclusion” section, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Report is not prepared, in all material respects, in accordance with 70(c) and 70(č) of the ZGD-1 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 Group to identify the information reported in the Consolidated Sustainability Report is in accordance with the description set out in note ‘*Double materiality assessment and integration of material topics into sustainability reporting*’;
- Compliance of the disclosures in subsection ‘*Disclosures in accordance with Article 8 of Regulation (EU) 2020/852 (the Taxonomy Regulation)*’ within the environmental section of the Consolidated Sustainability Report with Article 8 of Taxonomy Regulation; and

Deloitte.

- Compliance with the requirement to prepare the Consolidated Sustainability Report in the format specified in Article 58 of ZGD-1 and Article 3 of the ESEF Regulation.

**Other Matter**

Our limited assurance engagement does not extend to information in respect of earlier periods.

DELOITTE REVIZIJA d.o.o.  
Dunajska cesta 165  
1000 Ljubljana



Yuri Sidorovich  
Key sustainability partner  
Ljubljana, August, 21, 2025

*For signature please refer to the original Slovenian version.*

Ljubljana, August, 21, 2025

TRANSLATION ONLY, SLOVENE ORIGINAL PREVAILS

# 04 FINANCIAL REPORT

4.1. Introductory notes on the compilation of the financial statements	107
4.2. Statement on the responsibilities of senior management	107
4.3. Individual financial statements of GEN	108
4.4. Notes to the individual financial statements of GEN	112
4.5. Independent auditor's report for GEN	129
4.6. Financial statements of the GEN Group	132
4.7. Notes to the consolidated financial statements of the GEN Group	135
4.8. Independent auditor's report for the GEN Group	181



## 4.1. Introductory notes on the compilation of the financial statements

Together with the financial statements and notes thereto, the financial report is an integral part of the annual report. It is presented in two separate sections, one for GEN and another for the GEN Group.

The audit firm Deloitte audited the individual financial statements of GEN and the consolidated financial statements of the GEN Group separately, and drafted two separate reports that are included in each section.

GEN is obligated to compile:

- the separate financial statements of GEN in accordance with the Slovenian Accounting Standards (SAS) and the provisions of the Intergovernmental Agreement on the NEK, based on which the company creates provisions to cover the fixed costs of NEK d.o.o. in the event of unplanned reductions in the NEK d.o.o.'s electricity production in the highest estimated amount, and in accordance with the company's established policies for the treatment of a joint arrangement that is not directly governed by the SAS; and
- the consolidated financial statements of the GEN Group in accordance with the IFRS and the Intergovernmental Agreement on NEK for the purpose of accounting for depreciation in the scope of the joint arrangement (NEK).

The values presented in the financial statements of GEN and the GEN Group are in euros without cents.

## 4.2. Statement on the responsibilities of senior management

The Management of GEN is responsible for preparing the annual reports of GEN and the GEN Group and the financial statements contained therein in such a way as to present a true and fair view of the balance sheet and the results of the business operations of GEN and its subsidiaries for the financial year 2024.

The management hereby acknowledges:

- that the accounting policies selected have been applied consistently;
- that the accounting estimates were made on the principle of prudence and sound financial management;
- that the financial statements, together with the explanatory notes, are prepared on the basis of the assumption that GEN and its subsidiaries shall continue to operate in the future;
- that GEN's financial statements, together with the explanatory notes, are prepared in accordance with the Slovenian Accounting Standards and the provisions of the International Agreement for the Krško Nuclear Power Plant (NEK), on the basis of which the company creates provisions to cover the fixed costs of NEK d.o.o. in cases of unplanned reduction of electricity production in NEK d.o.o. in the highest estimated amount and in accordance with the company's established guidelines for dealing with a joint operation that is not directly regulated by the Slovenian Accounting Standards;
- that the financial statements of the GEN Group, together with the explanatory notes, have been prepared in accordance with IFRS and the provisions of the International Agreement for the Krško Nuclear Power Plant for the purpose of addressing depreciation in the context of the joint operation of NEK d.o.o.

The Management shall be responsible for adequately managed accounting, for the adoption of appropriate measures in respect to the insurance of the assets of GEN and the Gen Group, and for preventing and exposing frauds and other irregularities or illegalities.

Tax authorities may audit the business operations of the company any time within five years after the end of the year in which tax needed to be levied, which may give rise to additional obligations to pay taxes, interests on late payment, and penalties with regard to corporate income tax and other taxes and duties. The company's management is not aware of any circumstances that could give rise to a potentially significant related liability.

The financial statements of GEN and the GEN Group, together with the related guidelines and explanatory notes, for the financial year that ended on 31 December 2024, shall be accepted and certified by the company's management.

Vrbina, 21 August 2025

Dr Dejan Paravan  
Chief Executive Officer



Nada Drobne Popovič, MSc  
Chief Financial Officer



Dr Bruno Glaser  
Chief Operating Officer





## 4.3. Individual financial statements of GEN

### 4.3.1. Individual balance sheet – assets

(in EUR)	Notes	31 December 2024	31 December 2023
<b>ASSETS</b>		<b>836,681,830</b>	<b>899,125,200</b>
<b>Non-current assets</b>		<b>539,361,658</b>	<b>533,698,760</b>
<b>Intangible assets, and non-current deferred expenses and accrued revenue</b>	<b>1</b>	<b>427,064</b>	<b>248,716</b>
Intangible assets		420,410	216,088
Long-term property rights		180,772	206,573
Other intangible assets		239,638	9,515
Non-current deferred expenses and accrued revenue		6,654	32,628
<b>Property, plant and equipment</b>	<b>2</b>	<b>28,974,091</b>	<b>23,630,108</b>
Land and buildings		4,330,755	4,624,604
Land		585,105	585,105
Buildings		3,745,650	4,039,499
Other plant and equipment, small inventory and other property, plant and equipment		999,078	976,160
Property, plant and equipment in acquisition		23,644,258	18,029,344
<b>Non-current financial assets</b>	<b>3</b>	<b>498,570,903</b>	<b>499,296,877</b>
Non-current financial assets, excluding loans		494,293,125	494,241,321
Shares and participating interests in group companies		296,276,642	296,276,642
Shares and participating interests in associates		197,707,413	197,707,413
Other shares and participating interests		257,266	257,266
Other non-current assets		51,804	0
Long-terms loans		4,277,778	5,055,556
Long-term loans to group companies		4,277,778	5,055,556
<b>Deferred tax assets</b>	<b>4</b>	<b>11,389,600</b>	<b>10,523,059</b>
<b>Current assets</b>		<b>297,234,730</b>	<b>365,348,439</b>
<b>Assets (disposal groups) held for sale</b>		<b>0</b>	<b>74</b>
<b>Inventories</b>		<b>0</b>	<b>8</b>
Material		0	8
<b>Current financial assets</b>	<b>5</b>	<b>227,634,526</b>	<b>226,002,127</b>
Short-term loans		227,634,526	226,002,127
Short-term loans to group companies		785,615	824,686
Short-term loans to others		226,848,911	225,177,441
<b>Current operating receivables</b>	<b>6</b>	<b>48,708,544</b>	<b>98,781,974</b>
Current operating receivables from group companies		31,807,593	75,390,439
Current trade receivables		12,983,060	17,787,665
Current operating receivables from others		3,917,891	5,603,870
<b>Cash and cash equivalents</b>	<b>7</b>	<b>20,891,660</b>	<b>40,564,256</b>
<b>Current deferred expenses and accrued revenue</b>	<b>8</b>	<b>85,442</b>	<b>78,001</b>

The notes to the financial statements of GEN are a constituent part of those statements and must be read in connection with them.

### 4.3.2. Individual balance sheet – equity and liabilities

(in EUR)	Notes	31 December 2024	31 December 2023
<b>EQUITY AND LIABILITIES</b>		<b>836,681,830</b>	<b>899,125,200</b>
<b>Equity</b>	<b>9</b>	<b>697,928,499</b>	<b>704,399,889</b>
<b>Called-up capital</b>		<b>250,000,000</b>	<b>250,000,000</b>
Share capital		250,000,000	250,000,000
<b>Share premium</b>		<b>131,756,895</b>	<b>131,756,895</b>
<b>Revenue reserves</b>		<b>172,711,282</b>	<b>172,711,282</b>
Legal reserves		2,605,980	2,605,980
Other revenue reserves		170,105,302	170,105,302
<b>Fair value reserves</b>		<b>6,423</b>	<b>-68,288</b>
<b>Retained earnings</b>		<b>0</b>	<b>19,184,920</b>
<b>Net profit or loss for the financial year</b>		<b>143,453,899</b>	<b>130,815,080</b>
<b>Provisions, and non-current accrued expenses and deferred revenue</b>		<b>103,771,198</b>	<b>95,821,141</b>
<b>Provisions, and non-current accrued expenses and deferred revenue</b>	<b>11</b>	<b>103,771,198</b>	<b>95,821,141</b>
Provisions for severance payments and long-service bonuses		1,085,671	1,128,823
Other provisions		102,679,667	94,685,333
Non-current accrued expenses and deferred revenue		5,860	6,985
<b>Non-current liabilities</b>		<b>15,783</b>	<b>0</b>
<b>Non-current operating liabilities</b>		<b>15,783</b>	<b>0</b>
Other non-current operating liabilities		15,783	0
<b>Current liabilities</b>		<b>24,032,664</b>	<b>97,787,387</b>
<b>Current operating liabilities</b>	<b>12</b>	<b>24,032,664</b>	<b>97,787,387</b>
Current operating liabilities to group companies		4,839,470	29,670,833
Current trade payables		7,789,784	24,085,645
Other current operating liabilities		11,403,410	44,030,909
<b>Current accrued expenses and deferred revenue</b>	<b>13</b>	<b>10,933,686</b>	<b>1,116,783</b>

The notes to the financial statements of GEN are a constituent part of those statements and must be read in connection with them.

### 4.3.3. Individual income statement

(in EUR)	Notes	2024	2023
<b>Net sales revenue</b>	<b>16</b>	<b>439,038,727</b>	<b>540,116,587</b>
On the domestic market		421,741,884	539,064,083
On foreign markets		17,296,843	1,052,504
<b>Other operating revenue</b>	<b>16</b>	<b>293,425</b>	<b>12,248,707</b>
<b>Cost of goods, materials and services</b>	<b>19</b>	<b>220,589,294</b>	<b>285,928,614</b>
Historical cost of goods and materials sold		216,755,686	283,068,553
Costs of materials used		223,414	348,404
Costs of services		3,610,194	2,511,657
<b>Labour costs</b>	<b>19</b>	<b>7,723,383</b>	<b>7,493,068</b>
Wages and salaries		5,850,644	5,467,673
Social security costs		1,149,174	1,070,003
Other labour costs		723,565	955,392
<b>Write-downs</b>	<b>19</b>	<b>780,389</b>	<b>764,582</b>
Amortisation of intangible assets and depreciation of property, plant and equipment		776,186	764,582
Revaluation operating expenses for intangible assets and property, plant and equipment		4,203	0
<b>Other operating expenses</b>	<b>19</b>	<b>41,512,860</b>	<b>64,374,205</b>
<b>Financial income from shares and participating interests</b>	<b>17</b>	<b>5,585,457</b>	<b>6,224,554</b>
Financial income from participating interests in group companies		5,573,666	6,212,763
Financial income from participating interests in other companies		11,791	11,791
<b>Financial income from loans granted</b>	<b>17</b>	<b>8,322,733</b>	<b>3,563,151</b>
Financial income from loans to group companies		33,568	148,637
Financial income from loans to others		8,289,165	3,414,514
<b>Financial income from operating receivables</b>		<b>2,515</b>	<b>632</b>
Financial income from operating receivables from others		2,515	632
<b>Financial costs for financial liabilities</b>		<b>22</b>	<b>331,981</b>
Financial costs for loans from banks		22	331,981
<b>Financial costs for operating liabilities</b>		<b>31,566</b>	<b>32,222</b>
Financial costs for trade payables		4	40
Financial costs for other operating liabilities		31,562	32,182
<b>Other revenue</b>		<b>43</b>	<b>2,640</b>
<b>Other expenses</b>		<b>223,066</b>	<b>1,333,701</b>
Corporate income tax	<b>20</b>	39,786,253	36,186,467
Deferred taxes	<b>20</b>	-867,617	-394,542
<b>Net profit or loss for the period</b>		<b>143,463,684</b>	<b>166,105,973</b>

The notes to the financial statements of GEN are a constituent part of those statements and must be read in connection with them.

### 4.3.4. Individual statement of other comprehensive income

(in EUR)	2024	2023
<b>Net profit or loss for the period</b>	<b>143,463,684</b>	<b>166,105,973</b>
Changes in fair value reserves	64,926	41,611
<b>Total comprehensive income for the period</b>	<b>143,528,610</b>	<b>166,147,584</b>

The notes to the financial statements of GEN are a constituent part of those statements and must be read in connection with them.



### 4.3.5. Individual cash flow statement – version II

(in EUR)	Notes	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Income statement items</b>	<b>21</b>	<b>209,197,903</b>	<b>261,768,558</b>
Operating revenue (excluding revaluation) and financial income from operating receivables		439,334,710	552,368,566
Operating expenses without amortisation/depreciation (excluding revaluation) and financial costs from operating liabilities		-269,923,060	-326,786,475
Corporate income tax and other tax not included in operating expenses		39,786,253	36,186,467
<b>Changes in net working capital under balance-sheet operating items</b>	<b>21</b>	<b>-86,414,040</b>	<b>-59,417,529</b>
Opening less closing operating receivables		52,187,297	-31,370,575
Opening less closing accrued revenue and deferred expenses		18,533	92,825
Closing less opening operating liabilities		-156,294,647	-16,702,826
Closing less opening accrued expenses and deferred revenue, and provisions		17,674,777	-11,436,953
<b>Net cash flow from operating activities</b>		<b>122,783,863</b>	<b>202,351,029</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Inflows from investing activities</b>	<b>21</b>	<b>540,087,986</b>	<b>177,905,530</b>
Inflows from interest and shares in profits of others related to investing activities		14,075,792	22,126,119
Inflows from the disposal of property, plant and equipment		34,417	1,633
Inflows from the disposal of financial assets		525,977,777	155,777,778
<b>Outflows for investing activities</b>	<b>21</b>	<b>-532,544,423</b>	<b>-334,238,902</b>
Outflows for the acquisition of intangible assets		-377,873	-176,446
Outflows for the acquisition of property, plant and equipment		-5,114,746	-2,928,202
Outflows for the acquisition of financial assets		-527,051,804	-331,134,254
<b>Net cash flow from investing activities</b>		<b>7,543,563</b>	<b>-156,333,372</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Outflows for financing activities</b>	<b>21</b>	<b>-150,000,022</b>	<b>-100,405,204</b>
Outflows for interest related to financing activities		-22	-405,204
Outflows for the repayment of financial liabilities		0	-100,000,000
Outflows for the payment of dividends and other shares in profits		-150,000,000	0
<b>Net cash flow from financing activities</b>		<b>-150,000,022</b>	<b>-100,405,204</b>
<b>Closing balance of cash and cash equivalents</b>		<b>20,891,660</b>	<b>40,564,256</b>
<b>Net cash flow for the period</b>		<b>-19,672,596</b>	<b>-54,387,547</b>
<b>Opening balance of cash and cash equivalents</b>		<b>40,564,256</b>	<b>94,951,803</b>

The notes to the financial statements of GEN are a constituent part of those statements and must be read in connection with them.





#### 4.3.6. Individual statement of changes in equity

(in EUR)	Share capital	Share premium	Legal reserves	Other revenue reserves	Fair value reserves	Retained earnings	Net profit or loss	Total
<b>Balance at 1 January 2024</b>	<b>250,000,000</b>	<b>131,756,895</b>	<b>2,605,980</b>	<b>170,105,302</b>	<b>-68,288</b>	<b>150,000,000</b>	<b>0</b>	<b>704,399,889</b>
<b>Changes in equity – transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-150,000,000</b>	<b>0</b>	<b>-150,000,000</b>
Payment of dividends	0	0	0	0	0	-150,000,000	0	-150,000,000
<b>Total comprehensive income for the reporting period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>74,711</b>	<b>-9,785</b>	<b>143,463,684</b>	<b>143,528,610</b>
Entry of net profit or loss for the reporting period	0	0	0	0	0	0	143,463,684	143,463,684
Changes in reserves due to the valuation of financial assets at fair value	0	0	0	0	74,711	-9,785	0	64,926
<b>Changes within equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,785</b>	<b>-9,785</b>	<b>0</b>
Other changes within equity	0	0	0	0	0	9,785	-9,785	0
<b>Balance at 31 December 2024</b>	<b>250,000,000</b>	<b>131,756,895</b>	<b>2,605,980</b>	<b>170,105,302</b>	<b>6,423</b>	<b>0</b>	<b>143,453,899</b>	<b>697,928,499</b>

(in EUR)	Share capital	Share premium	Legal reserves	Other revenue reserves	Fair value reserves	Retained earnings	Net profit or loss	Total
<b>Balance at 1 January 2023</b>	<b>250,000,000</b>	<b>131,756,895</b>	<b>2,605,980</b>	<b>134,814,409</b>	<b>-126,959</b>	<b>18,526,971</b>	<b>675,009</b>	<b>538,252,305</b>
<b>Changes in equity – transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payment of dividends	0	0	0	0	0	0	0	0
<b>Total comprehensive income for the reporting period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>41,611</b>	<b>0</b>	<b>166,105,973</b>	<b>166,147,584</b>
Entry of net profit or loss for the reporting period	0	0	0	0	0	0	166,105,973	166,105,973
Changes in reserves due to the valuation of financial assets at fair value	0	0	0	0	41,611	0	0	41,611
<b>Changes within equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35,290,893</b>	<b>17,060</b>	<b>657,949</b>	<b>-35,965,902</b>	<b>0</b>
Other changes within equity	0	0	0	35,290,893	17,060	657,949	-35,965,902	0
<b>Balance at 31 December 2023</b>	<b>250,000,000</b>	<b>131,756,895</b>	<b>2,605,980</b>	<b>170,105,302</b>	<b>-68,288</b>	<b>19,184,920</b>	<b>130,815,080</b>	<b>704,399,889</b>

The notes to the financial statements of GEN are a constituent part of those statements and must be read in connection with them.

## 4.4. Notes to the individual financial statements of GEN

The form and substance of GEN's financial report, as an integral part of the annual report, are defined in the Companies Act (ZGD-1). The financial report includes a separate balance sheet, income statement, statement of other comprehensive income, cash flow statement and statement of changes in equity, together with the mandatory notes to the financial statements. The basic accounting rules applied to these financial statements by GEN are based on the Slovenian Accounting Standards (SAS) and defined by the company in an internal document. For areas not defined in the aforementioned document, appropriate accounting methods are set out in resolutions of the senior management. The financial statements of GEN have been compiled in accordance with the SAS and the provisions of the Intergovernmental Agreement on the NEK, based on which the company creates provisions to cover the fixed costs of NEK d.o.o. in the event of unplanned reductions in the NEK d.o.o.'s electricity production in the highest estimated amount, and in accordance with the company's established policies for the treatment of a joint arrangement that is not directly governed by the SAS. The company discloses material financial statement items in accordance with the provisions of GEN's accounting rules governing materiality.

### 4.4.1. Accounting assumptions and qualitative characteristics of the financial statements

When evaluating business events during the preparation of the financial statements, the com-

pany follows the main accounting assumptions - accrual basis and going concern. Accounting assumptions were unchanged relative to previous years. No retrospective recalculation of assets or liabilities was required on account of the transition to SAS 2024.

The following qualitative characteristics of GEN's financial statements were also taken into account:

- **Clarity:** the financial statements are clear if easily understood by users who are proficient in commercial and economic matters and accounting, and who study the information provided thoroughly enough, and if the meaning of accounts and the associated bookkeeping entries can be interpreted without difficulty;
- **Relevance:** the relevance of items is affected by the nature and materiality thereof, while materiality depends on the scope of an individual item or error, assessed in individual circumstances, or the omission or misstatement of an individual item. Information is relevant if it helps users in their business decisions. Information is material if it can be reasonably expected that its omission, misstatement or impaired clarity may impact business decisions made by users based on the financial statements.
- **Reliability:** information is reliable when it contains no material errors and subjective positions, and when accounts and the associated bookkeeping entries are complete and reliable. Information must be complete in terms of materiality. Reliability also requires following the principle of substance over form; and
- **Comparability:** the comparability of items is ensured by methodically applying standardised

approaches in the financial statements of the company in the same legal and organisational form for various years, and by ensuring the comparability of items in the financial statements of different companies.

The financial statements are presented in euros without cents. They are compiled on a historical cost basis. Transactions denominated in foreign currencies are converted to euros based on the ECB's exchange rate valid on the transaction date. As at the balance-sheet date, assets and liabilities denominated in foreign currencies are converted to euros based on the ECB's exchange rate valid on that date. Positive and negative exchange rate differences arising from such transactions are recognised in the income statement. Due to the rounding of amounts, minor but immaterial differences may occur in the sums presented in tables in the notes.

### 4.4.2. Significant accounting policies of GEN

#### Intangible assets

Intangible assets comprise non-monetary assets that as a rule do not take physical form, but allow the company to perform its activities. The company uses the historical cost model to measure intangible assets, meaning those assets are recognised at their historical cost. Amortisation and accumulated impairment losses are subsequently deducted from historical cost. The historical cost of an intangible asset includes all costs

directly attributable to the preparation of an asset for its intended use, including borrowing costs in connection with the acquisition and preparation of an asset for use, if that preparation takes more than one year.

If the company is a lessee, it may recognise at the commencement of a lease an intangible asset that represents a right-of-use asset and a lease liability, if the criteria for such recognition are met in accordance with SAS 2. The company decided not to recognise right-of-use assets and liabilities in connection with intangible assets in accordance with SAS 2.

Subsequent costs/expenses that arise in connection with intangible assets are recognised in the associated account and only increase the historical cost of an asset if they increase the asset's future benefits relative to those originally estimated.

Intangible assets are amortised using the straight-line method, taking into account the predefined useful life of each individual intangible asset. Amortisation begins on the first day of the month following the month in which the intangible asset with a finite useful life becomes available for use. The amortisation rate for intangible assets was 33.33% and was unchanged relative to previous years.

Intangible assets are disclosed at their carrying amount in the balance sheet, i.e. the difference between historical cost and accumulated amortisation.

## Property, plant and equipment

Items of property, plant and equipment comprise assets that are owned, leased or in some other way controlled by the company, and that are used to generate products or render services, or that are leased out (except investment property), and are expected to be used for those purposes in more than one accounting period.

Upon initial recognition, the historical cost of individual assets includes the purchase price and all costs directly attributable to the preparation of the asset for its intended use.

If the company is a lessee, it may recognise at the commencement of a lease an item of property, plant and equipment that represents a right-of-use asset and a lease liability, if the criteria for such recognition are met in accordance with SAS 1. SAS 1.27 is applied in the initial measurement of a right-of-use asset in connection with an item of property, plant and equipment and the associated lease liability.

The company uses the historical cost model to measure property, plant and equipment, meaning those assets are recognised at their historical cost, which is subsequently reduced for depreciation and accumulated impairment losses.

Items of property, plant and equipment are depreciated using the straight-line method, taking into account the predefined useful life of each individual item of property, plant and equipment. Depreciation begins on the first day of the month following the month in which an item of property, plant and equipment with a finite useful life becomes available for use.

Amortisation/depreciation groups	% in 2024
business premises	3,00
fibre optic connections	3,33
parts of buildings	6,00
solar power plant	10,00
other capital expenditure	10,00
office equipment	10,00 to 20,00
tools and devices	11,00 to 33,33
cars	12,50
trade show equipment	14,28 to 33,33
charging stations	20
computer equipment	20,00 to 33,33

Existing depreciation rates were unchanged in 2024. A new depreciation group was added for charging stations, with a depreciation rate of 20.00%.

Items of property, plant and equipment are disclosed in the balance sheet at their carrying amount, i.e. the difference between historical cost and accumulated depreciation.

Subsequent costs/expenses that arise in connection with items of property, plant and equipment are recognised in the associated account and only increase the historical cost of an asset if they increase the asset's future benefits relative to those originally estimated.

When an item of property, plant and equipment is sold, it is derecognised in the books of account, and the difference between the net gain on disposal and the carrying amount of the sold item of property, plant and equipment is transferred to revaluation operating revenue or expenses.

Assets are recognised if it is likely that they will increase the company's future economic benefits and if they carry a price or value that can be reliably measured. If the level of certainty is high enough that items of property, plant and equipment will increase the company's economic benefits following the end of a given accounting period, those items are treated as assets.

If the company is a lessee:

- short-term leases with a lease term of up to one year;
  - low-value leases with a value of up to EUR 10,000, taking into account the value of the new asset that is the subject of the lease; and
  - leases under which the company does not have the right to use the asset in question if the supplier has the physical right to replace the asset over its entire useful life, meaning the supplier has the option of replacing the asset with alternative assets over its entire useful life and would enjoy the associated economic benefit
- are not recognised as assets. Instead, the associated lease payments are recognised as an expense on a straight-line basis over the entire term of the lease.

### Financial assets

Financial assets primarily comprise investments in the equity of other companies or the financial debts of other organisations or issuers (investments in loans), and may also arise as financial assets of another nature that are not linked to production and the provision of services.

Investments in equity and loans are broken down into those relating to subsidiaries of the group, associates and joint ventures, and other that upon

initial recognition are classified to:

- financial assets measured at fair value through profit or loss;
- financial assets measured at amortised cost; or
- financial assets measured at fair value through equity.

Classification to groups is carried out based on the company's business model for the management of financial assets that are the subject of classification, and on the characteristics and contractual cash flows of the financial assets.

An investment is recognised as a financial asset in accounting records and the balance sheet if:

- the company controls the investment and it is possible to reap the associated economic benefits; and
- its historical cost can be measured reliably.

When accounting for normal purchases of financial assets, such assets are recognised in accounting records and the balance sheet taking into account the trading date. The same applies when accounting for normal sales of financial assets.

The company initially recognises financial assets in the form of investments at fair value. If a financial asset is not classified as measured at fair value through profit or loss, the initially recognised value is increased by transaction costs arising directly from the purchase or issue of the financial asset.

Investments comprise financial assets that are disclosed in the company's statement of financial position as non-current and current financial assets. Non-current financial assets are those assets that the company holds to maturity over a period of more than one year.



The revaluation of financial investments constitutes a change in their carrying value. Contractual interest and other changes in the principal amount of the investment are not deemed revaluation. Revaluation arises in particular as the revaluation of financial assets to their fair value, the revaluation of financial assets due to impairment, or the revaluation of financial assets due to the reversal of impairment.

Following initial recognition, financial assets and derivatives classified as financial assets must be measured at fair value, without subtracting the transactions costs that could arise in the sale or other disposal of those instruments, except:

- investments in loans that are measured at amortised cost; and
- investments in equity instruments whose prices are not published on an active market and whose fair value cannot be reliably measured, and investments in derivatives that are associated with such investments and must be settled with them. Such investments are measured at historical cost.

Investments in the equity of subsidiaries, associates and joint ventures are measured and accounted for strictly at historical cost.

An assessment is made on each balance-sheet date as to whether there is objective evidence of impairment for financial assets that are not measured at fair value. If there is impartial evidence of the impairment of such a financial asset, the amount of the associated impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of expected future cash flows, discounted according to the current market yield for similar fi-

nancial assets, and is recognised as a revaluation financial expense.

Participation in profit and dividends on equity instruments are recognised in profit or loss when the right to participation and/or dividends is obtained.

### Investment in a joint operation – company policy

The Slovenian Accounting Standards do not directly govern the accounting treatment of individual events that represent a joint operation in the scope of a joint arrangement. Even in the introductory section, the SAS do not provide the necessary rules, conditions and guidelines regarding the treatment of a joint operation. Based on information regarding technical merits under the International Financial Reporting Standards, the company could treat its investment in a 50% participating interest in NEK d.o.o. as a joint operation, but the accounting treatment defined in the IFRS is not in line with Slovenian tax law and reporting for statistical purposes.

According to the company's policies, it applies the provisions of SAS 3, which is valid for associates and joint ventures, for the treatment of its investment in a 50% participating interest in NEK d.o.o.

Such a policy ensures financial information for users that is a true and fair presentation.

### Operating receivables

Receivables arise primarily in connection with customers, the assignees of receivables or other financiers of goods sold and services rendered,

employees, parties entitled to participate in profits, financiers, the issuers of equity and debt instruments owned by the company, the users of financial assets and the state. They also include operating receivables on behalf of third parties, receivables for damage and receivables from other business relationships.

Receivables are recognised as assets in accounting records and the balance sheet if the company controls the receivables and it is possible to reap the associated economic benefits, and if their historical cost can be measured reliably.

The recognition of receivables as assets in accounting records and the balance sheet is reversed if the contractual rights to the associated cash flows are extinguished, or if the receivables are transferred and that transfer meets the conditions for derecognition.

Receivables of all types are disclosed at the values arising from the relevant documents, on the assumption that they will be paid. The initial value of receivables can be later increased or decreased on account of subsequent discounts, the return of goods or with regard to payment or other settlement received for each amount justified by a contract.

The company's operating receivables are impaired if it is assessed that their recoverable amount is less than the carrying amount. If there is impartial evidence of a loss due to the revaluation of receivables to a lower recoverable amount, impairment losses are measured as the difference between the carrying amount of the receivables and the present value of expected future cash flows. The carrying amount of receivables must be reduced by the

calculated adjustment to the value of the item in question. To that end, the carrying amount of receivables is reduced by the calculated amount on the value adjustment account. Losses are charged to revaluation operating expenses in connection with receivables.

Adjustments to the value of receivables that the company assesses will not be repaid in full are created individually. Value adjustments reduce the carrying amount of receivables and increase revaluation operating expenses, except for adjustments to the value of receivables for interest or dividends, which increase the value of revaluation financial expenses.

Risks in connection with trade receivables are managed using collateral in the form of blank bills of exchange or bank guarantees.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on account and short-term deposits and deposits at banks with a maturity of up to three days following acquisition.

Cash on account comprises funds on accounts at banks or other financial institutions that can be used for payment.

Cash and cash equivalents are recognised in accounting records and the balance sheet based on the relevant documents that prove the existence thereof and based on which control over the rights associated with the cash or cash equivalent begins. The recognition of cash and cash equivalents in accounting records and the balance sheet is reversed if the associated rights are no longer

controlled, i.e. those rights are exhausted, extinguished or relinquished.

Cash and cash equivalents are initially recognised in the amount stated in documents evidencing the receipt thereof.

Accruals and deferrals

Current deferred expenses and accrued revenue comprise current deferred costs or expenses that do not have an impact on the company’s operating results when they arise, and current accrued revenue that is taken into account in profit or loss, but has not yet been charged.

Current accrued expenses and deferred revenue comprise current accrued costs that are charged to profit or loss on a straight-line basis but have not yet arisen, and current deferred revenues for services not yet provided but already charged.

Accruals and deferrals are recognised in accounting records and the balance sheet if they constitute a present right that the company controls and it is possible to reap the associated economic benefits, if they involve the organisation’s current obligation based on past events for the transfer of the company’s assets, and if their historical cost can be measured reliably.

Equity

Equity is defined by amounts invested by owners and amounts that have arisen in the course of business and that relate to owners. It may be reduced by losses or the distribution of profits, and by fair value reserves through equity.

The company’s total equity comprises called-up capital, the share premium account, revenue reserves, fair value reserves, net profit or loss brought forward from previous years, and net profit for the financial year not yet distributed or net loss for the financial year not yet settled.

Share capital and the share premium account represent owners’ cash and in-kind contributions.

Other revenue reserves are created based on the decisions of the senior management and general meeting.

Fair value reserves arise on account of actuarial gains and losses from severance pay at retirement. Provisions created for this purpose are reversed in the corresponding part of retained earnings when provisions for severance payments at retirement are derecognised, in the case of employees who leave or retire.

Net profit or loss represents the undistributed portion of the company’s net profit or loss for the current year.

Provisions

Provisions are created for liabilities that will arise based on binding past events in a period of more than one year, and the value of those liabilities can be reliably assessed or measured.

The estimate of provisions for long-service bonuses and severance payments is made based on the reports of certified actuaries under the assumptions of employee turnover of up to 1%, wage growth of up to 6.0% and a discount rate of 3.36%

(2023: employee turnover of up to 1%, wage growth of up to 6.5% and a discount rate of 3.17%).

