2025 ANNUAL REPORT
ELEKTRO GORENJSKA

ELEKTRO GORENJSKA

€41.7 million in net sales revenue

+ 9%

compared to 2024

308 employees

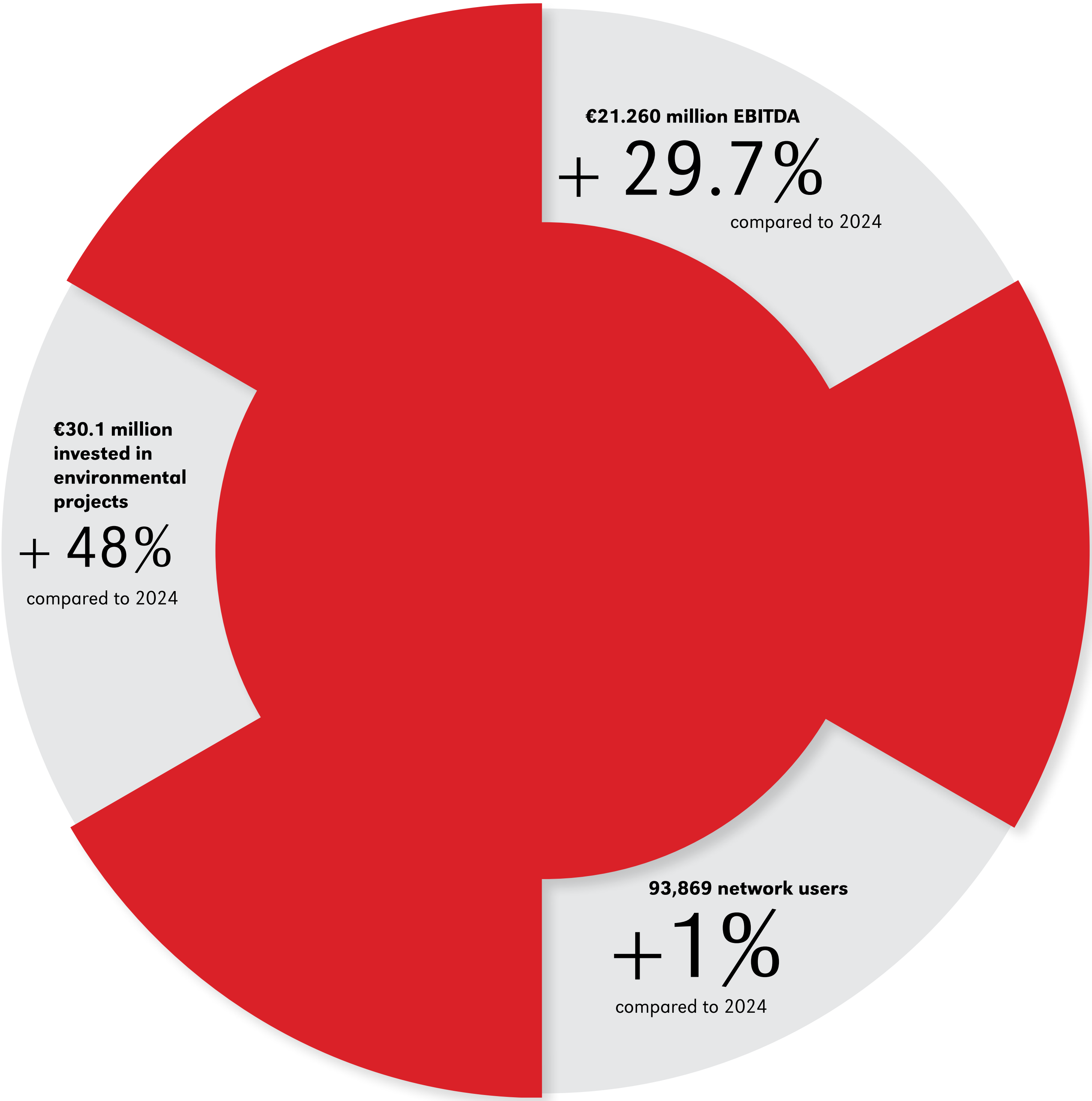
+ 2.7%

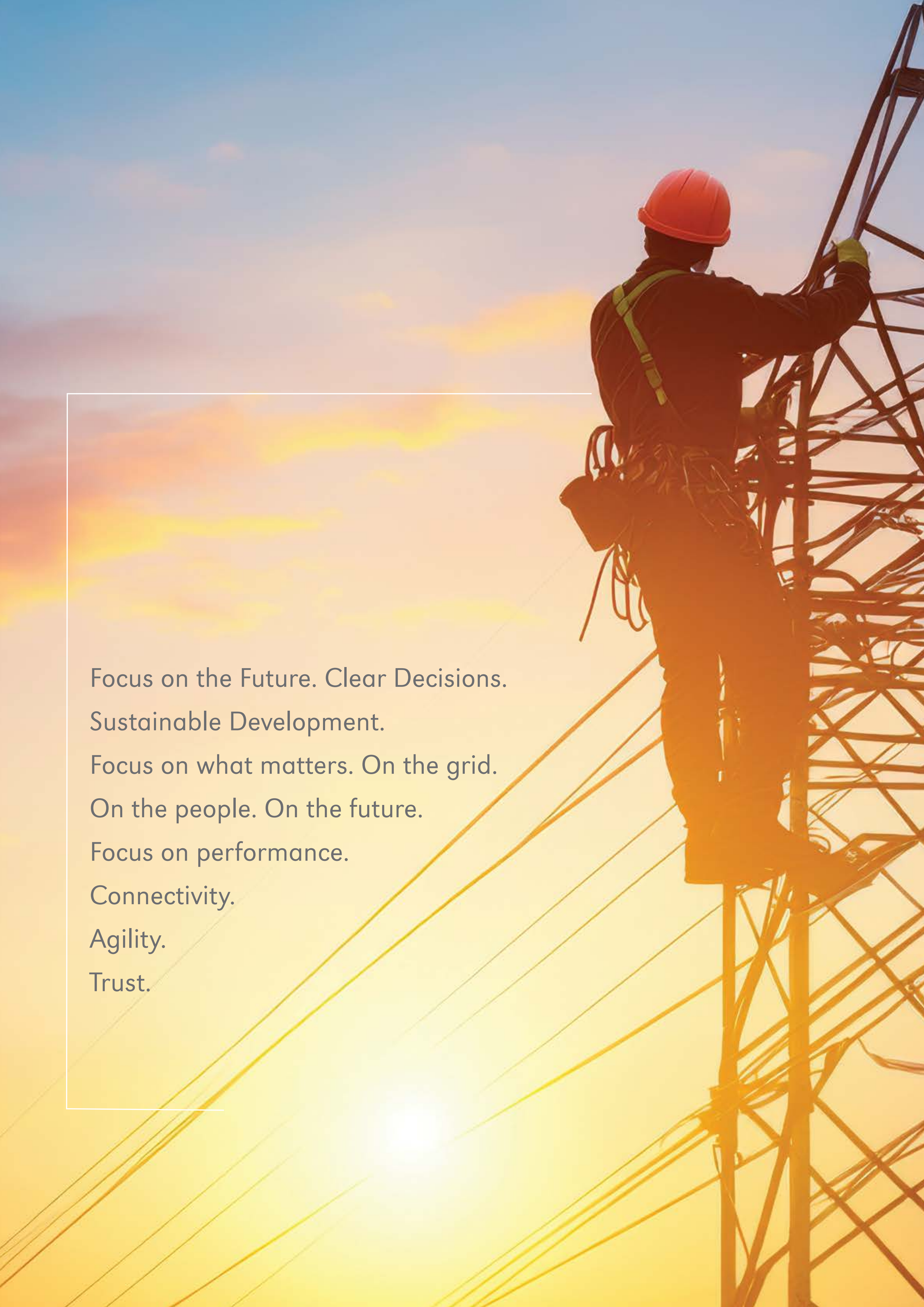
compared to 2024

€39.8 million invested

+ 65.8%

compared to 2024


€21.260 million EBITDA
+ 29.7%
compared to 2024
€30.1 million invested in environmental projects
+ 48%
compared to 2024
93,869 network users
+1%
compared to 2024



Focus on the Future. Clear Decisions.

Sustainable Development.

Focus on what matters. On the grid.

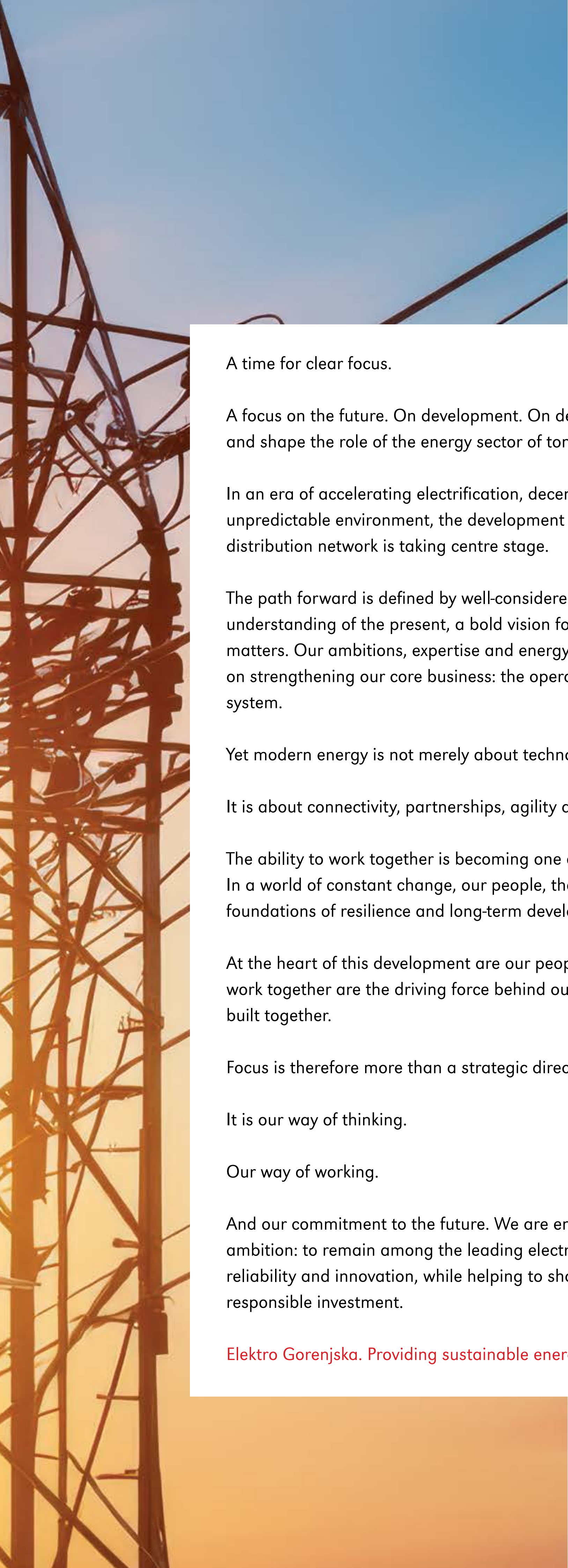
On the people. On the future.

Focus on performance.

Connectivity.

Agility.

Trust.



A time for clear focus.

A focus on the future. On development. On decisions that reach beyond the present moment and shape the role of the energy sector of tomorrow.

In an era of accelerating electrification, decentralised energy sources and an increasingly unpredictable environment, the development of a modern, reliable and resilient electricity distribution network is taking centre stage.

The path forward is defined by well-considered decisions. Decisions that require a clear understanding of the present, a bold vision for the future and the ability to focus on what truly matters. Our ambitions, expertise and energy are therefore becoming increasingly concentrated on strengthening our core business: the operation and development of the electricity distribution system.

Yet modern energy is not merely about technology.

It is about connectivity, partnerships, agility and trust.

The ability to work together is becoming one of the defining capabilities for future development. In a world of constant change, our people, their ability to collaborate and their agility are the foundations of resilience and long-term development.

At the heart of this development are our people. Their expertise, responsibility and ability to work together are the driving force behind our progress and the energy that shapes a future built together.

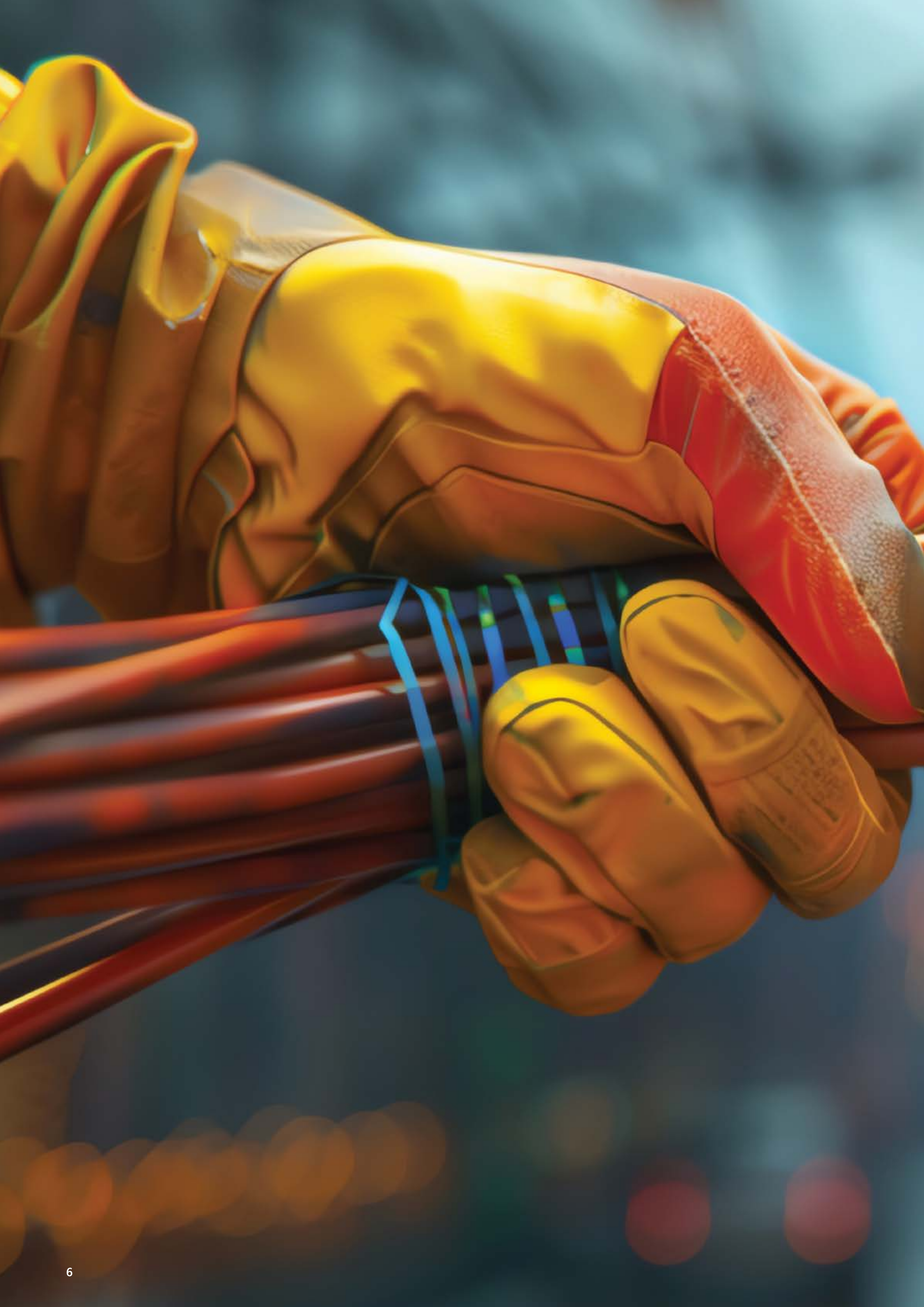
Focus is therefore more than a strategic direction.

It is our way of thinking.

Our way of working.

And our commitment to the future. We are entering a new phase of development with a clear ambition: to remain among the leading electricity distribution companies in terms of quality, reliability and innovation, while helping to shape Slovenia's sustainable energy future through responsible investment.

Elektro Gorenjska. Providing sustainable energy for the future.



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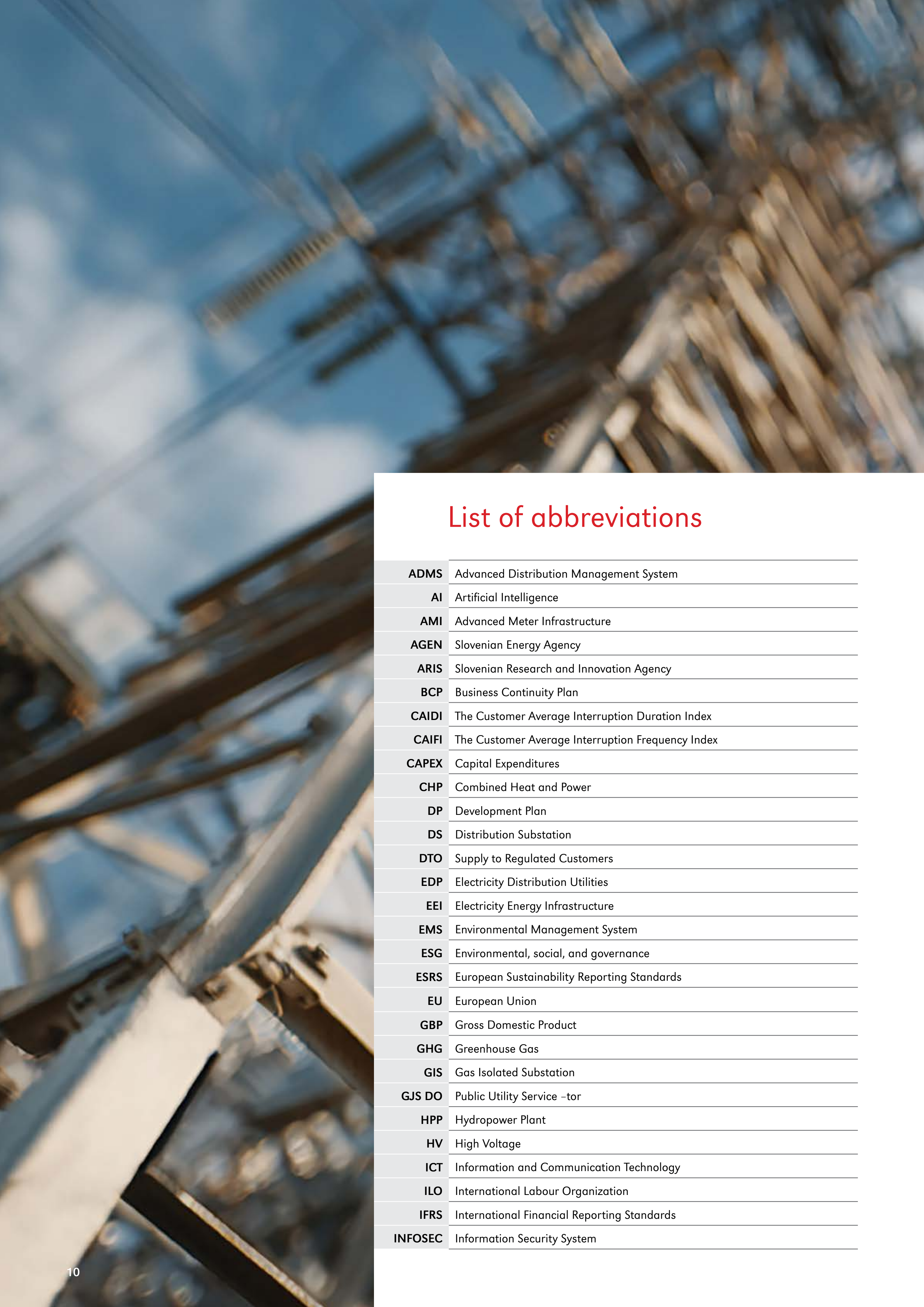


List of abbreviations

ADMS	Advanced Distribution Management System
AI	Artificial Intelligence
AMI	Advanced Meter Infrastructure
AGEN	Slovenian Energy Agency
ARIS	Slovenian Research and Innovation Agency
BCP	Business Continuity Plan
CAIDI	The Customer Average Interruption Duration Index
CAIFI	The Customer Average Interruption Frequency Index
CAPEX	Capital Expenditures
CHP	Combined Heat and Power
DP	Development Plan
DS	Distribution Substation
DTO	Supply to Regulated Customers
EDP	Electricity Distribution Utilities
EEI	Electricity Energy Infrastructure
EMS	Environmental Management System
ESG	Environmental, social, and governance
ESRS	European Sustainability Reporting Standards
EU	European Union
GBP	Gross Domestic Product
GHG	Greenhouse Gas
GIS	Gas Isolated Substation
GJS DO	Public Utility Service –tor
HPP	Hydropower Plant
HV	High Voltage
ICT	Information and Communication Technology
ILO	International Labour Organization
IFRS	International Financial Reporting Standards
INFOSEC	Information Security System

ISMS	Information Security Management System
IT	Information Technology
IQMS	(Integrated) Quality Management System
LCA	Life cycle assessment
LV	Low Voltage
LV Network	Low Voltage Network
MAIFI	Momentary Average Interruption Frequency Index
MC	Metering Centre
MV	Medium Voltage
OECD	Organisation for Economic Co-operation and Development
OHTL	Overhead Transmission Line
OPEX	Operating Expenditures
OT	Operational Technology
OU	Organisational Unit
Pogodba z DO	Contract for the Lease of Electricity Distribution Infrastructure and for the Provision of Services for the Activities of the Distribution System Operator
PVPP	Photovoltaic Power Plant
RDI	Research, Development and Innovation
RES	Renewable Energy Sources
RMU	Ring Main Unit
RTP	Primary Substation
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SDH	Slovenian Sovereign Holding
sPV	Small Photovoltaic Power Plant
UGC	Underground Power Cable
TS	Transformer Station
ZOEE	Electricity Supply Act

Business Report of Elektro Gorenjska

2025

1. Elektro Gorenjska in 2025

2025 was an exceptionally strong one for Elektro Gorenjska in terms of development, business performance, and strategic progress. It was marked by landmark decisions, major advancements, and a clear strategic focus. We are proud to have completed a record investment cycle, allocating more resources to our network than at any time in the company's history. Another important milestone was the sale of our subsidiary, Gorenjske elektrarne. Together with our excellent business results, the achievements of 2025 provide us with a very solid foundation for the future.

About Elektro Gorenjska

- 5,539 km of electricity distribution network (5,536 km in 2024)
- 72.25 % of MV underground cables (72.29 % v 2024)
- 89.36 % of LV underground cables (88.63 % in 2024)
- 93,869 network users (92,928 in 2024)

Our Operations

- €41.7 million in net sales revenue (€38.2 million in 2024)
- €21,260 thousand EBITDA (€16,394 thousand in 2024)
- €27,636 thousand net profit (€4,220 thousand in 2024)
- €39.8 million of investments (€24.0 million in 2024)

Our Employees

- 308 employees (300 in 2024)
- 20.78 training hours per employee (25.27 hours in 2024)
- 32% engaged employees (39% in 2024)

Our Operations

- 1,135,591 MWh of electricity distributed (1,142,068 MWh in 2024)
- 1,580 MW of total connected load (1,556 MW in 2024)
- 98.1% of metering points integrated into the AMI (Advanced Meter Infrastructure) system (92.3% in 2024)

Quality of Our Network

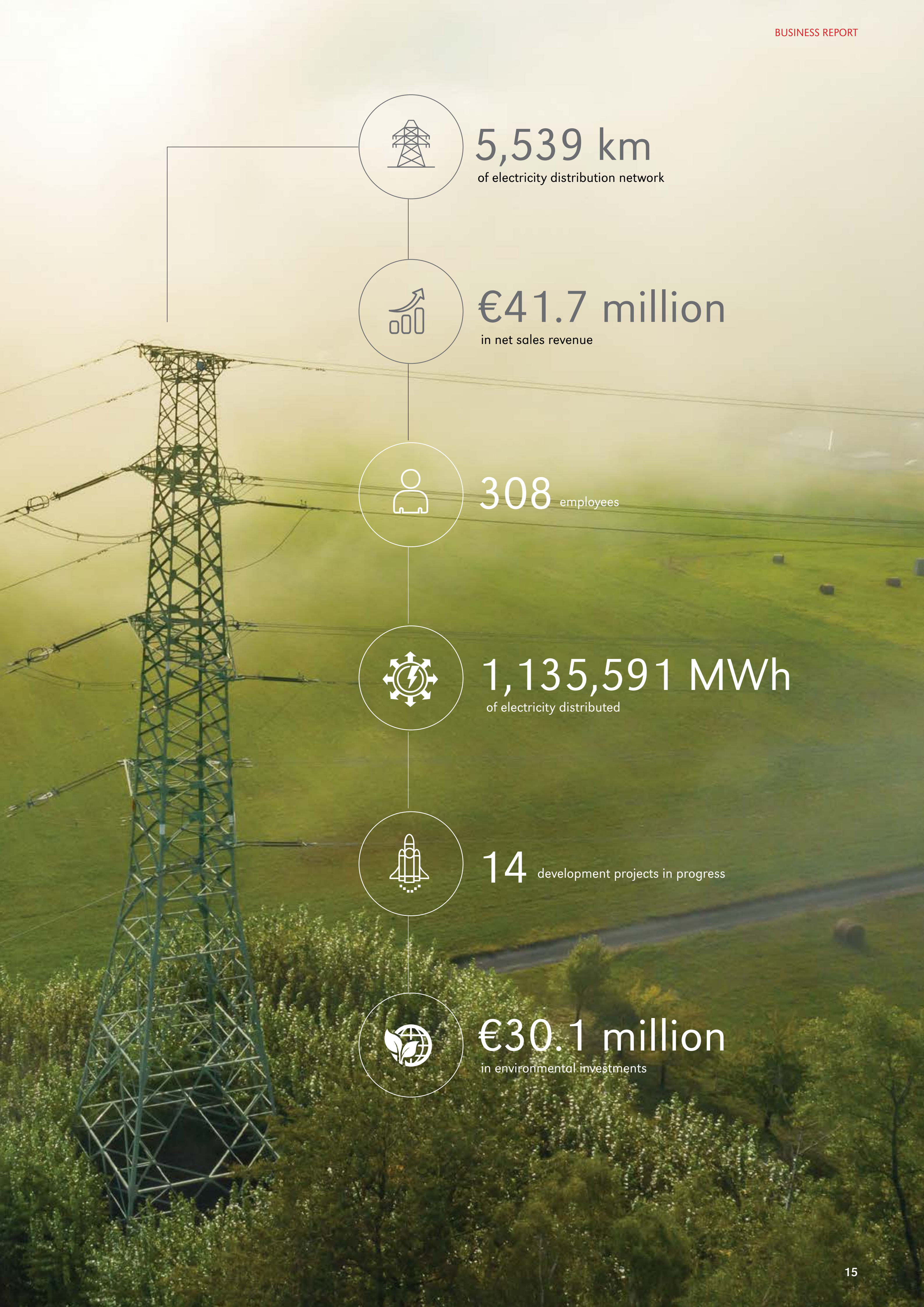
- SAIFI (own cause): 0.37 (0.49 in 2024)
- SAIDI (own cause): 10.69 (18.79 in 2024)
- Distribution network losses: 3.06 % (3.73 % in 2024)

Our Continuous Innovation

- 67 submitted innovation proposals (66 in 2024)
- 14 development projects in progress

Our Environmental Commitment

- €30.1 million in environmental investments (€20.3 million in 2024)
- 6,181 tonnes of CO_2 emissions – carbon footprint (2024) (18,322 tonnes in 2023)



5,539 km
of electricity distribution network

€41.7 million
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308 employees

1,135,591 MWh
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14 development projects in progress

€30.1 million
in environmental investments

1.1. Elektro Gorenjska in 2025 – Key Events

Responsible. Reliable. Stable.

For Elektro Gorenjska, 2025 was a year defined by numerous achievements, important milestones, and stories that helped shape the company's progress. The year was marked by activities and projects that strengthened network reliability, accelerated digitalisation, supported the implementation of sustainable solutions, and fostered connections among employees and the local community. Discover the key milestones that shaped 2025 at Elektro Gorenjska.

JANUARY

- Elektro Gorenjska organised its traditional gathering for retired employees.
- The reconstruction of the Tržič Substation was completed as planned. The final outdoor 20 kV switchgear facility in the Gorenjska region was permanently decommissioned. As a result, Elektro Gorenjska became the first electricity distribution company in Slovenia, and one of the first in the wider region, to operate without any outdoor 20 kV switchgear facilities.
- Elektro Gorenjska organised a visit to the Zlato Polje Substation for students enrolled in vocational and technical electrical engineering programmes at the Kranj School Centre.

FEBRUARY

- Elektro Gorenjska joined the new European research and development project ALiEnS-SOC. Its primary objective is to strengthen cyber resilience, improve the detection of and response to cyber threats, and protect critical European infrastructure from advanced cyberattacks.
- Elektro Gorenjska successfully completed the accreditation assessment of its Measurement Laboratory. The assessment, conducted by Slovenian Accreditation, commended the entire system, from laboratory organisation and equipment management to the provision of reference conditions and effective document control.
- Elektro Gorenjska successfully passed the annual audit of its Family-Friendly Company programme. The auditor confirmed the proper implementation of measures, the effectiveness of introduced improvements, and the adequacy of the related documentation.

MARCH

- The option of electronically submitting a unified application for obtaining project conditions, opinions, and grid connection consents was introduced.
- As a partner in the SmartEAM project, Elektro Gorenjska participated in the development of a platform designed to support the diagnostics and monitoring of distribution transformer performance.
- Elektro Gorenjska published its 2024 Power Supply Quality Report, presenting data on voltage quality, customer supply reliability, and the commercial quality of electricity services.

APRIL

- The 9th Strategic Conference of Slovenian Electricity Distribution Companies, entitled Modre rešitve za zeleno prihodnost (Smart Solutions for a Green Future), took place in Ljubljana and was attended by representatives of Elektro Gorenjska.
- Representatives of Elektro Gorenjska participated in a special career event called Speed Career Dating at the Faculty of Electrical Engineering, University of Ljubljana. The event brought together companies and students through a series of short and focused discussions.
- As part of its Workplace Health Promotion Programme, Elektro Gorenjska organised vitamin D level testing and skin mole examinations for employees.
- Elektro Gorenjska hosted educational visits for primary school pupils, secondary school students, and university students, introducing them to careers in the power sector.

MAY

- At the 17th Slovenian Power Engineers Conference CIGRE-CIRED, experts from Elektro Gorenjska presented and co-authored 12 technical papers. They also received awards for the best papers presented at the 16th conference held in 2024.
- Elektro Gorenjska's Research, Development and Innovation Department received a Silver Award from the Gorenjska Regional Chamber of Commerce and Industry for developing a system that calculates the optimal size of battery storage and a solar power plant based on 15-minute electricity consumption data while ensuring the most economically efficient solution.
- For the first time in its history, Elektro Gorenjska exported electricity from the distribution network to the transmission network. On 1 May 2025, exports reached approximately 12 MW, followed by an additional 2 MW on 2 May 2025.
- Elektro Gorenjska organised a Sustainability and Innovation Day for employees called Transformatorfest. The event was designed to foster innovation, knowledge sharing, and cooperation. Employees attended expert lectures, participated in interactive activities, and took part in a draw for innovation proposals.

JUNE

- Dr Ivan Šmon, President of the Management Board of Elektro Gorenjska, assumed the position of President of the Association of Electricity Distribution Companies of Slovenia (GIZ DEE). During his two-year term, he will lead this strategically important association, which brings together all five Slovenian electricity distribution companies and represents their interests in dialogue with the government, regulators, and other stakeholders.
- At the 32nd Annual General Meeting of Elektro Gorenjska, d. d., shareholders reviewed the audited annual report of the company and the consolidated annual report of the Elektro Gorenjska Group for 2024. They decided on the appropriation of the 2024 distributable profit, granted discharge to the Management Board and Supervisory Board for their work in the previous year, and appointed two new members to the Supervisory Board.
- Elektro Gorenjska hosted the regular annual meeting of the European AHEAD project at its headquarters. Representatives of the 21 project partners, including Elektro Gorenjska, visited the Primskovo Substation and were presented with plans for a future megawatt charging station for electric vehicles.
- Elektro Gorenjska hosted representatives and the Compliance and Corporate Integrity Officer of Slovenian Sovereign Holding. The purpose of the visit was to review the company's activities in the areas of compliance and corporate integrity, as well as the implementation of the Compliance Officer's responsibilities.

JULY

- Elektro Gorenjska organised the fourth edition of the Transformator Summer School for young talents. Participants took part in various projects, acquired new knowledge and skills, and gained insight into best practices in the energy sector and sustainable development.
- The 2025 IEEE Power & Energy Society General Meeting took place in Austin, Texas, where a representative of Elektro Gorenjska presented a professional contribution on the panel European Energy Projects and Grid Development Activities.
- Dr Jože P. Damijan joined the Transformator Summer School to present his study Assessment of the Effects of Delays in the Implementation of Slovenia's Energy Policy.
- As part of the Workplace Health Promotion Programme, employees received cooling towels to help them cope with high temperatures and stay comfortable during work, sports, and leisure activities.

AUGUST

- Elektro Gorenjska hosted Dr Denis Čaleta of the Institute for Corporate Security Studies, who delivered a lecture on corporate and cybersecurity issues for participants of the Transformator Summer School.
- The General Assembly of the Association of Electricity Distribution Companies of Slovenia (GIZ DEE) was held at Elektro Gorenjska's headquarters.

SEPTEMBER

- The Rules on Business Secrets and the Rules of Procedure of the Management Board entered into force, representing an important step in strengthening corporate integrity.
- Elektro Gorenjska organised its traditional Company Day for employees in Bohinjska Bistrica.
- Elektro Gorenjska successfully completed an external audit of its Integrated Management System (IMS), conducted by the audit team of SIQ.
- A ceremonial handover of a new seven-kilometre 20 kV cable connection through the Bohinj railway tunnel took place in Podbrdo. The connection links the distribution networks of Elektro Primorska and Elektro Gorenjska and is intended to provide mutual backup power supply in the event of network failures.
- Elektro Gorenjska successfully completed the sale of its subsidiary, Gorenjske elektrarne. The new owners became GEN energija with a 26% ownership stake and Savske elektrarne Ljubljana with a 74% ownership stake. Both companies are members of the GEN Group.
- Partners of the StoreMore project, including Elektro Gorenjska, met for their fourth working meeting.

OCTOBER

- A representative of Elektro Gorenjska presented the innovative SmartEAM project at the professional event Energy Innovations ’25.
- Employees of Elektro Gorenjska whose positions are exposed to corporate integrity risks attended training on the principles and mechanisms of integrity, as well as the practices of the Commission for the Prevention of Corruption of the Republic of Slovenia.
- A series of thematic events aimed at raising awareness of the importance of critical infrastructure resilience was launched. Representatives of Elektro Gorenjska attended the first joint consultation organised by Slovenian Sovereign Holding (SDH) on this topic.
- Representatives of Elektro Gorenjska participated in the 7th Live-Line Working Workshop in Šempeter, organised by C&G. They were introduced to advanced live-line working methods used in Croatia and France.

NOVEMBER

- Representatives of Elektro Gorenjska attended the Annual Professional Meeting of Appointed Verification Bodies organised by the Metrology Institute of the Republic of Slovenia. Elektro Gorenjska’s Measurement Laboratory is one of twenty-nine appointed verification bodies in Slovenia and ensures the required certification processes each year.
- Elektro Gorenjska hosted a 15-member international CIGRE working group dedicated to live-line working. The group develops safety guidelines and procedures for work on medium- and high-voltage networks and examines risks and standards, including those related to activities that are not yet standardised or authorised. After more than four years of work, the group approved the project's final report during the meeting.
- Corporate integrity is a cornerstone of the company’s reputation and trustworthiness. To ensure that all employees are familiar with the Rules on the Acceptance of Gifts, a range of communication activities was organised, including a dedicated training course on the importance and proper acceptance of gifts.

DECEMBER

- Elektro Gorenjska organised its traditional pre-holiday gathering for business partners at Brdo Estate.
- Elektro Gorenjska donated EUR 8,000 to Zavod 7 (Institute 7) to support the Neodvisen.si programme, which raises awareness among young people about the dangers of addiction.
- Father Christmas visited the children of Elektro Gorenjska employees.
- Elektro Gorenjska organised its traditional year-end reception for employees.
- At the end of the year, Elektro Gorenjska collaborated with Korak Institute, Birografika Bori, and Radolška Čokoladnica to prepare corporate gifts and promotional materials.

1.1.1. Events After the End of the Financial Year

Following the successful sale of its subsidiary, Gorenjske elektrarne, Elektro Gorenjska refreshed its corporate visual identity, including the introduction of a new logo.

1.2. Message from the President of the Management Board

A Year of Landmark Decisions and Clear Focus

2025 was a year of landmark decisions, record investments, and a clear strategic focus for Elektro Gorenjska. At a time when the energy sector is being reshaped by accelerating electrification, decentralised energy resources, and an increasingly unpredictable operating environment, we made decisions that not only influence our business today but also define our role in the energy system of the future.

One of the key milestones of the year was a record investment cycle. Investments totalling EUR 39.8 million were made in the electricity network and other assets, marking the largest investment cycle in the history of Elektro Gorenjska. The significance of these investments lies not only in their scale but, above all, in their impact on the long-term resilience of our network. Supply reliability was strengthened, the resilience of the network to extreme weather events was enhanced, and the foundations were established for the integration of new energy flows, including distributed renewable energy sources, electric mobility, and heat pump technologies. At Elektro Gorenjska, investments are no longer merely a matter of maintenance; they have become a key driver of our future competitiveness and of the stability of Slovenia's electricity system.
In this context, the sale of the Gorenjske elektrarne subsidiary was one of the most

With 2025, we entered a new phase of development in which our energy, expertise, and resources are being focused even more strongly on where we create the greatest value – the development and management of a modern, reliable, and high-quality electricity distribution network.

important strategic decisions of the year. It enabled us to focus more strongly on our core business while ensuring that the development potential, expertise, and competencies of Gorenjske elektrarne continue to evolve within a stable and supportive environment. The strategic significance of this decision is twofold: on the one hand, it strengthens our own operational efficiency; on the other, it preserves valuable development potential within the broader energy sector.

2025 was also marked by important infrastructure and development projects. The modernisation of the network continued across all key segments, from substations to advanced metering and control systems. A major achievement was the establishment of an interconnection between the networks of Elektro Gorenjska and Elektro Primorska, strengthening the integration, resilience, and flexibility of the national electricity system. Projects of this kind are not merely technical undertakings; they provide a strategic framework for more efficient management of energy flows while strengthening the resilience of the electricity system at the national level.

Advancing Through Partnership

At the same time, projects of this kind clearly demonstrate the importance of partnerships in the modern energy sector. The challenges we face extend beyond the boundaries of individual electricity distribution companies, making our ability to connect, coordinate, and work together a key development capability. The network interconnection project is further proof that Elektro Gorenjska possesses the expertise, organisational maturity, and implementation capacity required to deliver the most demanding projects. Such undertakings require a high level of professional excellence, precise coordination, and mutual trust among partners – qualities that confirm our ability to act as a reliable and competent partner within the broader energy sector.

Another important development milestone was the launch of the redevelopment of our business complex in Kranj. This project goes beyond the scope of a traditional infrastructure investment. It is about creating an environment that will support digitalisation, logistical efficiency, and new, more integrated ways of working over the long term. In modern organisations, the way work and workplace environments are organised has a direct impact on the ability to collaborate, innovate, and adapt.

Our Sustainable Development Strategy 2024–2028 was also implemented consistently throughout the year. Key management systems were strengthened, the development of corporate integrity was supported, connection processes were enhanced, and the competencies required to address future challenges were further developed.

Particular attention was devoted to sustainability. At Elektro Gorenjska, sustainability is no longer a separate area of activity; it has become our way of doing business. It is not viewed as a parallel initiative, but rather as a fundamental principle guiding our decisions, development, and day-to-day operations. Its role extends beyond infrastructure, technology, and environmental indicators. It reflects our ability to ensure reliable electricity supply while responsibly managing resources, developing the organisation, and strengthening trust among stakeholders in the wider environment.

People at the Core of Elektro Gorenjska's Development

People remain at the heart of this development. Elektro Gorenjska is a technology-driven company, but its true strength lies in its people. In an increasingly complex environment, the ability to collaborate, learn, and adapt is what ultimately determines an organisation's success. For this reason, competency development, stronger collaboration, and the cultivation of a culture of trust are not supporting activities, but key strategic drivers.

With 2025, we entered a new phase of development in which our energy, expertise, and resources are being focused even more strongly on where we create the greatest value – the development and management of a modern, reliable, and high-quality electricity distribution network.

Although new milestones were achieved in 2025, our focus is already on the future. In 2026, we plan to push boundaries further by implementing the largest investment programme in the company's history, exceeding EUR 40 million. What matters most, however, is not only its scale but also its focus – investment in projects that deliver the greatest value for customers and society.

Agility as Our Response to Change

Changes in the environment also require changes in the way we operate. The energy system of the future demands greater flexibility, faster responsiveness, and more integrated thinking. This is why considerable attention is being devoted to developing organisational agility. The transition from a traditional organisation to a modern, more connected one is not simple, but it is essential – and we see it as one of the key development opportunities for Elektro Gorenjska.

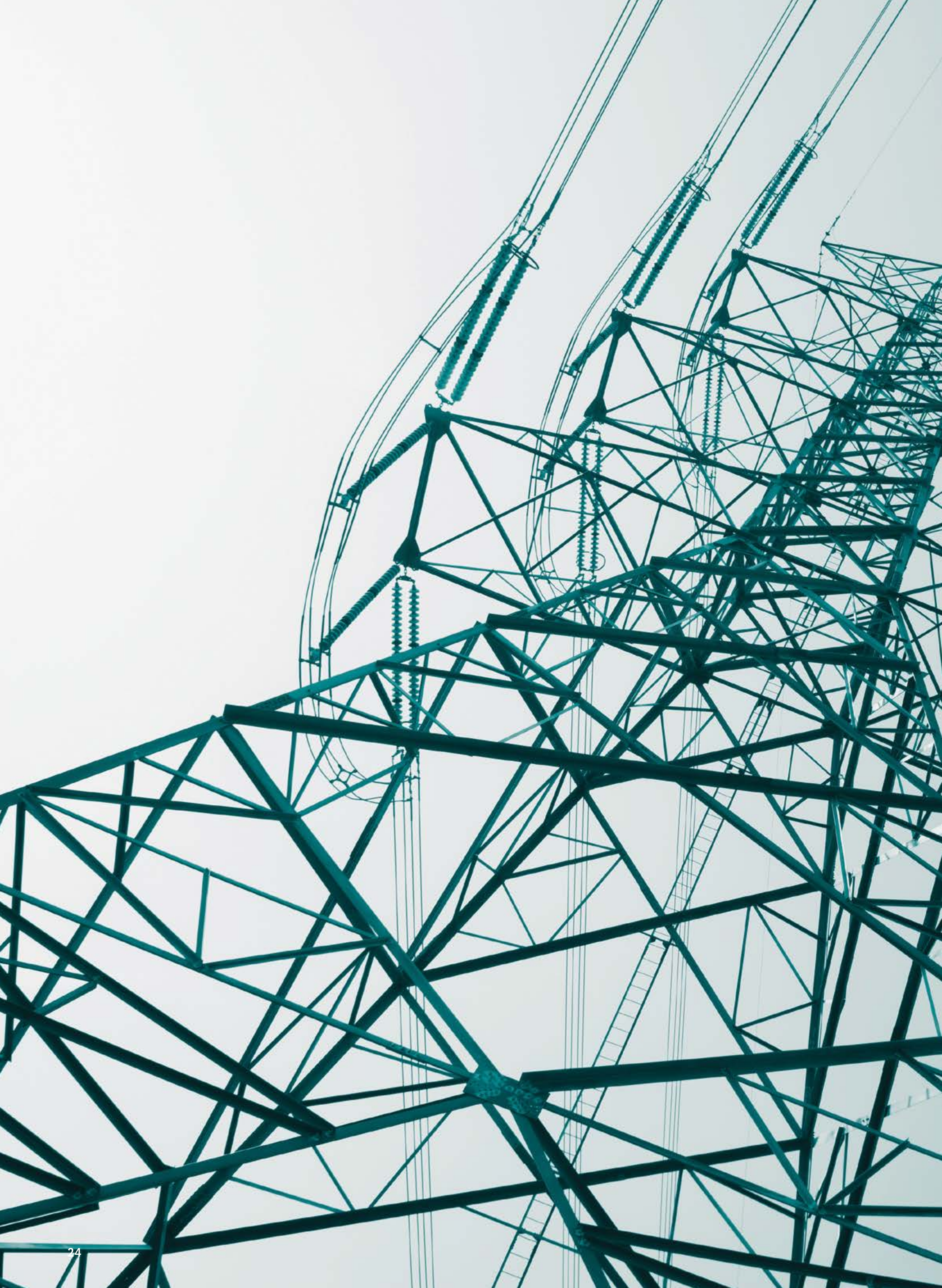
This new developmental phase has also been symbolically expressed through the redesign of our corporate visual identity, which is being gradually introduced throughout 2026. At the same time, a renewed corporate strategy is being prepared to guide our development beyond 2028. We continue to invest in employee development, organisational enhancement, and working practices that strengthen connectivity, efficiency, and innovation.