The estimate of other provisions is based on the methodology adopted by the company’s senior management. For provisions from onerous contracts arising from the commitment set out in the Intergovernmental Agreement on the NEK, the methodology dictates the creation of provisions based on the three-year average value of fixed costs defined in the NEK’s economic plan, which GEN is obliged to cover.

Provisions for accrued costs and expenses are reduced directly for the costs and expenses for which they were created. This means that such costs and expenses no longer appear in the income statement during the financial year, nor are the provisions used to cover them transferred to the income statement. The sole exception are provisions for expected losses from onerous contracts, which are transferred to operating revenue in the accounting periods in which the costs and expenses for which they were created arise.

Liabilities

Liabilities comprise both financial and operating liabilities. Financial liabilities arise when lenders transfer funds to the organisation or when they repay the organisation’s operating liabilities in cash. Operating liabilities arise when suppliers transfer to the organisation the materials required for the creation of products and the provision of services, or for the sale of merchandise.

Operating liabilities comprise supplier credits for purchased goods or services, liabilities to employ-

ees for work performed, liabilities to financiers in connection with interest and similar items, and liabilities to the state for public levies prescribed by law and otherwise as generally mandatory and thus include taxes, contributions, excise duties, and other mandatory public levies. A sub-category of operating liabilities are trade payables for advances received and trade payables for security deposits received.

**Non-current liabilities** comprise liabilities that fall due for payment in a period longer than one year in accordance with a contract or other legal document. **Current liabilities** comprise liabilities that fall due for payment within one year in accordance with a contract or other legal document or that have already fallen due for payment on the day the balance sheet is compiled.

Liabilities denominated in foreign currencies are converted into the domestic currency at the exchange rate valid on the balance-sheet date. The exchange rate differences that arise until the day of settlement of such liabilities or until the balance-sheet date constitute financial costs or income.

Liabilities are initially recognised in the amounts in the relevant documents evidencing their occurrence.

Contingent assets and liabilities

Contingent assets and liabilities include business events that have no direct impact on items in the financial statements but provide important information to users of the annual report. Contingent assets and liabilities may extinguish or take on

new traits in the context of future business events, and even affect items in the balance sheet and the income statement.

## Revenue

Revenue is broken down into operating revenue, financial income and other revenue. Operating revenue and financial income are considered ordinary revenue.

The company discloses all material amounts of revenue and expenses and the nature thereof in the mandatory notes to the income statement.

### Operating revenue

Operating revenue comprises sales revenue, other operating revenue in connection with products and services, and revaluation operating revenue.

**Sales revenue** comprises revenue that derives from contracts with customers on the sale of goods or services. Sales revenue comprises the sales values of products, merchandise and materials sold, and services rendered during the accounting period, excluding financial income generated on that basis. It is broken down into revenue from the sale of own products and services, and revenue from the sale of merchandise and material.

**Other operating revenue in connection with products and services** comprise subsidies, grants, recourse, compensation, premiums and similar revenue, as well as state aid.

**Government grants received for the purchase of fixed assets** or to cover certain costs remain

temporarily disclosed in deferred revenue and are transferred to operating revenue in accordance with the depreciation of acquired fixed assets or the incurrence of costs for which they are intended to be covered. **State aid also includes other amounts** received by the organisation directly from the budget of the government or local community, via bodies of the government or local community and via other budget users for specific purposes. State aid is recognised if there is reasonable assurance that the associated conditions have been met and that the state aid will, in fact, be received. If based on a law or regulation the company receives any state aid directly from the budget of the government or local community, via bodies of the government or local community or via other budget users, it must disclose that aid in other operating revenue.

**Revaluation operating revenue** arises on the disposal of property, plant and equipment and intangible assets as the surplus of their sales value over their carrying amount, and as the result of the reversal of previous impairment losses on assets.

### Financial income

Financial income is revenue generated through investment activities. It arises in connection with financial assets and receivables. It comprises accrued interest and participation in the profits of group companies and others, as well as revaluation financial revenue and exchange rate differences.

### Other revenue

Other revenue comprises unusual items and other revenue that increases profit.

### Recognition of revenue

Revenue is recognised if an increase in economic benefits during the accounting period is related to an increase in assets or a decrease in liabilities, and such an increase can be measured reliably. Revenue is recognised when it is reasonable to expect that the company will receive associated consideration.

Sales revenue is recognised when contractual obligations are met. A contractual obligation is the company's performance obligation to deliver contractually agreed goods or provide contractually agreed services to a customer. The company fulfils a performance obligation by transferring the contractually agreed goods or services to the customer.

### Measurement of revenue

Sales revenue is recognised in an amount that reflects the transaction price, which is allocated to a standalone performance obligation. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for the transfer of goods or services to the customer, except for amounts collected on behalf of third parties. Consideration may include fixed amounts, variable amounts, or both.

In determining the transaction price, the amount of consideration is adjusted for the effects of the time value of money if the timeframe of the consideration provides the customer with a significant financing benefit. To calculate the effects of the time value of money, the company uses a discount rate that would be reflected in a separate financing transaction between the company and

the customer at the conclusion of a contract, or would reflect the credit characteristics of the customer, as well as any collateral or guarantee provided by the customer, including funds transferred under the contract. If the period of time between the fulfilment of the obligation and payment by the customer is one year or less, the contract is considered not to contain a significant financing arrangement.

When a contract contains several performance obligations, the transaction price is allocated to an individual performance obligation in an amount corresponding to the amount of consideration to which the company expects to be entitled in exchange for the transfer of goods or services to the customer. The transaction price is allocated to individual performance obligations in proportion to the independent selling prices of separate goods and/or services in the contract. An independent selling price is the price at which the company would sell the goods or services separately to the customer. The best evidence of a separate selling price is the price at which the company sells the goods or services in question separately in similar circumstances and to similar customers.

The variable amount of consideration (i.e. due to discounts, rebates, credit notes, contractual penalties and similar items) may be allocated to all performance obligations in the contract or only to certain obligations. The variable amount of consideration is only distributed to certain performance obligations when the associated conditions relate to its fulfilment or a certain result of only some, but not all, performance obligations.



## Expenses

Expenses represent a reduction in economic benefits in the accounting period in the form of a decrease in assets or an increase in liabilities, and that reduction can be reliably measured.

Expenses are classified to operating expenses, financial costs and other expenses. Operating expenses and financial costs are ordinary expenses.

**Operating expenses** are recognised when goods are purchased or a service is rendered. Operating expenses also include the costs of materials and services, labour costs, write-downs, and other operating expenses or costs. Revaluation operating expenses represent a special category of operating expenses.

The costs of goods, materials and services comprise the historical costs of goods, materials and services purchased.

Write-downs include amortisation/depreciation costs in connection with the consistent transfer of the value of depreciable property, plant and equipment and amortisable intangible assets. Write-downs also include losses from the write-off of fixed assets.

Labour costs comprise historical costs relating to accrued wages and other gross payments to employees, and to levies charged on that basis and that are not an integral part of gross amounts. Labour costs also include provisions created for

long-service bonuses and severance payments at retirement, and employee-related costs for benefits in kind (bonuses).

Other operating expenses include a concession fee, environmental protection expenditure and other levies.

Revaluation operating expenses arise in connection with property, plant and equipment, intangible assets, investment property and working capital due to their revaluation to a lesser value. Revaluation operating expenses also include the difference between the selling price and carrying amount in the sale, other disposal or derecognition of property, plant and equipment, non-current assets held for sale, intangible assets and investment property.

**Financial costs** arise in connection with debt, current financial investments and current liabilities. They are recognised as they accrue, regardless of the associated payments. Interest is recognised proportionately over time, and taking into account the outstanding portion of principal and the agreed interest rate.

**Other expenses** comprise expenses not classified as operating expenses, including donations.

## Offsetting

Individual asset items are not netted against individual liability items, nor are individual revenue items netted against individual expense items.

## Taxes

The company is liable to pay taxes in accordance with the Corporate Income Tax Act. Income tax comprises calculated corporate income tax on the taxable profit for the financial year at the tax rate in force on the balance-sheet date.

Deferred tax liabilities or assets are measured at the tax rates expected to apply when the asset is realized or the liability is settled. The tax rates and tax regulations effective at the balance-sheet date are taken into account for that purpose. The balance-sheet liability method is used to disclose deferred tax assets, taking into account temporary differences between the carrying amount of assets and liabilities in the balance sheet for reporting purposes and the values for tax reporting purposes. Temporary differences may include:

- taxable temporary differences are differences that result in amounts that are added when determining taxable profit (or loss) in future periods when the carrying amount of an asset is recovered or the carrying amount of a liability is settled; and
- deductible temporary differences that result in amounts that are subtracted when determining taxable profit (or loss) in future periods when the carrying amount of an asset is recovered or the carrying amount of a liability is settled.

Deferred tax assets and liabilities are disclosed as non-current assets or liabilities.

## Globalni minimalni davek

The Minimum tax Act (hereinafter: the ZMD), which entered into force on 23 December 2023, transposed the global minimum tax into the Slovenian tax/legal system. The purpose of the minimum tax is to ensure the global minimum taxation of the profits of large international and domestic groups at an actual tax rate of 15% (minimum tax rate). The aforementioned act was adopted based on Council Directive (EU) 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union.

In accordance with the ZMD, GEN identified GEN Group companies and determined that the GEN Group is an international group of companies, that GEN is the main parent entity and that GEN Group companies were obliged to apply the provisions of the ZMD in 2024.

## Segment reporting

GEN energija d.o.o. has no defined business or geographical segments.

### 4.4.3. Notes to the financial statements of GEN

The notes are a constituent part of GEN's financial statements and must be read in connection with them.

#### Intangible assets, and non-current deferred expenses and accrued revenue (Note 1)

Changes in intangible assets (in EUR)	Property rights	Other rights	Other intangible assets	Property rights unavailable for use	Total
<b>HISTORICAL COST</b>					
Balance at 31 December 2023	4,377,455	7,994	158,489	0	4,543,938
Acquisitions	120,358	0	137,381	114,771	372,510
Balance at 31 December 2024	4,497,813	7,994	295,870	114,771	4,916,448
<b>IMPAIRMENT LOSSES AND WRITE-DOWNS</b>					
Balance at 31 December 2023	4,176,412	2,464	148,974	0	4,327,850
Amortisation	145,359	800	22,029	0	168,188
Balance at 31 December 2024	4,321,771	3,264	171,003	0	4,496,038
<b>CARRYING AMOUNT</b>					
Balance at 31 December 2023	201,043	5,530	9,515	0	216,088
Balance at 31 December 2024	176,042	4,730	124,867	114,771	420,410
<b>HISTORICAL COST</b>					
Balance at 31 December 2022	4,199,955	7,994	152,719	0	4,360,668
Acquisitions	177,500	0	5,770	0	183,270
Balance at 31 December 2023	4,377,455	7,994	158,489	0	4,543,938
<b>IMPAIRMENT LOSSES AND WRITE-DOWNS</b>					
Balance at 31 December 2022	4,024,632	1,665	133,217	0	4,159,514
Amortisation	151,780	799	15,757	0	168,336
Balance at 31 December 2023	4,176,412	2,464	148,974	0	4,327,850
<b>CARRYING AMOUNT</b>					
Balance at 31 December 2022	175,323	6,329	19,502	0	201,154
Balance at 31 December 2023	201,043	5,530	9,515	0	216,088

Intangible assets are predominantly assets invested in the company's information systems required for performing business operations. The total value of intangible assets was up relative to the previous period because investments in information systems to support GEN's operations exceeded amortisation.

Non-current deferred expenses and accrued revenue (in EUR)	31 December 2024	Created	Used	31 December 2023
Non-current deferred costs	6.654	1.851	27.825	32.628
<b>Total</b>	<b>6.654</b>	<b>1.851</b>	<b>27.825</b>	<b>32.628</b>

Non-current deferred expenses and accrued revenue primarily comprise non-current deferred expenses in connection with the lease and maintenance of information systems required for the company's operations.

#### Property, plant and equipment (Note 2)

Changes in property, plant and equipment (in EUR)	Land	Buildings	Equipment	Assets in acquisition	Total
<b>HISTORICAL COST</b>					
Balance at 31 December 2023	585,105	8,336,442	5,520,113	18,029,344	32,471,004
Acquisitions	0	59,371	258,131	5,666,224	5,983,726
Reclassification	0	3,960	47,350	-51,310	0
Disposals and derecognition	0	-3,533	-155,515	0	-159,048
Balance at 31 December 2024	585,105	8,396,240	5,670,079	23,644,258	38,295,682
<b>IMPAIRMENT LOSSES AND WRITE-DOWNS</b>					
Balance at 31 December 2023	0	4,296,943	4,543,953	0	8,840,896
Depreciation	0	353,855	254,143	0	607,998
Derecognition	0	3,325	28,420	0	31,745
Disposals and derecognition	0	-3,533	-155,515	0	-159,048
Balance at 31 December 2024	0	4,650,590	4,671,001	0	9,321,591
<b>CARRYING AMOUNT</b>					
Balance at 31 December 2023	585,105	4,039,499	976,160	18,029,344	23,630,108
Balance at 31 December 2024	585,105	3,745,650	999,078	23,644,258	28,974,091
<b>HISTORICAL COST</b>					
Balance at 31 December 2022	485,788	8,303,435	5,199,250	15,946,038	29,934,511
Acquisitions	99,135	0	359,331	2,143,945	2,602,411
Reclassification	182	33,007	27,450	-60,639	0
Disposals and derecognition	0	0	-65,918	0	-65,918
Balance at 31 December 2023	585,105	8,336,442	5,520,113	18,029,344	32,471,004
<b>IMPAIRMENT LOSSES AND WRITE-DOWNS</b>					
Balance at 31 December 2022	0	3,947,284	4,363,210	0	8,310,494
Depreciation	0	349,659	246,587	0	596,246
Disposals and derecognition	0	0	-65,844	0	-65,844
Balance at 31 December 2023	0	4,296,943	4,543,953	0	8,840,896
<b>CARRYING AMOUNT</b>					
Balance at 31 December 2022	485,788	4,356,151	836,040	15,946,038	21,624,017
Balance at 31 December 2023	585,105	4,039,499	976,160	18,029,344	23,630,108

The company's property, plant and equipment comprise land and buildings as business premises in which GEN operates and that are owned by the company, as well as equipment that is used exclusively for the operations of the company.

The majority of property, plant and equipment during the reporting period comprised assets in acquisition, as follows:

- replacement construction for the nuclear power plant capacity expansion project in the amount of EUR 6,678,267 (the same as the amount on the final day of the same period last year); and
- costs of research and studies for the purpose of the JEK2 investment in the amount of EUR 13,010,472 (EUR 10,961,973 on the final day of the same period last year).
- an addition to GEN's Information Centre, a commercial building located at GEN's registered office, in the amount of EUR 3,616,659 (EUR 234,295 on the final day of the previous comparable period).

GEN began to recognise the costs of outsourced studies and research for the JEK2 investment as assets back in 2015 in accordance with the resolution of senior management and the Ordinance on

the State-Owned Assets Management Strategy, which tasks GEN with activities in connection with the JEK2 investment.

The majority of the value of buildings is accounted for by GEN's Information Centre, the carrying amount of which was EUR 3,703,402 on the final day of the reporting period (EUR 4,010,216 on the final day of the same period last year).

Liabilities for items of property, plant and equipment purchased during the accounting period amounted to EUR 1,532,980 at the end of the financial year (EUR 695,608 on the final day of the same period last year). No items of property, plant and equipment were purchased with state aid in 2024.

GEN's property, plant and equipment were not pledged as collateral on the last day of the accounting period, nor did GEN have any financial commitments in this regard.

Non-current financial assets primarily comprise investments in associates and subsidiaries in which GEN holds a direct or indirect majority stake. The total value of such investments was EUR 493,984,055 on the final day of the reporting period (the same as on the final day of the same period last year).

Subsidiaries and associates	Direct ownership as at 31 December 2024	Indirect ownership as at 31 December 2024	Value of equity as at 31 December 2024 (in EUR)	Net profit or loss in 2024 (in EUR)
<b>Subsidiaries on account of majority stake</b>				
SEL	100.00%	-	160,459,660	1,433,421
TEB	100.00%	-	77,657,885	2,692,360
HESS	33.50%	51.00%	297,584,105	2,911,083
GEN-EL	50.00%	100.00%	47,540,154	1,643,321
<b>Subsidiaries on account of controlling influence for other reasons</b>				
GEN-I	50.00%	100.00%	213,887,851	22,845,495
<b>Associates</b>				
NEK	50.00%	-	479,963,752	0
SRESA	10.00%	40.00%	34,202	-3,599
<b>Investment in the acquisition of</b>				
GEK	-	-	n/a	n/a

## Non-current financial assets (Note 3)

Non-current financial assets (in EUR)	31 December 2024	31 December 2023
<b>Shares and participating interests in group companies – subsidiaries</b>	<b>296,276,642</b>	<b>296,276,642</b>
SEL	137,680,172	137,680,172
TEB	28,909,824	28,909,824
HESS	89,959,276	89,959,276
GEN-I	10,585,639	10,585,639
GEN-EL	29,141,731	29,141,731
<b>Shares and participating interests in associates</b>	<b>197,707,413</b>	<b>197,707,413</b>
NEK	197,697,413	197,697,413
SRESA	10,000	10,000
<b>Other shares and participating interests</b>	<b>257,266</b>	<b>257,266</b>
ZEL-EN	62,101	62,101
PRVA GROUP	195,165	195,165
<b>Other non-current assets</b>	<b>51,804</b>	<b>0</b>
Investment in the acquisition of GEK	51,804	0
<b>Long-terms loans</b>	<b>4,277,778</b>	<b>5,055,556</b>
Long-term loans to TEB	4,277,778	5,055,556
<b>Total</b>	<b>498,570,903</b>	<b>499,296,877</b>

### Subsidiaries:

GEN exercises a controlling influence over GEN-I based on the Memorandum of Association of GEN-I, valid since 14 December 2016, the umbrella agreement on the purchase and sale of electricity of 14 December 2016, the corresponding annex 13 to the umbrella agreement on the purchase and sale of electricity of 21 December 2023, and the statement of senior management on the assessment of control over GEN-I of 16 January 2017.

GEN discloses a controlling influence over GEN-EL based on options contracts that allow GEN and/or GEN-I to acquire participating interests in GEN-EL. GEN recognised an options contract for the purchase of a 25% participating interest at the time it concluded the aforementioned contract, and officially acquired that participating interest when it exercised that contract with the payment

of consideration on 28 June 2021, the entry in the companies register on 30 December 2021 and the conclusion of an out-of-court settlement. Litigation was pending in 2022 in connection with the exercise of the options contract, while an out-of-court settlement was reached on 28 June 2023 to settle open mutual relations and implement that settlement.

GEN holds a direct 33.5% participating interest in the equity of HESS, as well as a 17.5% indirect interest through the subsidiaries SEL (14.7%) and TEB (2.8%). Due to GEN's indirect controlling influence, HESS is classified as a subsidiary.

In connection with the equity interest in HESS:

- at any time between 30 June 2026 and 30 June 2028, HSE has the right, under certain conditions, to purchase a 35.6% participating inter-



est in HESS, broken down as follows: 14.7% from SEL and 20.9% from GEN. HSE must exercise the aforementioned right vis-à-vis both GEN and SEL simultaneously; and

- in the event of an unplanned outage of the NEK lasting three months, GEN has the right, under certain conditions, to sell its participating interest in HESS of up to 20.9%, while HSE is obligated to purchase that participating interest at any time until 31 December 2028.

#### Associates:

SRESA is deemed an associate due to the additional 30% indirect participating interest of the subsidiary SEL.

In accordance with the revised SAS 2006, GEN began treating its investment in a 50% participating interest in the equity of the NEK as an investment in an associate. The same treatment remained in accordance with the revised SAS 2016 and SAS 2024.

Changes in non-current financial assets (in EUR)	2024	2023
<b>Opening balance</b>	<b>499,296,877</b>	<b>494,440,401</b>
Increase in investment in GEN-EL based on settlement	0	5,634,254
Transfer of Long-term loans to group companies to current financial assets	-777,778	-777,778
Costs in connection with the acquisition of a participating interest in GEK	51,804	0
<b>Closing balance</b>	<b>498,570,903</b>	<b>499,296,877</b>

### Deferred tax assets (Note 4)

Changes in deferred tax assets (in EUR)	2024	2023
<b>Opening balance</b>	<b>10,523,059</b>	<b>10,264,779</b>
Exclusion of income from shares in profits	0	-2,752,035
Coverage of tax loss	0	-272,217
Transfer of tax relief	0	-45,826
Reversal and use of provisions	-12,835	-1,169,463
Increase due to the creation of provisions	879,376	3,062,670
Increase in tax rate	0	1,435,215
Other	0	-64
<b>Closing balance</b>	<b>11,389,600</b>	<b>10,523,059</b>

A large portion of the deferred tax assets arises from the creation of provisions for onerous contracts, for covering the liabilities to NEK in the event of an unplanned decrease in NEK's production output (see also Note 11). They amounted to EUR 11,294,763 on the final day of the reporting period (EUR 10,415,388 on the final day of the same period last year).

### Current financial assets (Note 5)

The company disclosed current financial assets in the amount of EUR 227,634,526 at the end of the reporting period, compared with EUR 226,002,127 on the final day of the comparable period. Current

financial assets at the end of the reporting period comprised investments in the form of bank deposits in the amount of EUR 226,848,911 (EUR 225,177,441 on the final day of the previous comparable period) and the current portion of a loan to TEB in the amount of EUR 785,615 (EUR 824,686 on the final day of the previous comparable period).

The basis for the recognition of assets in the form of long-term bank deposits are agreements signed and executed with financial institutions in Slovenia. Interest rates are comparable to market interest rates for such investments, as dictated by conditions on the financial markets.

### Current operating receivables (Note 6)

Current operating receivables (in EUR)	31 December 2024	32 December 2023
<b>Current operating receivables due from group companies</b>	<b>31,807,593</b>	<b>75,390,439</b>
Current receivables from GEN-I	31,431,115	74,286,661
Current receivables from SEL	261,517	771,483
Current receivables from TEB	113,744	330,593
Current receivables from GEN-EL	1,217	1,217
Current receivables from HESS	0	485
<b>Other current trade receivables</b>	<b>12,983,060</b>	<b>17,787,665</b>
Current operating receivables for electricity sold to others	12,983,060	17,787,665
<b>Current operating receivables from state institutions</b>	<b>3,893,506</b>	<b>5,552,436</b>
Current receivables for VAT	1,779,639	5,542,614
Other current receivables from state institutions	2,113,867	9,822
<b>Other current operating receivables</b>	<b>24,385</b>	<b>51,434</b>
Current advances	4,419	22,720
Security deposits paid	17,707	27,707
Other current receivables	2,259	1,007
<b>Total</b>	<b>48,708,544</b>	<b>98,781,974</b>

Current receivables from group companies and other customers primarily comprise receivables based on sold quantities of electricity. Those receivables were down relative to the previous comparable period due to the reduced scope of electricity sales in the final months of 2024 compared with the same period in 2023, and on account of November receivables that fell due for payment on a non-working day at the end of 2023. As a result, receivables were reduced due to payments executed on the next business day after 31 December 2023.

The payment term for the majority of trade receivables is 30 days from the last day of the accounting period. Receivables are primarily secured by blank bills with declaration of surety, or guarantees.

The company has no overdue unpaid trade receivables.

For past due receivables that the company intends to reclassify to doubtful and disputed receivables, a loss allowance is made for each individual receivable.

## Cash and cash equivalents (Note 7)

Cash and cash equivalents amounted to EUR 20,891,660 on the final day of the reporting period, compared with EUR 40,564,256 on the final day of the previous comparable period. Cash and cash equivalents take the form of cash on current accounts at banks that operate in Slovenia and abroad.

GEN had not entered into an agreement on an automatic overdraft facility as at the last day of the reporting period.

## Deferred expenses and accrued revenue (Note 8)

Current deferred expenses and accrued revenue (in EUR)	31 December 2024	Created	Used	31 December 2023
Current deferred costs	82,314	199,778	192,338	74,874
Current accrued revenue	3,128	-69,164,331	-69,164,332	3,127
<b>Total</b>	<b>85,442</b>	<b>-68,964,553</b>	<b>-68,971,994</b>	<b>78,001</b>

Deferred expenses and accrued revenue relate to accrued and thus deferred costs that have not yet been charged against an activity and to current accrued revenues.

The item deferred expenses and accrued revenues also includes current accrued revenue disclosed with a negative sign in the creation and draw-down of deferred expenses and accrued revenue, and represents a credit note for electricity sold not issued during the year in accordance with the Decree on the setting of compensation paid to electricity suppliers in 2024. That credit note was issued in October. As at 31 December 2024, current accrued revenues from an unissued credit note for November and December 2024 amounted to EUR 9,703,860 EUR and were disclosed with a negative sign, which prevented the legally prescribed submission of the financial statements for statistical and tax purposes. As a result, the aforementioned item was transferred in the same amount to accrued expenses and deferred revenue (see also Note 13).

## Equity (Note 9)

Structure of equity (in EUR)	31 December 2024	31 December 2023
<b>Share capital</b>	<b>250,000,000</b>	<b>250,000,000</b>
<b>Share premium</b>	<b>131,756,895</b>	<b>131,756,895</b>
Paid-in share premium – SEL	115,368,043	115,368,043
Paid-in share premium – TEB	16,388,694	16,388,694
General capital revaluation adjustment	158	158
<b>Revenue reserves</b>	<b>172,711,282</b>	<b>172,711,282</b>
Legal reserves	2,605,980	2,605,980
Other revenue reserves	170,105,302	170,105,302
<b>Fair value reserves</b>	<b>6,423</b>	<b>-68,288</b>
<b>Retained earnings</b>	<b>0</b>	<b>19,184,920</b>
<b>Net profit or loss</b>	<b>143,453,899</b>	<b>130,815,080</b>
<b>Total equity</b>	<b>697,928,499</b>	<b>704,399,889</b>

The company's total equity decreased by EUR 6,471,390 in 2024 (compared with an increase of EUR 166,147,585 in 2023) as the result of the net profit of EUR 143,463,684 generated in the current year (EUR 166,105,973 in 2023), the payment of profit participation paid to the company's owner in the amount of EUR 150,000,000 (no profit participation was paid in 2023), and other minor changes in reserves due to revaluation.

Senior management will not allocate net profit for 2024 to other reserves (net profit of EUR 35,290,893 generated in 2023 was transferred to other reserves in 2023 based on the resolution of senior management).

## Disclosure of distributable profit (Note 10)

Distributable profit (in EUR)	2024	2023
<b>Opening balance of distributable profit</b>	<b>150,000,000</b>	<b>19,201,980</b>
Payments of shares in profit	-150,000,000	0
Net profit for the financial year	143,463,684	166,105,973
Increase in revenue reserves under resolution of company's bodies	0	-35,290,893
Reversal of actuarial loss	-9,785	-17,060
<b>Closing balance of distributable profit</b>	<b>143,453,899</b>	<b>150,000,000</b>

It was proposed to the company's owner that distributable profit for 2024 remain unallocated.

## Provisions, and non-current accrued expenses and deferred revenue (Note 11)

Provisions, and non-current accrued expenses and deferred revenue (in EUR)	31 December 2024	Used/reversed	Created	31 December 2023
Provisions for onerous contracts	102,679,667	0	7,994,334	94,685,333
Provisions for severance payments and long-service bonuses	1,085,671	-200,260	157,108	1,128,823
Non-current accrued expenses and deferred revenue	5,860	-1,125	0	6,985
<b>Total</b>	<b>103,771,198</b>	<b>-201,385</b>	<b>8,151,442</b>	<b>95,821,141</b>

Provisions for onerous contracts were not drawn down due to an unplanned reduction in production by the NEK (in 2023, EUR 12,172,209 was drawn down), and were created in accordance with the methodology for the creation of provisions as set out in the provisions of the Intergovernmental Agreement on the NEK. All provisions were cre-

ated by increasing the corresponding expenses. The reduction in provisions for long-service bonuses and severance payments relates to the draw-down of provisions in connection with severance payments and long-service bonuses, and to the reversal of provisions due to the recognition of an actuarial calculation for those purposes.

## Current operating liabilities (Note 12)

Current operating liabilities (in EUR)	31 December 2024	31 December 2023
<b>Current liabilities to group companies</b>	<b>4,839,470</b>	<b>29,670,833</b>
Current liabilities to SEL	1,584,768	3,813,019
Current liabilities to GEN-I	203,983	19,619,092
Current liabilities to TEB	1,858,221	4,283,111
Current liabilities to HESS	1,192,498	1,955,611
<b>Other current trade payables</b>	<b>7,789,784</b>	<b>24,085,645</b>
Current liabilities to associates	5,465,297	15,061,925
Current trade payables (domestic)	2,322,983	6,949,033
Current trade payables (foreign)	1,504	2,074,687
<b>Other current operating liabilities</b>	<b>11,403,410</b>	<b>44,030,909</b>
Liabilities for value-added tax	4,142,650	4,071,233
Liabilities for corporate income tax (prepayments and current liabilities)	3,491,676	36,186,467
Liabilities for environmental protection levies	3,131,504	3,111,458
Other liabilities	637,580	661,751
<b>Total</b>	<b>24,032,664</b>	<b>97,787,387</b>

Current liabilities to group companies and other suppliers primarily comprise liabilities in connection with the purchase of electricity.

Current liabilities to individual group companies were down relative to the previous financial year due to the specific nature of November liabilities in 2023, which fell due for payment on a non-business day at the end of 2023 and were brought forward to the next business day after 31 December 2023. Current liabilities to individual group companies were also lower due to the purchase of alternative electricity at the end of 2023 due to the

unplanned reduction in production by the NEK, while there were no such events in 2024.

Current liabilities to associates were lower relative to the previous financial year due to a credit note issued by NEK d.o.o. for 2024 in accordance with the Intergovernmental Agreement on the NEK, while other current operating liabilities were lower due to the settlement of prepayments for corporate income tax in 2024 in accordance with the ZDDPO and tax liabilities for corporate income tax for 2024.



## Current accrued expenses and deferred revenue (Note 13)

Current accrued expenses and deferred revenue (in EUR)	31 December 2024	Created	Used	31 December 2023
Accrued costs and expenses	1,229,106	1,229,106	1,116,783	1,116,783
Accrued reduced revenue	9,703,860	9,703,860	0	0
DDV od danih predujmov	720	41,231	40,511	0
<b>Total</b>	<b>10,933,686</b>	<b>10,974,197</b>	<b>1,157,294</b>	<b>1,116,783</b>

Accrued expenses and deferred revenue relate to accrued costs that have not yet been invoiced but have been charged to the financial year in question, and comprise accrued costs from the work relationship on account of the unused annual leave of employees and unpaid bonuses relating to the company's performance.

Current accrued expenses and deferred revenue also include deferred revenue from an uncharged and unissued credit note for November and December 2024 in connection with electricity sold

in accordance with Decree on the setting of compensation paid to electricity suppliers in 2024. That deferred revenue amounted to EUR 9,703,860 as at 31 December 2024. In contextual terms, they represent deferred expenses and accrued revenue with a negative sign, which prevented the legally prescribed submission of the financial statements for statistical and tax purposes. As a result, the aforementioned item was transferred in the same amount to accrued expenses and deferred revenue (see also Note 8).

## Contingent assets and liabilities (Note 14)

Contingent assets and liabilities (in EUR)	31 December 2024	32 December 2023
Bank guarantees received as collateral for payment	2,388,811	6,874,154
Performance bonds and warranties in the form of bank guarantees received	365,291	0
Received bills of exchange	34,717	0
Tender guarantees received in the form of bank guarantees	0	600,000
Performance bonds in the form of bank guarantees issued	2,560,839	1,941,289
Estimated current borrowings	53,225	53,412
<b>Total</b>	<b>5,402,883</b>	<b>9,468,855</b>

## Revenue (Note 15)

Revenue (in EUR)	2024	2023
Operating revenue	439,332,152	552,365,294
Financial income	13,910,705	9,788,337
Other revenue	43	2,640
<b>Total</b>	<b>453,242,900</b>	<b>562,156,271</b>

## Operating revenue (Note 16)

Operating revenue (in EUR)	2024	2023
<b>Sales revenue on the domestic market</b>	<b>421,741,884</b>	<b>539,064,083</b>
Revenue from transactions with group companies	314,910,835	409,274,555
Revenue from transactions with other companies	106,831,049	129,789,528
<b>Sales revenue on foreign markets</b>	<b>17,296,843</b>	<b>1,052,504</b>
Revenue on the EU market	17,037,230	1,052,504
Revenue on the EU market with group companies	259,613	0
<b>Other operating revenue</b>	<b>293,425</b>	<b>12,248,707</b>
Revenue from the reversal of accrued expenses and deferred revenue	207,357	8,349
Revenue from use of provisions in connection with the NEK	0	12,172,209
Other revenue	86,068	68,149
<b>Total</b>	<b>439,332,152</b>	<b>552,365,294</b>

Revenue from sales on the domestic market in the amount of EUR 421,539,815 in 2024 comprised rev-

enue from the sales of electricity and directly related services (2023: EUR 538,863,415).

Other revenue and state aid in accordance (in EUR)	2024	2023
Operational support for electricity produced by Borzen	9,484	7,970
State reimbursement – ZZS	37,715	40,639
State aid in connection with COVID-19 – isolation	0	1,119
Other	38,869	18,421
<b>Total</b>	<b>86,068</b>	<b>68,149</b>

Financial income (Note 17)

Financial income (in EUR)	2024	2023
<b>Financial income from shares and participating interests</b>	<b>5,585,457</b>	<b>6,224,554</b>
Financial income from shares and participating interests in GEN-I	4,000,000	4,500,000
Financial income from shares and participating interests in GEN-EL	1,573,666	1,712,763
Financial income from participating interests in other companies	11,791	11,791
<b>Financial income from loans granted</b>	<b>8,322,733</b>	<b>3,563,151</b>
Financial income from loans to group companies	33,568	148,637
Financial income from loans to others	8,289,165	3,414,514
<b>Financial income from operating receivables</b>	<b>2,515</b>	<b>632</b>
Financial income from operating receivables from others	2,515	632
<b>Total</b>	<b>13,910,705</b>	<b>9,788,337</b>

Expenses (Note 18)

Expenses (in EUR)	2024	2023
Operating expenses	270,605,926	358,560,469
Financial costs	31,588	364,203
Other expenses	223,066	1,333,701
<b>Total</b>	<b>270,860,580</b>	<b>360,258,373</b>

Operating expenses (Note 19)

Operating expenses (in EUR)	2024	2023
Historical cost of goods and materials sold	216,755,686	283,068,553
Costs of materials used	223,414	348,404
Costs of services	3,610,194	2,511,657
Labour costs	7,723,383	7,493,068
Write-downs	780,389	764,582
Other operating expenses	41,512,860	64,374,205
<b>Total</b>	<b>270,605,926</b>	<b>358,560,469</b>

The historical cost of goods sold comprises expenses incurred in the purchase of electricity and the leasing of capacities under contracts on the purchase of electricity concluded primarily with subsidiaries, and based on the provisions of the Intergovernmental Agreement on the NEK and the NEK’s Memorandum of Association, according to which the electricity supplied by the NEK is char-

ged according to the principle of covering all of the NEK’s costs. Expenses from transactions with group companies that arose in the scope of the historical cost of goods sold totalled EUR 95,975,167 (EUR 114,078,304 in 2023), while expenses incurred from transactions with the associate NEK amounted to EUR 112,183,547 (EUR 118,184,646 in 2023).

Costs of services (in EUR)	2024	2023
Costs of intellectual and personal services	1,103,582	675,098
Rental costs, leased domains	326,956	281,361
Costs of entertainment, sponsorships and advertising	746,333	433,884
Supervisory Board costs	225,586	212,420
Reimbursement of work-related costs to employees	214,827	159,737
Maintenance costs	460,696	400,236
Other	532,214	348,921
<b>Total</b>	<b>3,610,194</b>	<b>2,511,657</b>

Costs of intellectual and personal services (in EUR)	2024	2023
Business consulting costs	521,487	377,404
Professional training and education costs	301,479	116,463
Other costs of intellectual services	280,616	181,231
<b>Total</b>	<b>1,103,582</b>	<b>675,098</b>

Labour costs (in EUR)	2024	2023
Wages and salaries	5,850,644	5,467,673
Social security and pension insurance costs	1,149,174	1,070,003
- social security contributions	960,784	906,705
- supplementary pension insurance	188,390	163,298
Other labour costs	723,565	955,392
<b>Total</b>	<b>7,723,383</b>	<b>7,493,068</b>

GEN employed an average of 96.15 workers in terms of hours worked in 2024, while the presentation of

employees by level of education is an integral part of the business report.

Other operating expenses (in EUR)	2024	2023
Costs in connection with the creation of provisions	7,994,333	32,238,626
Environmental protection levies	33,307,485	31,994,933
Other operating costs	211,042	140,646
<b>Total</b>	<b>41,512,860</b>	<b>64,374,205</b>

The full amount of environmental protection expenditure comprises contributions paid pursuant to the Fund for Financing the Decommissioning of the NEK and Disposal of Radioactive Waste from the NEK Act, which since 2022 amounts to EUR 12 per MWh of electricity produced by the NEK in ac-

cordance with the relevant Slovenian government resolution.

(See also *Note 11 Provisions, and non-current accrued expenses and deferred revenue.*)

Costs by functional group (in EUR)	2024	2023
Historical cost of goods sold	216,755,686	283,068,553
Selling costs, including depreciation and amortisation	4,178,625	3,749,033
General and administrative costs, including depreciation and amortisation	49,671,615	71,742,883
<b>Total</b>	<b>270,605,926</b>	<b>358,560,469</b>

General and administrative costs were down due to the lower costs of the creation of provisions, as there was no drawdown of provisions in 2024 that would have required the replacement or creation of additional provisions (see also note 11).



## Taxes (Note 20)

Pursuant to the **Corporate Income Tax Act**, the company is obligated to calculate and pay corporate income tax at the applicable rate.

Effective tax rate	2024	2023
<b>Pre-tax profit or loss</b>	<b>182,382,319</b>	<b>201,897,898</b>
<b>Corporate income tax at applicable tax rate</b>	<b>40,124,110</b>	<b>38,360,601</b>
Tax from non-taxable revenue	-1,228,801	-3,934,701
Tax from revenue that reduces the tax base	61,440	196,735
Tax from non-deductible expenses	1,015,172	3,383,515
Tax from increase in expenses	-11,759	-1,167,598
Tax from tax relief	-172,834	-389,512
Tax losses	0	-272,217
Tax from revenue that increases the tax base	0	9,644
Tax from revenue that decreases the tax base	-1,076	0
Current corporate income tax	39,786,253	36,186,467
Deferred taxes (in EUR)	-867,617	-394,542
<b>Total income tax</b>	<b>38,918,636</b>	<b>35,791,925</b>
<b>Effective tax rate</b>	<b>21.34%</b>	<b>17.73%</b>

Deferred tax assets were created applying the valid tax rate for 2025.

In accordance with the **Minimum Tax Act**, GEN Group companies are deemed companies that comprise an international group of enterprises and exceed the threshold of revenue based on which the provisions of the aforementioned act apply to them. The Minimum Tax Act provides for a special benefit for entities that comprise an international group of enterprises: transitional safe

harbour tests can be used to determine when the top-up tax is equal to zero. This simplifies calculations that are required in the scope of the top-up tax. GEN determined that it is possible to apply the transitional CbCR safe harbour test in Slovenia. Based on that test, it was determined that a top-up tax of zero applies to all entities comprising the jurisdiction of Slovenia. GEN thus does not report liabilities arising from the allocated top-up tax for the aforementioned jurisdiction under the Minimum Tax Act, i.e. that liability is equal to zero.

## Cash flow statement (Note 21)

The cash flow statement is compiled according to the indirect method – version II. Data for the indirect method are obtained by supplementing items in operating revenue and operating expenses and financial income from operating receivables and financial costs from operating liabilities, excluding revaluation revenue and expenses in connection with investments and financing from the income statement and balance sheet, and from the company's books of accounts.

Inflows and outflows in the cash flow statement for 2024 comprise:

- cash flows from operating activities, which include operating revenue and operating expenses, corporate income tax and other taxes, adjusted for changes in net working capital in balance-sheet items; and
- cash flows from investing and financing activities, which include:

Cash flows from investing activities (in EUR)	2024	2023
<b>Inflows from investing activities</b>	<b>540,087,986</b>	<b>177,905,530</b>
from interest on current financial assets – deposits	8,456,766	1,268,532
from interest on short-term debt investments – loans to group companies	33,569	148,637
from participation in the profit of group companies	5,573,666	20,697,159
from dividends from other companies	11,791	11,791
from the disposal of property, plant and equipment	34,417	1,633
from investments in current financial assets – deposits	525,200,000	152,000,000
from debt investments in the form of loans to group companies	777,777	3,777,778
<b>Outflows for investing activities</b>	<b>-532,544,423</b>	<b>-334,238,902</b>
for the acquisition of intangible assets	-377,873	-176,446
for the acquisition of property, plant and equipment	-5,114,746	-2,928,202
for the acquisition of current financial assets – deposits	-527,000,000	-322,500,000
for the acquisition of investments in equity interests in subsidiaries according to options contract	0	-5,634,254
for the acquisition of an investment in GEK	-51,804	0
for the acquisition of financial assets – loans to group companies	0	-3,000,000
<b>Net cash flow from investing activities</b>	<b>7,543,563</b>	<b>-156,333,372</b>

Cash flows from financing activities (in EUR)	2024	2023
<b>Outflows for financing activities</b>	<b>-150,000,022</b>	<b>-100,405,204</b>
Outflows for reduction in financial liabilities to banks	0	-100,000,000
Outflows for the repayment of financial liabilities	-22	-405,204
Outflows for the payment of dividends and other shares in profits	-150,000,000	0
<b>Net cash flow from financing activities</b>	<b>-150,000,022</b>	<b>-100,405,204</b>

The final balance of cash and cash equivalents in the amount of EUR 20,891,660 (EUR 40,564,256 at the end of the previous year) includes cash on business accounts (see also Note 7).

Transactions with the audit firm

Transactions with the audit firm	2024	2023
Costs in connection with audit services	41,135	30,800
Contractual value of audit of company, excluding VAT	36,750	35,000

The actual costs of audit services comprised the costs of audit services provided by the audit firm Deloitte for the final auditing of the annual financial statements for the previous period and the costs of preaudit services for the current period. Deloitte did not provide other audit and non-audit services in 2024.

Remuneration of members of senior management

Net remuneration of members of senior management in 2024						
First name and surname	Function	Fixed gross remuneration	Variable gross remuneration	Deferred remuneration	Bonuses	Total gross
Dr Dejan Paravan	CEO	206,389	13,567	13,567	12,732	246,255
Nada Drobne Popović, MSc	CFO (since 1 July 2024)	69,297	0	0	3,625	72,922
Dr Bruno Glaser	COO (since 1 July 2024)	68,022	0	0	215	68,237

Remuneration of the Supervisory Board and its committees

Remuneration of members of GEN's Supervisory Board and its committees for functions performed, additional payments, session fees and travel expenses paid in 2024 (in EUR)						
First name and surname	Function	Basic wage (1)	Additional costs (2)	Session fees (3)	Total gross (1+2+3)	Travel expenses (4)
Žiga Debeljak, MSc	Chairman of the Supervisory Board and chair of the HR committee	13,000	6,500	4,400	23,900	374
Mateja Čuk Orel, MSc	Deputy Chairwoman of the Supervisory Board and member of the HR committee	13,000	4,550	4,400	21,950	370
Ivana Nedižavec Korada	Member of the Supervisory Board, chair of the audit committee and member of the investment committee	13,000	6,500	6,281	25,781	415
Dr Miloš Pantoš	Member of the Supervisory Board, member of the HR and audit committees, and chair of the investment committee	13,000	6,500	8,096	27,596	373
Marijan Penšek, MSc	Member of the Supervisory Board, member of the HR and investment committees	13,000	6,500	6,556	26,056	1,258
Samo Fürst	Member of the Supervisory Board and member of the audit committee	13,000	3,250	4,400	20,650	899
Aleš Buršič	Member of the Supervisory Board	13,000	0	2,860	15,860	670
Marjanca Molan Zalokar	Member of the Supervisory Board and member of the investment committee	13,000	3,250	5,016	21,266	792
Katja Simončič Stropnik	External member of the HR committee	3,250	0	1,540	4,790	154
Slavica Pečovnik	External member of the audit committee	4,875	0	1,540	6,415	25

## Financial risk management

In the context of financial risks, GEN identifies liquidity, credit, interest-rate and currency risks.

For the purpose of managing **liquidity risk**, the company applies the principle of matching payment terms for purchases and sales of similar substance, or ensures that payment terms for purchases are longer than payment terms for sales. The company manages liquidity risks through well-defined contractual provisions, by regularly and precisely planning cash flows on a daily, monthly and yearly basis, by verifying contractual partners and their solvency, and through the prudent and safe placement of surplus cash and by raising short-term loans to ensure liquidity whenever necessary.

In the event of the payment of unplanned liabilities, a portion of the company's cash is placed in the form of call deposits, while a portion is maintained on bank accounts. These funds may also be made available to group companies if they encounter difficulties in securing liquid funds on the market.

The company invests surplus available funds in the form of short-term deposits in accordance with its investment strategy, which states that available funds should be dispersed between the most favourable providers of surplus cash deposit services.

The company manages **credit risks** by thoroughly verifying the credit ratings and liquidity positions of its existing and potential business partners and banks, by having a clearly defined debt collection procedure and reminder system in place, and by

concluding contracts with the appropriate collateral (e.g. bills of exchange and bank guarantees).

The level of assessed risk primarily depends on a partner's business results, in particular the level of their debt, short-term liquidity, solvency indicators, and profitability indicators. A great deal of importance is given to obtaining up-to-date information from the market, as various market and regulatory changes may cause a partner's status to change quickly.

**Interest-rate risk** is relatively low, as the company's planned level of borrowing is low and of a short-term nature. When raising new loans, these risks can be managed using derivatives.

**Currency risk** is also relatively low, as the company rarely transacts in foreign currencies.

The company assesses that financial risks were successfully managed in 2024.

## Events after the reporting period at GEN

### Acquisition of a capital investment

On 6 January 2025, GEN and SEL concluded an agreement with Elektro Gorenjska, d.d. on the sale and purchase of a participating interest in GEK. That agreement relates to the acquisition of a 100% participating interest in the aforementioned company, whereby GEN acquired a 26% stake and SEL acquired a 74% stake. The total value of the consideration paid was EUR 36,409,362.00. The completion of the transaction, following the fulfilment of conditions precedent (consent of the

aforementioned companies' bodies, authorisation from the competent competition protection authorities, additional commitments of the seller, etc.), is expected prior to the end of the third quarter of 2025.

The acquisition of GEK represents a sound addition to the operations of the GEN Group, both geographically (the Sava River basin) and in strategic terms, as nearly all existing production units are carbon-free (with the exception of cogeneration, which is being phased out). It also presents the opportunity to fast-track the group's operations in the area of renewable sources through its expertise in engineering services in the set-up of solar power plants, and through expectations in the construction of battery storage units.

### Control over GEN-I and GEN-EL

With entry in the companies register on 24 December 2024, the Memorandum of Association of GEN-I of 13 December 2016 ceased to be in force. On 31 December 2024, the umbrella agreement on the purchase and sale of electricity of 14 December 2016 and the corresponding annex 13 to the umbrella agreement on the purchase and sale of electricity of 21 December 2023 also ceased to be in force. The aforementioned documents included provisions, covenants and conduct that served as the basis for assessing control in accordance with point 7 of International Financial Reporting Standard 10 (hereinafter: IFRS 10) and based on which senior management issued an assessment on 16 January 2017 regarding the control of GEN-I d.o.o. Because the aforementioned documents are no longer valid as of 1 January 2025, senior management issued a new assessment of (non)control, in

which it determined that GEN no longer controls GEN-I in accordance with IFRS 10.

This in turn led to effects that impact the balance sheet from 1 January 2025 on, as follows: the investment in GEN-I was reclassified from the category of controlled companies to a joint venture, while that investment is accounted for according to the equity method within the GEN Group.

In accordance with the SAS, it follows that control over GEN-EL was also lost. This in turn led to effects that impact the balance sheet from 1 January 2025 on, as follows: the investment in GEN-EL was reclassified from the category of controlled companies to a joint venture, while that investment is accounted for according to the equity method within the GEN Group.

### Changes in the bodies of GEN Group companies

In February 2025, at the proposal of the owner GEN-I d.o.o, the general meeting of GEN-EL d.o.o. appointed Tomaž Slana to serve as member of GEN-EL d.o.o.'s Supervisory Board.

In April 2025, at the proposal of the owner GEN d.o.o, the general meeting of NEK d.o.o. appointed Nada Drobne Popović, MSc to serve as member of NEK d.o.o.'s Supervisory Board.

GEN d.o.o., as the founder and sole owner of SEL d.o.o., appointed Dr Bruno Glaser to a four-year term of office as member of SEL d.o.o.'s Supervisory Board in May 2025 due to the resignation of member Kruno Abramovič, MSc.



# 4.5. Independent auditor's report for GEN



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## INDEPENDENT AUDITOR’S REPORT to the owners of GEN energija d.o.o.

### Report on the audit of the separate financial statements

#### Opinion

We have audited the individual financial statements of the company GEN energija d.o.o. (hereinafter ‘the Company’), which comprise the separate balance sheet as at 31 December 2024, and the separate profit or loss statement, the separate statement of other comprehensive income, separate statement of changes in equity and separate cash flow statement for the year then ended, and notes to the separate financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the Company as at 31 December 2024, and its separate financial performance and its separate cash flows for the year then ended in accordance the Slovenian Accounting Standards (SAS) and the provisions of the Intergovernmental Agreement on the NEK, based on which the company creates provisions to cover the fixed costs of NEK d.o.o. in the event of unplanned reductions in the NEK d.o.o.’s electricity production in the highest estimated amount, and in accordance with the company’s established policies for the treatment of a joint arrangement that is not directly governed by the SAS.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing and Regulation (EU) 537/2014 of the European Parliament and of the Council, dated 16 April 2014, on specific requirements regarding statutory audit of public-interest entities (EU Regulation). Our responsibilities under those rules are further described in *the Auditor’s Responsibilities for the Audit of the Separate Financial Statements section* of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and other ethical requirements that are relevant to



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Deloitte revizija d.o.o. - The company is registered with the Ljubljana District Court, registration no. 1647105 - VAT ID SI62560085 - Nominal capital EUR 74,214.30. B324056285670C9D01E5A431E084467C

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our audit of the financial statements in Slovenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Emphasis of Matter – Basis of Accounting

We draw attention to note "4.4. Notes to the individual financial statements of GEN" in the financial statements, which describes the basis of accounting. The company applies accounting policies for the purposes of preparing the individual financial statements of GEN energija d.o.o. and the preparation of the annual report of GEN energija d.o.o. in accordance with the provisions of the Intergovernmental Agreement on the NEK and Slovenian Accounting Standards, in areas not explicitly regulated by the Intergovernmental Agreement on the NEK. Our opinion is not modified in respect of this matter.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the year ended 31 December 2024. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Revenue recognition

Key audit matter	How our audit addressed the key audit matter
<p>Sales revenue for the year ended December 31, 2024, amounted to EUR 439,039 thousand (EUR 540,117 thousand in 2023) – Disclosure “4.4.3. Notes to the financial statements of GEN” note 16.</p> <p>As disclosed in chapter <i>Significant accounting policies of GEN - Revenue</i>, the Company recognises sales revenue when it fulfils (or is fulfilling) performance obligation. The company fulfils (or is fulfilling) a performance obligation by transferring the contractually agreed goods or services to the customer. Sales revenue is recognised in an amount that reflects the transaction price, which is allocated to a standalone performance obligation.</p> <p>Sales revenues are one of the significant indicators of company’s performance. Due to the importance of the item in financial statements and the risks associated with the appropriateness of the revenue recognition, this area has been identified as a key audit matter.</p>	<p>As part of our audit procedures, we assessed the adequacy of the Company's accounting policies relating to the recognition of sales revenue and their compliance with relevant accounting principles, and performed the following procedures:</p> <ul style="list-style-type: none"><li>- we reviewed the design and implementation of internal controls related to sales in terms of the appropriateness of their recognition;</li><li>- we verified the operating effectiveness of the internal controls identified, for which we assessed to be relevant from the audit perspective;</li><li>- based on the sample selected we performed test of details related to appropriateness of the revenue recognized;</li><li>- 72 % of the recognised revenue were reconciled with independent confirmations received from the largest customers.</li></ul> <p>We also reviewed the information in the financial statements to assess whether the disclosures related to sales revenue were appropriate.</p>



Other information

Management is responsible for the other information. The other information comprises the information included in Annual report, other than the separate financial statements and our auditor’s report thereon.

Our opinion on the separate financial statements does not cover the other information and we express no assurance thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, assess whether the other information is materially inconsistent with the separate financial statements, legal requirements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on our work performed we conclude that other information include material misstatement we need to report such circumstances. In relation to this and based on our procedures performed, we report that:

- Other information is, in all material respects, consistent with the audited separate financial statements;
- Other information Other information, except sustainability report on which we issued separate limited assurance report dated 21.8.2025, is prepared in compliance with applicable law or regulation; and
- Based on our knowledge and understanding of the Company and its environment obtained in the audit, we did not identify any material misstatement of fact related to the other information.

Responsibilities of Management and Those Charged with Governance for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements of the Company, management is responsible for assessing its ability to continue as a going concern, disclosing 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 Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free 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 International Standards on Auditing 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 decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate 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 our 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 controls.
- 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 entity’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 separate 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 organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate 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.

Report on other legal and regulatory requirements

*Report on the requirements of the Regulation (EU) No 537/2014 of the European Parliament and of the Council (Regulation EU 537/2014)*

Confirmation to the Audit Committee

We confirm that our audit opinion on the separate financial statements expressed herein is consistent with the additional report to the Audit Committee in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

**Deloitte.**

Prohibited Services

We confirm that no services referred to in the Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided and that the audit company fulfilled independence requirements.

Other services performed by the audit company

There are no services, in addition to the statutory audit, which the audit company provided to the Company, and which have not been disclosed in the Annual Report.

Appointment of the Auditor and responsible certified auditor

Deloitte revizija d.o.o. was appointed as the statutory auditor of the Company on General Shareholders’ Meeting held on 3 October 2023, while the president of the Supervisory Board signed the audit contract on 16 October 2023. The audit contract was signed for 3 years. Our total uninterrupted engagement as statutory auditors has lasted since 8 December 2020.

Engagement partner responsible for the audit on behalf of Deloitte revizija d.o.o. is Yuri Sidorovich.

DELOITTE REVIZIJA d.o.o.  
Dunajska cesta 165  
1000 Ljubljana

Yuri Sidorovich  
Certified auditor

*For signature please refer to  
the original Slovenian version.*

Ljubljana, 21. August 2025

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DELOITTE REVIZIJA D.O.O.  
Ljubljana, Slovenija 3



## 4.6. Financial statements of the GEN Group

### 4.6.1. Consolidated statement of financial position

(in EUR)	Notes	31 December 2024	31 December 2023
<b>ASSETS</b>		<b>1,650,907,368</b>	<b>1,659,278,067</b>
<b>Non-current assets</b>		<b>815,955,982</b>	<b>814,307,734</b>
Intangible assets	1	58,193,229	58,334,865
Property, plant and equipment	2	699,833,301	702,253,668
Investment property	3	1,576,865	1,642,968
Right-of-use assets	4	10,243,718	5,691,679
Shares and participating interests in associates	5	14,036	15,476
Other non-current financial assets and loans	6	7,622,572	3,954,009
Non-current operating receivables	7	36,837,854	40,808,477
Deferred tax assets	8	1,485,282	1,470,338
Other non-current assets		149,125	136,254
<b>Current assets</b>		<b>834,951,386</b>	<b>844,970,333</b>
Inventories	9	58,367,475	68,576,655
Current financial assets	10	333,760,034	287,975,810
Current operating receivables	11	154,235,637	195,694,545
Current assets from contracts	12	90,230,630	97,405,006
Current corporate income tax receivables	13	5,851,512	5,371,413
Cash and cash equivalents	14	181,225,177	181,821,748
Other current assets	15	11,280,921	8,125,156

(in EUR)	Notes	31 December 2024	31 December 2023
<b>EQUITY AND LIABILITIES</b>		<b>1,650,907,368</b>	<b>1,659,278,067</b>
<b>Total equity</b>	<b>16</b>	<b>1,260,899,839</b>	<b>1,226,833,110</b>
<b>Equity attributable to owners of the controlling company</b>		<b>1,114,867,094</b>	<b>1,082,101,610</b>
Called-up capital		250,000,000	250,000,000
Share premium		134,682,435	134,682,435
Legal reserves		14,461,355	14,461,355
Other revenue reserves		223,071,303	218,486,952
Fair value reserves		813,705	128,010
Retained earnings		492,752,005	465,373,877
Translation adjustment to equity		-913,709	-1,031,019
<b>Non-controlling interest</b>		<b>146,032,745</b>	<b>144,731,500</b>
<b>Total liabilities</b>		<b>390,007,529</b>	<b>432,444,957</b>
<b>Non-current liabilities</b>		<b>119,059,625</b>	<b>72,502,659</b>
Provisions	17	14,697,340	15,297,660
Non-current financial liabilities	18	82,441,219	39,727,135
Non-current operating liabilities	21	160,377	147,200
Non-current liabilities from contracts	22	25,378	61,236
Deferred tax liabilities	8	12,452,636	11,054,721
Non-current lease liabilities	19	7,175,125	4,247,395
Other non-current liabilities	20	2,107,550	1,967,312
<b>Current liabilities</b>		<b>270,947,904</b>	<b>359,942,298</b>
Current financial liabilities	18	40,697,275	91,203,342
Current operating liabilities	21	139,535,795	165,620,954
Current liabilities from contracts	22	4,635,035	7,298,161
Current corporate income tax liabilities	13	7,764,548	36,474,204
Current lease liabilities	19	2,141,038	1,528,468
Other current liabilities	23	76,174,213	57,817,169

The notes to the consolidated financial statements of the GEN Group are a constituent part of those statements and must be read in connection with them.

## 4.6.2. Consolidated income statement

(in EUR)	Notes	2024	2023
Revenue	25	2,110,815,783	2,963,831,615
Other operating revenue	26	16,347,052	1,198,919
Costs of goods, materials and services	27	-1,686,159,814	-2,441,417,413
Labour costs	27	-105,240,864	-90,199,135
Amortisation and depreciation	27	-52,709,731	-57,820,151
Impairment losses	27	-5,442,953	-4,265,702
Other operating expenses	27	-51,231,429	-120,276,619
<b>Operating profit or loss</b>		<b>226,378,044</b>	<b>251,051,514</b>
Financial income	28	14,366,672	7,016,531
Financial costs	29	-5,966,088	-6,327,493
<b>Total profit or loss</b>		<b>234,778,628</b>	<b>251,740,552</b>
Taxes	31	-48,944,448	-47,425,530
<b>Net profit or loss for the period</b>		<b>185,834,180</b>	<b>204,315,022</b>
<b>Net profit or loss attributable to owners of non-controlling interests</b>		<b>1,433,582</b>	<b>1,450,055</b>
<b>Net profit or loss attributable owners of controlling interests</b>		<b>184,400,598</b>	<b>202,864,967</b>

The notes to the consolidated financial statements of the GEN Group are a constituent part of those statements and must be read in connection with them.

## 4.6.3. Consolidated statement of other comprehensive income

(in EUR)	2024	2023
<b>Net profit or loss for the period</b>	<b>185,834,180</b>	<b>204,315,022</b>
<b>Other comprehensive income that will be subsequently reclassified to profit or loss</b>	<b>321,366</b>	<b>-330,568</b>
Changes in fair value reserves (after tax)	424,279	-2,931
Gains and losses from translation of financial statements of companies based abroad (impact of changes in exchange rates)	117,310	161,006
Effective portion of gains and losses from cash flow hedges (after tax)	-220,223	-488,643
<b>Other comprehensive income that will not be subsequently reclassified to profit or loss</b>	<b>367,038</b>	<b>-1,211,029</b>
Actuarial gains and losses from programmes with fixed earnings (after tax)	367,038	-1,211,029
<b>Total comprehensive income (after tax)</b>	<b>186,522,584</b>	<b>202,773,425</b>
<b>Net profit or loss attributable to owners of non-controlling interests</b>	<b>1,433,582</b>	<b>1,450,055</b>
<b>Actuarial gains and losses from fixed-earning programmes attributable to owners of non-controlling interests (after tax)</b>	<b>-24,427</b>	<b>-6,606</b>
<b>Effective portion of gains and losses from cash flow hedges attributable to owners of non-controlling interests (after tax)</b>	<b>-107,909</b>	<b>-239,430</b>
<b>Total comprehensive income attributable to owners of non-controlling interests (after tax)</b>	<b>1,301,246</b>	<b>1,204,019</b>
<b>Total comprehensive income attributable to owners of controlling interests (after tax)</b>	<b>185,221,338</b>	<b>201,569,406</b>

The notes to the consolidated financial statements of the GEN Group are a constituent part of those statements and must be read in connection with them.

#### 4.6.4. Consolidated cash flow statement

(in EUR)	Notes	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Net profit or loss for the period</b>		<b>185,834,180</b>	<b>204,315,024</b>
<b>Adjustments for:</b>			
Amortisation and depreciation		52,709,731	57,820,151
Write-downs of property, plant and equipment		365,661	1,007,461
Impairment losses, loss allowances and write-offs of trade receivables and contract assets		5,077,292	3,258,241
Gains from the sale portfolio property, plant and equipment, intangible assets and investment property		-104,105	61,377
Other recurring operating revenue or expenses		-19,268,261	193,603,634
Financial income		-14,366,672	-7,016,531
Financial costs		5,966,088	6,327,493
Other adjustments from statement of financial position items		2,245,878	32,109,270
<b>Operating profit before changes in net current assets and taxes</b>		<b>218,459,792</b>	<b>491,486,120</b>
<b>Changes in net current assets and provisions</b>			
Change in receivables		117,794,673	-86,068,014
Change in inventories		8,000,889	369,226
Change in prepayments and other assets		846,712	7,921,131
Change in operating liabilities		-156,413,546	57,772,850
Change in advances received and other current liabilities		22,289,450	-19,904,778
Change in provisions		6,907,379	-22,362,835
Change in deferred revenues		-398,375	132,151
Income tax paid		11,001,645	-28,698,553
<b>Net cash flow from operating activities</b>		<b>228,488,619</b>	<b>400,647,298</b>

(in EUR)	Notes	2024	2023
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
	<b>32</b>		
Inflows from shares in the profit of others from investing activities		317,795	281,344
Inflows from interest received from investing activities		13,688,608	2,191,694
Inflows from the disposal of intangible assets		79,975	46,570
Inflows from the disposal of property, plant and equipment		61,167	204,897
Inflows from the disposal of financial assets		613,968,464	218,554,520
Outflows for the acquisition of intangible assets		-11,326,538	-7,484,324
Outflows for the acquisition of property, plant and equipment		-38,449,577	-34,517,420
Outflows for the acquisition of financial assets		-640,596,014	-418,572,716
<b>Net cash flow from investing activities</b>		<b>-62,256,120</b>	<b>-239,295,435</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	<b>32</b>		
Inflows from increase in financial liabilities		631,801,409	599,341,267
Outflows for interest related to financing activities		-2,818,051	-5,522,556
Outflows for the repayment of lease liabilities – interest		-1,067,247	-195,870
Outflows for the repayment of financial liabilities		-641,680,596	-765,073,671
Outflows for the repayment of lease liabilities – principal		-3,064,585	-1,202,202
Outflows for the payment of dividends and other shares in profits		-150,000,000	-484,397
<b>Net cash flow from financing activities</b>		<b>-166,829,070</b>	<b>-173,137,429</b>
<b>Cash and cash equivalents at end of period</b>		<b>181,225,177</b>	<b>181,821,748</b>
<b>Net cash flow for the period</b>		<b>-596,571</b>	<b>-11,785,566</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>181,821,748</b>	<b>193,607,314</b>

The notes to the consolidated financial statements of the GEN Group are a constituent part of those statements and must be read in connection with them.