Our ambition remains clear: to provide reliable, sustainable, and advanced electricity supply services while remaining among the leading electricity distribution companies in terms of quality and innovation. By size, we rank fifth among Slovenia's electricity distributors; by quality and reliability, we achieve the highest standards. This is not merely a goal but a responsibility – one that can only be fulfilled through continuous development, investment, and improvement.

Our ambition remains clear: to provide reliable, sustainable, and advanced electricity supply services while remaining among the leading electricity distribution companies in terms of quality and innovation.

Finally, we would like to express our sincere gratitude to our shareholders, employees, partners, customers, and the wider community for their trust and support. It is this trust that forms the foundation upon which our future development is built. We firmly believe that only through partnerships, responsibility, and a clear sense of purpose can we successfully address the challenges ahead. We therefore invite you to continue accompanying and supporting us on this journey.

Dr Ivan ŠMON, MBA
President of the Management Board



1.3. Report of the Chairman of the Supervisory Board

SUPERVISORY BOARD REPORT ON THE REVIEW OF THE ANNUAL REPORT OF ELEKTRO GORENJSKA FOR 2025 PURSUANT TO ARTICLE 282 OF THE COMPANIES ACT (ZGD-1)

Activities of the Supervisory Board in 2025

In 2025, the Supervisory Board held ten regular meetings, representing a significant rationalisation compared to the previous year, as the number of meetings was reduced by two regular meetings and two correspondence meetings. All meetings were conducted in accordance with the Work Plan of the Supervisory Board and its committees, which is adopted by the Supervisory Board each December for the following year. Given that the majority of activities related to the sale of the Gorenjske elektrarne subsidiary were carried out in 2024, the reduction in the number of Supervisory Board meetings was appropriate.

In January 2025, the Supervisory Board granted prior consent to the Share Purchase Agreement for the sale of a 100% equity interest in Gorenjske elektrarne d.o.o. to the purchasers GEN energija d.o.o. and Savske elektrarne Ljubljana d.o.o. The remaining procedures required to complete the transaction were subsequently carried out, and as of 15 September 2025, when the transfer of ownership was officially completed, the Elektro Gorenjska Group ceased to exist.

During 2025, the Supervisory Board adopted a total of 139 resolutions. The implementation of adopted resolutions was regularly reviewed at the beginning of each regular meeting. All members of the Supervisory Board acted independently in their decision-making, in accordance with the statements they had provided, which are publicly and transparently disclosed on the company's website. Members prepared thoroughly for meetings and agenda items, contributed constructive proposals, amendments and comments, and made decisions within the scope of their responsibilities following prior discussion. The members performed their duties diligently and responsibly, exercising the due care of prudent and conscientious managers, in accordance with the Supervisory Board's fundamental role of overseeing the management of the company and based on the powers defined in the Companies Act (ZGD-1), the company's Articles of Association, and the Rules of Procedure of the Supervisory Board.

In carrying out their duties, the members of the Supervisory Board acted in accordance with the Recommendations and Expectations of the Slovenian Sovereign Holding and the Corporate Governance Code for Companies with State Capital Investments. The Management Board reported on compliance with and implementation of these regulations and recommendations in the Corporate Governance Statement, which forms an integral part of the Annual Report.

The Supervisory Board continued its efforts to enhance the application of good governance and supervisory practices. Its members complemented one another through their diverse knowledge and experience. The composition of the Supervisory Board ensures that all competencies necessary for effective oversight of the company's operations are represented. Particular recognition should also be given to the employee representatives, who demonstrated a high level of engagement in attending Supervisory Board and committee meetings and, through their in-depth understanding of the company's operations, made a valuable contribution to effective oversight.

The work of the Supervisory Board was carried out in accordance with the approved Financial Plan and the Annual Work Plan of the Supervisory Board and its committees, while also addressing additional unforeseen tasks. In addition to its regular reporting, the Management Board provided ongoing updates on the status and progress of strategic projects and the implementation of the adopted strategy.

The Supervisory Board continued to review reports submitted by the Management Board regarding measures adopted to mitigate the financial and other business impacts of the Act on Emergency Measures to Mitigate the Consequences of High Energy Prices (Official Gazette of the Republic of Slovenia, No. 29/22), which deprived the company of revenue from three months of network charges.

The Supervisory Board regularly monitored the status of major investment projects and developments in the area of corporate integrity through reports submitted by the Compliance Officer.

The Supervisory Board also conducted an evaluation of its own performance through a self-assessment of its work for 2024.

A key activity in 2025 was the selection and appointment of the President of the Management Board, carried out in accordance with the company's Articles of Association on the basis of a personal invitation extended to the incumbent President of the Management Board.

In accordance with its responsibilities and good corporate governance practices, the Supervisory Board also continued to monitor the operations of Gorenjske elektrarne d.o.o. through reporting on the performance of companies within the EG Group until the company's divestment. The Audit Committee ceased monitoring the operations of Gorenjske elektrarne d.o.o. on 31 March 2025 following the adoption of amendments to the Auditing Act.

Composition of the Supervisory Board in 2025

In 2025, the Supervisory Board operated in the following composition:
- Gabrijel Škof, Chair of the Supervisory Board,
- Rajko Stanković, Deputy Chair of the Supervisory Board,
- Vid Meglič, Member, until 28 August 2025,
- Anika Vrabec Božič, Member, from 29 August 2025,
- Franjo Curanović, Member,
- David Gogala, Member (Employee Representative),
- Borut Jereb, Member (Employee Representative).

Review of Company Operations and the Work of the Management Board in 2025

Throughout the year, the Supervisory Board reviewed the company's operations based on quarterly financial reports, reports on the implementation of strategic projects by the Management Board and additional performance data (monthly performance estimates).

The Supervisory Board devoted particular attention to the following areas:
- Regular monitoring of the company's operations, with particular emphasis on adjustments related to the consequences of the intervention act, which affected operations even in 2025;
- Supervision of all procedures related to the reimbursement of network charge funds withdrawn from the company during the COVID period under the intervention act;
- Oversight of investments, execution of construction works, and ongoing monitoring of operations and financial reporting;
- Conducting an evaluation of the Supervisory Board's performance (self-assessment), including the adoption of an action plan and monitoring the implementation of adopted resolutions;
- Conducting the procedure for the appointment of the CEO for the 2026–2030 term of office;
- Monitoring the operations of the Group companies – Gorenjske elektrarne and GEK Solar – until the dissolution of the Group, exercising the authority of the Audit Committee of the parent company;
- Monitoring the implementation of General Meeting resolutions;
- Monitoring major investment projects;

- Monitoring strategic projects under the Elektro Gorenjska Sustainable Development Strategy 2024–2028;
- Supervising contracts requiring the consent of the Supervisory Board pursuant to the provisions of the company's Articles of Association;
- Monitoring public procurement procedures;
- Monitoring developments in the field of sustainability reporting;
- Reviewing reports submitted by the Compliance Officer;
- Preparing proposed resolutions for the Annual General Meeting; and
- Monitoring risks, particularly those associated with the increased volume of investments in accordance with the Development Plan and the National Energy and Climate Plan (NEPN).

Considering the areas outlined above, the following activities of the Supervisory Board should be particularly highlighted:

- The Supervisory Board regularly reviewed quarterly reports on the performance of companies within the Group for 2024 and subsequently assessed the performance of Elektro Gorenjska, while focusing on the implementation of the Business Plan for 2025.
- in accordance with the Companies Act (ZGD-1), the Supervisory Board reviewed and approved the audited Annual Report of Elektro Gorenjska and the Elektro Gorenjska Group for 2024 and prepared a written report on its review and approval of the said reports for the 2024 financial year.
- The Supervisory Board granted its consent to the Internal Audit Charter of Elektro Gorenjska, d.d.
- The Supervisory Board adopted the Competency Profile of the Members of the Supervisory Board of Elektro Gorenjska, d.d.
- The Supervisory Board participated in the preparation of proposed resolutions for the 32nd Annual General Meeting of Shareholders, held on 19 June 2025. It proposed that the General Meeting approve the work of the President of the Management Board in the 2024 financial year and grant him discharge from liability. It also nominated two shareholder representatives for appointment to the Supervisory Board.
- In 2025, two committees operated actively within the Supervisory Board framework: the Audit Committee and the Human Resources Committee. Their work was carried out in accordance with the respective Rules of Procedure. Until April 2025, the Audit Committee also performed the duties of the audit committee for the Gorenjske elektrarne subsidiary.
- The Supervisory Board continued its established practice of reviewing reports on the status and progress of major projects within the company.
- In accordance with standing resolutions, the Supervisory Board continued to monitor public procurement procedures, beginning with information on newly initiated procurement processes. The Audit Committee reviews public procurement reports on a quarterly basis and reports its findings to the Supervisory Board.
- In 2025, in accordance with the company's Articles of Association, the Supervisory Board granted consent to legal transactions and certain contract amendments resulting from increases in contract values, amounting in aggregate to more than €20 million, excluding VAT.
- Pursuant to the provisions of the company's Articles of Association, and in connection with its consideration of the Business Plan of Elektro Gorenjska for 2026, including financial projections for 2027 and 2028, the Supervisory Board granted consent to short-term borrowing of up to EUR 16 million. The approved borrowing limit was EUR 7 million higher than in the previous year. This approval was based on assurances from the Management Board that the company would comply with the Regulation on the Conditions and Procedures for Borrowing by Legal Entities under Article 87 of the Public Finance Act and that it possessed the capacity to independently obtain and repay the planned financing.
- In accordance with the Remuneration of Management Personnel in Companies Act (ZPPOGD), the Supervisory Board determined the amount of the variable remuneration component of the President of the Management Board for 2024 and adopted the performance criteria for the variable remuneration component for 2026.
- The Supervisory Board adopted the Remuneration Policy for the President of the Management Board of Elektro Gorenjska, d.d.

Cooperation with the President of the Management Board

The Supervisory Board considers that the President of the Management Board, Dr Ivan Šmon, MBA, led the company successfully in 2025, which is expected to result in a profit for the financial year. The Supervisory Board evaluates the cooperation with the President of the Management Board as highly professional and constructive. All meeting materials were submitted in a timely manner, thoroughly and expertly prepared, and appropriately presented at sessions. Reports on the implementation of resolutions and other reports requested by the Supervisory Board were prepared on a regular basis. The Supervisory Board had access to all necessary and relevant reports, data, and information, enabling it to monitor company operations responsibly and make well-informed decisions.

The Supervisory Board assesses its cooperation with the President of the Management Board over the past year as very successful. Based on the successful cooperation in previous years, the Supervisory Board also extended a personal invitation to him to continue in the role for the next term of office, which he accepted.

Functioning of the Supervisory Board Committees

In 2025, two committees operated within the Supervisory Board.

Audit Committee

The Audit Committee provides expert support to the Supervisory Board, particularly in the areas of financial and sustainability reporting, financial operations, internal controls and risk management, and internal and external audits. It prepares expert bases and draft resolutions required for the work and decision-making of the Supervisory Board.

In 2025, the Audit Committee comprised Franjo Curanović (Chair), Rajko Stanković (Member) and Prof. Dr Simon Čadež (External Member). The committee held eight regular meetings, which were regularly attended by all members.

The President of the Management Board and the internal auditor (Head of Internal Audit) were invited to all meetings, alongside additional presenters as needed.

In accordance with its rules of procedure, the Supervisory Board was kept informed of invitations and minutes. The Chair of the Audit Committee reported periodically to the Supervisory Board on its activities.

Key activities of the Audit Committee in 2025 included:

2024 Annual Report: The Committee reviewed the Annual Report of Elektro Gorenjska and the consolidated report of the Group, which includes sustainability report of the Group. In connection with the Annual Report, the Committee met with the audit partner and examined the auditor’s report.

Business Plan and Current Operations: The Committee reviewed the 2026 Business Plan with projections through 2028 and proposed it for adoption by the Supervisory Board.
The Committee reviewed the quarterly performance of the company and reported to the Supervisory Board.

Internal Audit: The Audit Committee worked closely with the internal auditor in their role as Head of Internal Audit. It reviewed the Internal Audit Annual Report for 2024, reports on completed internal audit engagements, and monitored the implementation of recommendations. The Committee also reviewed interim internal audit reports and the external quality assessment report of the internal audit function. Furthermore, it reviewed the internal audit work plan and proposed the Supervisory Board to approve it.

Cooperation with External Auditor: The Committee met with the external auditor before the finalisation of the 2024 financial statement audit and during the pre-audit phase for 2025.

Self-Assessment: The Audit Committee conducted a self-assessment of its activities.

Human Resources Committee

In 2025, the Human Resources Committee operated in the following composition: Gabrijel Škof, Chair; Vid Meglič, Member (until 28 August 2025); Anika Vrabec Božič, Member (from 29 August 2025); and Borut Jereb, Member.

The Human Resources Committee held five meetings in 2025. Vid Meglič attended four meetings before his term of office on the Supervisory Board and the Human Resources Committee expired at the end of August 2025. The newly appointed member of both the Committee and the Supervisory Board, Anika Vrabec Božič, attended the December meeting. All members regularly attended Committee meetings. During the reporting period, the Committee adopted a total of 31 resolutions, all of which were implemented.

At its meetings, the Committee reviewed, discussed and adopted the following matters:
- Reviewed the Supervisory Board self-assessment matrix and proposed its adoption by the Supervisory Board, and subsequently carried out all related activities, including the review of completed assessment matrices, presentation of the self-assessment results, preparation of an action plan, and submission of proposals to the Supervisory Board;
- Prepared an approach for identifying candidates in accordance with Article 22 of the Company's Articles of Association and informed the Supervisory Board thereof. Upon authorisation by the Supervisory Board, the Committee carried out further activities, including preparation of the timetable for the selection of the President of the Management Board of Elektro Gorenjska for the 2026–2030 term of office, drafting the personal invitation to submit an application for the position, reviewing the application and business programme, and submitting recommendations to the Supervisory Board;
- Adopted the proposed Competency Profile of the Members of the Supervisory Board of Elektro Gorenjska;
- Aligned the Remuneration Policy for the Management Bodies of Elektro Gorenjska, d.d. and the Management Bodies of Subsidiaries within the Elektro Gorenjska Group with the Recommendations and Expectations of the Slovenian Sovereign Holding (SDH) issued in December 2024, and proposed its adoption by the Supervisory Board;
- Reviewed the adjustment of the gross salary of the President of the Management Board in accordance with the Remuneration Policy for the Management Bodies of Elektro Gorenjska and the Management Bodies of Subsidiaries within the Elektro Gorenjska Group, which must be completed no later than the end of March;
- Reviewed the Report on Training Activities Undertaken by Supervisory Board Members in 2024;
- Reviewed the achievement of the President of the Management Board's performance criteria for 2024 and proposed to the Supervisory Board the payment of the variable component of remuneration;
- Reviewed the proposed Performance Criteria for the Variable Remuneration Component of the President of the Management Board for 2026 and recommended their adoption by the Supervisory Board;
- Prepared the Remuneration Policy for the President of the Management Board of Elektro Gorenjska, d.d. and proposed its adoption by the Supervisory Board;
- Prepared the Training Programme for Members of the Supervisory Board of Elektro Gorenjska, d.d. for 2026;
- Reviewed and recommended the Supervisory Board to adopt the Annual Work Plan of the Supervisory Board of Elektro Gorenjska, d.d. and its committees for 2026.

Supervisory Board Position on the 2025 Audit Report

According to the audit opinion issued by BDO Revizija, which audited the Company's financial statements for 2025, the financial statements present fairly, in all material respects, the financial position of Elektro Gorenjska as at 31 December 2025, as well as its financial performance and cash flows for the year then ended, in accordance with the Slovenian Accounting Standards. The Company received the Independent Auditor's Report on 17 April 2026. The representative of BDO presented the course of the audit and its findings at the 24th regular meeting of the Audit Committee of the Supervisory Board on 16 April 2026.

Upon reviewing the audited Annual Report of Elektro Gorenjska for 2025, the Supervisory Board also considered the conclusions of the Audit Committee regarding the auditor's report and established that the audit had been conducted in accordance with applicable legislation and auditing standards.

The Supervisory Board had no comments on the Independent Auditor's Report and expressed a positive opinion regarding the audit report.

The Audit Committee and the Supervisory Board further noted that the auditor had issued an unmodified audit opinion.

Approval of the Company's Annual Report for 2025 and Proposal for the Appropriation of Retained Earnings

Within the statutory deadline, the Management Board submitted the Company's Annual Report together with the auditor's report to the Supervisory Board for review and approval. The Audit Committee thoroughly examined the Annual Report and the auditor's report and provided its opinions and recommendations. Based on its regular monitoring of the Company's operations and its detailed review of the aforementioned reports, the Supervisory Board determined that the Annual Report for 2025 had been prepared in accordance with the applicable legislation and regulations and presented a true and fair view of the Company's assets, liabilities, financial position, profit or loss, and comprehensive income in a clear and transparent manner. The Annual Report of Elektro Gorenjska for 2025 was prepared in accordance with the provisions of the Companies Act and the applicable Slovenian Accounting Standards.

Elektro Gorenjska concluded the 2025 financial year with a profit. Retained earnings as at 31 December 2025, representing the remaining net profit for the financial year, amounted to €8,745,108.33. Compared to retained earnings for the 2024 financial year, retained earnings for 2025 were higher by €7,363,230.33. The Management Board will propose to the General Meeting of Shareholders that a portion of the retained earnings for 2025, amounting to €4,318,368.75, or €0.25 per share, be distributed to shareholders.

The Supervisory Board reviewed the proposal for the appropriation of retained earnings and agrees with the proposal submitted by the Management Board.

Following its review, the members of the Supervisory Board had no comments on the Annual Report for 2025. Accordingly, at its 35th regular meeting held on 8 May 2026, the Supervisory Board unanimously approved the Annual Report for 2025 and adopted this Report of the Supervisory Board on the Review and Approval of the Annual Report.

Kranj, 8 May 2026

Gabrijel Škof
Chair of the Supervisory Board


1.4. Supervisory Board

The powers and composition of the Supervisory Board are defined by the company's Articles of Association. The Supervisory Board is composed of six members, four of whom represent capital interests and two who represent employees. Members of the Supervisory Board are elected for a term of four years and may be re-elected. The shareholder-appointed members are elected by the General Meeting of Shareholders by a simple majority of the votes cast. The two employee representatives are appointed by the company's Works Council.

Composition of the Supervisory Board in 2025:

SUPERVISORY BOARD OF EG, d. d.	Function	Term From	Term To
Gabrijel Škof	Chairman	29 Aug 2021 (Chairman since 31 Aug 2023)	29 Aug 2029
Rajko Stanković	Deputy Chairman	25 Aug 2023 (Deputy Chairman since 31 Aug 2023)	25 Aug 2027
Vid Meglič	Member	29 Aug 2021	28 Aug 2025
Anika Vrabec Božič	Member	29 Aug 2025	29 Aug 2029
Franjo Curanović	Member	25 Aug 2023	25 Aug 2027
Borut Jereb	Member	9 Aug 2023	9. Aug 2027
David Gogala	Member	9 Aug 2023	9. Aug 2027

By resolution of the General Meeting, in addition to session fees of €275, members of the Supervisory Board receive a monthly remuneration of €942 for members, €1,412.50 for the Chairman of the Supervisory Board and €1,035.83 for the Deputy Chairman. Details of the 2025 remuneration are presented in the chapter Transactions with Related Parties.

Audit Committee of Elektro Gorenjska Supervisory Board

In 2025, the standing Audit Committee of the Supervisory Board of Elektro Gorenjska operated in the following composition:

AUDIT COMMITTEE SB EG, d. d.	Function	Term From	Term To
Franjo Curanović	Chairman	25 Aug 2023 (Chairman since 31 Aug 2023)	25 Aug 2027
Rajko Stanković	Member	25 Aug 2023 (Member since 31 Aug 2023)	25 Aug 2027
Dr Simon Čadež	External Member	31 Aug 2023	25 Aug 2027

The committee's term is tied to the term of the Supervisory Board.

Human Resources Committee of the Supervisory Board of Elektro Gorenjska

In 2025, the standing Human Resources Committee of the Supervisory Board of Elektro Gorenjska operated in the following composition:

HUMAN RESOURCES COMMITTEE OF SB EG, d. d.	Function	Term From	Term To
Gabrijel Škof	Chairman	29 Aug 2021 (Chairman since 31 Aug 2023)	29 Aug 2029
Vid Meglič	Member	29 Aug 2021	28 Aug 2025
Anika Vrabec Božič	Member	29 Aug 2025	29 Aug 2029
Borut Jereb	Member	9 Aug 2023	9 Aug 2027

1.5. General Meeting of Shareholders

In 2025, the Management Board convened one regular session of the company's General Meeting.

The 32nd regular General Meeting was held on 19 June 2025, with 85.62% of voting shareholders present. Shareholders voted on five agenda items, as published in the meeting notice on the online portal of the Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES).

The shareholders were first presented with the audited annual report of the company and the Group for 2024, the auditor's opinion, and the written report of the Supervisory Board on the review and approval of the annual report for the 2024 financial year.

The shareholders were also presented with the Remuneration Policy for the Members of the Management Bodies of Companies within the Elektro Gorenjska Group.

The shareholders were informed of the net profit for 2024. As of 31 December 2024, the retained earnings amounted to €1,381,878.00. A resolution was adopted to allocate the entire amount for the payment of dividends, in the gross amount of €0.08 per share.