## 4.6.5. Consolidated statement of changes in equity

(in EUR)	Called-up capital	Share premium	Legal reserves	Other revenue reserves	Fair value reserves	Retained earnings	Translation adjustment to equity	Equity attributable to owners of the controlling company	Equity attributable to owners of non-controlling interest	Total
<b>Balance at 31 December 2023</b>	<b>250,000,000</b>	<b>134,682,435</b>	<b>14,461,355</b>	<b>218,486,952</b>	<b>128,010</b>	<b>465,373,877</b>	<b>-1,031,019</b>	<b>1,082,101,610</b>	<b>144,731,500</b>	<b>1,226,833,110</b>
<b>Adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-419,348</b>	<b>0</b>	<b>-419,348</b>	<b>0</b>	<b>-419,348</b>
<b>Balance at 1 January 2024</b>	<b>250,000,000</b>	<b>134,682,435</b>	<b>14,461,355</b>	<b>218,486,952</b>	<b>128,010</b>	<b>464,954,529</b>	<b>-1,031,019</b>	<b>1,081,682,262</b>	<b>144,731,500</b>	<b>1,226,413,762</b>
<b>Changes in equity – transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-152,032,484</b>	<b>0</b>	<b>-152,032,484</b>	<b>0</b>	<b>-152,032,484</b>
Payment of profit participation	0	0	0	0	0	-150,000,000	0	-150,000,000	0	-150,000,000
Other changes in equity	0	0	0	0	0	-2,032,484	0	-2,032,484	0	-2,032,484
<b>Total comprehensive income for the reporting period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>667,843</b>	<b>184,436,182</b>	<b>117,310</b>	<b>185,221,335</b>	<b>1,301,245</b>	<b>186,522,580</b>
Net profit or loss for the financial year	0	0	0	0	0	184,400,596	0	184,400,596	1,433,582	185,834,178
Valuation of financial investments at fair value (after tax)	0	0	0	0	498,990	-9,785	0	489,205	0	489,205
Other components of comprehensive income (after tax)	0	0	0	0	168,853	45,371	117,310	<b>331,534</b>	<b>-132,337</b>	<b>199,197</b>
<b>Changes within equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,584,351</b>	<b>17,852</b>	<b>-4,606,222</b>	<b>0</b>	<b>-4,019</b>	<b>0</b>	<b>-4,019</b>
Allocation of net profit to other components of equity	0	0	0	4,584,351	0	-4,584,351	0	0	0	0
Other changes within equity	0	0	0	0	17,852	-21,871	0	-4,019	0	-4,019
<b>Balance at 31 December 2024</b>	<b>250,000,000</b>	<b>134,682,435</b>	<b>14,461,355</b>	<b>223,071,303</b>	<b>813,705</b>	<b>492,752,005</b>	<b>-913,709</b>	<b>1,114,867,094</b>	<b>146,032,745</b>	<b>1,260,899,839</b>
<b>Balance at 31 December 2022</b>	<b>250,000,000</b>	<b>134,682,435</b>	<b>14,133,735</b>	<b>170,543,323</b>	<b>1,538,981</b>	<b>318,248,308</b>	<b>-1,192,027</b>	<b>887,954,755</b>	<b>143,527,481</b>	<b>1,031,482,236</b>
<b>Total comprehensive income for the reporting period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,474,683</b>	<b>202,883,081</b>	<b>161,008</b>	<b>201,569,406</b>	<b>1,204,019</b>	<b>202,773,425</b>
Net profit or loss for the financial year	0	0	0	0	0	202,864,967	0	202,864,967	1,450,055	204,315,022
Valuation of financial investments at fair value (after tax)	0	0	0	0	38,680	0	0	38,680	0	38,680
Other components of comprehensive income (after tax)	0	0	0	0	-1,513,363	18,114	161,008	<b>-1,334,241</b>	<b>-246,036</b>	<b>-1,580,277</b>
<b>Changes within equity</b>	<b>0</b>	<b>0</b>	<b>327,620</b>	<b>47,943,629</b>	<b>63,712</b>	<b>-55,757,512</b>	<b>0</b>	<b>-7,422,551</b>	<b>0</b>	<b>-7,422,551</b>
Allocation of net profit to other components of equity	0	0	327,620	47,943,629	0	-48,271,249	0	0	0	0
Other changes within equity	0	0	0	0	63,712	-7,486,263	0	-7,422,551	0	-7,422,551
<b>Balance at 31 December 2023</b>	<b>250,000,000</b>	<b>134,682,435</b>	<b>14,461,355</b>	<b>218,486,952</b>	<b>128,010</b>	<b>465,373,877</b>	<b>-1,031,019</b>	<b>1,082,101,610</b>	<b>144,731,500</b>	<b>1,226,833,110</b>

The notes to the consolidated financial statements of the GEN Group are a constituent part of those statements and must be read in connection with them.

# 4.7. Notes to the consolidated financial statements of the GEN Group

## 4.7.1. Presentation of the GEN Group

GEN energija d.o.o. is the controlling company of the GEN Group. One of the company’s principal operations is activities of holding companies, that is, the governing of other legally independent companies in which the company GEN has a controlling influence.

The company is required to compile consolidated financial statements, the purpose of which is to present the financial position and performance of a group of related companies as if they were a single entity. Companies whose statements are taken into account when compiling consolidated financial statements operate as individual companies. However, given the relationships between them, they constitute an economic unit, but not a legal entity, as the GEN Group as such is not an independent holder of rights and obligations.

The GEN Group comprises the controlling company and subsidiaries included in the GEN Group through consolidation for an entire financial year, which is the same as the calendar year. In accordance with the IFRS, the consolidated financial statements of the GEN Group include a company defined as a joint operation. Also included in the GEN Group are associates based on the equity method.

A subsidiary is a company controlled by the GEN Group, as it exercises influence over that company, is exposed to a variable return or has the right to a variable return from its participating interest in that company, and may affect that return through its influence over that company. After the loss of control, the group derecognises the assets and liabilities of the subsidiary and non-controlling interests, as well as other components of equity relating to that subsidiary.

- GEN-I Athens SMLLC, 6 Anapafseos Street, Marousi
- GEN-I Sofia Electricity Trading and Sales, Bulgaria Blvd., residential quarter Bokar, Office Building 19C/D, Sofija;
- 7. GEN-I Milano S.r.l., Corso di Porta Romana 6, Milan
- GEN-I Vienna GmbH, Heinrichsgasse 4, Vienna
- GEN-I Istanbul Ltd., Grand Pera, Hüseyinağa Mahallesi, İstiklal Cd. No: 56/58, Kat No: 3, Daire No: 5, 34435 Beyoğlu, Istanbul
- GEN-I Prodažba na energija DOOEL, Skopje, Bulevar Partizanski odredi 15A/1, Skopje
- GEN-I Sonce d.o.o., Dunajska cesta 119, Ljubljana
- GEN-I Kiev LLC, 45-B Olesia Honchara Str., Kiev
- GEN-I Tbilisi LLC, Old Tbilisi District, Guadiashvili Square, N 4, Tbilisi
- Elektro energija d.o.o., Dunajska cesta 119, Ljubljana
- GEN-I Sonce DOOEL Skopje, Bulevar Partizanski odredi 15A/1, Skopje
- GEN-I ESCO, d.o.o., Ulica Vinka Vodopivca 45A, 5000 Nova Gorica
- GEN-I Sunce Adria 1 d.o.o., Radnička cesta 54, Zagreb
- GEN-I Sunce d.o.o., Radnička cesta 54, Zagreb – subsidiary of the subsidiary GEN-I Sonce d.o.o.

- SOL Navitas Investicije d.o.o. – subsidiary of the subsidiary GEN-I ESCO d.o.o.
- GEN-I KAV Sonce DOOEL – subsidiary of the subsidiary GEN-I Sonce DOOEL
- GEN-I Tirana Sh.p.k. Kosovo branch office
- GEN-I OVE 1, družba za razvoj samooskrbnih projektov, Dunajska cesta 119, 1000 Ljubljana (in 2024)
- GEN-I INVEST, družba za upravljanje z OVE investicijami, d.o.o., Dunajska cesta 119, 1000 Ljubljana (in 2024)
- GEN-I R-Energy 1, Dunajska cesta 119, 1000 Ljubljana
- GEN-I Bucharest – Electricity Trading and Sale S.R.L. no. 1-3 Remus Street, 3rd floor, E3.12 (a) office, room A, Sector 3 Bucharest, Romania.

GEN-I Istanbul Ltd., Grand Pera, Hüseyinağa Mahallesi, İstiklal Cd. No: 56/58, Kat No: 3, Daire No: 5, 34435 Beyoğlu, Istanbul has two owners: the controlling company, which holds a 99% participating interest, and GEN-I d.o.o., Beograd, which holds a 1% participating interest.

The **HESS Group**, along with the parent company, also includes the company Partner d.o.o., Cesta bratov Cerjakov 33A, 8250 Brežice.

Controlling company and subsidiaries	Abbreviation	Registered office	Status	Equity interest
GEN energija d.o.o.	GEN	Vrbina 17, Krško	Controlling company	-
Savske elektrarne Ljubljana d.o.o.	SEL	Gorenjska c. 46, Medvode	Subsidiary	100%
Termoelektrarna Brestanica d.o.o.	TEB	C. prvih borcev 18, Brestanica	Subsidiary	100%
GEN-EL d.o.o.	GEN-EL	Vrbina 17, Krško	Subsidiary	100%
GEN-I d.o.o. with Group	GEN-I Group	Vrbina 17, Krško	Subsidiary	100%
HESS d.o.o. with group	HESS Group	C. bratov Cerjakov 33a, Brežice	Subsidiary	51%

In addition to the controlling company, the **GEN-I Group** comprises the following companies wholly owned by GEN-I:

- GEN-I d.o.o., Beograd, Vladimira Popovića 6, Belgrade

- GEN-I Hrvatska d.o.o., Radnička cesta 54, Zagreb
- GEN-I d.o.o., Sarajevo, Ul. Fra Anđela Zvizdovića 1, Sarajevo
- GEN-I Tirana Sh.p.k., Ish-Noli Business Center, Rruga Ismail Qemali Nr. 27, Tirana

Company included in the GEN Group as a joint operation in a joint arrangement	Abbreviation	Registered office	Status	Equity interest
Nuklearna elektrarna Krško d.o.o.	NEK	Vrbina 12, Krško	Joint operation	50%

Company included in the GEN Group as associate	Abbreviation	Registered office	Status	Equity interest
Srednjesavske elektrarne d.o.o.	SRESA	Ob železnici 27, Trbovlje	Associate	40%

## 4.7.2. Basis for the compilation of the consolidated financial statements of the GEN Group

### Statement of compliance

The consolidated financial statements of the GEN Group are compiled in accordance with the IFRS as adopted by the European Commission, in accordance with the interpretations issued by the International Financial Reporting Interpretations Committee and adopted by the EU, in accordance with the Intergovernmental Agreement on the NEK for the purpose of accounting for depreciation in the scope of the joint arrangement (NEK), and in accordance with valid legislation.

The financial statements were compiled in accordance with the assumption of a going concern.

The senior management of GEN approved the consolidated financial statements of the GEN Group on 21 June 2025.

### Accounting assumptions and qualitative characteristics

GEN drew up the consolidated financial statements in accordance with the IFRS and the Intergovernmental Agreement on NEK for the purpose of accounting for depreciation in the scope of the joint arrangement (NEK). In order to provide comparable information, these include:

a) two consolidated statements of financial position with cut-off dates of 31 December 2023 and 31 December 2024;

b) two consolidated income statements, statements of other comprehensive income and cash flow statements for 2023 and 2024; and

c) two consolidated statements of changes in equity for 2023 and 2024.

In the Group's financial statements, significant items of financial statements are disclosed in accordance with the materiality provisions defined in the internal act of the accounting rules.

The financial statements of group companies and other companies included in the GEN Group are valued on the basis of the GEN Group's uniform accounting policies. They are included in the consolidated financial statements on the basis of:

a) consolidation when companies have the status of subsidiary. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Prior to the consolidation of the GEN Group, subsidiaries consolidate their companies within their respective group (GEN-I Group, HESS Group). In the process of full consolidation, all items that reflect the economic relationships between the individual companies subject to consolidation are eliminated from the financial statements. This is achieved as follows:

- through the consolidation of equity (exclusion of the controlling company's investments in the equity of subsidiaries and a subsidiary's proportionate share of equity);
- through the exclusion of mutual receivables and liabilities;
- through the exclusion of gains and losses from mutual business events;

- through the exclusion of mutual revenue and expenses;
- by recalculating tax to take into account deferred tax; and
- through the direct cash flow statement method.

b) accounting for the assets and liabilities and revenue and expenses of a joint arrangement. The recognition of a joint arrangement is carried out in accordance with IFRS 11, under which GEN (as joint operator) must recognise the following in connection with its participating interest in a joint arrangement:

- its assets, including the proportion of any jointly owned assets;
- its liabilities, including the proportion of liabilities that it assumes with other joint operators;
- its revenue from the sale of a share of products from a joint arrangement;
- its share of revenue from the sale of a joint arrangement's products; and
- its expenses, including the proportion of expenses that it shares with others.

When the company concludes a transaction with a joint arrangement in which it is a joint operator, such as the sale or contribution of assets, it concludes a transaction with other joint operators, where the parties must recognise gains and losses that derive from such a transaction only to the extent of the shares accounted for by the other parties to the joint arrangement. If such transactions indicate a reduction in the net realisable value of assets sold or contributed to a joint arrangement or impairment losses on those assets, a joint operator must recognise such losses in full. When the company concludes a transaction with a joint arrangement in which it is a joint operator, such

as the purchase of assets, it may not recognise its share of gains and losses until it resells those assets to a third party. When such transactions indicate a reduction in the net realisable value of assets purchased or impairment losses on those assets, a joint operator must recognise its share of such losses.

c) the equity methods of associates. In the process of recognition under the equity method, when the controlling company or a subsidiary that does not produce its own consolidated financial statements acquires an investment, i.e. a financial asset that meets the criteria for recognition under the equity method, such an investment in an associate is accounted for applying the equity method in the GEN Group's consolidated financial statements in accordance with IFRS, provided that the associate is not a subsidiary of the GEN Group.

The following general quality characteristics are taken into account when compiling the consolidated financial statements:

- fair presentation and compliance with the IFRS: the consolidated financial statements fairly present the group's financial position, financial performance and cash flows;
- consistency of presentation: the presentation and classification of items in the consolidated financial statements is the same from period to period;
- materiality and aggregation: each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial;
- offsetting: neither assets and liabilities nor revenue and expenses are offset unless required



or permitted by a standard or an interpretation;  
and

- comparative information: except when a standard or an interpretation permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. Comparative information is included in narrative and descriptive information if this is necessary for the proper understanding of the financial statements for the period in question.

The financial year is the same as the calendar year.

## Business combinations

With the help of IFRS 3, which requires acquired assets and assumed liabilities to be treated as a business, the GEN Group determines whether a transaction or other business event is a business combination that dictates the application of the aforementioned standard. If assets are not acquired as a business, GEN accounts for the transaction or other business event as the acquisition of assets.

## Presentation and functional currency

The presentation currency of the GEN Group is the euro. The consolidated financial statements are thus presented in euros without cents. Immaterial differences may arise in the totals presented in tables due to the rounding of data. The euro is also the functional currency of the controlling company GEN.

## Measurement basis

The GEN Group's financial statements have been compiled taking into account historical cost, except for financial instruments disclosed at fair value.

## Use of estimates and judgements

When compiling the consolidated financial statements, the senior management is required to make judgments, estimates and assumptions that affect the application of accounting policies and the reported values of assets, liabilities, revenue and expenses. Despite the fact that the senior management of the controlling company carefully studies all factors that may have an impact on the above-described factors during the compilation of items, it is possible that the actual consequences of business events will differ. Judgment must thus be used in accounting estimates, taking into account potential changes in the business environment, new business events, additional information and experience.

Estimates and assumptions are used, at a minimum, in the following judgements:

### a) Estimated useful lives of depreciable assets

In assessing the useful life of assets, the group takes into account the expected physical usage, technical and economic obsolescence, and expected legal and other restrictions on use. The group also verifies changes to the originally estimated useful life of material assets at least once a year. Specifics regarding the estimated useful lives of depreciable assets are set out in the Intergovernmental Agreement on the NEK. (*Disclo-*

*ures can also be found in the section 'Significant accounting policies of the GEN Group' (intangible assets, and property, plant and equipment), and in Notes 1, 2, 3, 4 and 27.)*

### b) Asset impairment testing

At least once a year, the senior management checks individual assets, including goodwill and impairment losses on receivables and cash-generating units, for signs of impairment. The recoverable amount of non-financial assets is determined based on the present value of future cash-flows from a cash-generating unit and an appropriate discount rate is set in that process. (*Disclosures can also be found in Note 1.)*

### c) Identification of lease contracts

During the compilation of the consolidated financial statements, the senior management identifies lease contracts, and determines lease terms and discount rates. (*Disclosures can also be found in the section 'Significant accounting policies of the GEN Group' (Right-of-use assets [leases]), and in Note 4.)*

### d) Estimated fair value

Given the group's accounting policies and disclosure requirements, the determination of the fair value is required for the following:

- financial assets measured at fair value through other comprehensive income,
- financial assets measured at fair value through profit or loss, and
- derivatives.

All other items in the financial statements are disclosed at historical cost or amortised cost.

The group determines the fair values of individual asset groups for measurement or reporting purposes using valuation methods that are appropriate in the given circumstances and for which sufficient data is available, in particular using appropriate market input data and minimising the use of non-market input data.

Where additional clarifications regarding the assumptions used to determine fair value are necessary, they are given in the breakdown of the group's individual assets or liabilities.

All assets and liabilities that are measured or disclosed at fair value in the financial statements are classified into the fair value hierarchy based on three levels: Level 1: market prices from an active market for similar assets and liabilities; Level 2: assets that are not included in Level 1 and whose value can be directly or indirectly determined on the basis of comparable market data; and Level 3: assets whose values cannot be obtained from market data. (*Disclosures can also be found in Note 36.)*

### e) Post-employment benefits

The present value of severance payments at retirement is recorded in post-employment benefits. They are recognised based on an actuarial calculation. The actuarial calculation is based on the assumptions and estimates valid at the time of the calculation which, due to changes in the future, may differ from the actual assumptions that will apply at the time of retirement. This could relate in particular to the determination of the discount rate, estimated employee turnover, estimated mortality rates and estimated wage growth.

Due to the complexity of the actuarial calculation and the long-term nature of this item, liabilities for post-employment benefits are sensitive to changes in the above-stated estimates. *(Disclosures can also be found in the section 'Significant accounting policies of the GEN Group' (Provisions), and in Note 17.)*

#### **f) Assessment of the possibility of recognising deferred tax assets**

The group creates deferred tax assets based on the creation of temporary timing differences, tax credits and tax losses, if any. On the date of the financial statements, the group verifies conditions for the recognition of deferred tax assets based on the likelihood of the existence of future taxable profit that can be used to cover deductible tax differences. A deferred tax asset is recognised if it is probable that pre-tax profit will be generated in the future, against which the deferred tax can be utilised in the future. *(Disclosures can also be found in the section 'Significant accounting policies of the GEN Group' (Deferred taxes and Taxes), and in Note 8.)*

#### **g) Changes in significant accounting policies**

There were no changes in accounting policies in 2024.

### **4.7.3. Significant accounting policies of the GEN Group**

#### **Foreign currency**

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates valid on the transaction date.

Monetary items denominated in foreign currencies at the end of the reporting period are translated into the respective functional currencies of individual group companies at the exchange rate valid on the reporting date.

Non-monetary items measured at fair value and expressed in foreign currencies are converted into the functional currency at the exchange rate applicable on the day their fair value was determined. Non-monetary items that are measured at historical cost and expressed in a foreign currency are translated to the functional currency at the exchange rate valid on the transaction date. Exchange rate differences are recognised in the income statement and disclosed in financial income or financial costs.

The assets and liabilities of foreign companies, including goodwill and fair value adjustments arising on acquisition, are translated into euros at the exchange rate valid at the reporting date. The revenues and expenses of foreign companies, with the exception of companies in hyperinflationary economies, are translated into euros at average exchange rates applicable for a specific period.

Foreign currency differences are recognized in other comprehensive income and disclosed in the translation reserve.

#### **Financial instruments**

##### **a) Recognition and initial measurement**

Trade receivables, loans and deposits are initially recognised on the day they arise. All other financial assets and financial liabilities are initially recognised when the group becomes a party to the contractual provisions of the instrument.

Financial assets (except trade receivables without a significant financing component) and financial liabilities are initially measured at fair value, plus transaction costs that are directly attributable to their acquisition or issue for items not measured at fair value through profit or loss. Trade receivables without a significant financing component are initially measured at the transaction price.

##### **b) Classification and subsequent measurement of financial assets (policy)**

On initial recognition, financial instruments are classified to one of the following categories:

- financial assets measured at amortised cost;
- financial assets measured at fair value through other comprehensive income (hereinafter: FVTOCI);
- investments in debt securities;
- investments in equity instruments measured at FVTOCI; and
- financial assets measured at fair value through profit or loss (hereinafter: FVTPL).

Financial assets are not reclassified following initial recognition, unless the group changes its business model for managing financial assets. In this case, all affected financial assets are reclassified on the first day of the reporting period following that change.

A financial asset is measured at amortised cost if it is not designated as a financial asset at FVTPL and if the following two conditions are met:

- it is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are

solely payments of principal and interest on the outstanding principal amount.

Accounted for in this category are loans, trade and other receivables, contract assets, other financial assets, and cash and cash equivalents.

##### **c) Financial assets – business model assessment (policy)**

The group assesses the objective of the business model in which a financial asset is held at the portfolio level, as this best reflects the way transactions are managed and information is provided to management. That information includes the following:

- the stated policies and objectives of the portfolio and the implementation of those policies in practice. These include whether senior management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of financial assets to the duration of any related liabilities or expected cash outflows, or generating cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the group's senior management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how business managers are remunerated, i.e. whether remuneration is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, value and timing of sales of financial assets in previous periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not treated as sales for this purpose, and the group continues to recognise them.

Financial assets that are held for trading or are managed and whose yield is assessed based on fair value are measured at FVTPL.

#### **d) Financial assets – assessment whether contractual cash flows are solely payments of principal and interest (policy)**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and the credit risk associated with the amount of principal outstanding during a particular period of time, and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), and a profit margin.

The group takes into account the contractual terms of an instrument when determining whether the associated cash flows are solely payments of principal and interest. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows, such that it would fail to meet this condition. In making this assessment, the group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the group's claims to cash flows from specified assets (e.g. terms under which a financial asset may only be repaid with the col-

lateral through which it was secured in the event of default).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the outstanding principal amount, which may include reasonable additional compensation for the early termination of a contract. Additionally, for a financial asset acquired at a discount or premium on its nominal contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the nominal contractual amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is deemed to meet this criterion if the fair value of the prepayment feature is negligible at initial recognition.

#### **e) Financial assets – subsequent measurement, and gains and losses (policy)**

##### **Financial assets measured at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit and loss.

##### **Financial assets measured at amortised cost**

These assets are subsequently measured at amortised cost using the effective interest method. Amortised cost is reduced for impairment losses. Interest income, positive and negative exchange rate differences and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

#### **Investments in debt securities measured at FVTOCI**

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, positive and negative exchange rate differences and impairment losses are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. Gains and losses recognised in other comprehensive income are reclassified to profit or loss on derecognition.

#### **Investments in equity instruments measured at FVTOCI**

These assets are subsequently measured at fair value. Dividends are recognised as revenue in profit or loss, unless the dividend clearly represents a return on part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never transferred to profit or loss.

#### **f) Financial liabilities – classification, subsequent measurement, and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as measured at amortised cost if it is classified as held-for-trading, if it is a derivative or if it is designated as such on initial recognition. Financial liabilities measured at FVTPL are measured at fair value, and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expenses and positive and negative exchange rate differences are recog-

nised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. (See the section 'Derivatives' [hedging against risks]).

#### **g) Derecognition**

##### **Financial assets**

The group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The group enters into transactions in which it transfers assets recognised in its statement of financial position, but retains all or substantially all of the risks and rewards associated with a financial asset. In such cases, transferred assets are not derecognised.

##### **Financial liabilities**

The group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value based on those modified terms. On derecognition of a financial liability, the difference between the carrying amount of an extinguished financial liability and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.



## Offsetting

Financial assets and liabilities are offset, and the net amount is disclosed in the statement of financial position if, and only if, the Group has the legally enforceable right to offset recognized amounts and intends to either settle the net amount or liquidate the asset and settle its liability.

## Derivatives and hedge accounting

The group uses derivatives to hedge against market and currency risks.

The group uses forward contracts and various financial trading instruments to hedge against market risks caused by electricity and natural gas price fluctuations. It primarily uses forward currency contracts to hedge against currency risks.

The group uses *non-standardised forward contracts* to hedge against market risks arising from electricity and natural gas prices and currency risks. These are agreements on the sale or purchase of an underlying instrument whose price is determined at the time of the agreement's execution, but with a future effective date. The prices of forward transactions are determined based on the underlying financial instrument. At the time of execution, the value of the contract equals zero because the strike price (the agreed settlement price) is equal to the forward price. Not taking into account the costs of supply, the value of a non-standardised forward contract at maturity is equal to the difference between the current price of an underlying instrument at maturity and the contractual forward price or the

agreed settlement price. The forward price changes during the validity of the contract depending on changes in current market prices and the residual maturity of the forward contract.

*Standardised forward contracts* (futures) are binding agreements on the purchase or sale of a standardised quantity of well-defined standard quality instruments on a standardised day in the future (standard specification) at a price determined in the present. Standardised products are a prerequisite for exchange trading. The main advantage of standardised products is the minimisation of transaction costs associated with trading. When such products are used, there is no need for buyers and sellers to define the contractual elements of each transaction; they only need to agree on the price of individual forward contracts. Transactions are concluded without the physical presence of goods. A standardised forward contract comes into effect only when registered with a clearing (settlement) house. This type of contract is transferable to enable exchange trading and its liquidity is determined by exchange trading volumes. Non-standardised forward contracts, on the other hand, are not liquid because the exchange of these contracts is almost impossible. When trading forward contracts, the group must place a security deposit with the clearing house for both sales and purchases. This deposit includes an initial margin and a variation margin.

Derivatives also include option contracts that the group classifies to financial assets or financial liabilities at fair value through profit or loss. Fair value is defined as the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market partici-

pants on the measurement date. If the transaction price is not equal to fair value on the day of initial recognition, the difference is recognised in profit or loss for marketable assets, or deferred and released subsequently in profit or loss in accordance with the group's policy.

Contracts to buy or sell a non-financial asset (such as a commodity) that can be settled net (either in cash or by exchanging financial instruments) are covered by IFRS 9 and are accounted for at fair value, unless they were entered into and continue to be held for the purpose of receiving or delivering the non-financial asset in question in accordance with the group's expected purchase, sale or usage requirements – the so called 'own-use' exemption. (IFRS 9.2.4). Contracts covered by IFRS 9 are accounted for as derivatives and are marked to market through the income statement, unless senior management can and does opt to apply hedge accounting.

Contracts that result in the physical delivery of a commodity and for which the group does not have a net settlement practice and that are not entered into for trading, speculative or hedging purposes are accounted for as a normal purchase or sales contract, i.e. an unrecognised executory contract. Physical contracts are not recognised until they are settled. In accordance with IFRS 15, sales revenue and the costs of goods sold are not recorded and recognised until a supply contract is executed.

Contracts that result in the physical delivery of a commodity and for which the group has a net settlement practice and that have other purposes than just the delivery or purchase of energy products are

accounted for as derivatives and are measured at fair value through profit and loss.

Following initial recognition, derivatives are measured at fair value, and changes to fair value are generally recognised in profit or loss.

At least once a year, during the compilation of the annual financial statements, financial assets or financial liabilities at fair value through profit or loss are remeasured at fair value. Gains and losses as the result of changes in fair value are recognised in profit or loss.

The group adjusts the fair value of all open derivatives with the physical delivery of energy products, concluded bilaterally (OTC) with counterparties, for the purpose of credit valuation adjustments (CVA). More specifically, net exposure from derivatives is measured at the level of individual counterparty, and those positions are taken into account in the simulation of credit events at the level of the entire portfolio. All input data taken into account for the calculation are obtained on the market and independently.

CVA depends on:

- exposure at default (EAD), which actually represents the net fair value of all derivatives vis-à-vis an individual counterparty and is calculated based on market prices (Level 1);
- forward probability of default (PD) structures, which the group obtains from an external international service provider on an annual basis due to the lack of CDS quotes; and
- loss given default (LGD), which is based on assessments by ratings agencies for a specific energy sector.

The CVA amount represents the appropriately estimated market value of the collateral instrument required to hedge against counterparty credit risk in the group's OTC derivatives portfolios.

#### a) Hedge accounting

The group meets hedge accounting requirements in order to hedge against market risks associated with changes in energy prices, in accordance with IFRS 9.

At the inception of designated hedging relationships, the group documents the risk management objective and strategy for undertaking the hedge. The group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows from the hedged item and hedging instrument are expected to offset each other.

At the inception of the hedging relationship, and then on an ongoing basis, the group assesses whether a hedging relationship meets hedge accounting requirements. That assessment relates to expectations and is therefore only forward-looking. To qualify for hedge accounting, a hedging relationship must meet all of the following requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk is not predominant in changes in value that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the

entity actually uses to hedge the quantity of the hedged item.

At each reporting date, the group measures hedge ineffectiveness, i.e. the extent to which changes in the fair value or cash flows of the hedging instrument are greater or less than changes in the hedged item.

Ineffectiveness is measured as the difference between a change in the published price (exchange) with respect to the hedging instrument and hedged item. In accordance with the hedging policy of the GEN-I Group, the ineffective portion is represented by a deviation between a change in the price of a hedged item and hedging instrument.

#### b) Fair value hedging

The group calculates fair value hedges against the risk of fluctuating prices for standardised and non-standardised forward contracts by recognising changes in the fair value of derivatives immediately in profit or loss. Gains or losses from hedged items that can be attributed to hedged risks must be adjusted to the book value of the hedged items and recognised in profit or loss. If an unrecognised firm commitment is defined as a hedged item, the subsequent cumulative change in the fair value of the firm commitment that can be attributed to a hedge is recognised as an asset or liability, with the relevant gain or loss recognised in profit or loss. The initial book value of an asset or liability arising from the fulfilment of a firm commitment by the group is adjusted by including the cumulative change in the fair value of the commitment that can be attributed to a hedge previously recognised in the statement of financial position.

#### c) Cash flow hedging

The group uses financial instruments to hedge against variable interest rates for the purpose of managing interest-rate risk and as cash flow hedges against negative effects on the costs of financing raised loans in the event of a rise in the EURIBOR. The effective portion of a hedge is recognised directly in other comprehensive income.

Disclosed in fair value reserves is the effective portion of changes in the fair value of a financial instrument used to hedge cash flows against a change in interest rate, less deferred taxes.

The fair value of a derivative in the form of an interest-rate swap is disclosed in non-current financial liabilities. On the reporting date, fair value is measured by discounting future cash flows from the variable interest rate (receipt of interest from a swap) and from the fixed interest rate (payment of interest from a swap).

### Intangible assets, and property, plant and equipment

Intangible assets, and property, plant and equipment are the non-current assets of GEN Group companies that facilitate the performance of activities. On initial recognition, intangible assets and items of property, plant and equipment are disclosed at historical cost, less amortisation/depreciation costs and impairment losses.

The historical cost of an individual asset includes the purchase price and all costs directly attributable to the preparation of the asset for its intended use. Historical cost comprises borrowing costs

in connection with the acquisition of an item of property, plant and equipment until it is brought to working condition.

On every reporting date, the company verifies whether signs of the impairment of an asset exist. External and internal sources of information are used to check for signs of impairment. If such signs exist, it performs an impairment test and calculates the asset's recoverable value. An asset is impaired if its carrying amount exceeds its recoverable value. The group recognises impairment losses in revaluation operating expenses.

The historical cost model is used for the subsequent measurement of intangible assets, and property, plant and equipment. Subsequently incurred costs that enable the continued functioning, increased safety or other future economic benefits increase the historical cost of an asset.

Costs arising from the replacement of parts of fixed assets are recognised at their carrying amount if future economic benefits associated with a part are likely to increase and if its historical cost can be measured reliably. All other costs (e.g. regular maintenance) are recognised in profit or loss as expenses as soon as they arise.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the net sales value and carrying amount of a disposed asset and are recognised in other operating revenue or write-downs.

Assets obtained free-of-charge are depreciated, and the non-current deferred revenue disclosed in liabilities is reduced for the amount of depreciation.

#### **a) Subsequent costs**

Costs arising from the replacement of parts of fixed assets are recognised at the carrying amount of those assets if the future economic benefits associated with a part are likely to increase and if its historical cost can be measured reliably. Subsequent costs associated with intangible assets are only capitalised if they increase future economic benefits arising from the asset to which the cost relates. All other costs (such as daily maintenance) are recognised as expenses in profit or loss immediately after they arise.

#### **b) Spare parts**

Spare parts and maintenance equipment of lower value with useful lives of up to one year are treated as inventory and recognised as costs in profit or loss. Spare parts and equipment of significant value with estimated useful lives exceeding one year are recognised as items of property, plant and equipment.

#### **c) Capitalised development costs**

Capitalised development costs arise as the result of the transfer of findings from research or expertise to a plan or project to produce new or significantly improved products or services, before the production or sale of those products or services begin.

The group capitalises development costs if they meet the following criteria:

- the technical feasibility of the completion of the project has been established, such that the project will be available for sale or use;
- the entity intends to complete the project, and use or sell it;
- the entity is capable of using or selling the project;
- economic benefits in connection with the project are likely, including the existence of a market for the effects of the project, the project itself or the benefits of the project, if the latter is used by the entity;
- technical, financial and other factors for the completion of development, and for the use or sale of the project are available; and
- the entity is capable of reliably measuring the costs that can be attributed to an intangible asset during the development thereof.

Capitalised development costs comprise the direct costs of labour and other costs that can be directly attributed to enabling assets for their intended use

The group must estimate the useful life of a new product and allocate development costs accordingly over the same period to match the economic benefits that arise in connection with that product.

#### **d) Goodwill**

Goodwill arises:

- in consolidation and comprises the surplus of the sum of the fair value of transferred consideration on the day of acquisition (acquired parti-

cipating interests) and the fair value of the previous acquirer's participating interest over the net amounts of identifiable assets and assumed liabilities; and

- in the separate financial statements of group companies in the merger of an acquired company, which ceases when assets are transferred to the acquiring company.

Following initial recognition, the group checks once a year for factors in connection with goodwill that could have a negative impact on the future cash flows of a cash-generating unit obtained through the acquisition of a subsidiary. A reduction in the value of a cash-generating unit is recognised in the financial statements as the impairment of goodwill and the assets of the cash-generating unit charged to the current year's profit or loss. Any impairment is immediately recognised in consolidated profit or loss and is not subsequently reversed. Upon the disposal of a subsidiary or asset, the associated amount of goodwill is included in the determination of gains/losses on disposal, and affects the profit or loss of the group.

#### **e) Amortisation and depreciation**

Intangible assets are amortised and items of property, plant and equipment depreciated using the straight-line method, taking into account the pre-defined useful life of each individual asset.

The depreciation of the NEK as a joint operation is set out in the Intergovernmental Agreement on the NEK up to the amount of necessary and approved investments and payments of long-term loans for those investments. The purpose of depreciation in the above case is thus not to replace an asset

at the end of its useful life as set out in the IFRS. Depreciation is calculated taking into account currently valid depreciation rates for all items of property, plant and equipment, except for the nuclear reactor with cooling and ancillary systems (hereinafter: the nuclear reactor). The amount of depreciation of the nuclear reactor is defined as the difference between planned annual depreciation costs and the calculated depreciation costs of other items of property, plant and equipment. The rate and amount of depreciation for the nuclear reactor thus vary from year to year.



Estimated useful lives	% in 2024	% in 2023
<b>Intangible assets</b>		
Property rights	5.56 to 33.33	5.56 to 33.33
Rights of superficies	5.26 to 50.00	5.26 to 50.00
Concession rights	2.00 to 6.35	2.00 to 6.35
<b>Structures</b>		
Buildings	1.00 to 10.00	1.00 to 10.00
Parts of buildings	6,00	6,00
<b>Equipment</b>		
Office equipment	10.00 to 20.00	10.00 to 20.00
Computer equipment	20.00 to 50.00	20.00 to 50.00
Production and other equipment	1.67 to 50.00	1.67 to 50.00
Vehicles	12.50 to 25.00	12.50 to 25.00
Exhibition equipment	14.28 to 33.33	14.28 to 33.33
Small inventory	20.00	20.00
<b>Other investments</b>	10.00	10.00

Depreciation and amortisation rates were unchanged in 2024.

## Investment property

Investment property comprises real estate owned by the GEN Group with the aim of generating rental income, increasing the value of non-current investments or both. Investment property is disclosed at historical cost less accumulated depreciation and impairment losses. Investment property is measured according to the historical cost model. Depreciation is recognised in profit or loss according to the straight-line method, while the estimated useful life of investment property is 25 years.

## Right-of-use assets (leases)

When concluding a contract, the group analyses and assesses whether the contract contains a lease. When the group is lessee, it recognises right-of-use assets and associated lease liabilities for all lease agreements, except for:

- short-term leases (defined as leases of 12 months or less);
- low-value leases;
- leases under which the lessee does not have the right to use the asset in question if the lessor has the physical right to replace the asset over its entire useful life, meaning the lessor has the option of replacing the asset with alternative assets over its entire useful life and would enjoy the associated economic benefit; and

leases that are not recognised as assets. Instead,

the associated lease payments are recognised as an expense on a straight-line basis over the entire term of the lease.

Lease liabilities are initially measured at the present value of lease payments not paid at the inception of the lease, and are discounted using the incremental borrowing rate. The latter is the interest rate that a lessee would have to pay to acquire an asset of similar value to a right-of-use asset for a period of similar length and based on a similar guarantee in similar economic conditions. The incremental borrowing rate used by the group/company ranges from 4.5% to 5.0%.

### a) Right-of-use assets

The group recognises an item of property, plant and equipment that represents a right-of-use asset on the day a lease commences (i.e. the day a leased asset is available for use). The right to use the assets is measured at cost less any allowance for impairment and any impairment loss, with the cost adjusted each time the lease liability is remeasured. The cost of the right to use the assets includes the amount of the initial measurement of the lease liability, the initial direct costs and the rent payments made on or before the start of the lease, less any lease incentives received.

A right-of-use asset is depreciated on a straight-line basis over the lease term or the estimated useful life of the associated asset, whichever is shorter. The lease terms vary from two to 10 years.

If at the end of the lease ownership of the leased asset is transferred to the group or if the group exercises the purchase option, depreciation is calculated based on the estimated useful life of the asset.

The group also revalues right-of-use assets for possible impairment.

### b) Lease liabilities

At the inception of a lease, the group recognises a lease liability at the present value of all lease payments over the lease term that have not been paid by that date. Lease payments include fixed lease payments less all receivables for lease incentives, variable lease payments that depend on an index or rate, and amounts expected to be paid by the lessee under residual value guarantees. Lease payments also include the exercise price of the purchase option if it is fairly certain that the group will exercise that option and the payment of a termination penalty if the lease term indicates that the group will exercise the termination option.

Variable lease payments that are not dependent on an index or rate are recognised as an expense (unless the costs are incurred in the production of inventories) in the period in which either the event or the condition that triggers payment occurs.

In calculating the present value of lease payments, the group uses the incremental borrowing rate effective on the day the lease commences, as the interest rate cannot be determined in the lease contract. After the commencement date of a lease, the amount of the lease liability is increased by accrued interest and reduced by all lease payments made. In addition, the carrying amount of the lease liability is remeasured in the event of an adjustment to or change in the lease term, a change in lease payments (e.g. a change in future lease payments due to a change in the index or rate used to determine those payments) or a change in the assessment of the purchase option for a leased asset.

The group recognised lease liabilities in non-current and current lease liabilities.

Deferred taxes

The amounts of deferred taxes are based on the expected method of reimbursement or settlement of the carrying amount of assets and liabilities, taking into account the tax rates in force when deferred tax receivables and liabilities are settled.

**Deferred tax assets** are recognised in the amount of probable taxable profit available in the future and against which the deferred asset can be utilised. Deferred tax assets are reduced by the amount of tax benefits that are not expected to be realised. They are disclosed as non-current receivables.

**Deferred tax liabilities** are recognised for all taxable temporary differences, unless the taxable temporary differences are the result of the initial recognition of assets or liabilities in a business event other than a merger, division, exchange of shares or transfer of activities, and the business event did not affect accounting or the taxable profit (tax loss) when it arose.

Inventories of materials

The group discloses in inventories fuel, products and materials that are initially valued at historical cost, which comprises the purchase price, import duties, other non-refundable purchase taxes and direct purchase costs. The purchase price is reduced for discounts granted.

The consumption of nuclear fuel is recorded by the method of purchase prices, since there are no new purchases prior to the utilisation of inventories, while the use of other types of fuel and material is valued according to the average floating-price method.

For those inventories of spare parts that have not generated any turnover in the last five years (slow-moving spare parts for which neither receipt nor issue was recorded), loss allowances are made in the amount of 100% of the value of those materials.

Inventories of spare parts and nuclear fuel have a long useful life of 808 days.

Inventories of products and work in progress

The group discloses in inventories of products physical inventories of natural gas held for sale. The latter are carried at fair value, which is equal to their market value on the reporting date less costs to sell. Natural gas is valued at the current market price (fair value) less costs to sell on the day it is transferred to inventories. All differences (positive or negative) between the fair value calculated as such on the statement of financial position date and the carrying amount of inventories are recorded in the income statement.

Inventories of work in progress and final products are valued using variable production costs in the narrowest sense.

Impairment of assets

The group assesses the value of financial assets at the reporting date to determine whether there is any objective evidence of asset impairment. A financial asset is considered impaired if there is objective evidence of impairment as a result of one or more events that led to a decrease in estimated future cash flows of the financial asset.

a) Financial assets

Financial instruments and contract assets

The group recognises loss allowances due to expected credit losses (hereinafter: ECLs) for financial assets measured at amortised cost and contract assets.

The group measures loss allowances at an amount equal to lifetime ECLs, i.e. ECLs that arise from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the group is exposed to credit risk.

Measurement of expected credit losses

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the group in accordance with the relevant contract and the cash flows that the group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

The group measures ECLs on trade receivables and contract assets based on a loss allowance adjustment matrix.

Loss rates are calculated taking into account rates of transitions between credit rating categories based on the probability that a receivable will pass through successive phases from default to write-off. Rates of transitions between credit rating categories are calculated separately for exposures in various segments based on common credit risk characteristics, e.g. customer types (B2B or wholesale, B2C or retail and trading).

The group estimates exposure to credit risk based on the collateralisation of receivables, and based on data and information that predict the risk of loss (financial information regarding customers and their financial statements, available information in the media, previous business relationships with customers and forward-looking information).

ECLs are calculated for all trade receivables and contract assets up to 90 days past due based on the appropriate loss rates for different time intervals.

Impairment losses are recognised in the amount of 90% of the value of trade receivables and contract assets more than 90 days past due.

Credit-impaired financial assets

At each reporting date, the group assesses whether financial assets disclosed at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Criteria for calculating expected credit losses included in category 2:

- breach of contract such as payment delays of more than 30 to 90 days; and
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Criteria for calculating expected credit losses included in category 3:

- significant financial difficulties of the borrower or issuer;
- breach of contract such as default or payment delays of more than 90 days;
- the restructuring of a loan or prepayment by the group under conditions that the group would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for a security because of financial difficulties.

**Disclosure of allowances for ECLs in the statement of financial position**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of those assets.

**Write-downs**

The gross carrying amount of a financial asset is written off when the group has no reasonable expectations of recovering that financial asset in its entirety or a portion thereof, i.e. in the event of a final court decision regarding completed bankruptcy proceedings, completed compulsory settlement or completed enforcement proceedings, and for financial assets where the group expects no recovery. However, financial assets that are written

off could still be subject to enforcement activities in accordance with the group’s procedures for recovering receivables. (See Note 38 *Credit risks*.)

**b) Cash, cash equivalents and other financial assets**

ECLs on other financial assets are measured based on the credit rating of the country in which the financial assets are placed.

**c) Non-financial assets**

At each reporting date, the carrying amount of material non-financial assets (except deferred tax assets) is reviewed to determine if there are indications of impairment. If there are such indications, the asset’s recoverable value is assessed. The impairment of goodwill and intangible assets with an indefinite useful life not yet available for use is reviewed at each reporting date.

The recoverable amount of assets or cash-generating units is the higher of their value in use or fair value, less costs of sale. In determining an asset’s value in use, estimated future cash flows are discounted to their current value at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In order to test them for impairment, assets that cannot be tested individually are consolidated into the smallest possible asset groups that generate cash flows.

The impairment of an asset or cash-generating unit is recognised whenever its carrying amount exceeds its recoverable value. Impairment is disclosed in the income statement. Impairment losses in connection with a cash-generating unit are

allocated by first reducing the carrying amount of the goodwill allocated to the cash-generating unit and then to other assets of the unit (group of units), in proportion to each asset’s carrying amount.

With respect to other assets, the group evaluates impairment losses from previous periods on the balance-sheet date to determine whether or not there has been a reduction in losses and whether or not losses still exist. Impairment losses are derecognised if the estimates that were used to determine the recoverable value of assets have changed. An impairment loss is derecognised to the extent that the asset’s increased carrying amount does not exceed the carrying amount that would have been determined in the net amortised amount if no impairment loss had been recognised for the asset in previous years.

**Equity**

Equity is defined by the amounts invested by the owners and the amounts that occurred in the course of business and belong to the owner. It may be reduced by losses or the distribution of profits.

Total equity comprises called-up capital, the share premium account and legal reserves, revenue reserves, fair value reserves, translation reserves, retained earnings and undistributed net profit.

**Provisions**

Provisions are created for liabilities that will arise based on binding past events in a period of more than one year, and the value of those liabilities can be reliably assessed or measured.

The group determines provisions by discounting expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The group created provisions for long-service bonuses, severance payments at retirement and in the event of employment termination, and for lawsuits.

**a) Provisions for severance payments and long-service bonuses**

Pursuant to the law, the collective agreement and internal rules, the group is obligated to pay long-service bonuses and severance payments to employees, and has created non-current provisions for this purpose. There are no other pension-related obligations. Provisions are created in the amount of estimated future severance payments and long-service bonuses, discounted at the end of the reporting period.

Provisions are created for employees based on an actuarial calculation prepared by the certified actuary. The calculation of provisions for long-service bonuses and severance pay at retirement is prepared based on an actuarial valuation method, i.e. the projected unit credit method, a method used to calculate earnings based on work performed.

The group created non-current provisions during the reporting period for long-service bonuses and severance payments at retirement as the present value of future payments required to settle liabilities arising from employees’ service in the current



and past periods, taking into account the costs of severance payments at retirement and the costs of all expected long-service bonuses until retirement. A discount rate of 3.5% was set for the calculation of provisions at all group companies, except for the NEK, for which a discount rate equal to the yield on ten-year AA-rated euro area bonds was applied in accordance with the Intergovernmental Agreement on the NEK and assuming the winding up of the NEK on 30 June 2043.

Those provisions are recognised in the income statement as labour costs and interest expense, while recalculated post-employment benefits and unrealised actuarial gains or losses from severance pay are recognised in other comprehensive income.

## State aid

Government grants relating to assets are initially recognised as deferred revenues if there is reasonable assurance that the group will receive a grant and comply with the conditions associated with that grant. They are subsequently recognised in the income statement as other income on a systematic basis over the useful life of the asset.

Government grants that the group receives to cover costs are systematically recognised in the income statement in the period in which the costs arise.

## Contract assets and liabilities

A contract asset is the right to consideration in exchange for goods or services that are transferred

to a customer. The group records accrued revenue for goods and services supplied to customers in contract assets.

A contract liability is the obligation to transfer goods or services to a customer in exchange for the consideration received by the group from the customer. Contract liabilities are recognised as revenue when the group fulfils its performance obligation under a contract.

## Contingent assets and liabilities

Contingent assets and liabilities do not have a direct effect on the size and composition of assets and liabilities (statement of financial position) and revenue and expenses (income statement), but are a source of information regarding operations and the potential future receivables and liabilities of GEN Group companies.

## Revenue

### a) Revenue from contracts with customers

Revenue from contracts with customers is recognised when the control of goods or services is transferred to the buyer in an amount reflecting the consideration that the group believes it will be entitled to receive in return for those goods or services.

The group recognises revenue from its principal activities in phases. Those activities include the sale and supply of electricity and natural gas to end-customers (e.g. households, small business customers, industry and public contracting authorities) and trading, which includes services in

connection with cross-border transfer capacities. The group also generates revenue from certain other sources, which are negligible in the overall structure of revenue from services rendered.

The group's principal activities also include the sale of energy technologies, which include the sale of small solar power plants and energy services, and the production of electricity in its own large solar power plants and the use of energy storage batteries.

The consideration promised in a contract with a customer includes the fixed amounts of supplied goods and the provision of services to end-customers. The transaction price is the amount of consideration to which the group expects to be entitled in exchange for the transfer of goods or services to the customer, except for amounts collected on behalf of third parties. A transaction price is allocated to every performance obligation based on an independent selling price.

In the case of a contract for the supply of electricity or natural gas, the group transfers control gradually, while the buyer obtains and uses the benefits that derive from the fulfilment of the group's obligation as seller when that obligation is being fulfilled. The group thus fulfils its performance obligation and recognises revenue gradually by measuring progress towards the complete fulfilment of the performance obligation to supply electricity or natural gas according to the output method, i.e. according to charged amounts that are based on supplied quantities of electricity or natural gas. The supply of electricity and natural gas is invoiced to customers on a monthly basis,

with deadline for payment of 30 days. Thus no material component of financing arises.

Performance obligations in connection with services are fulfilled gradually according to the output method. The group recognises revenue monthly in an amount that corresponds directly to the part of an obligation fulfilled at a given moment. Services are invoiced to customers on a monthly basis, with deadline for payment of 30 days. Thus no material component of financing arises.

With respect to the sale of small solar power plants, performance obligations are fulfilled at a given moment, as revenue from the supply of goods or services is recognised at the moment a customer obtains control over the goods. The sale of goods is recognised when the group delivers goods to a customer, the goods have been accepted by the customer and the recoverability of the related claims is reasonably assured. From the time of sale, the group no longer has control over the goods sold.

In all instances, the group simultaneously recognises revenue and costs in the period in which services were rendered or goods sold, regardless of the timing of payment.

### b) Assets from contracts with customers

For energy supplied to a customer during the current period that will be invoiced at the beginning of the next period, the group recognises a contract asset in the amount of the estimated value of supplied energy (electricity or natural gas). That amount is estimated based on concluded agreements and data regarding energy supplied to an

individual customer. Payment terms are up to 30 days.

### c) Contract liabilities

Contract liabilities relate to advances received for electricity and natural gas sales to domestic and foreign entities. Contract liabilities are recognised as revenue when the company fulfils its performance obligation under a contract.

### d) Sales in the name and on behalf of third parties

Amounts that are charged on invoices to end-customers and that represent amounts collected on behalf of third parties are not recognised in revenue.

### e) Other operating revenue

Other operating revenue comprises calculations of capitalised own products and services, revenue from the reversal and use of other liabilities, compensation received, contractual penalties and similar revenue.

### f) Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

### g) Financial income

Financial income includes interest income, net gains on financial assets measured at fair value through profit or loss and positive exchange rate differences. Financial income is also recognised from the recognition of investments under the equity method.

Interest income is recognised when it arises at the effective interest rate. Dividend income is recog-

nised in profit and loss on the date on which the group's right to receive payment is established.

## Expenses

### a) Operating expenses

Expenses are recognised if a decrease in economic benefits in the accounting period gives rise to a decrease in assets or an increase in liabilities, and that decrease can be reliably measured.

Expenses comprise the costs of goods, materials and services, labour costs and write-offs, and other operating expenses.

The costs of goods, materials and services comprise the historical costs of goods, materials and services purchased.

Write-downs include amortisation/depreciation costs that relate to the consistent transfer of the value of depreciable property, plant and equipment and amortisable intangible assets. Write-downs also include losses from the write-off and sale of fixed assets.

Labour costs comprise historical costs relating to accrued wages and other gross payments to employees, and to levies charged on that basis and that are not an integral part of gross amounts. Labour costs also include provisions created for long-service bonuses and severance payments at retirement.

Other operating expenses include a concession fee, environmental protection expenditure and other levies. Other operating expenses also include donations.

### b) Financial costs

Financial costs comprise borrowing costs (if they are not capitalised), negative exchange rate differences, changes in the fair value of financial assets through profit and loss, impairment losses on financial assets, adjustments to the value of receivables, and losses from hedging instruments recognised in the income statement. Borrowing costs are recognised in the income statement using the contractual interest rate. Financial costs are also recognised from the recognition of investments under the equity method.

## Taxes

Taxes include liabilities for accrued and deferred tax. Tax is recognised in the income statement, except where it relates to business combinations or items that are disclosed directly in other comprehensive income.

Current tax liabilities are based on taxable profit for the period. Taxable profit differs from the net profit reported in the income statement because it excludes revenue and expense items that are taxable or deductible in other years, as well as items that are never taxable or deductible. The group's liability for accrued tax is calculated applying the tax rates that were valid for the reporting period.

Each group company is liable to pay corporate income tax. Consolidated corporate income tax comprises the sum of taxes of group companies.

Deferred tax is disclosed by taking into account the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the relevant amounts for tax

reporting purposes. Deferred tax is disclosed in the amount that must be calculated (i.e. received or paid) when temporary differences are reversed based on laws that are in force at the end of the reporting period.

The group nets deferred tax assets and liabilities if it has a legally enforceable right to do so and if these assets and liabilities relate to income tax for the same tax authority and the same taxable unit, or if the tax relates to different taxable units that intend to pay or receive the resulting net amount or settle their liabilities and reverse the assets.

In accordance with IAS 12, the group systematically assesses the impacts of the Pillar Two framework on the GEN Group's current and deferred taxes. Pillar Two, which was introduced by the OECD with the aim of ensuring the more equitable distribution of tax rights on a global basis, requires a minimum effective tax rate of 15% for multinational enterprises. That framework has material consequences for tax reporting and financial disclosures.

The group applies the temporary exception issued by the International Accounting Standards Board (IASB) in May 2023 as it relates to accounting requirements for deferred taxes in accordance with IAS 12. The group also introduced a comprehensive mechanism for following global tax positions, which facilitates proactive management and compliance with Pillar Two requirements.

## Risk management

The group is exposed to strategic, financial and operational risks in its operations.

The GEN Group’s prudent approach to risk management helps it maintain its high level of operational quality and is crucial for achieving its business goals. The use of standard methodologies and risk management procedures facilitates high-quality risk assessment, timely responses and the reduction of the group’s exposure to all major risks. *(Disclosures can also be found in Note 37.)*

Segment reporting

The group does not disclose business by segments in the annual report, as GEN, as the controlling company of the GEN Group, does not have debt or equity instruments that are traded on the public market.

Standard	Name	Date of application as defined by the IASB
Amendments to IAS 1	Classification as current or non-current, and non-current with covenants	Valid during the reporting period
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	Valid during the reporting period
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	Valid during the reporting period

Standards and amendments to existing standards issued by the IASB and adopted by the EU but not yet effective

On the day that these financial statements were approved, the GEN Group did not apply the following amendments to the IFRS, which were issued by the IASB and adopted by the EU, but were not yet effective:

Standard	Name	Date of application as defined by the IASB
Amendments to IAS 21	Lack of Exchangeability	1.1.2025

Initial application of new amendments to existing standards that are in force during the current reporting period

During the reporting period, the group applied several amendments to the IFRS, as issued by the International Accounting Standards Board (IASB) and adopted by the EU, and that must be applied for reporting periods beginning on or after 1 January 2024. The adoption of those amendments did not have a material impact on disclosures or the amounts stated in these financial statements.

New and amended IFRS that have been issued but not adopted by the EU

The IFRS as adopted by the EU do not currently differ significantly from the IFRS adopted by the IASB, with the exception of the following new standards and amendments to existing standards, which had not yet been adopted by the EU as at 12 August 2025:

Standard	Name	Date of application as defined by the IASB
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments (Date of application as defined by the IASB: 1 January 2026)	Not yet adopted by the EU.
Amendments to IFRS 9 and IFRS 7	Nature-Dependent Electricity Contracts (Date of application as defined by the IASB: 1 January 2026)	Not yet adopted by the EU.
Amendments to IFRS 1, IFRS 7, IAS 9, IFRS 10 and IAS 7	Annual improvements to the IFRS – volume 11 (Date of application as defined by the IASB: 1 January 2026)	Not yet adopted by the EU.
IFRS 18	Presentation and disclosures in the financial statements (Date of application as defined by the IASB: 1 January 2027)	Not yet adopted by the EU.
IFRS 19	Subsidiaries without Public Accountability: disclosures (Date of application as defined by the IASB: 1 January 2027)	Not yet adopted by the EU.
IFRS 14	(Date of application as defined by the IASB: 1 January 2016)	The European Commission decided not to begin the process of amending this transitional standard and will wait for the final version thereof.
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and Subsequent Amendments (the IASB postponed the date of application indefinitely, but transitional application is permitted)	The confirmation process was postponed indefinitely until the research project regarding the equity method is completed.

The GEN Group does not expect the adoption of the above-described standards will have a significant effect on its consolidated financial statements in future periods.

Accounting for the exposure of the portfolio of financial assets and liabilities to risks, which the EU has not addressed, remains unregulated. The GEN Group assesses that accounting for the exposure of the portfolio of financial assets and liabilities to risks in accordance with **IAS 39 Financial Instru-**

**ments: Recognition and Measurement** would not have had a significant impact on its financial statements if it had been applied on the balance-sheet date.

4.7.4. Cash flow statement

The group compiles its cash flow statement according to the indirect method.



## 4.7.5. Notes to the financial statements of the GEN Group

### Intangible assets (Note 1)

Intangible assets (in EUR)	Long-term property rights	Goodwill	Other intangible assets	Non-current deferred development costs	Total
<b>HISTORICAL COST</b>					
<b>31 December 2023</b>	<b>43,908,439</b>	<b>31,186,948</b>	<b>3,763,443</b>	<b>300,031</b>	<b>79,158,861</b>
Acquisitions	2,185,621	0	137,381	88,471	<b>2,411,473</b>
Transfers	-1,405	0	0	1,405	<b>0</b>
Disposals	-233,822	0	0	0	<b>-233,822</b>
Revaluation	0	0	-79,502	0	<b>-79,502</b>
Exchange rate differences	-996	0	0	0	-996
<b>31 December 2024</b>	<b>45,857,837</b>	<b>31,186,948</b>	<b>3,821,322</b>	<b>389,907</b>	<b>81,256,014</b>
<b>IMPAIRMENT LOSSES AND WRITE-DOWNS</b>					
31 December 2023	20,238,616	436,404	148,976	0	<b>20,823,996</b>
Amortisation	2,365,513	0	22,029	0	<b>2,387,542</b>
Transfers	80,209	0	0	0	<b>80,209</b>
Disposals	-228,119	0	0	0	<b>-228,119</b>
Impairments	0	0	0	0	<b>0</b>
Exchange rate differences	-843	0	0	0	-843
<b>31 December 2024</b>	<b>22,455,376</b>	<b>436,404</b>	<b>171,005</b>	<b>0</b>	<b>23,062,785</b>
<b>CARRYING AMOUNT</b>					
<b>31 December 2023</b>	<b>23,669,823</b>	<b>30,750,544</b>	<b>3,614,467</b>	<b>300,031</b>	<b>58,334,865</b>
<b>31 December 2024</b>	<b>23,402,461</b>	<b>30,750,544</b>	<b>3,650,317</b>	<b>389,907</b>	<b>58,193,229</b>
<b>HISTORICAL COST</b>					
<b>31 December 2022</b>	<b>42,127,718</b>	<b>31,186,247</b>	<b>3,761,200</b>	<b>190,737</b>	<b>77,265,902</b>
Acquisitions	2,053,145	0	16,917	107,069	<b>2,177,131</b>
Transfers	-41,278	0	0	2,225	<b>-39,053</b>
Disposals	-225,476	0	-14,674	0	<b>-240,150</b>
Exchange rate differences	-5,670	701	0	0	<b>-4,969</b>
<b>31 December 2023</b>	<b>43,908,439</b>	<b>31,186,948</b>	<b>3,763,443</b>	<b>300,031</b>	<b>79,158,861</b>
<b>IMPAIRMENT LOSSES AND WRITE-DOWNS</b>					
<b>31 December 2022</b>	<b>18,811,834</b>	<b>0</b>	<b>133,220</b>	<b>0</b>	<b>18,945,054</b>
<b>Amortisation</b>	<b>1,672,529</b>	<b>0</b>	<b>15,756</b>	<b>0</b>	<b>1,688,285</b>
Transfers	-34,890	0	0	0	<b>-34,890</b>
Disposals	-207,536	0	0	0	<b>-207,536</b>
Impairments	0	436,404	0	0	<b>436,404</b>
Exchange rate differences	-3,321	0	0	0	<b>-3,321</b>
<b>31 December 2023</b>	<b>20,238,616</b>	<b>436,404</b>	<b>148,976</b>	<b>0</b>	<b>20,823,996</b>
<b>CARRYING AMOUNT</b>					
<b>31 December 2022</b>	<b>23,315,884</b>	<b>31,186,247</b>	<b>3,627,980</b>	<b>190,737</b>	<b>58,320,848</b>
<b>31 December 2023</b>	<b>23,669,823</b>	<b>30,750,544</b>	<b>3,614,467</b>	<b>300,031</b>	<b>58,334,865</b>

Long-term property rights comprise the transfer of concession rights for the Boštanj HPP, Arto-Blanca HPP, Krško HPP and Brežice HPP in exchange for consideration, co-financing and investments in connection with concession rights, water permits and software used in the production, trading and sale of electricity.

Goodwill comprises the surplus of the sum of the fair value of transferred consideration on the day of acquisition (acquired participating interests) and the fair value of the previous acquirer's participating interest over the net amounts of identifiable assets and assumed liabilities. The majority in the amount of EUR 29,007,234 relates to a business combination of GEN-I, while EUR 1,399,926 relates to goodwill recognised in the acquisition of MHE Bistrica d.o.o. and is calculated as the difference between the historical cost and fair value of the acquisition plus the effect of deferred tax liabilities:

- An impairment test was performed on 31 December 2024 for goodwill arising from the effects of the business combination of GEN-I. GEN-I is deemed a cash-generating unit. The income approach was used to determine the company's value, specifically the discounted cash flow method. That valuation used cash flow projections for the next three years, taking into account a discount rate of 8.8% (a rate of 9.46% was used during the previous comparable period) and an average annual growth rate of 1% (a rate of 2% was used during the previous comparable period) based on previous experience. Be-

cause the recoverable amount of the cash-generating unit as at 31 December 2024 exceeded its carrying amount, including goodwill, goodwill did not require impairment (similar to the previous comparable period).

- An impairment test was performed on 31 December 2024 for goodwill arising from the acquisition of Bistrica SHPP. MHE Bistrica is deemed a cash-generating unit. The income approach was used to determine the company's value, specifically the discounted cash flow method. That valuation used cash flow projections for the next five years, taking into account a discount rate of 9.32% (a rate of 10.34% was used during the previous comparable period) and an average annual growth rate of 2.1% (a rate of 2.3% was used during the previous comparable period). Because the recoverable amount of the cash-generating unit as at 31 December 2024 exceeded its carrying amount, including goodwill, goodwill did not require impairment (the investment was impaired in the amount of EUR 436,404 during the previous comparable period).

Other intangible assets in 2024 primarily comprised CO<sub>2</sub> emission allowances acquired based on the Environmental Protection Act and through purchases.

The disclosed intangible assets are the property of the group companies and are free and clear of any encumbrances.