The General Meeting granted discharge for 2024 separately to the President of the Management Board and to the members of the Supervisory Board.

The General Meeting adopted a resolution providing that the terms of office of Gabrijel Škof and Vid Meglič would expire on 28 August 2025 and that, effective 29 August 2025, Gabrijel Škof and Anika Vrabec Božič would be elected as new members of the Supervisory Board, representing the shareholders, for a four-year term of office.

2. About Elektro Gorenjska

Elektro Gorenjska is one of the highest-quality and most development-oriented electricity distribution company in Slovenia. Our core mission is to provide the Gorenjska region with a reliable and stable electricity supply, while our ambition remains clear – to rank among Europe's leading electricity distributors in terms of reliability, quality, and innovation.

Electricity is the backbone of the modern world. Elektro Gorenjska is building the system that supports this world and enables its continued development. Through an innovative approach and sustainable solutions, Elektro Gorenjska acts as a transformer of change – in the economy, local communities, and everyday life.

Our journey is shaped by people. We believe in competent, committed, and creative employees, which is why we foster an environment that combines stability, reliability, and opportunities for growth. It is a place where expertise, responsibility, and development come together.

For us, a transformer is not merely a component of the electricity network; it is a way of thinking and acting. Our employees are the ones who transform energy into ideas, ideas into solutions, and solutions into tangible change.

Elektro Gorenjska. Providing sustainable energy.

2.1. Mission, Vision, and Values

Mission

Our mission answers the question: Why do we exist?
It defines the reason and purpose behind the existence of Elektro Gorenjska.

Our mission of "providing sustainable energy" encompasses four key dimensions:

It means reliability.

Electricity must be available whenever it is needed – every day, in all weather conditions. This is why we ensure a continuous, stable, and high-quality electricity supply for our customers.

It means development.

We create innovative solutions and build the network that enables Slovenia's green transition. Electrification is not the future. It is our present.

It means responsibility.

Our work affects both the environment and the community, which is why we think long term and act responsibly.

It means performance.

Only a stable and efficient company can develop the system, care for its people, and create new opportunities. This is our sustainable energy – the force that connects people, the environment, and the future.

WE PROVIDE SUSTAINABLE ENERGY.

Vision

The vision outlines what Elektro Gorenjska strives to be.
It is a roadmap to the desired future of Elektro Gorenjska.

Elektro Gorenjska in 2028

We are a central stakeholder in co-creating a sustainable future for the Gorenjska region.

With a highly competent and well-organized team, we efficiently develop and manage a modern and sustainable electricity distribution system.

We rank among the top 10% of European electricity distributors in terms of supply quality and service continuity.

Through the intensive use of advanced grid technologies and carefully planned investments, we fully support the goals of a sustainable transition, in line with the Distribution System Development Plan.

We act as a key facilitator of the flexibility services market, following the best practices of leading European distribution operators.

100 % of our users are connected to the system and benefit from high-quality services.

Network cabling is optimally implemented, covering on average more than 85% of our network—ensuring strong resilience to climate change impacts.

Our operations are efficient and successful, both in terms of process execution and project delivery. We maintain a well-balanced and stable workforce—both in numbers and in expertise.

Our performance indicators in sustainable development and stakeholder cooperation continue to improve steadily.

Thanks to high levels of investment, we have maintained financial stability, solid profitability, and comprehensive security across all operational areas.

the top 10%
of European electricity distributor

100%
of our users are connected to the system and benefit from high-quality services

Network cabling is covering on average more than
85%
of our network

Values

Our values define how we operate.
They are the guiding principles of our daily actions and the compass that keeps us aligned with our vision.

RESPONSIBILITY: We stand by our commitments.

We recognize personal responsibility in making timely, realistic decisions and in how we engage with all stakeholders. We care about others. We act with honesty, care, and social responsibility. We take responsibility for our mistakes, our own development, and staying informed. We manage company resources and assets as responsible stewards. We demonstrate social responsibility by contributing to the sustainable development of both the local and broader community. We are committed to safety in all areas of operation and set an example of corporate integrity.

We are responsible for progress and willingly take on challenging tasks. We carry out our work professionally and competently, striving for excellence. We strengthen the company's reputation by taking initiative and acting proactively within our stakeholder environment.

We persevere and demonstrate strong dedication to achieving our goals. We remain engaged and committed.

SUSTAINABLE INNOVATION: We embrace innovation and pursue sustainable, green solutions.

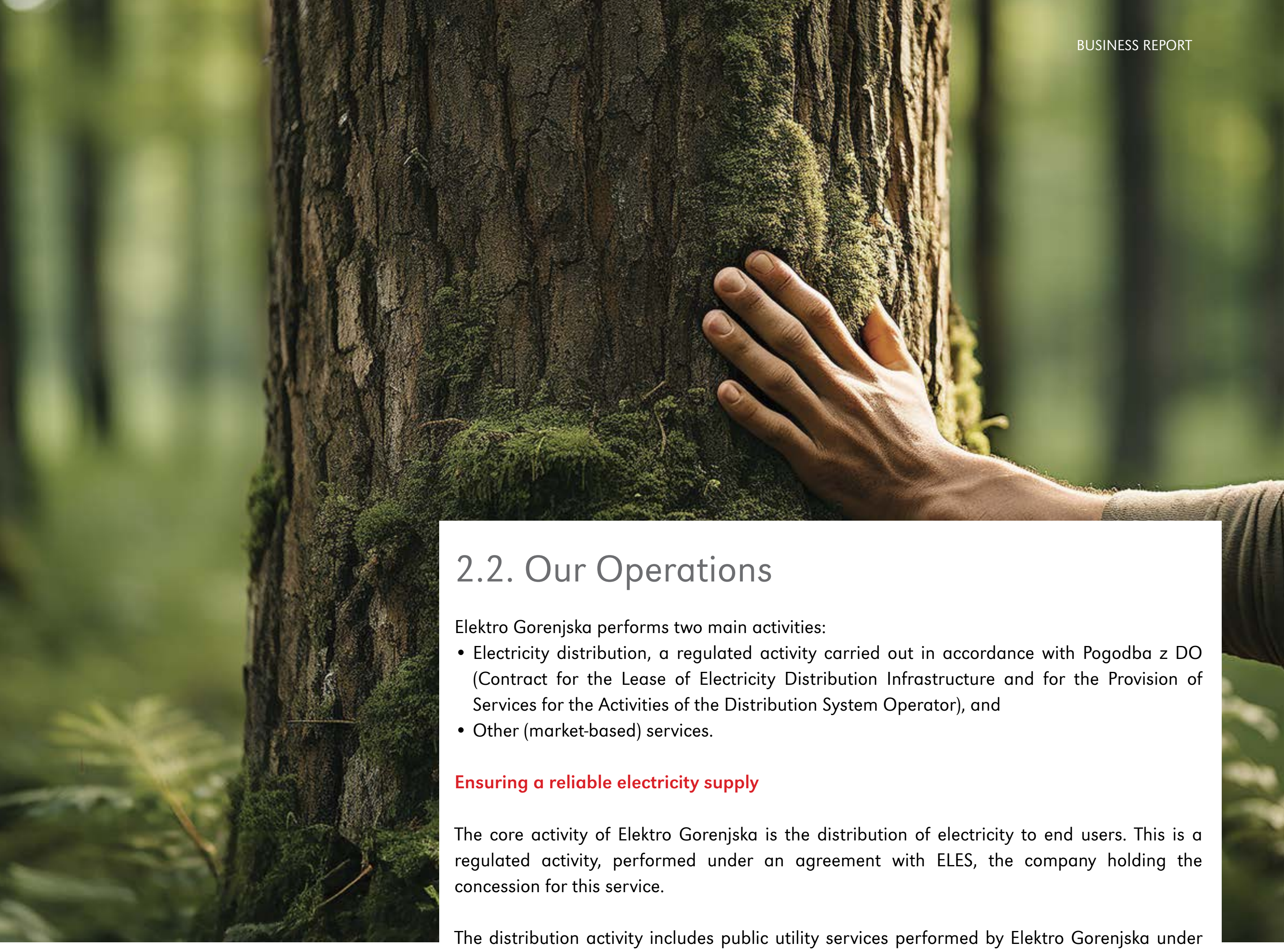
We recognize opportunities in our environment and continuously look for new ways to innovatively and effectively implement and improve internal processes and services in cooperation with external stakeholders. We seek new green and sustainable solutions that support the transition to a low-carbon society.

We respect the past and the knowledge of experienced colleagues while continually building on it. We invest in our personal development. We care for one another, listen to colleagues, involve them in decisions, and support them in thinking creatively and independently so they can grow and develop. We resolve conflicts constructively. We build and share knowledge among ourselves and with our partners. We analyse market and regulatory trends and their impact on the industry, customers, markets, and competitiveness. Within the limits of the law, we offer services that exceed expected standards.

OPENNESS: We build trust with our customers and nurture strong, lasting relationships.

We develop customer relationships and continually seek ways to improve quality and satisfaction. We respond quickly to issues and complaints, addressing them with dedication and timeliness. We take initiative. We build customer trust by making realistic, achievable promises—and keeping them. We understand our services and provide expert guidance. We prioritize quality over quantity and carry out even the simplest tasks with care.

We pay attention to the needs of employees and other people (stakeholders). We are open, share ideas, and strive to find mutually acceptable solutions. We act with tact and aim for the overall satisfaction of the company. We motivate colleagues through friendly relationships. We behave respectfully and kindly, communicate openly, and share our thoughts and feelings with one another.



2.2. Our Operations

Elektro Gorenjska performs two main activities:
- Electricity distribution, a regulated activity carried out in accordance with Pogodba z DO (Contract for the Lease of Electricity Distribution Infrastructure and for the Provision of Services for the Activities of the Distribution System Operator), and
- Other (market-based) services.

Ensuring a reliable electricity supply

The core activity of Elektro Gorenjska is the distribution of electricity to end users. This is a regulated activity, performed under an agreement with ELES, the company holding the concession for this service.

The distribution activity includes public utility services performed by Elektro Gorenjska under contract for the distribution system operator ELES, and comprises:
- Maintenance of primary electricity energy infrastructure (EEI),
- Organisation and operation of an on-call service,
- Operation and management of the electricity distribution network,
- Network development planning,
- Preparation and implementation of investments in EEI,
- Monitoring and assessing electricity supply quality,
- Electricity metering,
- Provision of access services and other services for users,
- User connections,
- Provision of data for covering electricity losses in the distribution network and for the supply of ELES,
- Other user services.

Expert partners in energy projects

Elektro Gorenjska provides also other services – both within the regulated framework and the open market:
- Investment implementation and maintenance,
- Research and development,
- Design and
- Comprehensive engineering services.

Gorenjska is our home

For more than six decades, Elektro Gorenjska has been ensuring a reliable, stable, and high-quality electricity supply across the Gorenjska region. Every day, we deliver electricity to more than 93,000 users across an area of nearly 2,000 km², encompassing everything from cities and towns to tourist destinations and alpine valleys. We manage one of the region's most important energy systems and operate the highest-quality electricity distribution network in Slovenia.

1,986 km²

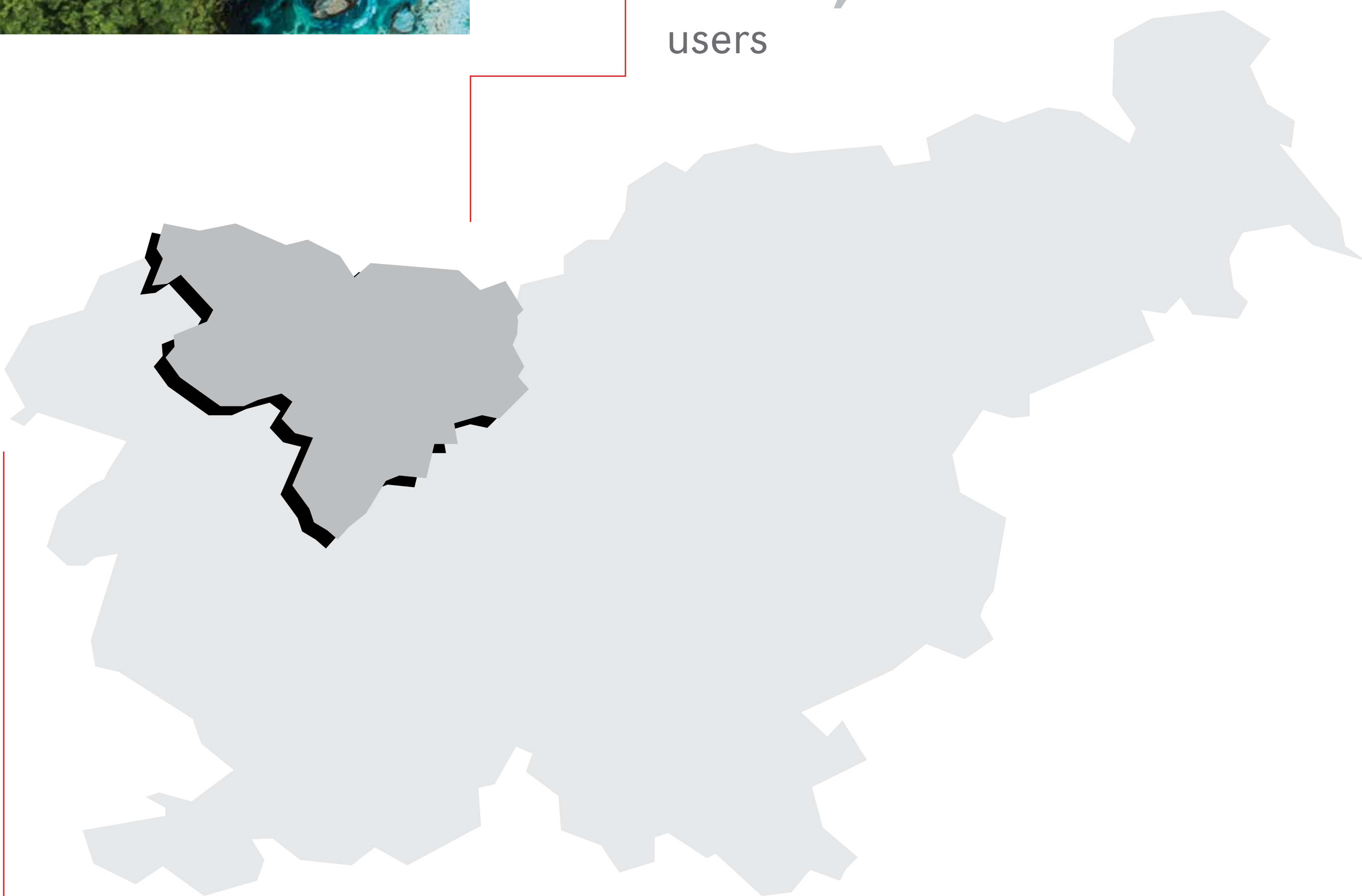
service area

5,536 km

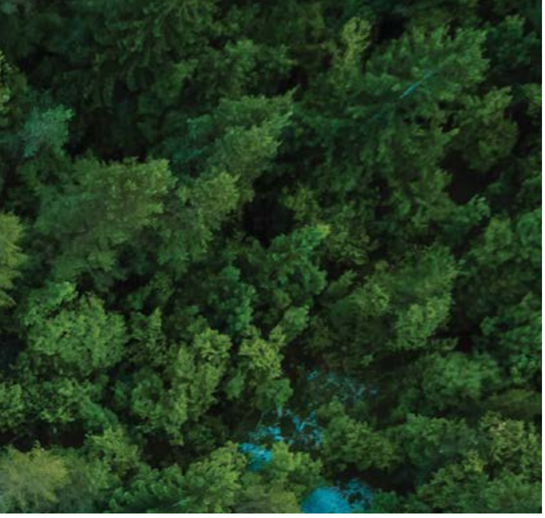
of distribution network

93,869

users



Overview of the electricity supply areas of distribution companies.



2.3. Organisational Structure of the Company

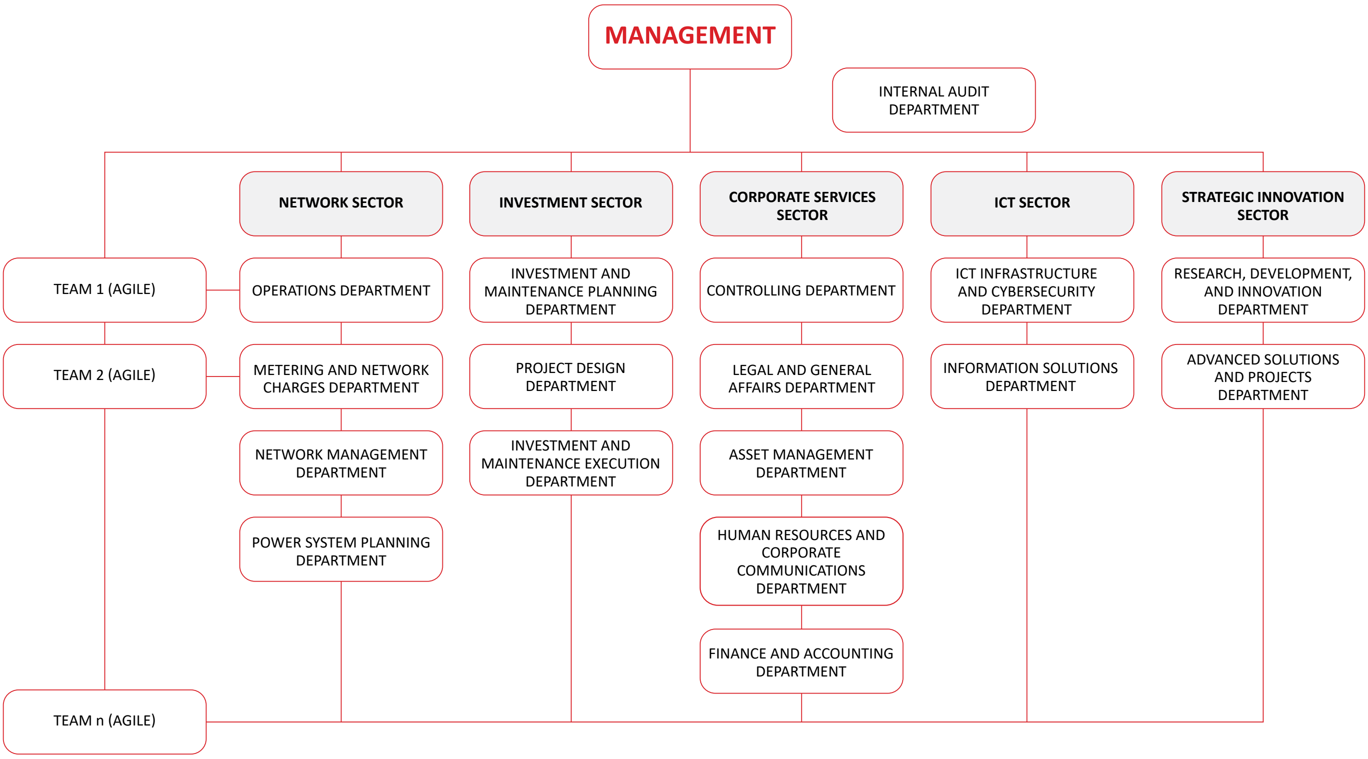
Management and Organisation of Elektro Gorenjska

The Management Board of Elektro Gorenjska consists of a single member – the President of the Management Board – who is appointed by the Supervisory Board. The President serves a four-year term and may be reappointed.

The company is led by Dr Ivan Šmon, MBA. In accordance with the Articles of Association, he holds powers related to the organisation and management of the company. Based on legal requirements, the Articles of Association, and the Rules of Procedure of the Supervisory Board, he reports in detail to the Supervisory Board on the company's operations and performance at least four times per year.

Organisational structure

Organisational structure of Elektro Gorenjska in 2025



Each sector is composed of several departments. The Internal Audit Department reports directly to the Management Board.

The Network Sector manages the tasks of the public utility service for the distribution system operator, which Elektro Gorenjska performs under contract with ELES.

The Investment Sector is responsible for implementing investments and maintenance activities.

The Strategic Innovation Sector focuses on research, development, innovation, and advanced solutions and projects.

The Corporate Services Sector provides general and financial services, occupational health and safety services, and fleet management for all other sectors.

The Information and Communication Technology (ICT) Sector delivers ICT services.

Effective 1 January 2026, the Company implemented a targeted organisational restructuring.

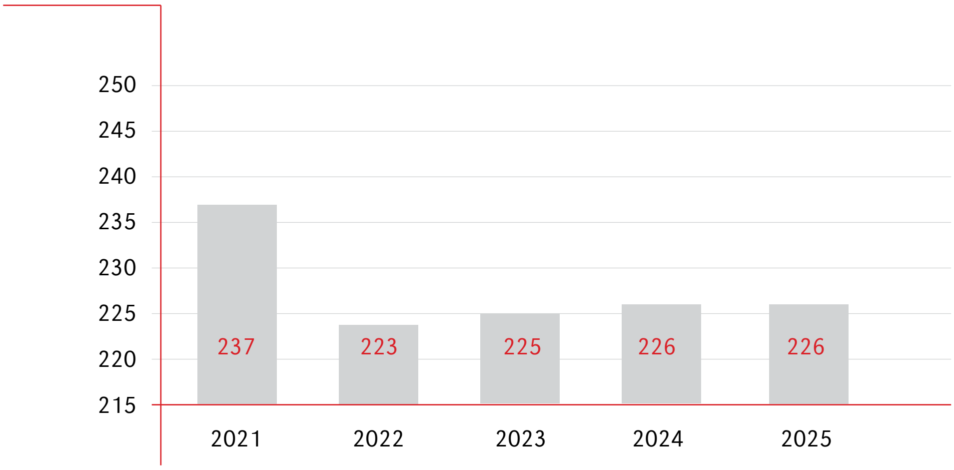
2.4. Share Capital and Ownership Structure

As of 31 December 2025, the share capital of Elektro Gorenjska amounted to €104,136,615.39. It is divided into 17,273,475 ordinary registered no-par value shares (ticker symbol: EGKG). All shares belong to the same class.