## Property, plant and equipment (Note 2)

Property, plant and equipment (in EUR)	Land	Buildings	Production plant and machinery	Other devices and small inventory	Assets under construction and production	Advances	Total
<b>HISTORICAL COST</b>							
<b>31 December 2023</b>	<b>27,152,833</b>	<b>543,913,210</b>	<b>1,220,877,082</b>	<b>61,638,075</b>	<b>69,163,446</b>	<b>1,517,511</b>	<b>1,924,262,157</b>
Adjustments	0	0	480,122	0	0	0	<b>480,122</b>
<b>1 January 2024</b>	<b>27,152,833</b>	<b>543,913,210</b>	<b>1,221,357,204</b>	<b>61,638,075</b>	<b>69,163,446</b>	<b>1,517,511</b>	<b>1,924,742,279</b>
Acquisitions	0	59,563	153,935	355,333	49,155,492	112,800	<b>49,837,123</b>
Activations	0	6,387,016	34,944,481	4,581,392	-45,912,889	0	<b>0</b>
Inventory surplus	0	0	0	134,484	0	0	<b>134,484</b>
Disposals	-2,032,483	-111,545	-559,385	-1,272,851	-472,984	-1,317,186	<b>-5,766,434</b>
Transfers, reclassifications	0	0	-108,125	0	-8,982	0	<b>-117,107</b>
Exchange rate differences	-3,555	0	-20,497	-711	-705	0	<b>-25,468</b>
<b>31 December 2024</b>	<b>25,116,795</b>	<b>550,248,244</b>	<b>1,255,767,613</b>	<b>65,435,722</b>	<b>71,923,378</b>	<b>313,125</b>	<b>1,968,804,877</b>
<b>IMPAIRMENT LOSSES AND WRITE-DOWNS</b>							
<b>31 December 2023</b>	<b>0</b>	<b>269,135,412</b>	<b>902,357,671</b>	<b>50,515,406</b>	<b>0</b>	<b>0</b>	<b>1,222,008,489</b>
Adjustments	0	0	419,348	0	0	0	<b>419,348</b>
<b>1 January 2024</b>	<b>0</b>	<b>269,135,412</b>	<b>902,777,019</b>	<b>50,515,406</b>	<b>0</b>	<b>0</b>	<b>1,222,427,837</b>
Depreciation	0	9,772,591	34,982,857	3,316,798	0	0	<b>48,072,246</b>
Inventory surplus	0	0	0	133,965	0	0	<b>133,965</b>
Disposals	0	-83,373	-411,262	-1,204,890	0	0	<b>-1,699,525</b>
Transfers, reclassifications	0	0	39,193	0	0	0	<b>39,193</b>
Exchange rate differences	0	0	-1,365	-775	0	0	<b>-2,140</b>
<b>31 December 2024</b>	<b>0</b>	<b>278,824,630</b>	<b>937,386,442</b>	<b>52,760,504</b>	<b>0</b>	<b>0</b>	<b>1,268,971,576</b>
<b>CARRYING AMOUNT</b>							
<b>31 December 2023</b>	<b>27,152,833</b>	<b>274,777,798</b>	<b>318,519,411</b>	<b>11,122,669</b>	<b>69,163,446</b>	<b>1,517,511</b>	<b>702,253,668</b>
<b>1 January 2024</b>	<b>27,152,833</b>	<b>274,777,798</b>	<b>318,580,185</b>	<b>11,122,669</b>	<b>69,163,446</b>	<b>1,517,511</b>	<b>702,314,442</b>
<b>31 December 2024</b>	<b>25,116,795</b>	<b>271,423,614</b>	<b>318,381,171</b>	<b>12,675,218</b>	<b>71,923,378</b>	<b>313,125</b>	<b>699,833,301</b>
<b>HISTORICAL COST</b>							
<b>31 December 2022</b>	<b>24,843,150</b>	<b>506,019,412</b>	<b>1,190,966,221</b>	<b>71,123,957</b>	<b>95,714,458</b>	<b>1,719,280</b>	<b>1,890,386,478</b>
<b>1 January 2023</b>	<b>0</b>	<b>0</b>	<b>13,124,965</b>	<b>-13,124,965</b>	<b>0</b>	<b>0</b>	<b>0</b>
Acquisitions	99,135	2,336	616,704	437,254	34,785,767	48,635	<b>35,989,831</b>
Activations	2,301,890	38,071,570	16,882,245	3,928,540	-61,184,245	0	<b>0</b>
Disposals	-91,342	-180,108	-715,375	-766,152	-118,169	-250,404	<b>-2,121,550</b>
Transfers, reclassifications	0	0	7,022	39,053	-34,371	0	<b>11,704</b>
Exchange rate differences	0	0	-4,700	388	6	0	<b>-4,306</b>
<b>31 December 2023</b>	<b>27,152,833</b>	<b>543,913,210</b>	<b>1,220,877,082</b>	<b>61,638,075</b>	<b>69,163,446</b>	<b>1,517,511</b>	<b>1,924,262,157</b>
<b>IMPAIRMENT LOSSES AND WRITE-DOWNS</b>							
<b>31 December 2022</b>	<b>0</b>	<b>259,763,109</b>	<b>861,032,628</b>	<b>48,246,202</b>	<b>0</b>	<b>0</b>	<b>1,169,041,939</b>
<b>1 January 2023</b>	<b>0</b>	<b>0</b>	<b>328,002</b>	<b>-328,002</b>	<b>0</b>	<b>0</b>	<b>0</b>
Depreciation	0	9,474,290	41,417,556	3,280,477	0	0	<b>54,172,323</b>
Disposals	0	-101,987	-310,009	-722,509	0	0	<b>-1,134,505</b>
Transfers, reclassifications	0	0	-111,492	39,070	0	0	<b>-72,422</b>
Exchange rate differences	0	0	986	168	0	0	<b>1,154</b>
<b>31 December 2023</b>	<b>0</b>	<b>269,135,412</b>	<b>902,357,671</b>	<b>50,515,406</b>	<b>0</b>	<b>0</b>	<b>1,222,008,489</b>
<b>CARRYING AMOUNT</b>							
<b>31 December 2022</b>	<b>24,843,150</b>	<b>246,256,303</b>	<b>329,933,593</b>	<b>22,877,755</b>	<b>95,714,458</b>	<b>1,719,280</b>	<b>721,344,539</b>
<b>31 December 2023</b>	<b>27,152,833</b>	<b>274,777,798</b>	<b>318,519,411</b>	<b>11,122,669</b>	<b>69,163,446</b>	<b>1,517,511</b>	<b>702,253,668</b>

Property, plant and equipment comprise land and buildings as business premises in which the GEN Group operates and that are owned by the group, as well as equipment that is used exclusively for the operations of the group.

Acquisitions in 2024 relate primarily to investments in new acquisitions and technological upgrades to production systems, and the implementation of safety upgrade programmes that ensure the safe and stable functioning of the GEN Group's production units.

The land of a GEN Group subsidiary, valued at EUR 2,023,484, was expropriated in 2024 based on a decision on the expropriation of water land issued by the Slovenian Water Agency. Based on the aforementioned decision, it was determined that the land no longer met the conditions for recognition. Because the subsidiary included the land in question in its own assets in a past ownership transformation process, the effect of the expropriation of the land in 2024 was recognised as a decrease in capital items (Disclosures can also be found in Note 16).

While checking for signs of asset impairment, the group found that such indicators do not exist and that the carrying amounts of items of property, plant and equipment do not exceed their fair value and value in the use.

Assets are unencumbered and not subject to finance lease. Commitments for the acquisition of property, plant and equipment based on valid purchase agreements amounted to EUR 9,479,260 at the end of the reporting period (EUR 4,082,152 at the end of the comparable reporting period).



Investment property (Note 3)

Investment property in 2024 (in EUR)	31 December 2023	Depreciation	31 December 2024
Historical cost	2,056,115	0	2,056,115
Impairments and write-downs	413,147	66,103	479,250
Present value	1,642,968	-66,103	1,576,865

Investment property in 2023 (in EUR)	31 December 2022	Depreciation	31 December 2023
Historical cost	2,056,115	0	2,056,115
Impairments and write-downs	347,043	66,104	413,147
Present value	1,709,072	-66,104	1,642,968

In 2018, GEN-I Sofia Electricity Trading and Sales acquired additional investment property in Bulgaria in bankruptcy proceedings against a Bulgarian electricity supplier. That property is leased out. The carrying amount of investment property does

not exceed its fair value, which amounted to EUR 5,864,123. There was thus no need for impairment. The valuation was carried out by an external certified real estate appraiser, who issued a valuation report on 9 December 2024.





## Right-of-use assets (leases) (Note 4)

Right-of-use assets (in EUR)	Lease of buildings	Lease of equipment	Lease of intangible assets	Total
<b>HISTORICAL COST</b>				
<b>31 December 2023</b>	<b>11,006,519</b>	<b>228,679</b>	<b>191,142</b>	<b>11,426,340</b>
Acquisitions	7,024,632	157,589	0	7,182,221
Disposals	-1,107,423	0	-191,142	-1,298,565
Transfers, reclassifications	60,490	0	0	60,490
<b>31 December 2024</b>	<b>16,984,218</b>	<b>386,268</b>	<b>0</b>	<b>17,370,486</b>
<b>IMPAIRMENT LOSSES AND WRITE-DOWNS</b>				
<b>31 December 2023</b>	<b>5,367,282</b>	<b>228,679</b>	<b>138,700</b>	<b>5,734,661</b>
Depreciation	2,114,647	16,751	52,442	2,183,840
Disposals	-661,081	0	-191,142	-852,223
Revaluation	60,490	0	0	60,490
<b>31 December 2024</b>	<b>6,881,338</b>	<b>245,430</b>	<b>0</b>	<b>7,126,768</b>
<b>CARRYING AMOUNT</b>				
<b>31 December 2023</b>	<b>5,639,237</b>	<b>0</b>	<b>52,442</b>	<b>5,691,679</b>
<b>31 December 2024</b>	<b>10,102,880</b>	<b>140,838</b>	<b>0</b>	<b>10,243,718</b>
<b>HISTORICAL COST</b>				
<b>31 December 2022</b>	<b>6,278,085</b>	<b>630,154</b>	<b>184,015</b>	<b>7,092,254</b>
<b>1 January 2023</b>	<b>-177,895</b>	<b>-323,035</b>	<b>10,824</b>	<b>-490,106</b>
Acquisitions	4,978,440	0	0	4,978,440
Disposals	0	-78,440	-3,697	-82,137
Transfers, reclassifications	7,375	0	0	7,375
Revaluation	-79,486	0	0	-79,486
<b>31 December 2023</b>	<b>11,006,519</b>	<b>228,679</b>	<b>191,142</b>	<b>11,426,340</b>
<b>IMPAIRMENT LOSSES AND WRITE-DOWNS</b>				
<b>31 December 2022</b>	<b>3,722,232</b>	<b>630,154</b>	<b>64,946</b>	<b>4,417,332</b>
<b>1 January 2023</b>	<b>-177,896</b>	<b>-323,035</b>	<b>10,824</b>	<b>-490,107</b>
Depreciation	1,830,509	0	62,930	1,893,439
Disposals	0	-78,440	0	-78,440
Revaluation	-7,563	0	0	-7,563
<b>31 December 2023</b>	<b>5,367,282</b>	<b>228,679</b>	<b>138,700</b>	<b>5,734,661</b>
<b>CARRYING AMOUNT</b>				
<b>31 December 2022</b>	<b>2,555,853</b>	<b>0</b>	<b>119,069</b>	<b>2,674,922</b>
<b>31 December 2023</b>	<b>5,639,237</b>	<b>0</b>	<b>52,442</b>	<b>5,691,679</b>

The group has business premises under lease in Ljubljana, Krško, Celje, Maribor, Belgrade, Zagreb and Sofia, as well as warehouse space in Celje, which it has capitalised in accordance with IFRS 16. It also has vehicles and other equipment under lease.

The lease terms vary from 2 to 10 years. Payments of the lessee's obligations under the lease of assets

are not secured. Lease payments are contractually defined and fixed, but are adjusted annually with growth in the consumer price index (*see also disclosures in Note 25*).

Depreciation costs are calculated using depreciation rates estimated based on the remainder of the lease term (*see also disclosures in Note 29*).

## Shares and participating interests in associates (Note 5)

Shares and participating interests in associates (in EUR)	31 December 2024	31 December 2023
SRESA d.o.o.	14,036	15,476
<b>Total</b>	<b>14,036</b>	<b>15,476</b>

In accordance with the equity method, the GEN Group reduced its investment in an associate for the corresponding share of losses generated in 2024 in the amount of EUR 1,440.

## Other non-current financial assets and loans (Note 6)

Other non-current financial assets and loans in 2024 (in EUR)	31 December 2023	Acquisition	"Disposal/ transfer"	Revaluation	31 December 2024
<b>Equity instruments</b>	<b>3,598,924</b>	<b>34,500</b>	<b>0</b>	<b>549,584</b>	<b>4,183,008</b>
Zavarovalnica Triglav d.d.	3,288,033	0	0	549,584	3,837,617
Other equity instruments	310,891	34,500	0	0	345,391
<b>Other non-current financial assets</b>	<b>355,085</b>	<b>3,594,988</b>	<b>-510,557</b>	<b>48</b>	<b>3,439,564</b>
Zavarovalnica Triglav d.d. – life insurance	353,170	32,627	0	0	385,797
Loans to employees	1,915	0	0	48	1,963
Loans to other legal entities	0	3,510,557	-510,557	0	3,000,000
Investment in the acquisition of GEK	0	51,804	0	0	51,804
<b>Total</b>	<b>3,954,009</b>	<b>3,629,488</b>	<b>-510,557</b>	<b>549,632</b>	<b>7,622,572</b>

Other non-current financial assets and loans in 2023 (in EUR)	31 December 2022	Acquisition	"Disposal/ transfer"	Revaluation	31 December 2023
<b>Equity instruments</b>	<b>3,579,973</b>	<b>0</b>	<b>0</b>	<b>18,951</b>	<b>3,598,924</b>
Zavarovalnica Triglav d.d.	3,269,082	0	0	18,951	3,288,033
Other equity instruments	310,891	0	0	0	310,891
<b>Other non-current financial assets</b>	<b>349,418</b>	<b>14,142,866</b>	<b>-14,137,199</b>	<b>0</b>	<b>355,085</b>
Zavarovalnica Triglav d.d. – life insurance	346,903	6,267	0	0	353,170
Loans to employees	2,515	172	-772	0	1,915
Loans to other legal entities	0	14,136,427	-14,136,427	0	0
<b>Total</b>	<b>3,929,391</b>	<b>14,142,866</b>	<b>-14,137,199</b>	<b>18,951</b>	<b>3,954,009</b>

Equity instruments comprise investments in shares and participating interests in companies. They are measured at fair value through other comprehensive income.

Loans to other legal entities comprise long-term deposits placed at Slovenian banks, which are assessed to be low-risk given the diversification of investments and the continuous monitoring of market conditions.

## Non-current operating receivables (Note 7)

Non-current operating receivables (in EUR)	31 December 2024	31 December 2023
Trade receivables	36,675,554	40,595,339
Receivables for contribution for building land	162,300	213,138
<b>Total</b>	<b>36,837,854</b>	<b>40,808,477</b>

Trade receivables primarily comprise receivables from the sale of small solar power plants by the subsidiary GEN-I Sonce. They are payable over a period of one to seven years under valid agreements with the possibility of instalment payments. Receivables for building land comprise receivables arising from the repayment of the overpaid contribution for the building land of the Municipality of Radeče.

## Deferred taxes (Note 8)

Deferred tax assets in 2024 (in EUR)	31 December 2023	Disclosed in profit or loss	Disclosed in other comprehensive income	31 December 2024
Intangible assets, and property, plant and equipment	178,933	-9,121	0	169,812
Operating receivables	334,880	-48,117	0	286,763
Provisions for long-service bonuses and severance payments	341,133	101,099	-89,675	352,557
Unused tax relief	8,365	-8,365	0	0
Unused tax losses	607,027	69,123	0	676,150
<b>Total</b>	<b>1,470,338</b>	<b>104,619</b>	<b>-89,675</b>	<b>1,485,282</b>

Deferred taxes are accounted for based on uncertainty in connection with the timing of receivables and are calculated applying a tax rate that will be applicable when the majority of the liabilities is ex-

pected to be paid and deferred tax assets settled as a result. Deferred tax assets that affect operating results are recognised in the income statement.

Deferred tax liabilities in 2024 (in EUR)	31 December 2023	Disclosed in profit or loss	Disclosed in other comprehensive income	31 December 2024
Undisclosed provisions at time of merger	566,506	103,201	0	669,707
Financial instruments	-61,108	0	316,847	255,739
Financial assets	133,936	0	98,491	232,427
Provisions for onerous contracts	10,415,387	879,376	0	11,294,763
<b>Total</b>	<b>11,054,721</b>	<b>982,577</b>	<b>415,338</b>	<b>12,452,636</b>

Non-current deferred tax liabilities arising from provisions for onerous contracts are the result of the transition to the IFRS in 2016 due to the reversal of provisions from the NEK's onerous contracts because the NEK is recognised in the consolidated financial statements as a joint arrangement in the form of a joint operation vis-à-vis GEN.

The calculation of deferred taxes uses a tax rate that will be applicable when the majority of the liabilities or assets is expected to be paid and deferred tax assets or liabilities settled as a result.

Due to incompatibility, deferred tax assets and deferred tax liabilities are not offset.

## Inventories (Note 9)

Inventories (in EUR)	31 December 2024	31 December 2023
Fuels used in production	25,964,572	26,726,947
Spare parts	12,347,258	13,851,523
Inventory of natural gas in gas storage facility	5,174,942	6,430,687
Other materials	11,345,331	20,877,422
Advances for inventories	573,297	690,077
<b>Total</b>	<b>55,405,399</b>	<b>68,576,655</b>

The majority of inventories as at 31 December 2024 are accounted for by the inventories held by the NEK, which comprised nuclear fuel inventories in the amount of EUR 25,360,513, inventories of spare parts in the amount of EUR 11,693,632 and inventories of other materials in the amount of EUR 3,366,261. Due to certain specifics, it is very difficult to estimate the net realisable value of inventories of spare parts and other materials, as there are only two other similar power plants in operation worldwide that install similar components and spare parts for maintenance purposes. It is therefore assessed that there is no market demand for such inventories and that selling costs would exceed the proceeds of such a sale. The useful value of the inventories of spare parts, particularly those in connection with maintaining safety, is extremely important for ensuring the power plant's safe operation.

Inventories of natural gas held in storage facilities comprise physical quantities of natural gas intended for resale.

The majority of other materials in the amount of EUR 7,810,436 (EUR 18,447,947 at the end of the previous period) relates to materials and work in progress for the manufacture of small solar power plants. The subsidiaries GEN-I Sonce d.o.o., GEN-I Hrvatska

d.o.o. and GEN-I Sunce d.o.o. offer Slovenian and Croatian household customers and small businesses the construction of 'turnkey' micro solar power plants that facilitate energy independence.

The GEN Group created impairment losses on inventories in the following amount in 2024:

- obsolete spare parts in the amount of EUR 1,148,727. These comprise spare parts that did not generate turnover for the needs of the nuclear power plant during the last five years; and
- other materials at the subsidiary GEN-I Sonce d.o.o. in the amount of EUR 1,625,478. Those materials were valued at historical cost. It was determined as at 31 December 2024 that the historical cost of those inventories exceeded their net recoverable value.

(Disclosures can also be found in Note 27.)

There were no significant inventory surpluses or deficits in inventories of materials in 2024. (Disclosures can also be found in Note 27.)

All inventories are disclosed as current assets in accordance with the applicable regulations. Inventories of spare parts and nuclear fuel have a long useful life of 808 days.



Advances primarily relate to inventories of panels for solar power plants.

The carrying amount of inventories is not pledged as collateral for liabilities.

## Current financial assets (Note 10)

Current financial assets (in EUR)	31 December 2024	31 December 2023
<b>Current financial assets, excluding loans</b>	<b>19,875,831</b>	<b>570,728</b>
Derivatives	19,875,831	570,728
<b>Short-term loans</b>	<b>313,884,203</b>	<b>287,405,082</b>
Short-term bank deposits	313,884,203	287,405,082
<b>Total</b>	<b>333,760,034</b>	<b>287,975,810</b>

Current derivatives (in EUR)	31 December 2024	31 December 2023
Derivatives – interest-rate swaps	288,391	570,728
Fair value of commodity contracts	19,587,440	0
<b>Total</b>	<b>19,875,831</b>	<b>570,728</b>

The item ‘**derivatives**’ primarily comprises the fair value of commodity contracts under IFRS 9, which as at 31 December 2024 included a financial asset in the amount of EUR 19,587,439 and a financial li-

ability in the amount of EUR 3,882,192 (in 2023, the latter included a financial liability in the amount of EUR 24,133,812 and was disclosed in financial liabilities). (*Disclosures can also be found in Note 18.*)

Derivatives as at 31 December 2024 (in EUR)	Liabilities	Investments	Total
Derivatives used as hedges against currency risks	33,146	0	-33,146
Derivatives – interest-rate swaps	0	288,392	288,392
Firm commitments recognised for fair value hedges	27,691,225	0	-27,691,225
Fair value of commodity contracts	3,882,192	19,587,439	15,705,247
<b>Total</b>	<b>31,606,563</b>	<b>19,875,831</b>	<b>-11,730,732</b>

The fair value of commodity contracts in the amount of EUR 15,705,247 relates to the following periods and is also adjusted for the assessed credit risk relating to business partners:

- the 2025 financial year in the amount of EUR 14,782,234;
- the 2026 financial year in the amount of EUR 581,344;
- the 2027 financial year in the negative amount of EUR 194,085;
- the 2028 financial year in the amount of EUR 382,632; and
- the 2029 financial year in the amount of EUR 153,124.

Firm commitments recognised for fair value hedges at the end of the reporting period comprised a financial liability in the amount of EUR 27,691,225 (firm commitments comprised a financial liability in the amount of EUR 7,155,328 in 2023). As a result, those firm commitments are included in financial liabilities as at 31 December 2024 (*Disclosures can also be found in Note 18*). They comprise changes in the fair value of physical contracts for purchases and sales of electricity that are hedged

using derivatives (standardised forward contracts) and relate to the following period:

- the 2025 financial year in the negative amount of EUR 11,216,846;
- the 2026 financial year in the negative amount of EUR 6,464,067;
- the 2027 financial year in the negative amount of EUR 5,577,430; and
- the 2028 financial year in the negative amount of EUR -4,432,883.

Major changes over time derive from differences between market and contractual prices, and from higher open positions.

**Short-term deposits placed at banks** are based on agreements signed with financial institutions in Slovenia. The high balance of deposits is the result of an increase in the scope of turnover due to higher prices, and the slower pace of investments in technological and security upgrades and other investment in recent years. These funds are earmarked entirely for investments in technological and security upgrades and for other investments in accordance with the investment plans adopted by GEN Group companies.

## Current operating receivables (Note 11)

Current operating receivables (in EUR)	31 December 2024	31 December 2023
Trade receivables	103,354,949	137,715,223
Other operating receivables	50,108,519	57,186,995
Receivables for interest	499,255	597,441
Other receivables relating to financial effects	64,661	18,320
Operating receivables on behalf of third parties	208,253	176,566
<b>Total</b>	<b>154,235,637</b>	<b>195,694,545</b>

Trade receivables comprise trade receivables from the sale of electricity, natural gas and system services on the basis of concluded annual contracts. As a rule, they are secured by blank bills of exchange with accompanying declarations of surety or by bank guarantees. Certain trade receivables on the wholesale electricity market in Southeast Europe are secured via specialised credit insurers. Receivables were lower in 2024 relative to 2023 on account of lower prices and volumes.

(EUR 50,968,225 as at 31 December 2023) and receivables for advances and security deposits paid by the group for the purchase of electricity, natural gas and cross-border transfer capacities in the amount of EUR 11,952,954 (EUR 5,802,075 as at 31 December 2023).

*Information regarding the group's exposure to credit and market risks, and impairment losses for trade receivables is presented in Note 38.*

Other operating receivables primarily comprise deductible VAT in the amount of EUR 37,536,354

Receivables are not pledged as collateral.

## Current assets from contracts (Note 12)

Current assets from contracts (in EUR)	31 December 2024	31 December 2023
Accrued revenue	90,230,630	97,405,006
<b>Total</b>	<b>90,230,630</b>	<b>97,405,006</b>

Current assets from contracts primarily comprise accrued revenue for electricity and natural gas sold for 2024, which will be invoiced to customers in 2025 in accordance with contractual provisions.

Expected credit losses are calculated for assets from contracts with customers. *(In connection with Note 38 Credit risks)*

## Corporate income tax assets and liabilities (Note 13)

Corporate income tax assets and liabilities (in EUR)	31 December 2024	31 December 2023
Receivables for corporate income tax	5,851,512	5,371,413
Liabilities for corporate income tax	7,764,548	36,474,204

Current corporate income tax assets and liabilities comprise receivables for over-paid corporate in-

come tax and liabilities for corporate income tax based on the tax return for the 2024 financial year.

## Cash and cash equivalents (Note 14)

Cash and cash equivalents (in EUR)	31 December 2024	31 December 2023
Cash on account	155,475,627	178,306,249
Call deposits	25,748,806	3,514,744
Cash on hand	744	755
<b>Total</b>	<b>181,225,177</b>	<b>181,821,748</b>

## Other current assets (Note 15)

Other current assets (in EUR)	31 December 2024	31 December 2023
Current deferred costs and expenses	11,186,043	8,124,417
Current accrued revenue vis-à-vis others	94,878	739
<b>Total</b>	<b>11,280,921</b>	<b>8,125,156</b>

The majority of current deferred costs and expenses in the amount of EUR 9,558,267 (EUR 6,896,602 in 2023) comprise deferred expenses for the purchase of cross-border transfer capacities,

expenses for the purchase of electricity and natural gas relating to the first quarter of 2025 and VAT on advances received.

## Equity (Note 16)

Structure of equity (in EUR)	31 December 2024	31 December 2023
<b>Equity attributable to owners of the controlling company</b>	<b>1,114,867,094</b>	<b>1,082,101,610</b>
Called-up capital	250,000,000	250,000,000
Share premium	134,682,435	134,682,435
Legal reserves	14,461,355	14,461,355
Other revenue reserves	223,071,303	218,486,952
Fair value reserves	813,705	128,010
Retained earnings	492,752,005	465,373,877
Translation adjustment to equity	-913,709	-1,031,019
<b>Equity attributable to owners of non-controlling interest</b>	<b>146,032,745</b>	<b>144,731,500</b>
<b>Total</b>	<b>1,260,899,839</b>	<b>1,226,833,110</b>

### Called-up capital

The GEN Group's called-up capital, in the amount of EUR 250,000,000, relates entirely to the share capital of the controlling company.

### Share premium

The share premium of the GEN Group comprises:

- the share premium account in the amount of EUR 134,682,435 as at 31 December 2024 (unchanged relative to 31 December 2023), which is accounted for almost entirely by the share premium account of the controlling company arising from share premiums paid to GEN Group companies;
- revenue reserves as at 31 December 2024 in the total amount of EUR 237,532,658 (EUR 232,948,307 as at 31 December 2023), which comprise:

- o the legal reserves of group companies in the amount of EUR 14,461,355, which were unchanged in 2024 (legal reserves were increased by EUR 327,620 from retained earnings during the 2023 reporting period);
- o other revenue reserves in the amount of EUR 223,071,303. Based on decisions made by the bodies of GEN Group companies, other revenue reserves were increased in 2024 due to the reallocation of a portion of profit from the current and previous years in the amount of EUR 4,584,351 (based on similar decisions, other revenue reserves were increased in 2023 due to the reallocation of a portion of profit from the current year in the amount of EUR 44,558,479 and the reallocation of a portion of profit from previous years in the amount of EUR 3,385,150); and

- fair value reserves, which amounted to EUR 813,705 as at 31 December 2024. Fair value reserves in 2024 primarily comprise changes due to the recognition of actuarial gains and losses and the valuation of financial assets at fair value, including deferred taxes. Fair value reserves were increased by a total of EUR 685,695 during the year, compared with a total increase of EUR 1,410,971 in 2023.

### Retained earnings

The GEN Group disclosed retained earnings in the amount of EUR 492,752,005 at the end of the reporting period. Changes relative to the previous reporting period, when retained earnings totalled EUR 465,373,877, were primarily the result of the following:

- net profit generated in 2024 attributable to the owners of the controlling company in the amount of EUR 184,400,596 (EUR 202,864,967 in 2023);
- the payment of profit participation to the owner of the controlling company in the amount of EUR 150,000,000 (profit participation was not paid in 2023);
- the effects of the recognition of a net loss brought forward due to the disposal of land in the amount of EUR 2,032,484 (Disclosure can also be found in Note 2); and
- the effects of changes in equity due to the reallocation of a portion of profit for 2024 and previous years in the amount of EUR 4,584,351 to other revenue reserves under decisions made by the bodies of GEN Group companies (a total

of EUR 48,217,249 was reallocated as follows in 2023: EUR 47,943,629 to other revenue reserves and EUR 327,620 to legal reserves).

Exchange rate differences arising from the translation of the financial statements of foreign subsidiaries are recognised as a translation reserve in other comprehensive income.



Provisions (Note 17)

Provisions in 2024 (in EUR)	31 December 2023	Created	Decreases	31 December 2024
Provisions for long-service bonuses, severance payments and other payments to employees	14,799,422	1,422,766	-1,853,834	14,368,354
Provisions for maintenance, decommissioning and disposal of equipment	4,656	0	0	4,656
Other provisions	493,582	0	-169,252	324,330
<b>Total</b>	<b>15,297,660</b>	<b>1,422,766</b>	<b>-2,023,086</b>	<b>14,697,340</b>

The estimate of provisions for long-service bonuses, severance payments and other payments to employees is made based on an actuarial calculation taking into account the following assumptions:

a discount rate of 3.5% and wage growth of up to 6% (2023: a discount rate of 4.1% and wage growth of up to 4%).



Financial liabilities (Note 18)

Non-current financial liabilities (in EUR)	31 December 2024	31 December 2023
Non-current financial liabilities to banks	32,441,219	39,727,135
Non-current financial liabilities from bonds	50,000,000	0
<b>Total</b>	<b>82,441,219</b>	<b>39,727,135</b>

Current financial liabilities (in EUR)	31 December 2024	31 December 2023
Current financial liabilities to banks	7,309,890	7,631,774
Current financial liabilities from bonds	1,780,822	2,800,000
Commercial paper issued	0	49,356,899
Current derivatives	31,606,563	31,287,385
Other current financial liabilities	0	127,284
<b>Total</b>	<b>40,697,275</b>	<b>91,203,342</b>

Liabilities to banks

As at the reporting date, the GEN Group had the following liabilities to banks in the amount of EUR 39,751,109 (EUR 47,358,909 as at 31 December 2023):

- long-term bank loans for the investment in hydroelectric power plants on the lower course of the Sava River in the amount of EUR 19,886,219 as at the balance-sheet date (EUR 25,079,635 as at 31 December 2023). Long-term loans fall due for payment in 2029, are secured by bills of exchange and bear interest rates tied to the 6-month EURIBOR. Liabilities for interest are settled semi-annually and were recognised in other current liabilities as accrued expenses. Principal in the amount of EUR 5,217,391 was repaid in 2024, while liabilities for the repayment of principal in 2025 in the total amount of EUR

5,217,391 were transferred to current financial liabilities to banks;

- a long-term loan for financing investments from the NEK Safety Upgrade Programme in the amount of EUR 12,555,000 (EUR 14,647,500 as at 31 December 2023), raised at a foreign commercial bank. Final repayment falls due in 2031. Principal bears a fixed interest rate and is not disclosed because it is deemed a trade secret. Principal in the amount of EUR 2,092,500 was repaid in 2024, while liabilities for the repayment of principal in 2025 in the total amount of EUR 2,092,500 were transferred to current financial liabilities; and
- the transfer of the current portion of non-current financial liabilities to banks from the first and second indents of this paragraph, which bear fixed interest rates valid on the banking market.

## Maturity of non-current financial liabilities

Maturity of non-current financial liabilities as at 31 December 2024 (in EUR)	for bonds	for investments in HPPs on the lower course of the Sava River	for financing investments from the NEK Safety Upgrade Programme
from 1 to 3 years	37,500,000	10,349,448	6,277,500
from 3 to 5 years	12,500,000	9,536,772	4,185,000
more than 5 years	0	0	2,092,500
<b>Total</b>	<b>50,000,000</b>	<b>19,886,219</b>	<b>12,555,000</b>

### Liabilities based on bonds

At the end of the reporting period, liabilities based on bonds included financial liabilities arising from bonds issued by a subsidiary in the amount of EUR 51,780,822 (EUR 2,800,000 as at 31 December 2023). The bonds, which were issued in 2024 and mature in 2029, are listed on the organised market of the Ljubljana Stock Exchange. The interest rate on the bonds is 5.2%.

### Commercial paper issued and maturing bonds

A subsidiary repaid current financial liabilities arising from commercial paper in the amount of EUR 50,000,000 during the financial year. Also repaid was principal on issued bonds in the amount of EUR 2,800,000, which matured in 2024.