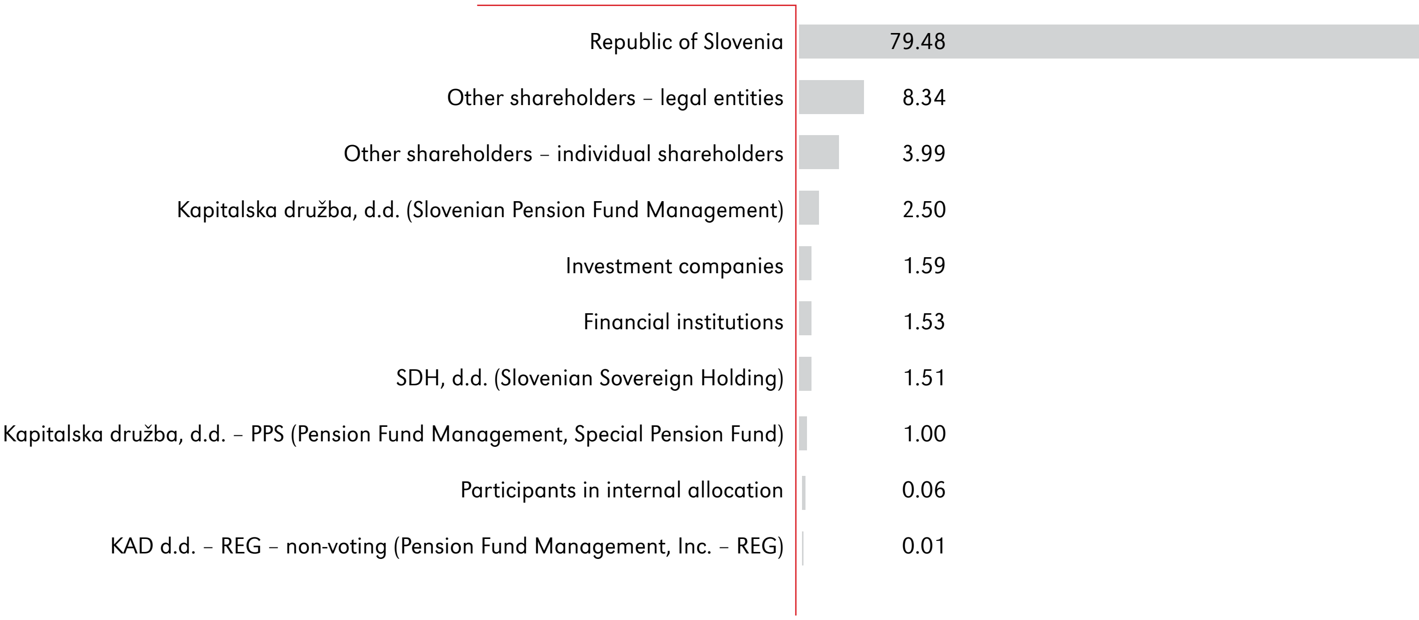
The company has no authorised capital. In 2025, Elektro Gorenjska shares were not traded on any regulated market.

As of 31 December 2025, 95.95% of the company's shares were owned by the Republic of Slovenia and legal entities, representing 20.35% of all shareholders.

Trend in the number of Elektro Gorenjska shareholders from 31 December 2021 to 31 December 2025



Ownership structure of Elektro Gorenjska as of 31 December 2025 (in %)



As of 31 December 2025, the largest shareholder of Elektro Gorenjska was the Republic of Slovenia, holding a 79.48% ownership stake. It was followed by Kapitalska družba with a 2.50% stake and Bau 1, d. o. o., with a 1.96% stake.

2.5. Sustainable Development Strategy of Elektro Gorenjska

Sustainable practices have been part of Elektro Gorenjska's values since the very beginning. Even in times when sustainability was neither widely discussed nor prioritised, we strove to operate in harmony with both the natural and social environment – with the understanding that our work is ultimately about people.

In 2024, we took a significant step forward by formally committing to sustainability through the adoption of the Sustainable Development Strategy of Elektro Gorenjska for 2024–2028. As many of the commitments set out in the strategy had already been fulfilled by the end of 2025, we undertook an update of our business strategy at the beginning of 2026, aligning it even more closely with the opportunities and challenges of the future.

At Elektro Gorenjska, sustainability represents a holistic approach that integrates environmental, social, and economic aspects to ensure long-term business responsibility and stability. It is more than a business strategy. It is our commitment to building a fairer, cleaner, and more resilient future for all.

In doing so, we remain firmly focused on people, the environment, and the responsible development of our business. Our strategic direction is guided by ESG principles and aligned with the European Sustainability Reporting Standards (ESRS). We also put sustainability into practice through operational excellence, ensuring a reliable and stable electricity supply – every day, for every user.

Fully aware of our role and responsibility, we are continuing and expanding our story.

SUSTAINABILITY is more than just a word to us. It expresses the essence of who we are: a reliable partner to people and the environment – today and in the future.

OUR CORPORATE CULTURE IS EVOLVING TOWARD AGILITY, INCLUSIVENESS, COLLABORATION, ACCOUNTABILITY, WIDESPREAD INNOVATION, AND A STRONG COMMITMENT TO SUSTAINABLE GOALS.

2.5.1. Strategic Directions and Initiatives

Under the new Sustainable Development Strategy, Elektro Gorenjska focuses on its core activity – the provision of the public utility service as a distribution system operator. Its central mission is to ensure a stable and reliable electricity supply for the Gorenjska region.

To achieve this, we are prioritising the development and maintenance of a reliable network, with strong emphasis on digitalisation, the introduction of modern technologies, and innovative energy solutions, which strengthen the efficiency and resilience of the system.

Our strategy also places greater focus on sustainability and active stakeholder engagement. These stakeholders include network users, employees, partner organisations, professional associations, suppliers, municipalities, and the wider local community.

Elektro Gorenjska's strategy is stakeholder-oriented, meaning that the company aligns its activities with a deep understanding of stakeholder interests. Through broader social responsibility and professional expertise, we aim to work collaboratively – through co-strategizing – to find long-term sustainable solutions that benefit society.

At the same time, we recognise that efficiency and appropriate profitability are vital qualities of our operations. Especially in the context of accelerated investments and rapid technological development, they are essential to ensure the long-term continuity of our mission and our lasting presence.

Key strategic directions of Elektro Gorenjska until 2028:

1. Sustainable Operations

We continue the story of ENDURING PRESENCE under evolving regulatory conditions. Our focus is on creating the right conditions to transform our network into a modern, sustainable electricity distribution system.

We proactively take co-responsibility across the entire value chain and within the broader stakeholder environment. We strive to be a place for top talent. Our corporate culture is evolving toward agility, inclusiveness, collaboration, accountability, widespread innovation, and a strong commitment to sustainable goals.

Within the strategic direction of Sustainable Operations, we are implementing the following key initiatives:
- Implementation of the Distribution System Development Plan,
- Securing adequate financial resources and an appropriate regulatory framework for the execution of the plan,
- Achieving a high level of strategic innovation to support the distribution system's development,
- Realising sustainable development in line with ESRS standards,
- Ensuring enough competent and engaged employees at all levels,
- Strengthening an agile culture and inclusive leadership,
- Achieving financial stability and optimal profitability.

2. Development and Management of a Sustainable Distribution System

The Distribution System Development Plan must be implemented in a sustainable way, to the greatest and most optimal extent. In the digital age, the development of smart grids is essential for electricity distributors. The effects of changing climate conditions in the planning and operation of our distribution system are also being considered.

We continue to improve our performance and processes for both external and internal users. We implement development projects that directly benefit the distribution system. We ensure the sustainable and long-term management of distribution system assets, in line with the principles of sound management and the circular economy.

Within the strategic direction of Development and Management of a Sustainable Distribution System, we are implementing the following initiatives:
- Ensuring a sustainable distribution system,
- Increasing satisfaction among users and key business partners in the value chain,
- Implementing high-quality and efficient project management,
- Enhancing cost efficiency and lean process organisation.

2.5.2. Strategic Projects

Strategic projects are key elements for implementing the strategy, defining exact tasks and the manner of their execution. They provide a clear framework for the activities, timelines, priorities, opportunities, and expectations needed to achieve strategic goals. The advantage of pre-defined strategic projects is the early identification of potential challenges and their logical integration with other projects within the company.

The key strategic projects of Elektro Gorenjska, arising from the new Sustainable Development Strategy, are as follows:

1. Establishment of a Strategic-Innovation Centre

The aim of the project is to position Elektro Gorenjska as a leader in modern energy and technological solutions in Gorenjska and Slovenia. It focuses on enabling strategic innovation within the company, which will support talent development and acquisition. The innovation centre will be a space for strategic stakeholder engagement and development.

In 2025, the construction of the Innovation Centre was completed and a modern innovation infrastructure, including dedicated facilities, was established. An innovative energy testbed was created to support research, development, and European projects. The Centre also serves as "a showroom" for the advanced energy products and services offered by Elektro Gorenjska and promotes a start-up-oriented culture of innovation. The facility has been fully renovated and equipped and has obtained the required building permit. The Research and Development Department operates permanently within the Centre, which also provides facilities for conferences, professional training programmes, and expert events.

2. Implementation of an Agile Operating Model

This project aims to foster cooperation across processes, departments and sectors in the field of green technologies, making agile operations a core process within Elektro Gorenjska. Agile working will support the development of flexibility markets, provision of system services, establishment of energy communities, and implementation of large RES.

The strategic project was successfully completed in 2025. It enhanced the Company's responsiveness, efficiency, and coordinating role in addressing the challenges of the energy sector and the green transition. The project established a framework for identifying, engaging, and connecting experts, while enabling effective collaboration with both internal and external stakeholders.

IN THE DIGITAL AGE, THE DEVELOPMENT OF SMART GRIDS IS ESSENTIAL FOR ELECTRICITY DISTRIBUTORS.

3. Development of a Comprehensive Asset Lifecycle Management System (Methodology)

The project aims to improve the technical, operational, and financial management of assets. It focuses on developing a system for research planning and advanced data analytics to support network management.

The ultimate objective of the project is to establish the foundations for the development of an integrated asset management system incorporating advanced technologies such as the Internet of Things (IoT), Big Data analytics, artificial intelligence (AI), augmented and virtual reality (AR/VR) etc.

The project was successfully completed in 2025. We identified and established the key prerequisites for the implementation of a comprehensive advanced asset management system.

4. Optimisation of the Grid Connection Process

The goal of this project is to optimise and fully digitalise user services while simplifying the connection process to Elektro Gorenjska from the customer perspective.

The final goal is to streamline internal processes, create tools for load calculation support, and redesign the website. The project also includes the introduction of unified digital application forms and a digital inquiry system to provide users with easy access to information through ChatBot, e-channels, and the contact centre.

Several project components have been successfully completed, although the project has not yet been completed in its entirety.

5. Technological Upgrade of the Control Centre and Implementation of an Advanced Distribution Management System (ADMS)

This project involves the introduction of a new ADMS system, based on a thorough analysis of the company's current state and future needs.

The final goal is to implement an advanced ADMS platform that ensures secure and robust management of the distribution network. The system will integrate all information sources for operational control, consolidate technical, topological, and metering data, and enable advanced data analytics to support decision-making, load management, safety, availability, asset lifespan, and overall network planning and development. In 2025, we selected the solution provider and initiated the preparation of technical specifications and system design activities.

2.5.3. Our Business Model

Our business model is founded on a clear focus on our core mission – providing sustainable energy. As the provider of a public utility service, we are responsible for the distribution of electricity across the Gorenjska region, consistently upholding the principles of accessibility, high quality, and affordability for all users – the people for whom, and together with whom, we build and develop our system.

Our operations are based on a modern approach to network management that incorporates digitalisation, advanced technologies, and innovative solutions to strengthen the reliability and flexibility of the energy system. We view sustainability as a responsibility towards both people and the environment, and therefore make decisions with long-term impacts in mind.

A distinctive feature of our business model is that the majority of our revenue is generated through the provision of this public utility service. Consequently, balanced regulation of network charges and the consistent delivery of the prescribed quality of electricity supply are essential to our long-term stability and success. In this way, we ensure not only the reliable operation of the system today, but also its sustainable role in the future.

Core Capabilities of Elektro Gorenjska

Our core capabilities form a strong foundation for our operations. They represent the core of our focus and a key source of differentiation, positioning us among the most reliable and progressive drivers of electricity distribution development.

Through these capabilities, we create value for users that goes beyond the mere supply of energy. We build a reliable, high-quality, and sustainable customer experience that supports business development and contributes to the quality of everyday life in households.

We develop our capabilities with the future in mind—responsibly, sustainably, and above all, for people. They are therefore not only a competitive advantage but also our commitment to building a system that performs effectively today and remains relevant tomorrow.

Our core strengths are:
1. Expertise in energy and the energy sector, built on more than 60 years of tradition;
2. A strong drive for development, ambition, and prudent decision-making;
3. Well-organised operations and business processes;
4. A high level of employee commitment and engagement.

Key Advantages of Elektro Gorenjska

Our key advantages enable us to operate successfully and confidently in a changing business environment. They allow us to remain focused on our mission while adapting flexibly to new challenges and opportunities.

Built on modern approaches, professional expertise, and a responsible attitude towards people and the environment, these advantages provide a solid foundation for our sustainable development in the years ahead.

Our key advantages are:
1. A highly sustainable network at the top European level,
2. Strong development capabilities in research, innovation, human resources, monitoring systems, digitalisation, and cybersecurity,
3. Deep integration with the local community,
4. A trusted and reputable brand, especially in the Gorenjska region,
5. Proven reliability in project implementation and resolving user challenges.

Business model of Elektro Gorenjska

INPUT RESOURCES

- FINANCIAL RESOURCES
- PEOPLE
- INNOVATION
- TECHNOLOGY
- PARTNERS
- ENVIRONMENT

ELEKTRO GORENJSKA

Elektro Gorenjska is a public utility service provider in the field of critical infrastructure, namely electricity distribution.

- MISSION
- VISION

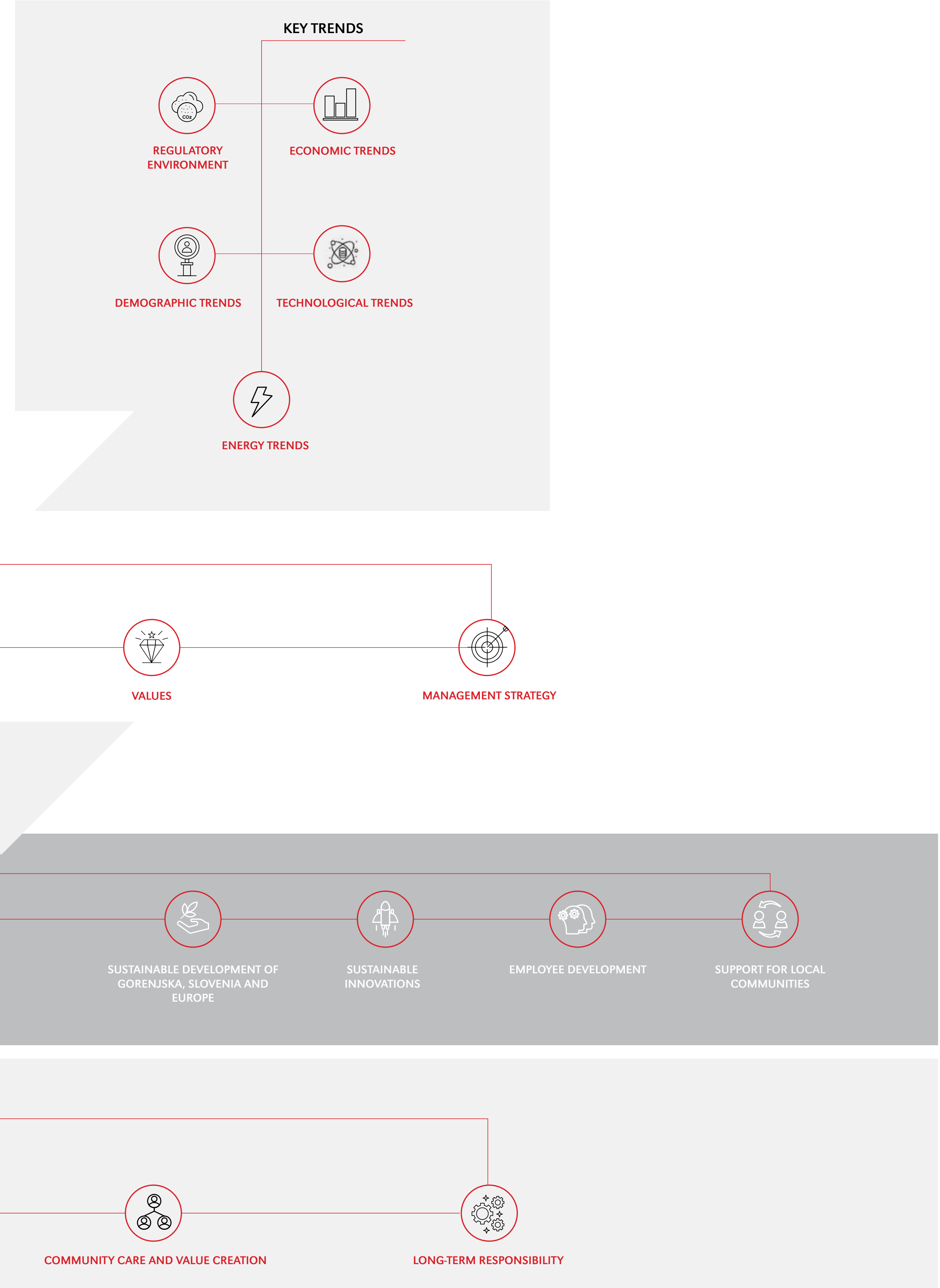
RESULTS OF OUR OPERATIONS

- SATISFIED USERS
- RELIABLE ELECTRICITY SUPPLY
- GREEN ENERGY PRODUCTION
- NETWORK SCOPE AND CAPACITY
- ENVIRONMENTAL FOOTPRINT

WIDER IMPACTS

Creating value and delivering benefits for the broader society. Ensuring lasting energy.

- ELECTRIFICATION OF THE GORENJSKA REGION
- GREEN TRANSITION


KEY TRENDS
REGULATORY ENVIRONMENT
ECONOMIC TRENDS
DEMOGRAPHIC TRENDS
TECHNOLOGICAL TRENDS
ENERGY TRENDS
VALUES
MANAGEMENT STRATEGY
SUSTAINABLE DEVELOPMENT OF GORENJSKA, SLOVENIA AND EUROPE
SUSTAINABLE INNOVATIONS
EMPLOYEE DEVELOPMENT
SUPPORT FOR LOCAL COMMUNITIES
COMMUNITY CARE AND VALUE CREATION
LONG-TERM RESPONSIBILITY

TODAY, NETWORK DEVELOPMENT TAKES PLACE IN AN INCREASINGLY DYNAMIC AND COMPLEX ENVIRONMENT. WE RESPOND TO THESE CHANGES THROUGH A MODERN, FLEXIBLE, AND SUSTAINABILITY-ORIENTED APPROACH. OUR OBJECTIVE REMAINS CLEAR AND FOCUSED: TO DEVELOP A NETWORK THAT IS RELIABLE, EFFICIENT, AND CAPABLE OF MEETING THE LONG-TERM NEEDS OF PEOPLE AND SUPPORTING SOCIETAL DEVELOPMENT.

2.5.4. Our Development Plan

The current Electricity Network Development Plan for the Elektro Gorenjska area has been prepared for the period 2025–2034. It serves as a strategic document that outlines the key elements of the network's development and anticipates investments that will continue to ensure sufficient network capacity and enable reliable and long-term electricity supply to consumers.

The plan is based on a coordinated and responsible approach. It is designed on the guidelines of the Distribution System Operator and is harmonised with representatives of all Slovenian distribution companies, the transmission system operator ELES, the Slovenian Energy Agency (AGEN), as well as Elektro Gorenjska's own data on network development for the specified period. In this way, we ensure a comprehensive, modern, and coordinated approach to the development of the power system.

Our planning is driven by a clear focus on the reliability, quality, and sustainability of electricity supply. At the same time, it complies with the requirements of the Electricity Supply Act (ZOEE), which obliges distribution system operators to regularly update their ten-year development plans in accordance with the methodology prescribed by AGEN.

Today, network development takes place in an increasingly dynamic and complex environment. It is shaped by rapid technological advances, new network management concepts such as smart solutions and the integration of flexibility markets, and accelerated electrification, which is driving higher electricity consumption. At the same time, distributed energy resources, energy storage systems, and new regulatory frameworks are developing rapidly, with future frameworks envisaging an increasingly active role for users.

We respond to these changes through a modern, flexible, and sustainability-oriented approach. Our objective remains clear and focused: to develop a network that is reliable, efficient, and capable of meeting the long-term needs of people and supporting societal development.

Among the major projects completed in 2025 were the successful reconstruction of the 110/20 kV Primskovo RTP and the completion of the medium-voltage cable line project connecting the 110/20 kV Bohinj RTP, implemented in cooperation with Elektro Primorska and routed through the Bohinj railway tunnel. In addition, both power transformers at the 110/20 kV Radovljica RTP were replaced.

As part of our development plan, we have prepared an extensive portfolio of investments in the distribution network for the coming ten-year period. The most significant planned investments include:

- In the upcoming ten-year period, the construction of new 110/20 kV distribution transformer substations (RTPs) is planned, including RTP 110/20 kV Brnik – 110 kV GIS and transformation, RTP 110/20 kV Kranjska Gora – 110 kV GIS and transformation, and RTP 110/20 kV Trata – 110 kV GIS and transformation,
- Several reconstruction projects are foreseen, such as the replacement of the switchgear at RTP 110/20 kV Jesenice, the replacement of the 20 kV and 110 kV switchgear at RTP 110/20 kV Tržič, and the gradual replacement of selected power transformers across distribution transformer substation locations (RTP Radovljica, RTP Labore, RTP Medvode, RTP Jesenice, RTP Železniki),
- Simultaneously, the construction of 110 kV networks will take place, including 2x110 kV overhead lines Kamnik–Brnik–Visoko, the 110 kV cable connection RTP Jeklarna–RTP Železarna–RTP Jesenice (in cooperation with ELES), as well as the reconstruction of the 110 kV lines RTP Škofja Loka – RTP Železniki and RTP Moste–RTP Jesenice,
- To improve overall network reliability, several major medium-voltage (MV) connections will be implemented, such as the 20 kV KBV integration of the Jesenice power supply station, 2x20 kV Moste–Lipce–Jesenice, 20 kV connection to Austria through the Ljubelj tunnel, 20 kV Rateče–Planica and 2x20 kV integration of Otoče, among others,
- A portion of the funds will be invested in the automation of the MV network (remotely controlled switches in RMUs at transformer stations), and two projects are underway: operational measurements via metering centers (MC) at transformer stations, and remote meter reading for consumers via the AMI system. In the coming decade, substantial focus will also be placed on smart grid development projects.