Interest expenses for short-term and revolving loans from commercial banks, commercial pa-

per, bonds, finance leases and default interest amounted to EUR 2,905,777 during the 2024 financial year (EUR 3,578,547 in 2023), while interest on long-term loans from commercial banks amounted to EUR 1,570,674 (EUR 1,637,360 in 2023).

### Current derivatives

Current derivatives relate to firm commitments recognised for fair value hedges and comprised a financial liability in the amount of EUR 27,691,226 at the end of the reporting period (firm commitments for fair value hedges comprised a financial liability in the amount of EUR 7,155,328 in 2023, together with liabilities in connection with the fair value of commodity contracts in the amount of EUR 24,133,812 and currency risks in the negative amount of EUR 1,755). *(Disclosures can also be found in Note 10.)*

## Lease liabilities (Note 19)

Lease liabilities (in EUR)	31 December 2024	31 December 2023
Non-current lease liabilities	7,175,125	4,247,395
Current lease liabilities	2,141,038	1,528,468
<b>Total</b>	<b>9,316,163</b>	<b>5,775,863</b>

The group's lease liabilities comprise liabilities based on contracts for leased assets whose value was calculated in accordance with IFRS 16. Information

regarding leased assets is presented in Note 3 and Note 39 (*Liquidity risks*).

Changes in lease liabilities (in EUR)	2024	2023
Balance as at 1 January	5,775,863	2,103,352
Increase	7,704,778	5,518,972
Indeksacija	65,725	128,294
Interest	427,976	204,358
Lease payments	-3,491,413	-2,015,389
Adjustments	21,190	4,913
Termination	-1,187,956	-168,637
<b>Balance as at 31 December</b>	<b>9,316,163</b>	<b>5,775,863</b>

Lease liabilities by maturity (in EUR)	2024
maturity in 2025	2,123,034
maturity in 2026	2,454,150
maturity in 2027	1,261,720
maturity in 2028	638,248
maturity in 2029 or later	2,839,011
<b>Total</b>	<b>9,316,163</b>

Other non-current liabilities (Note 20)

Other non-current liabilities (in EUR)	31 December 2024	31 December 2023
State aid	972,357	901,220
Non-current deferred revenue, and other accruals and deferrals	1,135,193	1,066,092
<b>Total</b>	<b>2,107,550</b>	<b>1,967,312</b>

Government grants and state aid primarily comprise funding received in connection with the purchase of fixed assets by group companies, while non-current deferred revenue primarily relates to

fixed assets received free-of-charge and grants received for equipment by the group's production companies.

Operating liabilities (Note 21)

Operating liabilities (in EUR)	31 December 2024	31 December 2023
Non-current operating liabilities	160,377	147,200
Current trade payables	101,163,759	128,903,600
Current liabilities to employees	20,315,687	16,154,256
Other current liabilities to the state	13,970,645	16,154,084
Other current operating liabilities	4,085,704	4,409,014
<b>Total</b>	<b>139,696,172</b>	<b>165,768,154</b>

Short-term operating liabilities relate to unpaid liabilities to suppliers for goods, services and materials, for working purposes and investments in fixed assets.

Current liabilities to employees comprise December wages, bonuses and other employment earnings.

Other current operating liabilities comprise liabilities to state and other institutions, and primarily include liabilities for VAT, excise duty liabilities, liabilities for contributions for December wages and for taxes and contributions on other employment earnings payable by the employer, and taxes on CO<sub>2</sub> emissions.

Liabilities from contracts (Note 22)

Liabilities from contracts (in EUR)	31 December 2024	31 December 2023
Non-current operating liabilities from advances	25,378	61,236
Current operating liabilities for advances	4,635,035	7,298,161
<b>Total</b>	<b>4,660,413</b>	<b>7,359,397</b>

Liabilities based on advances relate to advances received for electricity and natural gas sales to

domestic and foreign entities, and to advances received for the set-up of solar power plants.

Other current liabilities (Note 23)

Other current liabilities (in EUR)	31 December 2024	31 December 2023
Accrued costs and expenses	75,640,786	57,348,446
Current deferred revenue	532,707	239,301
Other deferrals and accruals	720	229,422
<b>Total</b>	<b>76,174,213</b>	<b>57,817,169</b>

Accrued costs and expenses primarily relate to purchases of electricity and natural gas that were taken into account in the compilation of the financial statements based on agreements with business partners from 2024, but for which the related invoices were not received by the time the annual report was prepared, and accruals created

in 2023 in the amount of EUR 32,740,845 for a potential additional levy due to regulatory measures introduced in Southeast Europe for electricity and natural gas traders in connection with measures to ensure reliable supply for end-customers on the electricity and natural gas markets.



## Contingent assets and liabilities (Note 24)

Contingent assets and liabilities (in EUR)	31 December 2024	31 December 2023
Bank guarantees issued as collateral for payment	147,222,954	151,391,903
Bank guarantees issued as performance bonds	9,025,487	4,914,562
Sureties given	18,650,000	13,000,000
Loss generated in previous years by subsidiary	76,536,759	76,536,759
Inventories of the Agency of the Republic of Slovenia for Commodity Reserves	15,376,689	15,661,013
Blanket credit lines	138,053,225	98,053,412
Bank guarantees received as performance bonds	5,729,059	7,030,616
Bank guarantees received as collateral for payment	6,246,141	11,959,022
Sureties received	23,907,472	12,607,472
Other forms of payment collateral given and received – bills of exchange	32,246,916	31,800,080
Other	113,800	113,800
<b>Total</b>	<b>473,108,502</b>	<b>423,068,639</b>

Contingent liabilities comprise liabilities from bank guarantees that were issued to various beneficiaries at the request of GEN Group companies. They may include performance bonds, bid bonds and guarantees issued by banks for the timely payment of goods and services.

The losses from previous years recorded by a subsidiary of the GEN Group comprise unused tax losses that were not recognised under deferred tax assets because there is no firm evidence that the aforementioned subsidiary will generate taxable profits in the future.

Contingent assets comprise assets from guarantees, sureties and other contingent assets re-

ceived in the form of guarantees for timely and reliable payment, and performance bonds.

Inventories of the Agency of the Republic of Slovenia for Commodity Reserves comprise inventories of extra light fuel oil (ELFO) and diesel fuel, stored in accordance with the provisions of the contract with the aforementioned agency. Those inventories are valued at the last known retail price.

Issued and received guarantees as at 31 December 2024 comprised collateral for timely and reliable payment, and performance bonds.



## Revenue (Note 25)

Sales revenue by type (in EUR)	2024	2023
Revenue from the sale of goods and materials	1,991,730,914	2,832,688,116
Revenue from the sale of services	118,742,614	130,830,019
Rental income	342,255	313,480
<b>Total</b>	<b>2,110,815,783</b>	<b>2,963,831,615</b>

Sales revenue comprises revenue from contracts with customers and, in terms of revenue from the sale of goods and materials, primarily comprises revenue from energy trading, revenue from the sale of electricity and natural gas to end-customers, and revenue from the sale of energy technologies. In terms of sales of services, revenue relates to electricity-related services, services in connection with the sale of cross-border transmission capacities and services in connection with the manufacture of small solar power plants.

The group recognises revenue from trading, the supply of energy products, production and storage in phases. In such contracts, the group transfers control gradually, while the buyer obtains and uses the benefits that derive from the fulfilment of the group's obligation as seller when that obligation is being fulfilled. The group thus fulfils its performance obligation and recognises revenue gradually by measuring progress towards the complete fulfilment of the performance obligation to supply

energy products. The output method, i.e. according to charged amounts that are based on supplied quantities of electricity or natural gas, is thus used to measure revenue.

Performance obligations in connection with services are fulfilled gradually according to the output method. The group recognises revenue monthly in an amount that corresponds directly to the part of an obligation fulfilled at a given moment.

With respect to the sale of small solar power plants, performance obligations are fulfilled at a given moment, as revenue from the supply of goods or services is recognised at the moment a customer obtains control over goods. The sale of goods is recognised when goods are delivered to a customer, the goods have been accepted by the customer and the recoverability of the related claims is reasonably assured. From the time of sale, the group no longer has control over the goods sold.

Sales revenue by market (in EUR)	2024	2023
Revenue on the domestic market	691,709,473	1,162,899,237
Revenue on the EU market	1,100,113,293	1,392,716,175
Revenue on markets outside the EU	318,993,017	408,216,203
<b>Total</b>	<b>2,110,815,783</b>	<b>2,963,831,615</b>

## Other operating revenue (Note 26)

Other operating revenue (in EUR)	2024	2023
Other recurring operating revenue/revenues	10,095,913	0
Change in value of inventories of products and work in progress	-2,607,384	-4,054,517
Capitalised own products and services	108,182	119,388
Reversal of non-current provisions	508,844	89,958
Revaluation operating revenue	137,097	131,881
Other operating revenue	8,104,400	4,912,209
<i>- of which: revenue in the form of state aid due to the COVID-19 epidemic</i>	0	6,746
<b>Total</b>	<b>16,347,052</b>	<b>1,198,919</b>

The difference between other recurring operating revenue/expenses in 2024 and 2023 is presented below:

Material items of other recurring operating revenue/expenses (in EUR)	2024	2023
Fair value from commodity contracts	10,603,068	-169,670,176
Fair value from financial contracts	-448,818	96,275,696
Ineffective part of fair value hedges	61,547	3,926,361
Fair value from currency contracts	-119,885	-19,941
<b>Disclosure for the Note 'Other operating revenue'</b>	<b>10,095,912</b>	<b>0</b>
<b>Disclosure for the Note 'Other operating expenses'</b>	<b>0</b>	<b>69,488,060</b>



## Expenses and costs (Note 27)

Expenses and costs (in EUR)	2024	2023
Costs of goods, materials and services	1,686,159,814	2,441,417,413
Labour costs	105,240,864	90,199,135
Amortisation and depreciation	52,709,731	57,820,151
Impairment losses	5,442,953	4,265,702
Other operating expenses	51,231,429	120,276,619
<b>Total</b>	<b>1,900,784,791</b>	<b>2,713,979,020</b>

Costs by type (in EUR)	2024	2023
Historical cost of goods sold and materials sold	1,593,931,066	2,358,088,033
Costs of materials used	30,003,285	22,889,145
Costs of services	62,225,463	60,440,235
- of which costs of lease	1,084,656	2,559,081
<b>Total</b>	<b>1,686,159,814</b>	<b>2,441,417,413</b>

The historical cost of goods sold comprises the purchase price of electricity and natural gas, and associated costs, as well as the historical cost of goods sold for the construction of small solar power plants. Costs were lower relative to 2023 on account of lower prices and volumes.

The costs of materials used primarily comprise the costs of fuel consumed for the production of electricity.

The costs of services primarily comprise the costs of maintaining property, plant and equipment, the costs of intellectual services, the cost of services in the production of products and other costs. The group discloses the costs of short-term leases and low-value leases in lease costs.

Labour costs (in EUR)	2024	2023
Wages and salaries	77,132,010	62,447,218
Social security costs	16,915,178	13,875,093
Other labour costs	11,193,676	13,876,824
<b>Total</b>	<b>105,240,864</b>	<b>90,199,135</b>

The group calculated labour costs in 2024 based on the collective labour agreement for the electricity sector and enterprise agreements in accordance with the job classification system of individual GEN Group companies, and on the basis of the provisions of employment contracts that are not subject to the tariff section of the collective labour agreement. The number of employees by individual GEN Group company and by educational structure is presented in the business report in the section 'Number of employees and educational structure'.

Write-downs (in EUR)	2024	2023
Amortisation of intangible assets	2,387,542	1,688,285
Depreciation of property, plant and equipment	48,072,246	54,172,323
Depreciation of assets under lease	2,183,840	1,893,439
Depreciation of investment property	66,103	66,104
<b>Total amortisation and depreciation</b>	<b>52,709,731</b>	<b>57,820,151</b>
Write-downs of fixed assets	365,661	571,057
Impairment of inventories	2,839,750	2,571,800
Impairment of intangible assets	0	436,404
Impairment of trade receivables and contract assets	2,237,542	686,441
<b>Total impairment losses</b>	<b>5,442,953</b>	<b>4,265,702</b>

The group created additional impairments and expected credit losses in the amount of EUR 2,175,216 in 2024 (EUR 716,333 in 2023), and reversed expected credit losses in the amount of EUR 1,965,076 and wrote-off receivables in the amount of EUR 62,327 (EUR 208,407 in 2023).

Labour costs comprise wages and salaries, including the variable component of remuneration linked to the performance of the group, social security contributions, additional pension insurance and other labour costs.

Other labour costs include allowances for transportation to and from work and meal allowances, annual leave pay, long-service bonuses, and fringe benefits.

Information regarding the age structure and changes in impairment losses on trade and other receivables is presented in Note 38 Credit risks.



Other operating expenses (in EUR)	2024	2023
Environmental protection levies	42,732,607	40,335,334
Levies independent from other types of costs	5,612,157	6,699,248
Other recurring operating revenue/revenues	0	69,488,060
Other operating expenses	2,886,665	3,753,977
<b>Total</b>	<b>51,231,429</b>	<b>120,276,619</b>

Environmental protection levies comprise water treatment levies, compensation for the restricted use of space, and contributions paid to the NEK Fund.

*Other recurring operating revenue is disclosed in Note 26 Other operating revenue.*

## Financial income (Note 28)

Financial income (in EUR)	2024	2023
Financial income from loans to others	10,429,414	4,517,583
Financial income from other operating receivables	3,677,276	2,217,604
Financial income from participating interests in other companies	259,982	281,344
<b>Total</b>	<b>14,366,672</b>	<b>7,016,531</b>

The increase in financial income from loans to others is the result of higher interest rates and the increased scope of loans to others.

## Financial costs (Note 29)

Financial costs (in EUR)	2024	2023
Financial costs for other financial liabilities	643,100	1,993,631
Financial costs for other operating liabilities	418,671	563,882
Financial costs for bonds issued	1,780,822	0
Financial costs for loans from banks	2,748,129	3,611,038
Financial costs for investment interests according to equity method	1,440	1,938
Financial costs for trade payables and bill of exchange liabilities	55,619	63,024
Financial costs for lease liabilities	318,307	93,980
<b>Total</b>	<b>5,966,088</b>	<b>6,327,493</b>

## Costs by functional group (Note 30)

Costs by functional group (in EUR)	2024	2023
Historical cost of goods sold	1,750,401,954	2,517,262,092
Selling costs	57,617,634	100,991,026
General and administrative costs	91,563,531	93,627,047
<b>Total</b>	<b>1,899,583,118</b>	<b>2,711,880,164</b>

Costs were lower relative to 2023 on account of lower prices and volumes. *See also Note 27 Expenses and costs.*

## Taxes (Note 31)

Income tax for the financial year includes current and deferred tax. Current tax is calculated based on the taxable revenue for the relevant business year using tax rates that apply on the reporting date and based on any adjustments of tax payable

for the previous years. The balance-sheet liability method is used to disclose deferred tax assets, taking into account temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the values for tax reporting purposes.

Ratio of tax expenditure to profit or loss for the period (in EUR)	2024	2023
<b>Current tax</b>	<b>47,673,103</b>	<b>40,849,081</b>
Deferred tax	1,271,345	6,576,449
Total income tax	48,944,448	47,425,530
<b>Pre-tax profit or loss</b>	<b>234,778,628</b>	<b>251,740,552</b>
<b>Tax calculated at applicable tax rate</b>	<b>51,651,298</b>	<b>47,830,705</b>
Tax effects of adjustment of revenue to tax-deductible revenue	-1,425,804	-3,932,817
Tax effects of adjustment of expenses to tax-deductible expenses	2,129,862	2,910,638
Tax effects of items that result in correction of tax base	-2,362,027	-4,162,274
Effects of adjustments to original financial statements and group policies, and elimination of transactions	-2,320,226	-1,797,171
<b>Effective tax rate</b>	<b>20.31%</b>	<b>16.23%</b>

Based on calculations performed in the scope of Pillar Two, the group applies safe harbour rules in almost all jurisdictions in which it operates, except Bulgaria and Kosovo. The group's current Pillar Two income tax expense is EUR 8,472.

## Cash flow statement (Note 32)

The cash flow statement is compiled according to the aggregate method in terms of combining relevant shares and eliminating the cash flows generated within the group.

Inflows and outflows in the cash flow statement for 2024 comprise:

- cash flows from operating activities, which include operating revenue and operating expenses, corporate income tax and other taxes, adjusted for changes in net working capital in statement of financial position items; and
- cash flows from investing and financing activities, which include:

Cash flows from investing activities (in EUR)	2024	2023
<b>Inflows from investing activities:</b>	<b>628,116,009</b>	<b>221,279,025</b>
from shares in the profit of others	317,795	281,344
from interest	13,688,608	2,191,694
from the disposal of intangible assets	79,975	46,570
from the disposal of property, plant and equipment	61,167	204,897
from the disposal of financial assets	613,968,464	218,554,520
<b>Outflows from investing activities:</b>	<b>-690,372,129</b>	<b>-460,574,460</b>
for the acquisition of intangible assets	-11,326,538	-7,484,324
for the acquisition of property, plant and equipment	-38,449,577	-34,517,420
for the acquisition of financial assets	-640,596,014	-418,572,716
<b>Net cash flow from investing activities</b>	<b>-62,256,120</b>	<b>-239,295,435</b>

Cash flows from financing activities (in EUR)	2024	2023
<b>Inflows from financing activities:</b>	<b>631,801,409</b>	<b>599,341,267</b>
from increase in financial liabilities	631,801,409	599,341,267
<b>Outflows for financing activities:</b>	<b>-798,630,479</b>	<b>-772,478,696</b>
for interest related to financing activities	-2,818,051	-5,522,556
for the repayment of lease liabilities – interest	-1,067,247	-195,870
for the repayment of financial liabilities	-641,680,596	-765,073,671
for the repayment of lease liabilities – principal	-3,064,585	-1,202,202
for the payment of dividends and other shares in profits	-150,000,000	-484,397
<b>Net cash flow from financing activities</b>	<b>-166,829,070</b>	<b>-173,137,429</b>

The opening and closing balance of cash and cash equivalents includes cash on business accounts

and funds held at commercial banks and available on call.

Disclosures of earnings (Note 33)

Individual groups and remuneration for performance of tasks (in EUR)	2024
Members of senior management – wages and annual leave allowance	2,052,041
Other employees not subject to the tariff section of the collective agreement – wages and annual leave allowance	3,347,896
Members of the Supervisory Board – remuneration for performance of function, session fees and reimbursement of travel expenses	478,239

Disclosures of payments to auditors (Note 34)

Amount spent in connection with auditors (in EUR)	2024	2023
<b>For auditing of annual report</b>	<b>354,500</b>	<b>277,225</b>
Deloitte	342,275	265,000
BDO	12,225	12,225
<b>For other auditing services</b>	<b>42,142</b>	<b>20,572</b>
Deloitte	41,557	19,987
BDO	585	585
<b>Total</b>	<b>396,642</b>	<b>297,797</b>





IAS 24 Related Party Disclosures (Note 35)

The controlling company GEN is under the 100% ownership of the Republic of Slovenia. Profit participation in the amount of EUR 150,000,000 was paid in 2024.

Related parties include GEN Group companies and companies that the Slovenian government controls or over which it has a significant influence.

Presented below are material transactions with related parties that involve:

- transactions with companies under the direct or indirect ownership of the Republic of Slovenia, which directly or indirectly holds a participating interest of 50% or more; and
- transactions where revenue and expenses/costs exceeded EUR 500,000 in 2024.

IAS 24 Related Party Disclosures (in EUR)	Open receivables as at 31 December 2024	Open liabilities as at 31 December 2024	Revenue in 2024	Expenses/costs in 2024
Energy companies				
BORZEN, ORGANIZATOR TRGA Z ELEKTRIČNO ENERGIJO D,O,O,	745,490	2,129,167	21,094,290	19,477,938
BSP – regional energy exchange	0	9,621	3,470,876	31,235,254
ELEKTRO LJUBLJANA OVE d,o,o,	0	0	0	1,711,937
Elektro Maribor Energija plus d,o,o,	1,011,655	0	9,875,207	0
ELES d,o,o,	7,014,488	16,057,634	38,280,782	116,289,838
GORENJSKE ELEKTRARNE d,o,o,	81,444	3,330	257,669	3,291,828
HOLDING SLOVENSKE ELEKTRARNE D,O,O,	6,675,403	7,841,820	48,397,237	66,682,809
PLINOVODI d,o,o,	0	204,700	658,802	1,946,126
SODO D,O,O,	0	18	0	1,893,835
Banks and insurance companies				
ZAVAROVALNICA TRIGLAV D,D,	0	86,595	0	1,042,389
SID – SLOVENSKA IZVOZNA IN RAZVOJNA BANKA D,D,	0	7,826,087	0	153,315
Other				
EPPS d,o,o,	0	396,415	0	2,406,083
POŠTA SLOVENIJE d,o,o,	105	107,477	1,032	672,180
KAPITALSKA DRUŽBA POKOJNINSKEGA IN INVALIDSKEGA ZAVAROVANJA, d,d,	0	69,180	0	726,251
SKLAD NEK	0	3,131,504	0	33,307,485

## Fair value (Note 36)

In accordance with the group's accounting policies, the measurement of the fair value of both financial and non-financial assets and liabilities is necessary in several instances. The group defined the fair values of individual groups of assets for measurement and accounting purposes based on the methods described below. Where additional clarifications regarding the assumptions used to determine fair value are necessary, they are given in the breakdown of the group's individual assets or liabilities.

### Property, plant and equipment

The fair value of property, plant and equipment from business combinations is equal to their market value. The market value of property is equal to the estimated value for which property, having been appropriately advertised, could be exchanged on the valuation date between knowledgeable and willing parties in an arm's length transaction. The market value of plant, equipment and small inventory is based on the quoted market price of similar objects.

### Intangible assets

The fair value of patents and trademarks acquired through business combinations is based on the discounted estimated future value of royalties whose payment will not be necessary thanks to the ownership of the patent or trademark. The fair value of customer relationships obtained through business combinations is determined based on a special multi-period excess earnings method, while the value of individual assets is determined

after the fair return from all assets that contribute to the cash flow is deducted.

### Operating and other receivables

The fair value of operating and other receivables is calculated as the present value of future cash flows, discounted using the market interest rate at the end of the reporting period.

### Derivatives

The fair value of derivatives is defined as the difference between the contractual value of a derivative and the market value thereof at the end of the reporting period.

### Non-derivative financial liabilities

Fair value for reporting purposes is calculated based on the present value of future principal and interest payments, discounted at the market interest rate at the end of the reporting period. The market interest rate for finance leases is determined by comparing such leases with similar lease contracts.

### Classification and fair value of assets and liabilities

The value of the derivatives relates to financially and physically settled forward transactions, FOREX transactions and other derivatives connected with trading.

Financially and physically settled exchange transactions are valued based on the relevant quoted exchange prices. Settlement prices from the rel-

evant exchanges for related products are used for valuation. FOREX transactions are valued based on the relevant FX rate (official middle exchange rate or forward exchange rate). Official middle exchange rates or forward exchange rates are used for valuation. Data regarding official middle exchange rates are obtained from the relevant central banks, while forward exchange rates are determined based on market data. These assets and liabilities are classified to Level 1 of the fair value hierarchy.

Other physically settled forward transactions that do not meet own-use exemption conditions are valued based on the relevant forward price curves. Cross-border transfer capacities are valued based on the relevant differences between forward prices curves. These assets and liabilities are classified to Level 2 of the fair value hierarchy.

Financial assets at FVTPL are equity instruments that are not listed on the stock exchange and that the group intends to hold on to in the long term. As an appropriate assessment of the fair value of equity instruments not listed on the stock exchange, the group uses the purchase cost.

The fair value of other short-term assets and liabilities is practically the same as their book value. The fair value of non-current assets and liabilities is roughly equal to their amortised cost. These assets and liabilities are classified to Level 3 of the fair value hierarchy.

Fair value of assets

Fair value of assets (in EUR)	31 December 2024					31 December 2023				
	Level 1	Level 2	Level 3	Total fair value	Total carrying amount	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
Assets measured at fair value										
Derivatives	1,708,882	18,166,949	0	19,875,831	19,875,831	0	570,728	0	570,728	570,728
Financial assets measured at fair value through profit or loss	0	0	50,000	50,000	50,000	0	0	50,000	50,000	50,000
Financial assets measured at fair value through comprehensive income	0	0	4,184,814	4,184,814	4,184,814	0	0	3,548,925	3,548,925	3,548,925
Total	1,708,882	18,166,949	4,234,814	24,110,645	24,110,645	0	570,728	3,598,925	4,169,653	4,169,653
Financial assets measured at amortised cost										
Non-current financial assets	0	0	385,796	385,796	385,796	0	0	353,169	353,169	353,169
Long-term deposits	0	0	3,001,962	3,001,962	3,001,962	0	0	1,915	1,915	1,915
Short-term deposits	0	3,320,391	310,563,812	313,884,203	313,884,203	0	220,896	287,184,186	287,405,082	287,405,082
Trade receivables	0	0	140,030,503	140,030,503	140,030,503	0	0	178,310,562	178,310,562	178,310,562
Assets from contracts	0	0	90,230,630	90,230,630	90,230,630	0	0	97,405,006	97,405,006	97,405,006
Cash and cash equivalents	0	141,905,013	39,320,164	181,225,177	181,225,177	0	123,922,751	57,898,997	181,821,748	181,821,748
Total	0	145,225,404	583,532,867	728,758,271	728,758,271	0	124,143,647	621,153,835	745,297,482	745,297,482



Fair value of liabilities

Fair value of liabilities (in EUR)	31 December 2024					31 December 2023				
	Level 1	Level 2	Level 3	Total fair value	Total carrying amount	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
Liabilities measured at fair value										
Derivatives	16,474,380	15,132,183	0	31,606,563	31,606,563	10,907,885	20,379,500	0	31,287,385	31,287,385
Total	16,474,380	15,132,183	0	31,606,563	31,606,563	10,907,885	20,379,500	0	31,287,385	31,287,385
Liabilities measured at amortised cost										
Unsecured bank loans	0	0	39,751,109	39,751,109	39,751,109	0	0	47,358,909	47,358,909	47,358,909
Other financial liabilities	0	0	0	0	0	0	0	49,484,183	49,484,183	49,484,183
Lease liabilities	0	0	9,316,163	9,316,163	9,316,163	0	0	5,775,863	5,775,863	5,775,863
Bonds	0	0	51,780,822	51,780,822	51,780,822	0	0	2,800,000	2,800,000	2,800,000
Liabilities from contracts	0	0	4,660,413	4,660,413	4,660,413	0	0	7,359,397	7,359,397	7,359,397
Trade payables	0	0	101,163,759	101,163,759	101,163,759	0	0	128,903,600	128,903,600	128,903,600
Total	0	0	206,672,266	206,672,266	206,672,266	0	0	241,681,952	241,681,952	241,681,952

Risk management (Note 37)

Senior management is fully responsible for the establishment and oversight of a risk management framework. For the purpose of risk management, the group has in place a risk management department, as well as credit risk and market risk committees that are responsible for developing and monitoring the group’s risk management policies. Through regular reporting, the risk management department briefs senior management on the activities and decisions adopted by both committees.

The group’s risk management policies ensure the identification and analyses of the risks to which the group is exposed, the setting of appropriate risk limits and controls, the monitoring of risks, and compliance with limits. Risk management policies and systems are adapted regularly to reflect changes in market conditions and the Group’s activities. Based on its training and management standards and procedures, the group strives to maintain a disciplined and constructive control environment in which all employees understand their roles and duties.

The group is exposed to the following risks arising from financial instruments:

- credit risk,
- liquidity risk, and
- market risks (currency risk, interest-rate risk and commodity price risk).

Credit risks (Note 38)

Credit risk is the risk of financial loss incurred by the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises primarily from trade receivables for electricity and natural gas, and small power plants.

GEN Group companies use an active approach to managing credit risks and financial exposure to individual business partners. That approach is based on the consistent application of internal by-laws and precisely defined procedures for identifying credit risks and assessing exposure to them, setting exposure limit levels, and the constant monitoring of group companies’ exposure to risks in their dealings with individual business partners. In line with credit risk management rules, the GEN Group’s risk management department analyses the creditworthiness of each new trading partner and large customer that wishes to purchase electricity and natural gas, and assesses the associated risks. This risk assessment serves as the basis for future cooperation, enabling the group to define credit lines to hedge risks and offer the appropri-

Credit risk – trade receivables at carrying amount (in EUR)	2024	2023
Domestic	77,675,858	107,665,349
Euro area countries	18,300,576	17,903,036
Other European countries	5,171,099	27,830,894
Countries of the former Yugoslavia	33,209,770	3,326,465
Other regions	5,673,200	21,584,818
Total	140,030,503	178,310,562

Credit risk – wholesale and retail trade receivables (in EUR)	2024	2023
Wholesale customers	76,457,638	105,582,217
Retail customers	63,572,865	72,728,345
Total	140,030,503	178,310,562

ate payment and delivery conditions with respect to an individual contractual relationship.

In monitoring the current credit risk and daily exposure to credit lines established with individual partners, partners are classified into groups based on their credit rating characteristics, specifically whether it is a single company or a group of companies, trading partners, consumers or retailers, based on their geographic position, industry, age structure of receivables, maturity of receivables, existence of any previous financial problems, and based on the estimated level of risk of breaching contractual obligations. With the aim of minimising and managing risks in connection with business partners’ inability to settle outstanding receivables, the group pays particular attention to

the use of appropriate financial and legal instruments when concluding daily transactions to secure contractual obligations and thus ensure the payment thereof.

Trade receivables on the wholesale electricity and natural gas market are secured by a credit insurer in combination with bank guarantees received as collateral for payment, while receivables from business customers are likewise secured via a credit insurer.

Impairment losses on financial assets and contract assets recognised in profit or loss are presented below.

Maturity of trade receivables (in EUR)	31 December 2024			31 December 2023		
	Prior to impairments and write-downs	Impairments and write-downs	Carrying amount	Prior to impairments and write-downs	Impairments and write-downs	Carrying amount
Not due	114,878,996	-5,734,653	109,144,343	176,388,444	-7,290,528	169,097,916
Past due up to 90 days	15,921,993	-895,340	15,026,653	9,327,828	-1,062,610	8,265,218
Past due from 91 to 180 days	2,449,278	-189,644	2,259,634	1,260,641	-924,020	336,621
Past due from 181 to 365 days	3,502,603	-296,517	3,206,086	386,592	-453,400	-66,808
More than 365 days past due	18,578,455	-8,184,668	10,393,787	7,848,895	-7,171,280	677,615
<b>Total</b>	<b>155,331,325</b>	<b>-15,300,822</b>	<b>140,030,503</b>	<b>195,212,400</b>	<b>-16,901,838</b>	<b>178,310,562</b>

Changes in impairments and write-downs (n EUR)	2024	2023
<b>Opening balance of impairments and write-downs</b>	<b>20,905,852</b>	<b>22,534,622</b>
Creation of impairments and write-downs	2,175,216	1,605,131
Reversal of impairments	-1,965,076	-888,798
Use of impairments and write-downs	-876,050	-2,345,246
Exchange rate differences	-316	143
<b>Closing balance of impairments and write-downs</b>	<b>20,239,626</b>	<b>20,905,852</b>

The closing balance of impairment losses on receivables and financial assets comprises impairment losses on trade receivables in the amount of EUR 8,687,647 (EUR 8,548,703 in 2023), expected credit losses on trade receivables, other receivables and contract assets in the amount of EUR 6,613,174 (EUR 8,353,135 in 2023), and impairment losses on other receivables and financial assets in the amount of EUR 4,938,807 (EUR 4,004,015 in 2023), which relate to impairment losses created by the subsidiary GEN-I Sofia Electricity Trading and Sales and impairment losses on VAT receivables created by GEN-I Istanbul, Ltd. Şti and GEN-I Tirana SHPK.



## Liquidity risks (Note 39)

Liquidity risk is the risk that the group will encounter difficulties meeting its obligations associated with financial liabilities that are settled using cash or other financial means. The group manages liquidity risk by ensuring that it will have sufficient liquidity to settle its liabilities when they are due, under both normal and uncertain conditions, without incurring unacceptable losses or damage to the group's reputation.