The approved ten-year development plan serves as the basis for preparing both the investment and business plans of Elektro Gorenjska.

2.5.5. Our Commitment to Continuous Innovation

Sustainable innovation at Elektro Gorenjska extends beyond technology and individual processes. It represents our way of thinking and operating, and is one of the core values that unites and guides us.

Our focus is clear. We view innovation as a key driver of development, enabling us to respond to the needs of people, the environment, and modern society. As an active and reliable partner, we participate in numerous national and international research and development projects while also pursuing our own development and investment initiatives. Through these efforts, we systematically strengthen our technological advancement and long-term competitiveness.

The modern nature of our approach is reflected in the way we perceive innovation – not as a series of isolated breakthroughs, but as a continuous process. We therefore deliberately and strategically encourage employee innovation and foster an environment in which ideas are recognised, developed, and successfully implemented.

We see the sustainability of innovation in people – their knowledge, creativity, and sense of responsibility. For this reason, we create an environment where innovation becomes a natural part of everyday work, not as an end in itself, but as a way of jointly developing solutions for people and for the future.

Partnering for Progress: Our Role in National and EU R&D Projects

In our ambition to become one of the most pioneering and innovative companies, we actively engage in various R\&D projects in partnership with domestic and international partners.

Partnerships are regarded as key drivers of modern development. Knowledge, experience, and opportunities are brought together to create an open innovation ecosystem founded on expertise and trust.

To achieve development objectives, various co-financing opportunities are systematically leveraged. Additional funding is secured through European programmes and national support mechanisms provided by AGEN, ARIS, and SPIRIT. This strengthens the financial sustainability of development projects and accelerates the implementation of advanced, sustainability-oriented solutions.

Our approach to innovation is long-term and responsible. It is focused on creating tangible benefits for people, the environment, and society, while contributing to the development of a modern energy system that will remain sustainable and resilient in the future.

IN OUR AMBITION TO BECOME ONE OF THE MOST PIONEERING AND INNOVATIVE COMPANIES, WE ACTIVELY ENGAGE IN VARIOUS R\&D PROJECTS IN PARTNERSHIP WITH DOMESTIC AND INTERNATIONAL PARTNERS.

Key research and development projects undertaken in 2025 include:

PROJECT TITLE	BRIEF DESCRIPTION AND TYPE OF PROJECT	DURATION	ACTIVITIES IN 2025	TOTAL PROJECT VALUE
DRIFT – Optimization of LV Network Operation with Integrated Real-Time Flexibility Using Deep Reinforcement Learning	Addressing challenges of controlling elements in LV networks using deep reinforcement learning algorithms. Project Type: ARIS project, project qualified by AGEN	1 Oct 2022 – 30 Sept 2025	An algorithm for managing LV networks for optimal use of available flexibility services was developed and optimized. A data storage process and compiled datasets for training machine learning models were established. The project was successfully completed in 2025.	€400,000
SmartEAM – Smart Enterprise Asset Management	Development of an intelligent system for monitoring and predictive maintenance of critical infrastructure in the electricity distribution network. Providing an innovative solution that transforms the current paradigm of infrastructure monitoring and maintenance in distribution networks is being introduced. Project Type: EU Project	1 Oct 2022 – 30 Sept 2025	A health index calculation for distribution and power transformers was developed. To support this calculation, the range of data considered was expanded, a dedicated database was established, and an application was created to display the calculation results. A set of additional sensors was also prepared, which will be installed on power equipment to provide better insight into the real-time condition of transformers. The project was successfully completed in 2025.	€1,091,985
E.Efficient.Industry – Utilizing Electricity Flexibility in Energy Facilities to Optimize Power Consumption	Developing a system that, using adaptive software logic, will help identify the most optimal electricity consumption patterns for large industrial consumers and actively manage consumption in real time using controllers. Project Type: SPIRIT Project	3 Jan 2023 – 31 Dec 2025	An algorithm to reduce electricity consumption peaks by managing the start-up sequences of industrial machines was developed. Another algorithm to detect faults in industrial equipment based on electricity consumption measurements is under development. A calculator to estimate network charges under the new five-tier tariff system was created. The project was successfully completed in 2025.	€2,239,768
VoltAware – Voltage Stabilization and Optimization Using AI	Developing a system for short-term voltage forecasting at metering points to enable the use of flexibility services. Project Type: EU project	1 Oct 2023 – 30 Sept 2025	A review of professional literature in the field of voltage and electricity consumption forecasting at metering points was carried out. Simple forecasting models for voltage prediction were implemented, which will serve as the basis for the development of algorithms for optimal use of flexibility services. The project was successfully completed in 2025.	€747,120
TwinEU – Advancing Digital Twin Technology for European Energy Infrastructure	Developing a digital twin of the European electricity network.	1 Jan 2024 – 31 Dec 2026	The definition of the network model for observability between the transmission system operator and the distribution system operator was completed, together with the specification of the data exchange format. High-resolution measurement of transient events in the distribution network was implemented, and the resulting impacts on the transmission network were analysed. All necessary data and network models required for the implementation of the digital twin were provided.	€25,216,061
Hedge-IoT – Comprehensive Approach to the Digitalisation of the Energy Ecosystem with IoT Solutions	Developing a comprehensive approach to empowering the digitalisation of the energy ecosystem through the implementation of IoT solutions.	1 Jan 2024 – 31 Dec 2026	The identification of critical transformers for the integration of IoT devices at the network edge was carried out, and key use cases for the Slovenian demonstration environment were defined. Adaptation of the software code for calculating Dynamic Thermal Rating (DTR) at the network edge (in transformer substations) is ongoing. Additional sensors were installed to monitor transformer temperatures and support DTR calculations.	€17,999,755
PEDvolution – Interoperable Solutions for the Development of Cross-Sectoral Integration	Developing interoperable solutions that accelerate and optimise the development of Positive Energy Districts (PEDs) and cross-sectoral integration.	1 Jan 2024 – 31 Dec 2026	Measurement systems were established in the Labore industrial zone to accurately assess the potential for utilising waste heat generated by industrial processes. A feasibility study was initiated to evaluate the possibility of using this waste heat for heating residential buildings in the Planina district of Kranj. Activities are ongoing to equip various assets (mPV, BHEE, and a V2G charging station) with additional metering devices for data collection and transmission. Interviews were conducted to define business models and assess sociological aspects of the project.	€4,303,393

PROJECT TITLE	BRIEF DESCRIPTION AND TYPE OF PROJECT	DURATION	ACTIVITIES IN 2025	TOTAL PROJECT VALUE
StoreMore – Analysis and Promotion of Energy Storage Solutions	Developing strategies for integrating a larger number of electricity storage units into energy networks by involving a wide range of stakeholders.	1 Jan 2024 – 31 Dec 2026	A review and inventory of various technical energy storage options was carried out. Stakeholders in the energy storage ecosystem were identified, and an analysis was conducted on the barriers hindering large-scale deployment of energy storage systems at the national level. Several study visits to international best practices in the field of energy storage were also conducted. Application development and testing activities are ongoing. A catalogue of energy storage technologies was prepared.	€2,218,540
AHEAD – Holistic Approaches to the Integration of Electric Vehicles into Power Distribution Networks Using AI	Developing a simulation environment capable of identifying the most suitable locations for setting up electric vehicle charging stations and optimising both the use of the power infrastructure and the utilisation of charging points in urban and rural areas.	1 June 2024 – 31 May 2028	As part of the project, the objectives of Work Package 3 (WP3) were defined. Initial work is underway on simulating electric truck charging scenarios, and a plan has been developed for a custom Python library that will serve as the key deliverable of our contribution. Flexibility services associated with e-mobility were defined, and the information required for the development of algorithms for the optimal deployment of new charging infrastructure was collected.	€10,997,750
EnerTEF – Joint Pan-European Facilities for Testing and Experimenting with AI in the Energy Sector	Establishing a shared environment for testing and experimenting with AI tools in the energy sector, aiming to bridge the gap between practical needs and the limited number of validated AI solutions.	1 Nov 2024 – 31 Oct 2027	The project began with the definition of use cases. The pilot project and the responsibilities of individual partners were defined in greater detail. Relevant data and network models were collected and provided to a common platform. The development of AI models for use in the energy sector is currently in progress.	€6,687,663
ECHO – Empowering and Connecting Diverse Communities for Multi-Hazard Resilience Through Open Data, Open Models, and Open-Source Software	Developing a resilience ecosystem that brings together infrastructure operators, emergency response services, and local authorities to co-create innovative tools for threat forecasting, risk assessment, situational awareness, and decision support.	1 Oct 2025 – 30 Sept 2028	A workshop was held with key Slovenian organisations responsible for responding to adverse events. A comprehensive assessment of hazards, risks, and existing response practices was conducted. In addition, tools to support post-incident recovery and mitigation activities were presented.	€5,999,865.72
ALiEnS-SOC – Artificial Intelligence for a Security Operations Centre in the Slovenian Power Sector	Developing a robust and replicable cybersecurity framework built on advanced artificial intelligence solutions. The framework will be piloted, tested, and validated within the Security Operations Centre (SOC) of the Slovenian electricity sector.	1 Jan 2025 – 31 Dec 2027	The ecosystem was analysed and scenarios were developed. An AI model and a Cyber Threat Intelligence (CTI) platform were established. Use cases were defined and validated. Activities to develop national and cross-border sectoral operational capabilities have commenced and are ongoing.	€9,923,822

Our In-House Development and Investment Projects

At Elektro Gorenjska, we develop and implement our own innovative and investment projects, driven by a clear focus on technological advancement and long-term development.

Our approach is based on modern solutions that are not developed merely as pilot initiatives but are thoughtfully and systematically integrated into our day-to-day operations. This ensures that innovation becomes an integral part of our business processes and directly contributes to greater efficiency, reliability, and service quality.

Our projects are guided by the principles of sustainability and responsibility, with people and future generations at the forefront. In this way, we are building a system that combines advanced technologies, operational excellence, and long-term value for our customers and the wider community.

Key development and investment projects implemented in 2025:

PROJECT TITLE	BRIEF DESCRIPTION	DURATION	ACTIVITIES IN 2025	TOTAL PROJECT VALUE
GreenSwitch	The Project of Common Interest (PCI) is partially funded through the Connecting Europe Facility (CEF). The aim is to modernize our existing electricity infrastructure and equipment through targeted investments.	1 March 2023 – 31 Dec 2028	The reconstruction of secondary equipment at the RTP Zlato Polje was almost completed, and the RTP Primskovo was nearly finalized (completion in 2025). 20 existing transformer stations were equipped with a remote-control system, and 3 replacement stations were built. One network cable loop was also installed. Activities are underway to establish a cable connection with the Austrian distribution network KNG through the Ljubelj tunnel. Activities of the ADMS project were initiated.	€146,204,508
Zlato Polje Innovation Centre – Reconstruction and Establishment of the Innovation Centre at Zlato Polje	The objective of the project is to renovate the existing vacant building located adjacent to the Zlato Polje substation into a modern innovation centre, where key technological solutions will be showcased to the wider public. The facility is intended to operate as a "living laboratory", enabling continuous partnership with the Kranj School Centre.	1 April 2021 – 31 December 2025	Construction of the facility commenced in 2024. In 2025, the reconstruction was completed and the building was fully equipped. The Research, Development and Innovation Department was relocated to the facility. State-of-the-art energy technologies were installed, including a micro photovoltaic power plant (mPVPP), a battery energy storage system (BESS), and a V2G charging station. The project was completed in 2025.	€550,000

Systematically Encouraging Continuous Innovation Among Employees

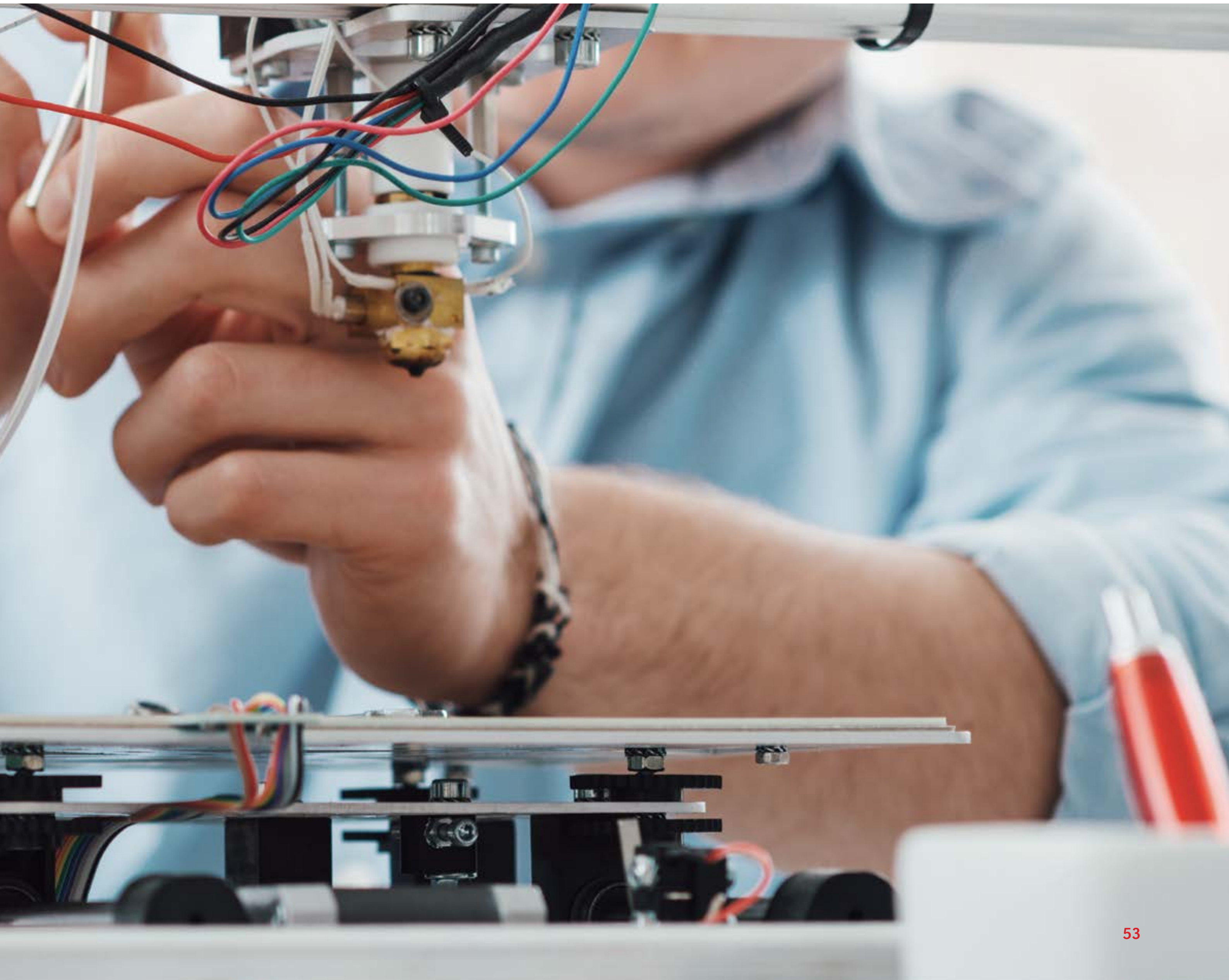
Innovation is given particular attention, as it is recognised as one of the key pillars of the Company's development. For many years, a systematic process for encouraging innovation among employees has been established and continuously enhanced, drawing on employee involvement, expertise, and creativity.

In 2025, the Innovation Committee met on a quarterly basis and reviewed 67 innovation proposals, confirming a high level of employee engagement and the ongoing development of the Company's innovation culture.

The progressive nature of this approach is also reflected in the continuous strengthening of the innovation framework. During 2025, a new Innovation Committee was appointed, and a revision of the Rules on the Promotion of Innovation Activities was initiated, further reinforcing a clear and supportive framework for the development and implementation of innovative ideas.

Innovation activities continue to be driven by employees. Accordingly, Transformatorfest, the festival of sustainable innovation, was organised again in 2025, providing a platform for networking, the exchange of ideas, and the fostering of creativity. The event contributes to strengthening the culture of cooperation and encourages solution-oriented thinking focused on people and future development.

Through these activities, innovation continues to be embedded in day-to-day operations and remains an important driver of the sustainable development of Elektro Gorenjska.



3. Economic Aspects

3.1. Business Environment Analysis

The operations of Elektro Gorenjska are significantly influenced by both general economic conditions and the specific regulatory framework governing the electricity sector.

Indicators for the Republic of Slovenia	2025	Spring Forecast (March 2026)		
		2026	2027	2028
GDP (real growth, %)	1.1	2.0	2.0	2.0
Employment (growth, %)	-0.4	0.0	0.0	0.0
Unemployment rate (%)	4.6	4.6	4.5	4.5
Inflation (Dec./Dec., %)	2.7	2.6	2.3	2.1
Inflation (annual average, %)	2.4	2.5	2.2	2.1
Gross wage per employee (real growth, %)	3.4	4.0	3.1	2.8
Labour productivity – GDP per employee (real growth, %)	1.5	2.0	2.0	2.0

Source: UMAR – Institute of Macroeconomic Analysis and Development of the Republic of Slovenia – Spring Economic Forecast 2026

The Spring Forecast 2025 includes statistical data, information, and adopted measures available as of 20 February 2026. In addition, it incorporates the latest Labour Force Survey data, published on 23 February 2026, and the income structure data, published on 27 February 2026.

The economic environment in 2025 was marked by significant geopolitical and economic uncertainty, which affected energy price movements, corporate investment decisions, and cross-border supply chains. Despite these challenges, the Slovenian economy maintained relatively stable growth, as conditions partially stabilised following the energy and price volatility experienced in previous years.

Economic growth strengthened moderately in 2025 and reached 1.1%, in line with the Spring Forecast. This represented a moderation compared with 2023 and 2024, when growth was somewhat stronger due to more robust consumption and higher public investment. Growth in 2025 was driven primarily by higher household disposable income and increased spending in service-related activities, tourism, and trade, while the export-oriented part of the economy remained under pressure from international uncertainties, resulting in export growth below expectations.

Following the renewed momentum of the government's investment cycle, public investment increased substantially in 2025 and represented a key source of economic growth. Large-scale infrastructure and social projects compensated for the more restrained investment activity of businesses, which remained considerably more cautious due to weaker external demand and higher operating costs in the international environment.

The labour market remained stable, although employment growth came to a standstill. According to national accounts statistics, employment declined by 0.4% in 2025, representing a significant reversal compared with 2024, when employment was close to record-high levels. The decline in employment was primarily attributable to demographic constraints, lower demand for labour in manufacturing activities, and a limited supply of domestic workers. Nevertheless, employment remained high, largely due to the continued recruitment of foreign nationals, who made an important contribution to maintaining workforce capacity across various sectors.

The registered unemployment rate remained at 4.6% in 2025, comparable to the level recorded in 2024. The stability of unemployment reflected relatively high employment levels, while demographic trends, particularly population ageing, continued to increase transitions from unemployment into inactivity or retirement, thereby further constraining labour supply.

Inflation remained moderate in 2025. At year-end, inflation stood at 2.7%, while average annual inflation amounted to 2.4%. Compared with 2024, when inflation rates declined due to pronounced base effects, inflation in 2025 was more stable and less volatile. This was primarily attributable to easing pressures on energy prices and further adjustments in supply chains. Service prices, however, continued to increase at a faster pace than the overall average due to labour shortages and wage growth, resulting in higher cost pressures in sectors of particular importance to households.

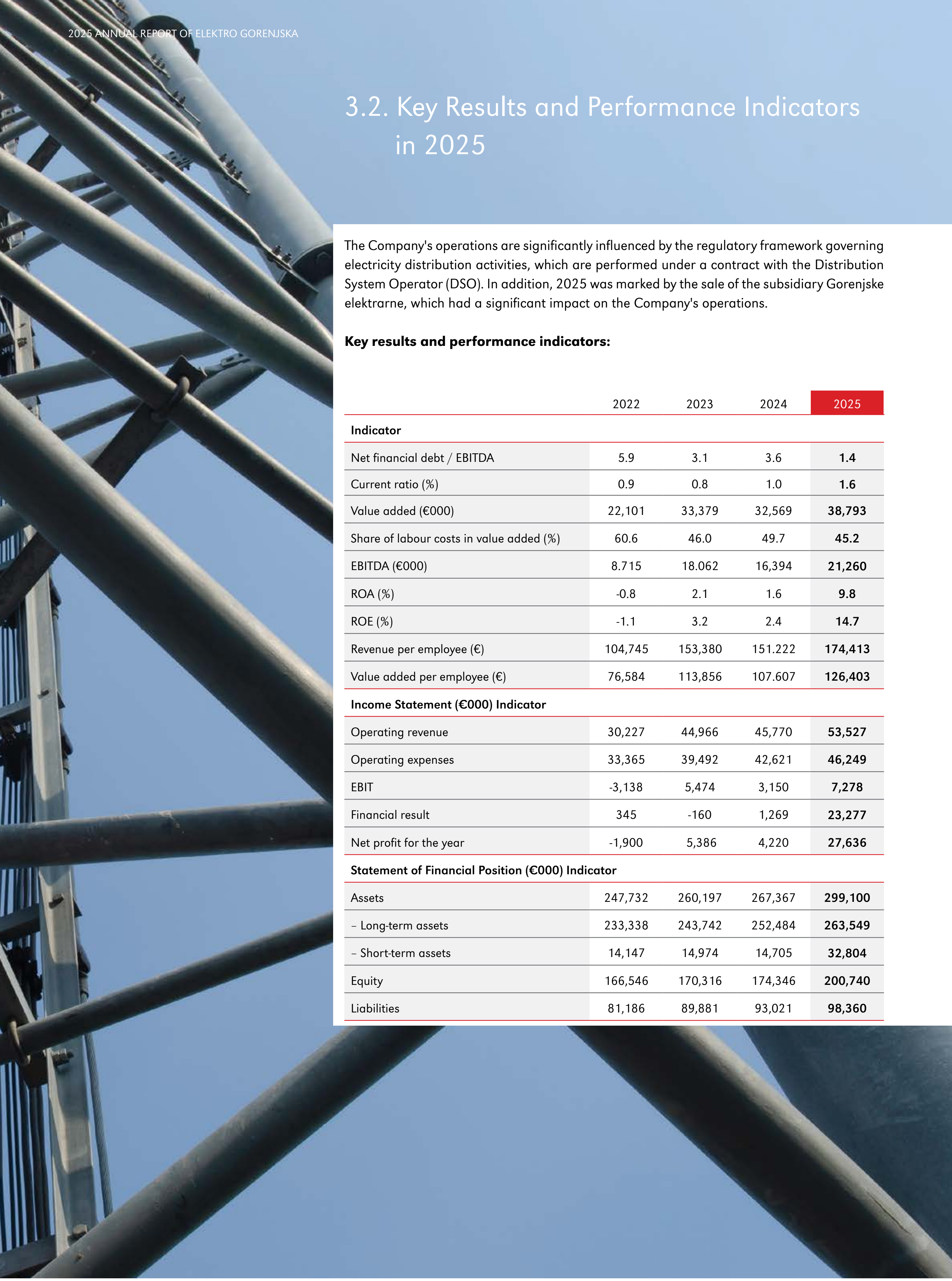
Real wage growth continued in 2025, although nominal wage growth moderated somewhat due to lower inflation. Gross wages per employee increased by 3.4% in real terms, exceeding the growth recorded in the previous year, when real wage growth was constrained by elevated inflation. Wage growth in 2025 was driven by labour market pressures, workforce shortages, increases in the minimum wage, and further adjustments to the public sector pay system. At the same time, companies sought to contain excessive labour cost growth in order to preserve competitiveness, contributing to a gradual moderation of real wage growth in the second half of the year.

Labour productivity, measured as real GDP growth per employee, reached 1.5% in 2025, representing moderate progress compared with fluctuations observed in previous years. Productivity growth was supported by improved economic activity and stable employment levels, although it continued to lag behind the growth of labour costs.

The macroeconomic environment remained exposed to numerous risks in 2025. The most significant were related to geopolitical tensions affecting energy prices and the stability of supply routes, the potential introduction of additional trade barriers, and continuing uncertainty regarding the economic cycle in Slovenia's key trading partners. The tightening of trade policies, particularly in the United States, together with retaliatory measures adopted by affected countries, further weakened the momentum of global trade and consequently had a negative impact on economic growth in Slovenia. Domestic risks remained primarily associated with limited capacity to implement large-scale public investment projects and with labour cost pressures.

For the period 2026–2028, stable, albeit moderate, economic growth of around 2.0% annually is projected, accompanied by a gradual decline in inflation towards 2% and the continued maintenance of low unemployment levels. Labour productivity is expected to increase by approximately 2.0% per year during this period, which will be essential for ensuring the long-term sustainability of labour costs and maintaining economic competitiveness.

The realisation of the Spring Forecast remains subject to significant downside risks, arising primarily from heightened geopolitical tensions and the potential expansion of trade barriers. A prolonged duration of conflicts, particularly in the broader Middle East region, could lead to higher commodity prices, stronger inflationary pressures, and additional disruptions to supply chains, thereby constraining global trade and European economic growth. Persistently elevated oil prices and the potential closure of the Strait of Hormuz would further intensify these effects. Key domestic risks continue to include limited implementation capacity for major investment projects and rising labour costs. Despite these challenges, opportunities for stronger economic growth remain, particularly through increased defence and infrastructure expenditure, more effective attraction of highly skilled labour, and the successful implementation of structural reform measures.



3.2. Key Results and Performance Indicators in 2025

The Company's operations are significantly influenced by the regulatory framework governing electricity distribution activities, which are performed under a contract with the Distribution System Operator (DSO). In addition, 2025 was marked by the sale of the subsidiary Gorenjske elektrarne, which had a significant impact on the Company's operations.

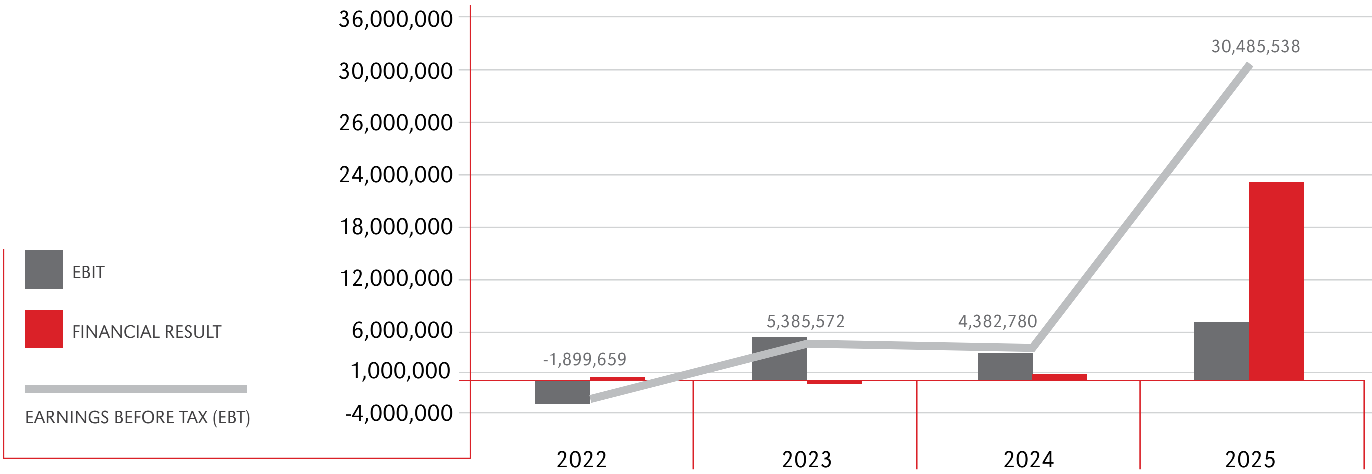
Key results and performance indicators:

	2022	2023	2024	2025
Indicator				
Net financial debt / EBITDA	5.9	3.1	3.6	**1.4**
Current ratio (%)	0.9	0.8	1.0	**1.6**
Value added (€000)	22,101	33,379	32,569	**38,793**
Share of labour costs in value added (%)	60.6	46.0	49.7	**45.2**
EBITDA (€000)	8.715	18.062	16,394	**21,260**
ROA (%)	-0.8	2.1	1.6	**9.8**
ROE (%)	-1.1	3.2	2.4	**14.7**
Revenue per employee (€)	104,745	153,380	151.222	**174,413**
Value added per employee (€)	76,584	113,856	107.607	**126,403**
Income Statement (€000) Indicator				
Operating revenue	30,227	44,966	45,770	**53,527**
Operating expenses	33,365	39,492	42,621	**46,249**
EBIT	-3,138	5,474	3,150	**7,278**
Financial result	345	-160	1,269	**23,277**
Net profit for the year	-1,900	5,386	4,220	**27,636**
Statement of Financial Position (€000) Indicator				
Assets	247,732	260,197	267,367	**299,100**
– Long-term assets	233,338	243,742	252,484	**263,549**
– Short-term assets	14,147	14,974	14,705	**32,804**
Equity	166,546	170,316	174,346	**200,740**
Liabilities	81,186	89,881	93,021	**98,360**

3.3. Business Performance Analysis of Elektro Gorenjska in 2025

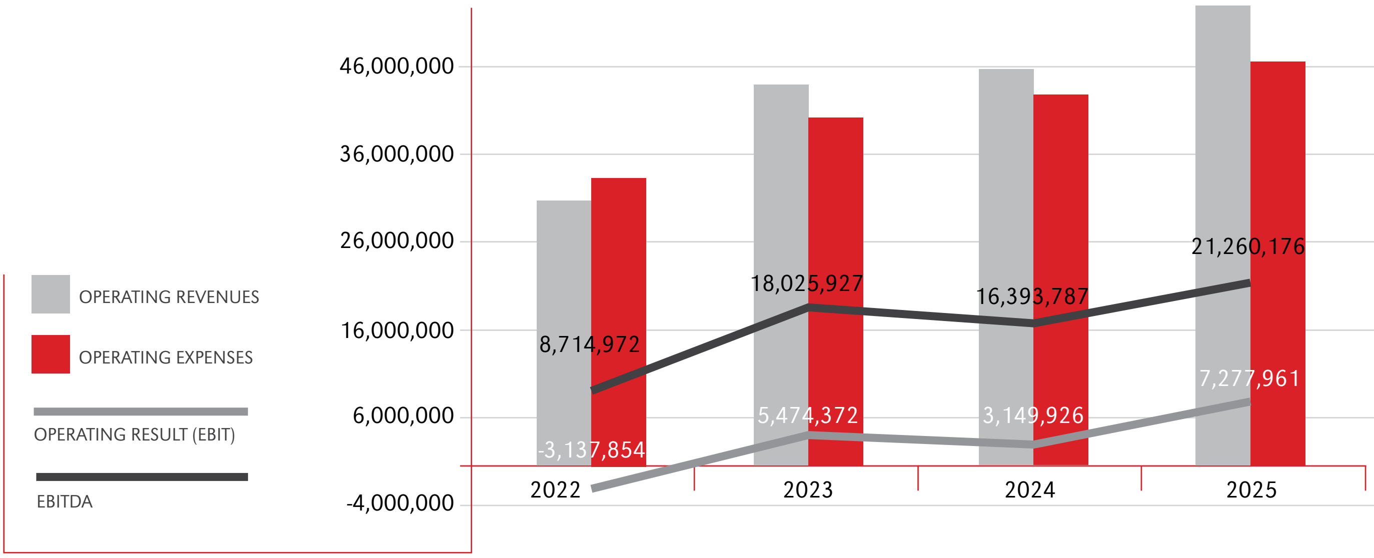
In 2025, the Company reported profit before tax of € 30,486 thousand, representing an increase of € 26,103 thousand compared with 2024.

Composition of Profit or Loss (€), 2022–2025



Operating profit, generated primarily from the DSO activity performed under a contractual arrangement with ELES, represents the principal driver of the Company's profit before tax. The exceptionally high profit before tax recorded in 2025 was mainly attributable to finance income realised on the sale of the subsidiary Gorenjske elektrarne.

Operating Result (€), 2022–2025



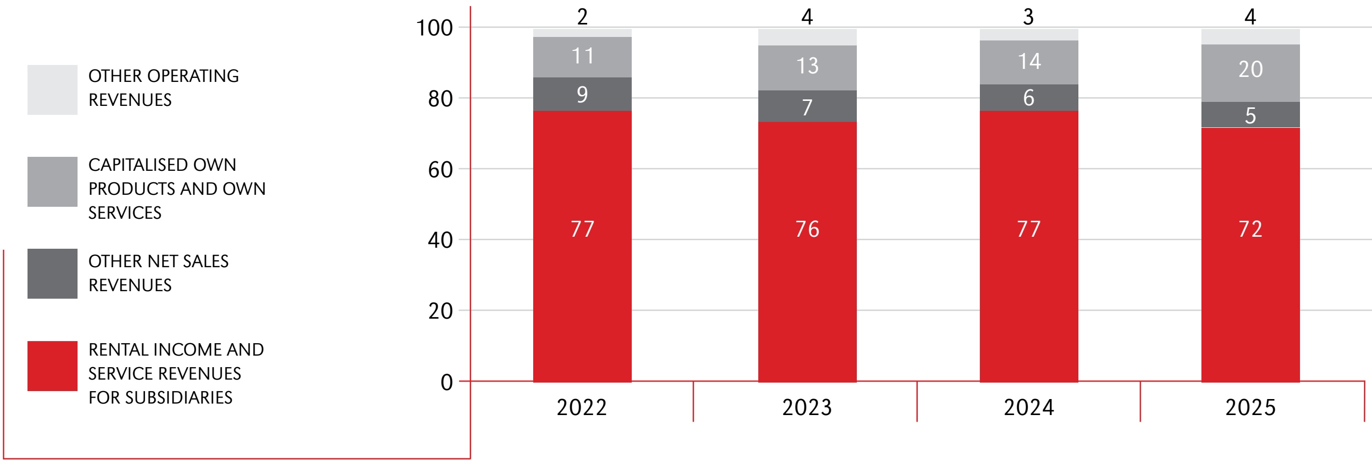
Operating profit (EBIT) amounted to €7,278 thousand in 2025. Compared with 2024, it increased by €4,128 thousand, primarily as a result of higher operating revenue. Operating revenue was higher in 2025 mainly due to increased income from rental charges and services provided under the contract with ELES.

EBITDA, as an approximation of cash flow, amounted to €21,260 thousand, representing an increase of €4,866 thousand compared with 2024.

Operating Revenue

In 2025, the company generated operating revenue of € 53,527 thousand.

Structure of operating revenue (in %)



Net sales revenue amounted to €41,700 thousand, representing a 9.8% increase compared to 2024. The growth was primarily driven by higher revenue from the leasing of electricity distribution infrastructure and services provided to the distribution system operator, which remain the company's principal source of revenue. In 2025, these revenues totalled € 38,983 thousand, up 10.1% compared to 2024.

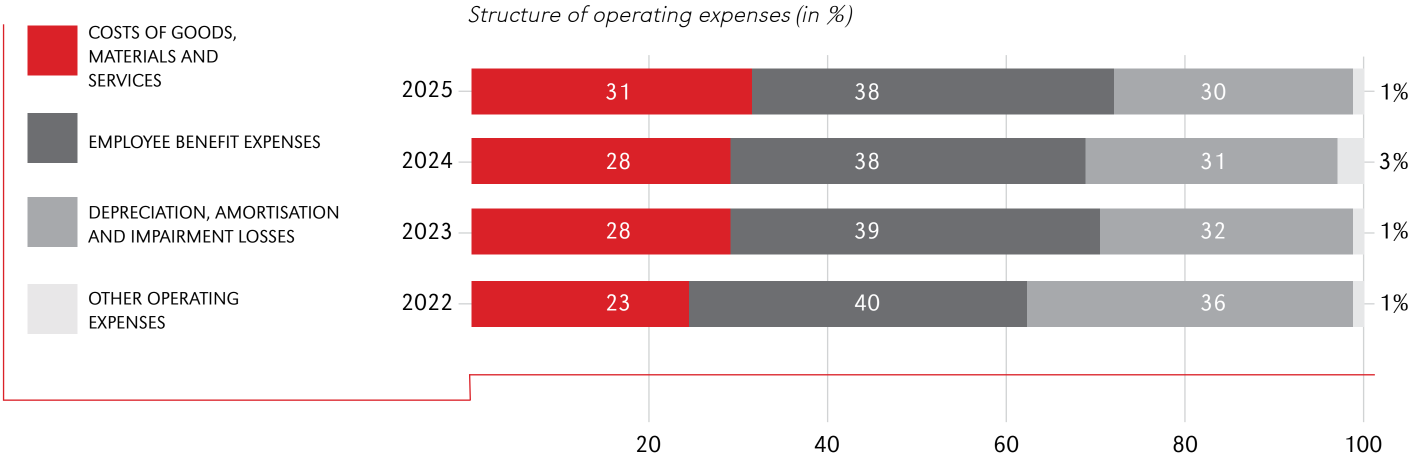
A significant contribution to the growth in operating revenue also came from capitalised own products and services, which amounted to €10,024 thousand, an increase of 60.1% compared to 2024. This increase was associated with the company's intensified investment activity.

Other operating revenue amounted to €1,804 thousand. Compared to 2024, it increased by 17.4%.

Operating Expenses

Operating expenses amounted to €46,249 thousand in 2025, representing an 8.5% increase compared to 2024.

Structure of operating expenses (in %)



The structure of the company's expenses reflects the nature of its business model, in which a significant share is represented by infrastructure maintenance and management costs, employee benefit expenses, and depreciation, amortisation and impairment losses, which are directly linked to the scale and pace of investment activity.

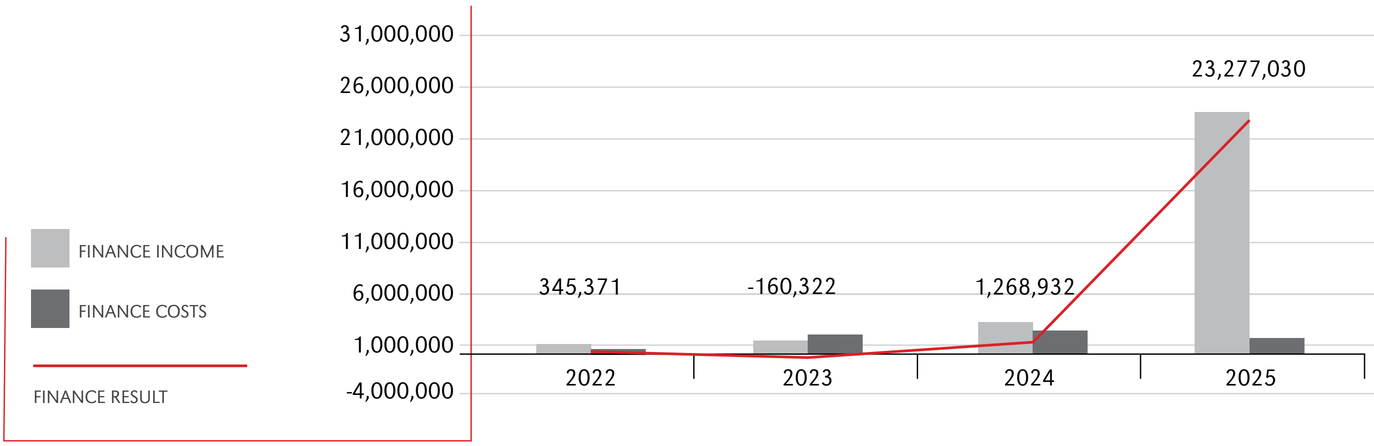
Employee benefit expenses accounted for the largest share of operating expenses, amounting to €17,533 thousand in 2025, an increase of 8.4% compared to the previous year. The increase was primarily attributable to a higher number of employees, associated with intensified investment activity.

Costs of goods, materials and services amounted to €14,441 thousand in 2025, representing an increase of 23.0% compared to the previous year. The increase was mainly driven by higher material costs related to investments carried out in-house.

Value adjustment expenses amounted to €13,982 thousand in 2025, up 5.6% compared to 2024. Within this category, depreciation and amortisation expenses increased by 4.9%, or €639 thousand, directly reflecting new investments and the growth in the value of property, plant and equipment. At the same time, impairment-related operating expenses increased by 38.1%, or €100 thousand.

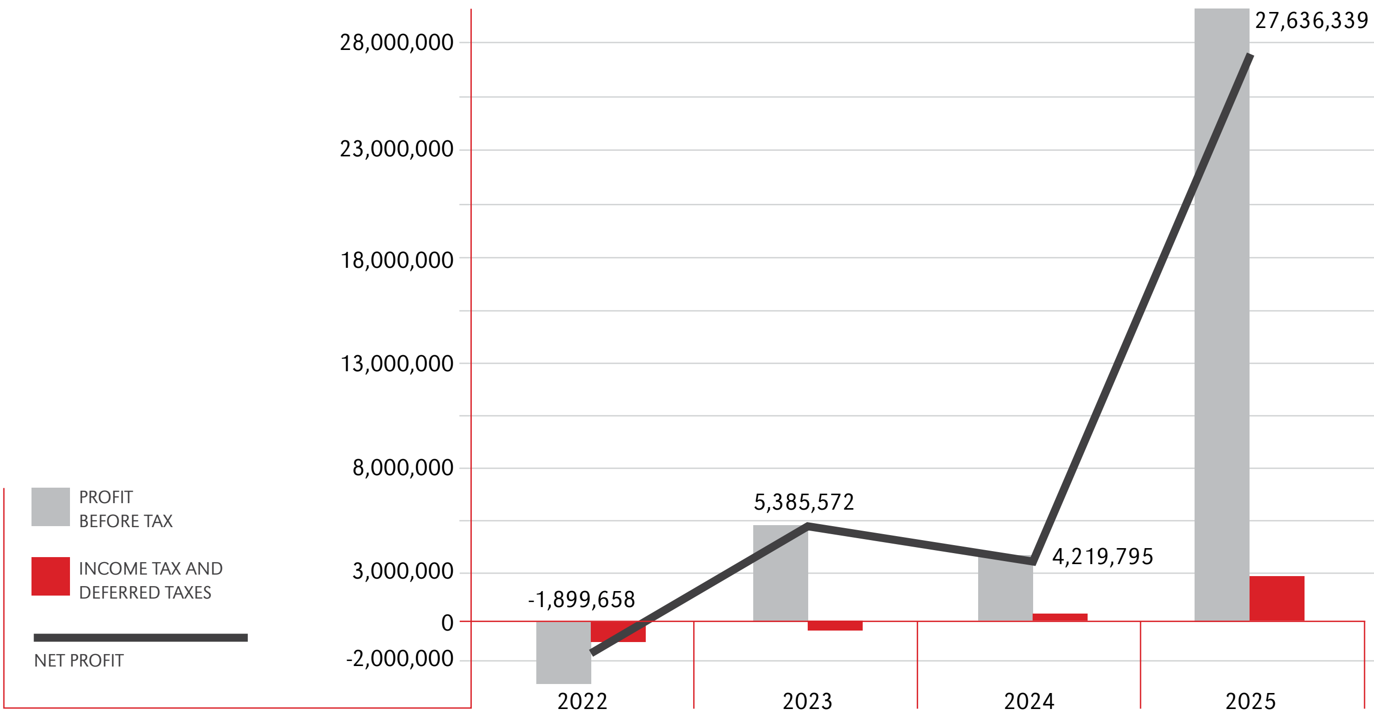
Other operating expenses amounted to €293 thousand and were significantly lower than in 2024, decreasing by almost fivefold. This was primarily due to the fact that, in 2024, the company recognised provisions related to the denationalisation of the HE Sava.

Finance result 2022–2025 (in €)



The company's financial result was positive in 2025, amounting to €23,277 thousand. The result was primarily driven by financial income from investments, realised upon the sale of the subsidiary Gorenjske elektrarne, representing a one-off effect in the reporting year. The financial result was also positive in 2024, amounting to €1,269 thousand, primarily as a result of profit distributions received from the subsidiary Gorenjske elektrarne.