Liquidity risk – liabilities in 2024 (in EUR)	Carrying amount	Contractual cash flows	Up to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Unsecured bank loans	39,751,109	39,751,109	3,654,945	3,654,946	7,064,055	21,192,164	4,185,000
Issued bonds	51,780,822	63,000,000	2,600,000	0	2,600,000	57,800,000	0
Lease liabilities	9,316,163	12,228,520	1,672,105	1,669,175	2,265,219	3,247,627	3,374,395
<b>Operating liabilities</b>							
Operating liabilities	101,163,759	101,163,759	101,163,084	0	0	675	0
<b>Derivative financial liabilities</b>							
Other forward exchange contracts:							
Outflows	-31,606,563	-31,606,563	-31,606,563	0	0	0	0
Inflows	19,587,439	19,587,439	19,587,439	0	0	0	0
<b>Total</b>	<b>189,992,729</b>	<b>204,124,264</b>	<b>97,071,010</b>	<b>5,324,121</b>	<b>11,929,273</b>	<b>82,240,466</b>	<b>7,559,395</b>

Liquidity risk – liabilities in 2023 (in EUR)	Carrying amount	Contractual cash flows	Up to 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Unsecured bank loans	47,496,666	48,208,093	4,060,678	3,770,634	7,445,789	22,211,846	10,719,147
Issued bonds	2,800,000	2,844,124	2,844,124	0	0	0	0
Other liabilities	49,346,426	49,952,756	49,952,756	0	0	0	0
Lease liabilities	5,775,863	6,247,378	988,511	779,679	1,550,688	2,612,826	315,675
<b>Operating liabilities</b>							
Operating liabilities	128,903,600	128,903,600	128,775,197	102,286	26,117	0	0
<b>Derivative financial liabilities</b>							
Other forward exchange contracts:							
Outflows	-31,287,385	-31,287,385	-31,287,385	0	0	0	0
Inflows	0	0	0	0	0	0	0
<b>Total</b>	<b>203,035,170</b>	<b>204,868,566</b>	<b>155,333,880</b>	<b>4,652,599</b>	<b>9,022,594</b>	<b>24,824,672</b>	<b>11,034,822</b>

The group's liquidity is managed by GEN Group companies, which carefully and conscientiously monitor and plan short-term solvency on a daily basis, and ensure it by coordinating and planning all cash flows within the group. To that end, risks associated with possible late payments and poor payment discipline, which can hinder the planning of inflows and the group's investment activities, are taken into account to the greatest extent possible.

The group also constantly monitors and optimises short-term surpluses and shortages of monetary assets, both at the level of individual companies and at the group level. A liquidity reserve in the form of credit lines approved by commercial banks, the diversification of financial liabilities, the constant adjustment of the maturities of liabilities and receivables, and the consistent collection of receivables are all factors that facilitate the GEN Group's successful cash-flow management, thus ensuring its purchasing power and reducing the level of short-term solvency risks. Because of the group's active approach to financial markets, its good performance and a stable cash flow from operating activities, liquidity risks are within acceptable limits and entirely manageable.

The group ensures its long-term solvency by preserving and increasing its share capital, and maintaining an appropriate financial balance. The Group achieves this by continuously ensuring an appropriate balance-sheet structure with regard to the maturity of financial liabilities. As part of liquidity

risk management activities, the group intends to further strengthen its long-term and short-term solvency in the coming year and include new subsidiaries in the liquidity monitoring system.

Group companies also manage liquidity risks through well-defined contractual provisions, by regularly and precisely planning cash flows on a daily, monthly and yearly basis, by verifying contractual partners and their solvency, and through the prudent and safe placement of surplus cash. Liquidity risk is further mitigated at the group level:

- through the diversification of financial liabilities;
- through the continuous matching of the maturities of receivables and liabilities;
- by limiting exposure to partners known to be unreliable payers; and
- through the consistent collection of past-due receivables.

Companies are also exposed to risks associated with the management of surplus cash. To manage these risks, the controlling company has in place an investment strategy that serves as the basis for more effective investment risk management. To further manage risks associated with specific trends on the global banking markets, group companies monitor fluctuating trends on the financial markets and adjust to them accordingly.



## Market risks – currency risks (Note 40)

Currency risk as at 31 December 2024 (in EUR)	Total	EUR	USD	GBP	MKD	BAM	GEL	RSD	UAH	HUF	ALL	TRY	BGN	RON	CZK	PLN
Trade receivables	140,030,503	121,242,948	0	0	252,588	6,644,666	0	10,465,328	14,473	0	0	58	46,213	1,283,221	0	81,008
Unsecured bank loans	-39,751,109	-39,751,109	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trade payables	-101,163,759	-86,378,918	-41,019	-64,435	-2,732,261	-11,476,058	-1,052	-104,288	-26,135	-583	-4,257	-187,264	-106,361	-1,031	0	-40,097
Gross exposure in the statement of financial position	-884,365	-4,887,079	-41,019	-64,435	-2,479,673	-4,831,392	-1,052	10,361,040	-11,662	-583	-4,257	-187,206	-60,148	1,282,190	0	40,911
<b>Net exposure of receivables and liabilities</b>	<b>34,864,030</b>	<b>-41,019</b>	<b>-64,435</b>	<b>-64,435</b>	<b>-2,479,673</b>	<b>-4,831,392</b>	<b>-1,052</b>	<b>10,361,040</b>	<b>-11,662</b>	<b>-583</b>	<b>-4,257</b>	<b>-187,206</b>	<b>-60,148</b>	<b>1,282,190</b>	<b>0</b>	<b>40,911</b>

Currency risk as at 31 December 2023 (in EUR)	Total	EUR	USD	GBP	MKD	BAM	GEL	RSD	UAH	HUF	ALL	TRY	BGN	RON	CZK	PLN	PLN
Trade receivables	178,310,562	176,551,269	0	0	131,642	1,162,714	0	10,532	14,985	0	0	9,503	429,917	0	0	0	0
Unsecured bank loans	-47,358,909	-47,358,909	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trade payables	-128,903,600	-121,622,875	-26,905	-38,816	-1,645,027	-4,984,409	-3,521	-179,510	-5,789	-846	-6,554	-34,273	-351,920	-1,707	-1,337	-111	-111
Gross exposure in the statement of financial position	2,048,053	7,569,485	-26,905	-38,816	-1,513,385	-3,821,695	-3,521	-168,978	9,196	-846	-6,554	-24,770	77,997	-1,707	-1,337	-111	-111
<b>Net exposure of receivables and liabilities</b>	<b>54,928,394</b>	<b>-26,905</b>	<b>-38,816</b>	<b>-1,513,385</b>	<b>-3,821,695</b>	<b>-3,521</b>	<b>-168,978</b>	<b>9,196</b>	<b>-846</b>	<b>-6,554</b>	<b>-24,770</b>	<b>77,997</b>	<b>-1,707</b>	<b>-1,337</b>	<b>-111</b>	<b>-111</b>	<b>-111</b>

Within the GEN Group, GEN-I is actively involved in establishing a suitable infrastructure for foreign currency transactions and implementing other currency-hedging mechanisms, including forward contracts and currency clauses, particularly on foreign markets outside the euro area.

The group is especially exposed to currency risks when performing its core activities, i.e. trading and selling electricity and natural gas, and cross-border transfer capacities, and also with regard to loans and participating interests in foreign subsidiaries. Given the scope of its operations, the GEN Group is most exposed to currency risks associated with the North Macedonian denar (MKD) and Serbian dinar (RSD).

The following material exchange rates were applicable in 2024 and 2023:

For EUR 1	31 December 2024	31 December 2023
USD	1.0389	1.1050
GBP	0.8292	0.8691
MKD	61.5860	61.6110
BAM	1.9558	1.9558
GEL	2.9570	2.9546
RSD	116.9600	117.4100
UAH	43.9410	39.9582
HUF	411.3500	382.8000
ALL	98.2690	101.7100
TRY	36.7372	32.6531
BGN	1.9558	1.9558
RON	4.9743	4.9756
PLN	4.2750	4.3395

The group mitigates currency risks by linking the selling prices of goods to the currency used by the sources that finance the purchase of these goods. To a certain extent, the currency risks to which individual subsidiaries are exposed are 'naturally' hedged because a portion of expected inflows is covered by the expected outflows in the same currency. If necessary, the group also uses derivatives and a number of forward currency contracts to hedge against these risks.

The group consistently hedges all major positions in foreign currencies. On markets where forward contracts are not used, hedging is carried out using a currency clause in contracts with partners and customers. As a result, changes in exchange rates cannot have a material effect on the group's results.



Market risks – interest-rate risk  
(Note 41)

Interest-rate risk – carrying amount of financial instruments (in EUR)	31 December 2024	31 December 2023
<strong>Fixed-rate instruments</strong>		
Financial assets	288,392	570,728
Financial liabilities	-51,780,822	-52,569,297
<strong>Variable-rate instruments</strong>		
Financial assets	0	0
Financial liabilities	0	0

The group manages interest-rate risks by constantly assessing exposure and the possible effects of changing reference interest rates (the variable part) on costs from financing activities. To that end, it also monitors its loan portfolio, which could be affected by a change in the relevant interest rates. As part of its risk management activities, the group monitors interest rate fluctuations on the domestic and foreign markets, and on the derivative markets. The purpose of continuous monitoring and analyses is to propose timely protective measures by balancing assets and liabilities in the statement of financial position.

Exposure to the risk of changing interest rates is low, as there is only one loan that bears a variable interest rate tied to the EURIBOR. However, interest rate risk is hedged using a derivative in the form of an interest rate swap, where a fixed interest rate replaces the variable interest rate.

Market risks – risk of changing  
commodity prices and hedge  
accounting (Note 42)

One of the major activities of the GEN Group, carried out within the GEN-I Group, is international trade in electricity and natural gas, the sale of both energy carriers to final customers, and the related purchase of energy carriers from producers.

Due to the nature of its business activities, the Group must continuously carry out hedging activities to reduce market risk. Hedging is carried out by GEN-I d.o.o., which takes care of the centralized management of the Group’s portfolio and has all the necessary infrastructure for the implementation of hedging activities on commodity markets. Hedging activities to mitigate market risk are carried out according to the policy and procedures defined by the risk management department.

Commodity price risk arises from changes in prices due to the market structure, demand/supply, import/export fees, and changes in the price of cross border capacities. Specifically, this entails the risk of financial losses due to changing prices on the energy markets. These market risks are managed using predefined strategies based on sensitivity analyses of portfolios, analyses of the price elasticity of sales portfolios, analyses of CVaR indicators and quantity exposure, as well as an overview of the depth and liquidity of the markets of all portfolios within the GEN-I Group.

A hedged item is a firm commitment. A firm commitment is a binding agreement regarding the exchange of a precisely defined quantity of resources at a precisely defined price on a precisely defined future date or dates. The group’s hedged items (commodities) comprise physical electricity and natural gas transactions.

A hedging instrument is a standardized forward contract. The group is active on several commodity exchanges and uses standardised forward contracts for electricity, natural gas and other commodities as hedging instruments.

A hedge ratio is defined as the relationship between the quantity of the hedging instrument and the quantity of the hedged item, taking into account their relative weightings. In general, a hedged item and hedging instrument may relate to the same or a different commodity, and are exe-

cuted at same or different times and on same or different markets. However, the hedge must be effective, meaning that there should be a strong correlation between the hedged item and hedging instrument. The hedged item and hedging instrument typically relate to the same commodity and have the same or a similar deadline for execution.

Sources of ineffectiveness that are expected to affect hedging relationships during their term are as follows:

- profile differences,
- location differences,
- timing differences,
- differences in quantities or nominal amounts,
- proxy hedging,
- early termination, and
- credit risk.

To demonstrate the existence of an economic relationship, it must be expected that the value of the hedging instrument and the value of the hedged item will move in the opposite direction as a result of the common underlying or hedged risk. For the purpose of assessment, we typically use a qualitative test, i.e. an assessment of whether material terms match. When a hedge relationship is not obvious, we also use a quantitative test, i.e. a simple scenario analysis method, to assess the economic relationship.

## Hedging instruments in 2024

Profile of the timing of the nominal amount of hedging instruments for 2024	Nominal amount (in EUR)		
	up to 1 year	from 1 to 5 years	more than 5 years
Risk of changes in commodity prices – electricity	76,206,121	140,380,435	0
Risk of changes in commodity prices – natural gas	29,437,771	19,037,499	0

Hedging instruments for 2024	Nominal amount of the hedging instrument (in EUR)	Carrying amount of hedging instrument		Line item in the statement of financial position where hedging instrument is included	Changes in fair value used for calculating hedge ineffectiveness for 2024 (in EUR)
		Assets	Liabilities		
Risk of changes in commodity prices – electricity	216,586,556	0	20,186,645	Derivatives	35,251,173
Risk of changes in commodity prices – natural gas	48,475,270	0	10,176,741		10,716,720

## Hedging instruments in 2023

Profile of the timing of the nominal amount of hedging instruments for 2023	Nominal amount (in EUR)		
	up to 1 year	from 1 to 5 years	more than 5 years
Risk of changes in commodity prices – electricity	9,803,827	31,633,752	0
Risk of changes in commodity prices – natural gas	0	2,385,397	0

Hedging instruments for 2023	Nominal amount of the hedging instrument (in EUR)	Carrying amount of hedging instrument		Line item in the statement of financial position where hedging instrument is included	Changes in fair value used for calculating hedge ineffectiveness for 2023 (in EUR)
		Assets	Liabilities		
Risk of changes in commodity prices	41,437,579	0	11,447,864	Derivatives	-100,684,719
Risk of changes in commodity prices – natural gas	2,385,397	0	0		-539,979

Hedged item

Hedged item	Carrying amount of hedged item		Total change in fair value of firm commitment (in EUR)		Line item in the statement of financial position where firm commitment is included	Changes in fair value used for calculating hedge ineffectiveness for 2024 (in EUR)
	Assets	Liabilities	Assets	Liabilities		Prior to value adjustment
Risk of changes in commodity prices	n/a*	n/a*	0	16,713,777	n/a	-35,099,070
Commodity price risk – natural gas	n/a*	n/a*	0	11,368,955	n/a	-11,949,228

\* Varovana postavka je nepripoznana trdna obveza.

Hedged item	Carrying amount of hedged item		Total change in fair value of firm commitment (in EUR)		Line item in the statement of financial position where firm commitment is included	Changes in fair value used for calculating hedge ineffectiveness for 2023 (in EUR)
	Assets	Liabilities	Assets	Liabilities		Prior to value adjustment
Commodity price risk – electricity	n/a*	n/a*	18,385,293	0	n/a	114,792,662
Commodity price risk – natural gas	n/a*	n/a*	0	0	n/a	580,273

\* Varovana postavka je nepripoznana trdna obveza.

Ineffective hedge

Fair value hedging in 2024		Ineffective hedge recognised in profit or loss (in EUR)	Line item in statement of comprehensive income that includes ineffective hedge	Fair value hedging in 2023		Ineffective hedge recognised in profit or loss (in EUR)	Line item in statement of comprehensive income that includes ineffective hedge
Commodity price risk – electricity		152,103	Other recurring operating revenue or expenses	Risk of changes in commodity prices		14,107,944	Other recurring operating revenue or expenses
Commodity price risk – natural gas		-1,232,508		Commodity price risk – natural gas		40,294	



## Events after the reporting period within the GEN Group

On 15 January 2025, GEN-I SNABDEVANJE DOO was established in Serbia.

The period of regulated electricity prices for households ended on 28 February 2025. GEN-I, d.o.o. was the first supplier in Slovenia to publish a new pricelist for household customers.

GEN-I, d.o.o. is in the process of establishing a company in the US.

With entry in the companies register on 24 December 2024, the Memorandum of Association of GEN-I of 13 December 2016 ceased to be in force. On 31 December 2024, the umbrella agreement on the purchase and sale of electricity of 14 December 2016 and the corresponding annex 13 to the umbrella agreement on the purchase and sale of electricity of 21 December 2023 also ceased to be in force. Thus, due to changing circumstances, senior management issued a new assessment of control over GEN-I, i.e. it assessed that the following is true for GEN in relation GEN-I, effective 1 January 2025:

- the criteria set out in points 1 to 4 of the second paragraph of Article 56 of the ZGD-1 are not met;
- the criteria set out in point 5 of the second paragraph of Article 56 of the ZGD-1, which depends on an analysis of the actual circumstances of

each individual case, are not met, as these circumstances do not currently exist; and

- the criteria from points 6 and 7 of IFRS 10 are not met.

As a result, 31 December 2024 marked the last time the GEN carried out the consolidation of the GEN Group, as it did previously with the inclusion of GEN-I and all its subsidiaries, and prepared the opening consolidated financial statements of the GEN Group as at 1 January 2025 following the change in control. GEN-EL is treated in the same manner. The effects in terms of value on the income statement and statement of financial position are calculated on the basis of point B98 of IFRS 10 as the derecognition of assets (including goodwill) and liabilities of the subsidiary GEN-EL and the GEN-I Group, and on the recognition of the financial investment retained in the former subsidiary GEN-I and GEN-EL at fair value as at the date of loss of control.

Amounts recognised in other comprehensive income in relation to the subsidiary GEN-EL and the GEN-I Group must be reclassified to profit or loss or transferred directly to retained earnings in accordance with IFRS 10, if so required by other IFRS. The effect and method of identifying loss of control are currently still being calculated and assessed by an external consultant and thus cannot yet be accurately estimated.

### Acquisition of a capital investment

On 6 January 2025, GEN and SEL concluded an agreement with Elektro Gorenjska, d.d. on the sale and purchase of a participating interest in GEK. That agreement relates to the acquisition of a 100% participating interest in the aforementioned company, whereby GEN acquired a 26% stake and SEL acquired a 74% stake. The total value of the consideration paid was EUR 36,409,362.00. The completion of the transaction, following the fulfilment of conditions precedent (consent of the aforementioned companies' bodies, authorisation from the competent competition protection authorities, additional commitments of the seller, etc.), is expected prior to the end of the third quarter of 2025.

The acquisition of GEK represents a sound addition to the operations of the GEN Group, both geographically (the Sava River basin) and particularly in strategic terms, as nearly all existing production units are carbon-free (with the exception of co-generation, which is being phased out). It also presents the opportunity to fast-track the group's operations in the area of renewable sources through its expertise in engineering services in the set-up of solar power plants, and through expectations in the construction of battery storage units.

### Changes in the bodies of GEN Group companies

In February 2025, at the proposal of the owner GEN-I d.o.o, the general meeting of GEN-EL d.o.o. appointed Tomaž Slana to serve as member of GEN-EL d.o.o.'s Supervisory Board.

In April 2025, at the proposal of the owner GEN d.o.o, the general meeting of NEK d.o.o. appointed Nada Drobne Popović, MSc to serve as member of NEK d.o.o.'s Supervisory Board.

GEN d.o.o., as the founder and sole owner of SEL d.o.o., appointed Dr Bruno Glaser to a four-year term of office as member of SEL d.o.o.'s Supervisory Board in May 2025 due to the resignation of member Kruno Abramovič, MSc.

## Conclusion

The GEN Group assesses that there were no business events between the reporting date and the compilation of this annual report that would have a material impact on its financial statements for 2024.

# 4.8. Independent auditor's report for the GEN Group



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## INDEPENDENT AUDITOR'S REPORT to the owners of GEN energija d.o.o.

### Report on the audit of the consolidated financial statements

#### Opinion

We have audited the consolidated financial statements of the company GEN energija d.o.o. and its subsidiaries (hereinafter ‘the Group’), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated profit or loss statement, consolidated statement of other comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (hereinafter ‘IFRS’).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing and Regulation (EU) 537/2014 of the European Parliament and of the Council, dated 16 April 2014, on specific requirements regarding statutory audit of public-interest entities (EU Regulation). Our responsibilities under those rules are further described in *the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section* of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and other 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Deloitte revizija d.o.o. - The company is registered with the Ljubljana District Court, registration no. 1647105 - VAT ID SI62560085 - Nominal capital EUR 74,214.30.  
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### Emphasis of Matter – Basis of Accounting

We draw attention to note "4.7.2. Basis for the compilation of the consolidated financial statements of the GEN Group" in the financial statements, which describes the basis of accounting. The Group applies accounting policies for the preparation of the consolidated financial statements of the GEN Group and the preparation of the GEN Group’s annual report in accordance with the IFRS and the Intergovernmental Agreement on NEK for the purpose of accounting for depreciation in the scope of the joint arrangement (NEK).

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year ended 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Revenue recognition in financial statements

Key audit matter	How our audit addressed the key audit matter
<p>Sales revenue for the year ended December 31, 2024, amounted to 2,110,816 EUR thousand (EUR 2,963,832 thousand in 2023) – Disclosure 4.7.5. Notes to the financial statements of the GEN Group, note 25.</p> <p>As disclosed in chapter 4.7.3. <i>Significant accounting policies of the GEN Group - Revenue</i>, the Group recognises sales revenue when it fulfils (or is fulfilling) performance obligation. The company fulfils (or is fulfilling) a performance obligation by transferring the contractually agreed goods or services to the customer. Sales revenue is recognised in an amount that reflects the transaction price, which is allocated to a standalone performance obligation.</p> <p>Sales revenues are one of the significant indicators of company’s performance. Due to the importance of the item in financial statements and the risks associated with the appropriateness of the revenue recognition, this area has been identified as a key audit matter.</p>	<p>As part of our audit procedures, we assessed the adequacy of the Group’s accounting policies relating to the recognition of sales revenue and their compliance with relevant accounting principles, and performed the following procedures:</p> <ul style="list-style-type: none"><li>- we checked the design and implementation of internal controls related to the recognition of sales revenue from the point of view of the adequacy of their recording;</li><li>- we checked the effectiveness of the identified internal controls, which we judged to be important from the audit point of view;</li><li>- based on the selected sample, we checked in detail the adequacy of the recording of recognized revenues;</li><li>- on the basis of the selected sample, we checked in detail the adequacy of the controls on the electricity and natural gas procurement side;</li><li>- on the basis of purchased and sold quantities and prices of electricity and natural gas for the last three years, and on the basis of a high degree of correlation between purchase and sale, we analytically estimated the revenues; we explained the deviations;</li><li>- we reconciled the recognized revenues with related parties with independent confirmations.</li></ul>



	We also reviewed the information in the financial statements to assess whether the disclosures related to sales revenue were appropriate.
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Derivatives and hedging

Key audit matter	How our audit addressed the key audit matter
<p>As at 31 December 2024, the Group recognizes among financial assets a fair value of EUR 19,876 thousand (EUR 571 thousand in 2023) of derivative financial instruments, which are mainly used for managing and hedging market and currency risks – Note 10, and among liabilities EUR 31,607 thousand (EUR 31,287 thousand in 2023) – Note 18.</p> <p>As disclosed in chapter 4.7.3. <i>Significant accounting policies of the GEN Group - Derivatives and hedge accounting</i>, they are measured at fair value, and changes in fair value are generally reflected in the group's profit or loss. When measuring fair value, management must determine appropriate methods and models for determining fair value and accounting for hedging against risks.</p> <p>The fair value of derivatives is based on quoted prices in active markets or on valuation models that use observable inputs.</p> <p>We treat derivative financial instruments as a key audit matter due to their importance for financial statements, the importance of assumptions in calculating fair value, and the complexity of accounting for hedging against risks.</p>	<p>As part of the audit procedures, we assessed the adequacy of the group's accounting policies regarding the recognition of derivative financial instruments and their compliance with the accounting framework, and performed the following audit procedures:</p> <ul style="list-style-type: none"><li>- understanding of risk management policies and review of key controls for the use, recognition and measurement of derivative financial instruments;</li><li>- comparison of the input data used in the group's valuation models with independent sources and externally available market data;</li><li>- comparison of the valuation of derivative financial instruments with market data or the results of alternative, independent valuation models;</li><li>- testing the applicability and accuracy of risk hedging accounting based on the sample;</li><li>- consideration of the adequacy of disclosures related to financial risk management, derivative financial instruments and hedging accounting.</li></ul> <p>As part of the audit procedures, we used an expert who checked whether the valuation approach is appropriate, whether the used important assumptions are suitable for the given purposes and whether the results of the valuations prepared by the group are accurate.</p>

Other information

Management is responsible for the other information. The other information comprises the information included in Annual report, other than the consolidated financial statements and our auditor's report thereon.



Our opinion on the consolidated financial statements does not cover the other information and we express no assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, assess whether the other information is materially inconsistent with the consolidated financial statements, legal requirements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on our work performed we conclude that other information include material misstatement we need to report such circumstances. In relation to this and based on our procedures performed, we report that:

- Other information is, in all material respects, consistent with the audited consolidated financial statements;
- Other information Other information, except sustainability report on which we issued separate limited assurance report dated 21.8.2025, is prepared in compliance with applicable law or regulation; and
- Based on our knowledge and understanding of the Group and its environment obtained in the audit, we did not identify any material misstatement of fact related to the other information.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements of the Group, management is responsible for assessing its ability to continue as a going concern, disclosing matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free 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 International Standards on Auditing 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 decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 our 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 Group’s internal controls.
- 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 entity’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 consolidated 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 organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

Report on other legal and regulatory requirements

Report on the requirements of the Regulation (EU) No 537/2014 of the European Parliament and of the Council (Regulation EU 537/2014)



Confirmation to the Audit Committee

We confirm that our audit opinion on the consolidated financial statements expressed herein is consistent with the additional report to the Audit Committee in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

Prohibited Services

We confirm that no services referred to in the Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided and that the audit company fulfilled independence requirements.

Other services performed by the audit company

There are no services, in addition to the statutory audit, which the audit company provided to the Company and its controlled undertakings, and which have not been disclosed in the Annual Report.

Appointment of the Auditor and responsible certified auditor

Deloitte revizija d.o.o. was appointed as the statutory auditor of the Company and the Group on General Shareholders’ Meeting held on 3 October 2023, while the president of the Supervisory Board signed the audit contract on 16 October 2023. The audit contract was signed for 3 years. Our total uninterrupted engagement as statutory auditors has lasted since 8 December 2020.

Engagement partner responsible for the audit on behalf of Deloitte revizija d.o.o. is Yuri Sidorovich.

DELOITTE REVIZIJA d.o.o.  
Dunajska cesta 165  
1000 Ljubljana

Yuri Sidorovich  
Certified auditor

For signature please refer to  
the original Slovenian version.

Ljubljana, 21. August 2025

TRANSLATION ONLY, SLOVENE ORIGINAL PREVAILS



## ACRONYMS AND ABBREVIATIONS

- DEAR – deferred expenses and accrued revenue
- AJPES – Agency of the Republic of Slovenia for Public Legal Records and Related Services
- ARAO – Agency for Radwaste Management
- GDP – gross domestic product
- B2B – retail sales to businesses
- B2C – retail sales to households
- CO<sub>2</sub> – carbon dioxide
- GEN CC – GEN Control Centre
- CVA – credit valuation adjustment
- cPPA – corporate power purchase agreement
- d.d. – joint stock company
- Deloitte – Deloitte revizija d.o.o., Dunajska cesta 165, Ljubljana
- d.o.o. – limited liability company
- NSP – national spatial plan
- Dr – doctor
- EBIT – earnings before interest and taxes
- EBITDA – earnings before interest, taxes, depreciation and amortisation
- ECB – European Central Bank
- EFQM – European Foundation for Quality Management
- ELES – ELES, d.o.o., electrical power transmission system operator
- ENTSO-E – European Network of Transmission System Operators for Electricity
- EU – European Union
- EUR – euro
- EUR – European Utility Requirements
- GEN – GEN energija, d.o.o.
- GEN-EL – GEN-EL d.o.o.
- GEN-I – GEN-I, trgovanje in prodaja električne energije d.o.o.
- GEK – Gorenjske elektrarne, proizvodnja elektrike d.o.o.
- GRI – Global Reporting Initiative
- GWh – gigawatt-hour
- GZS – Chamber of Commerce and Industry of Slovenia
- HPP – hydroelectric power plant
- HEP – Hrvatska elektroprivreda d.d.
- HESS – Hidroelektrarne na Spodnji Savi, d.o.o.
- HSE – Holding Slovenske elektrarne d.o.o.
- IAEA – International Atomic Energy Agency
- ICJT – Nuclear Training Centre
- IFNEC – International Framework for Nuclear Energy Cooperation
- GEN IC – GEN's Information Centre
- IT – information technology
- etc. – et cetera
- NPP – nuclear power plant
- JEK – nuclear power plant in Krško
- JEK2 – Krško Nuclear Power Plant, second unit
- ELFO – extra light fuel oil
- Umbrella agreement of GEN-I – Umbrella agreement on the purchase and sale of electricity of 14 December 2016 and the corresponding annex 13 to the umbrella agreement on the purchase and sale of electricity of 21 December 2023
- kV – kilovolt
- kW – kilowatt
- kWh – kilowatt-hour
- Ljubljana Stock Exchange – Ljubljanska borza d.d., Ljubljana
- m<sup>2</sup> – square metre
- m<sup>3</sup> – cubic metre
- MSc – master's degree
- Intergovernmental Agreement on the NEK – agreement between the Government of the Republic of Slovenia and the Government of the Republic of Croatia governing status and other legal relationships in connection with investments in the Krško Nuclear Power Plant, and the operation and decommissioning thereof
- SHPP – small hydroelectric power plant
- m – million
- mPPA – merchant power purchase agreement
- bn – billion
- IAS – International Accounting Standards
- IFRS – International Financial Reporting Standards as set out in Regulation (EC) 1606/2002, Regulation (EC) 1725/2003 and Regulation (EC) 1126/2008
- MW – megawatt
- MWh – megawatt-hour
- NEA OECD – Nuclear Energy Agency within the Organisation for Economic Co-operation and Development
- NEK – Nuklearna elektrarna Krško, d.o.o. (Krško Nuclear Power Plant)
- NECP – National Energy and Climate Plan
- nPPA – nuclear power purchase agreement
- e.g. – for example
- SB – Supervisory Board
- LILW – low- and intermediate-level radioactive waste
- IASB – International Accounting Standards Board
- OSART – Operational Safety Review Team
- RES – renewable energy sources
- ECL – expected credit losses
- senior management – senior management of GEN
- senior management of the company – senior management of GEN
- PPA – power purchase agreement, i.e. a long-term agreement between electricity producers and customers
- Prof. – professor
- FVTPL – fair value through profit or loss
- FVTOCI – fair value through other comprehensive income
- ReDPS50 – Resolution on Slovenia's long-term climate strategy until 2050
- RS – Republic of Slovenia
- mFRR – manual frequency restoration reserve
- FCR – frequency control reserve
- SDG – Sustainable Development Goals
- SSH – Slovenian Sovereign Holding
- SEL – Savske elektrarne Ljubljana d.o.o.
- NEK Fund – Fund for Financing the Decommissioning of the NEK and Disposal of Radioactive Waste from the NEK
- GEN Group – GEN Energija Group
- SMR – small modular reactor
- SRESA – Srednjesavske elektrarne d.o.o.
- SDP – Strategic Development Plan
- SAS – Slovenian Accounting Standards
- ISO Standards – international standards on environmental management systems
- TEB – Termoelektrarna Brestanica, d.o.o.
- GHG – greenhouse gas emissions
- TWh – terawatt hour
- UniCredit Banka – UniCredit Banka Slovenija d.d.
- Decree on the setting of compensation paid to electricity suppliers in 2024 – Decree on the setting of compensation paid to electricity suppliers in 2024; Official Gazette of the Republic of Slovenia No. 96/2024 of 15 November 2024 (compensation paid to GEN-I by GEN).
- Government of the RS – Government of the Republic of Slovenia
- HLW – high-level radioactive waste
- WANO – World Association of Nuclear Operators
- Minimum Tax Act – Minimum Tax Act (Official Gazette of the Republic of Slovenia No. 131/2023 of 22 December 2023), which was adopted based on Council Directive (EU) 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union
- NEK Public Fund Act – Act Governing the Public Fund for Financing the Decommissioning of the NEK and Disposal of Radioactive Waste from the NEK, which governs the functioning of that fund for the purposes it was created (Official Gazette of the Republic of Slovenia, No. 130/22)
- ZEL-EN – ZEL-EN, razvojni center energetike, d.o.o.
- ZGD-1 – Companies Act (Official Gazette of the Republic of Slovenia No. 42/06 with amendments)
- ZPKEEK – Act Governing Slovenian Government Guarantees for Obligations from Loans Raised to Ensure Liquidity on the Organised Electricity Markets and Emission Coupons and Obligations from the Purchase of Additional Quantities of Natural Gas Outside the EU Market (Official Gazette of the Republic of Slovenia No. 121/2022)

The formatted annual report and the English translation thereof represent unofficial versions of the annual report. The annual report in the form and content audited and approved by the Supervisory Board is the official version of the annual report and is accessible at the company's head office. In the event of differences between the information presented, the information presented in the official version shall prevail.