Net Profit for 2022–2025 (in €)



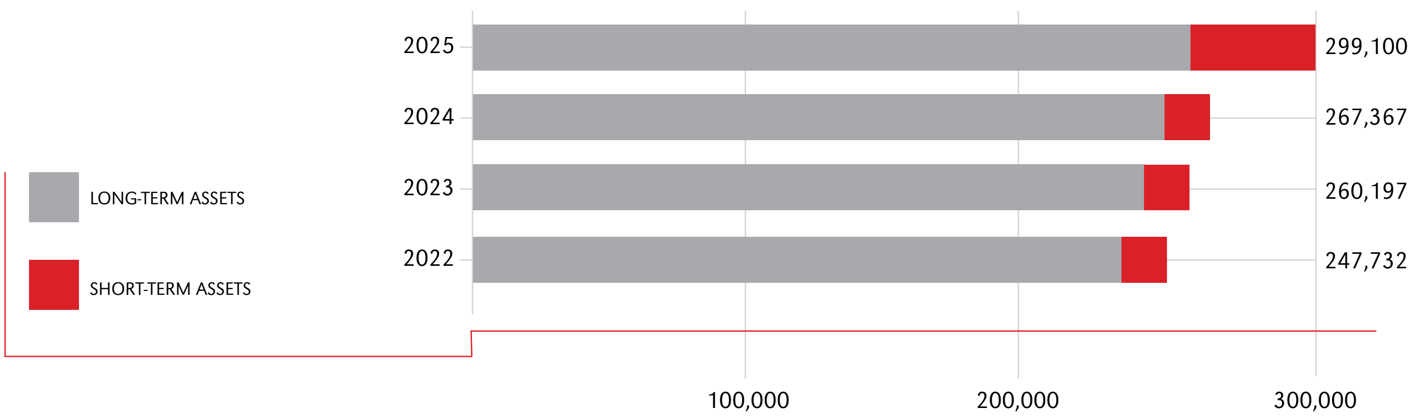
The company's performance in 2025 reflects the stable execution of its core activities and intensified investment activity, as evidenced by both revenue growth and an increase in operating expenses. The company's results were significantly influenced by a one-off financial effect arising from the sale of a subsidiary, which substantially improved net profit for the reporting period. In 2025, Elektro Gorenjska generated a net profit of €27,636 thousand, compared to a net profit of €4,220 thousand in 2024.

Analysis of the Statement of Financial Position of the Elektro Gorenjska

The company's assets consist predominantly of non-current assets, primarily property, plant and equipment, which is characteristic of the capital-intensive nature of electricity distribution activities. Their movement in 2025 was mainly driven by new investments and the depreciation of existing assets.

On the financing side, the company maintains a relatively high level of equity financing while also utilising debt financing to support its investment activities. Changes in the structure of financing sources are primarily related to the dynamics of the investment cycle and the management of financial indebtedness.

Asset Structure as at 31 December 2025 (in €000)



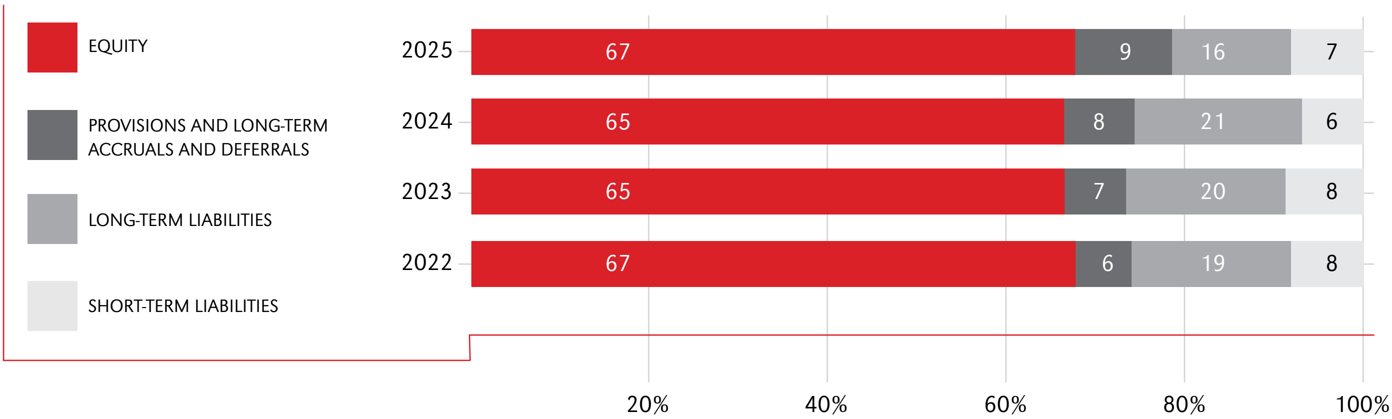
The value of the company's assets amounted to €299,100 thousand as at 31 December 2025 (31 December 2024: €267,367 thousand), representing an increase of 11.9% since the beginning of the year. The growth in assets was driven by an increase in non-current assets, which rose by 4.4%, or €11,065 thousand, reflecting the continuation of the company's investment cycle. At the same time, current assets increased by 138.9%, or €20,668 thousand, primarily due to a higher cash balance resulting from the sale of the subsidiary.

The debt-to-equity ratio stood at 1:2 at the end of 2025, compared to 1.9:1 at the end of 2024.

Long-term assets accounted for 88.1% of the company's total assets. Property, plant and equipment represented the largest component, accounting for 96.9% of all long-term assets. Property, plant and equipment increased by €23.4 million, as investment expenditure in 2025 exceeded the value of depreciation.

Short-term assets (including short-term accrued income and deferred expenses) accounted for 11.9% of the company's total assets. Compared to the end of 2024, they increased by €18.1 million, primarily as a result of a higher cash balance related to the completion of the subsidiary sale transaction.

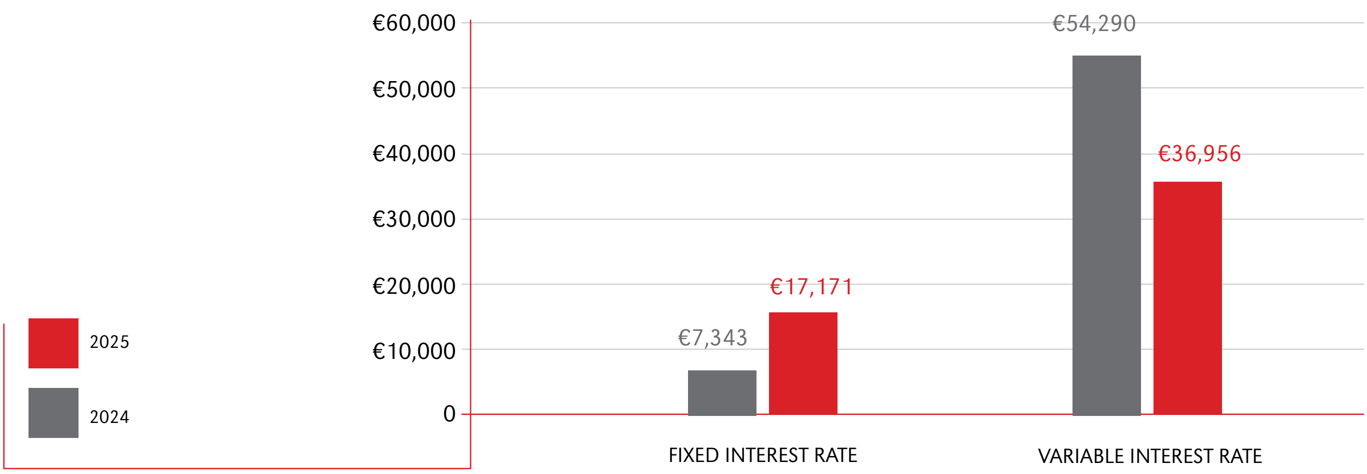
Structure of funding sources as at 31 December (in %)



Within the structure of liabilities and equity, equity accounted for 67.1% of total financing sources, indicating a high level of equity financing. In 2025, the value of equity increased by 15.1%, or €26.4 million. The increase in equity was primarily attributable to the net profit generated during the reporting period.

Long-term liabilities, which primarily comprise long-term financial liabilities to banks, accounted for 16.4% of total financing sources as at 31 December 2025. In 2025, they decreased by 11%, or €6.0 million, as the company did not take out any new long-term loans following the sale of its subsidiary investment and continued to repay existing loans in accordance with their amortisation schedules. As at 31 December 2025, 32% of the company's long-term borrowings carried a fixed interest rate.

Loan Amount by Interest Rate Type (€000)



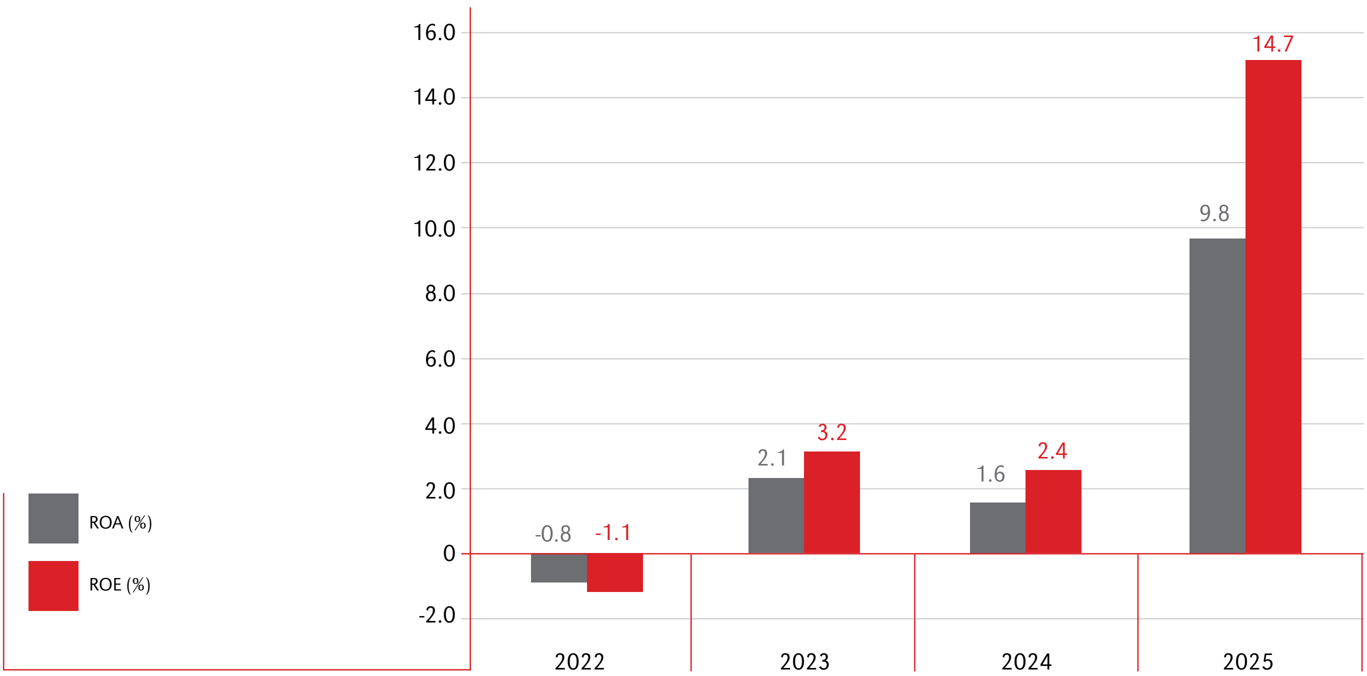
Short-term liabilities accounted for 7.1% of total financing sources at the end of 2025. Compared to the position as at 31 December 2024, they increased by 34.4%, or €5.5 million, primarily due to an increase in short-term trade and other operating liabilities.

Analysis of Key Performance Indicators

To assess its operating performance and financial position, the company monitors key profitability, leverage, and liquidity indicators.

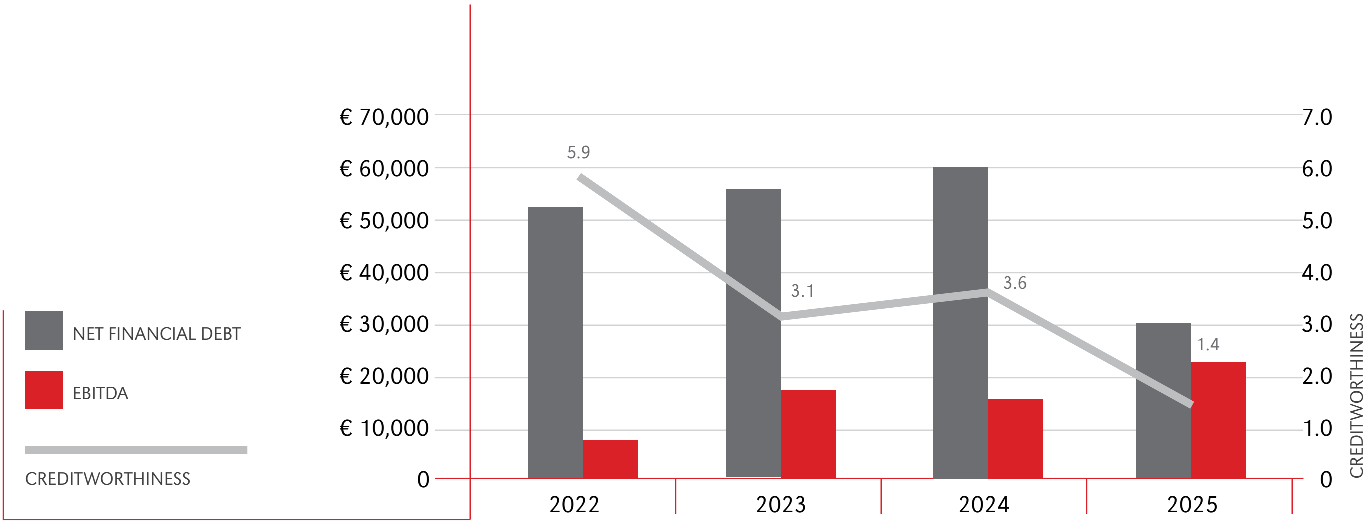
The ROA and ROE ratios reflect the improved performance achieved in 2025, primarily as a result of higher net profit, which was significantly influenced by the one-off financial effect arising from the sale of the subsidiary. As at 31 December 2025, the ROA stood at 9.8% and the ROE at 14.7%, representing a substantial increase compared to the end of 2024, when the ROA was 1.6% and the ROE 2.4%. Nevertheless, the relatively low values of these indicators are expected given the nature of the industry and the regulatory environment in which the company operates. The ROA ratio is adversely affected by the company's continuous investment activities. At the same time, it should be emphasised that only through sustained investment can the company fulfil its mission of ensuring a high-quality and reliable electricity distribution service.

ROA and ROE Values, 2022–2025



The company monitors its level of indebtedness using the Net Financial Debt/EBITDA ratio, which reflects its ability to repay financial obligations from cash flows generated by operating activities. As at 31 December 2025, the ratio stood at 1.4, representing an improvement of 2.2 points compared to the end of 2024. The decrease in the ratio was primarily attributable to improved operating performance and lower indebtedness. A ratio exceeding 4.0 would be considered an unacceptable level of indebtedness. This threshold is also applied by certain banks under the company's existing loan agreements.

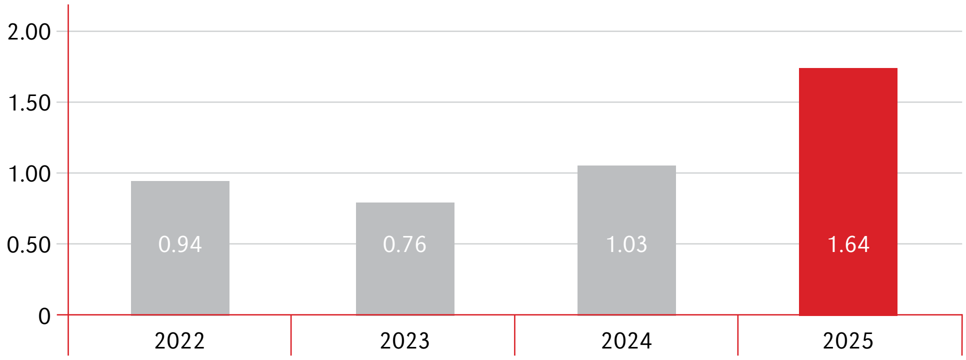
Debt Ratio, 2022–2025 (in € 000)



As investment expenditure has exceeded available internal funding sources, the company has gradually increased its level of financial debt in recent years. The growth in indebtedness is directly linked to the increase in investment activity, which requires additional funding to support the implementation of development projects. In 2025, financial debt amounted to €55 million, slightly lower than the €62 million recorded in 2024. The reduction was driven by loan repayments, additional internally generated funds, and a higher cash balance resulting from the sale of the subsidiary, which consequently reduced the need for additional borrowing.

The company's liquidity position remains sound, as confirmed by the current ratio, which measures the company's ability to meet its short-term obligations using available short-term assets. The increase in cash and cash equivalents in 2025 further strengthened the company's short-term solvency. At the end of 2025, the current ratio stood at 1.64, significantly higher than the value of 1.03 recorded as at 31 December 2024. A current ratio of 1.0 is generally considered the recommended benchmark.

Current Ratio Values, 2022–2025



4. Development of a Comprehensive Risk and Opportunity Management System

The risk management system is an integral part of our Integrated Quality Management System (iQMS) and represents a key pillar of the company's stable and responsible governance. In accordance with the principles of the ISO 31000 standard, it is based on a comprehensive and systematic approach to the identification and management of strategically significant risks and directly supports the achievement of our long-term objectives.

Our approach is focused and proactive. Risks are identified, assessed, and addressed in a timely manner to safeguard the company's operations and maintain stability across all key areas, from assets and cash flows to reputation and financial performance.

The strength of the system lies in its ability to detect changes at an early stage. It enables the identification of adverse trends, timely implementation of corrective measures, and continuous monitoring of the effectiveness of adopted actions and quality indicators. In addition to addressing existing risks, we actively identify emerging risks, threats, and factors that may affect our operations.

Risk is understood as any potential deviation from established objectives that may affect the company's value, as well as any opportunity that may remain unrealised if not recognised in a timely manner. Accordingly, the risk management system is based on responsible and sustainable management principles designed to support long-term stability and a secure future for all stakeholders.

The key elements of each strategic risk within the company are as follows:

- It is classified into one of three categories: business, financial or operational,
- A designated risk owner and a responsible process or operational owner are assigned,
- Key threats and contributing risk factors are clearly identified,
- The risk's potential impact – after mitigation – is assessed, with a direct influence on the company's financial performance,
- Control measures are in place, including both existing actions already implemented and additional measures under development to further reduce the likelihood of occurrence,
- The risk is monitored through a dedicated reporting system and supported by comprehensive documentation.

4.1. Risk Management System at Elektro Gorenjska

The risk management system is based on the Risk Matrix of Elektro Gorenjska, which systematically defines the severity of each identified risk. It incorporates a combination of the likelihood of occurrence and the assessment of its potential impact.

Risk Matrix of Elektro Gorenjska

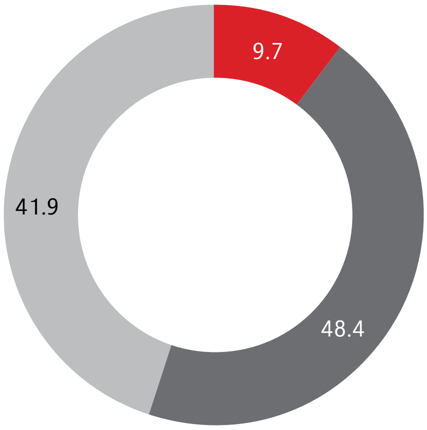
POTENTIAL DAMAGE (IMPACT)					
> 10.0 million €	5	10	15	20	25
> 2.0 million € in ≤ 10.0 million €	4	8	12	16	20
> 0.5 million € in ≤ 2.0 million €	3	6	9	12	15
> 0.1 million € in ≤ 0.5 million €	2	4	6	8	10
≤ 0.1 million €	1	2	3	4	5
PROBABILITY					
Frequency (in XX years)	1x20	1x10	1x6	1x4	1x2

High risk	Significant risk	Moderate and low risk

Most of the key risks identified by Elektro Gorenjska in 2024 originated from the category of business risks (21), followed by financial risks (6) and operational risks (4).

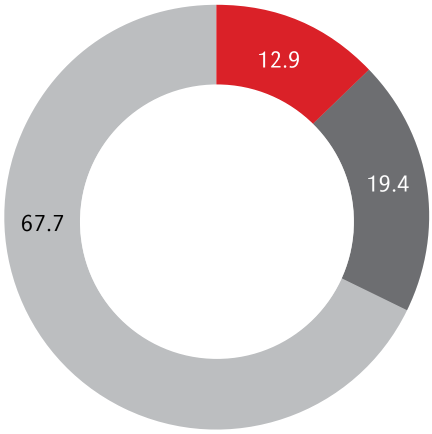
Identified risks by severity as at 31 December 2025 (share)

- HIGH RISK (3)
- SIGNIFICANT RISK (15)
- MODERATE AND LOW RISK (13)



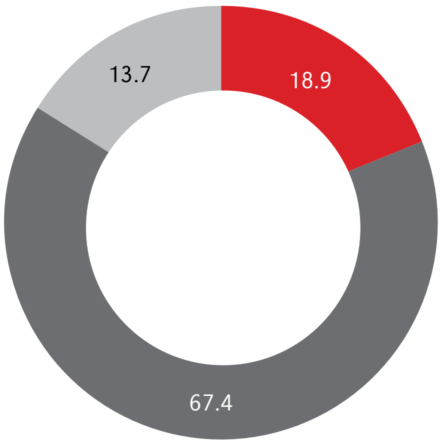
Identified risks by type as at 31 December 2025 (share)

- OPERATIONAL RISKS (4)
- FINANCIAL RISKS (6)
- BUSINESS RISKS (21)



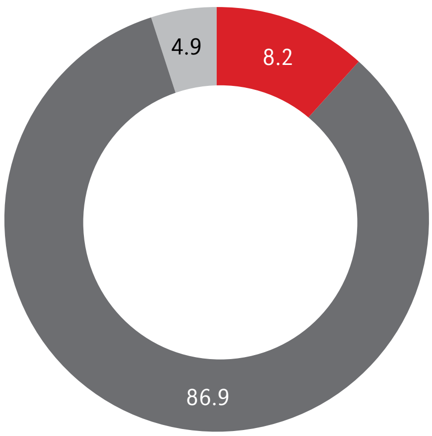
Share of estimated maximum losses by risk severity (in %)

- HIGH RISK (3)
- SIGNIFICANT RISK (15)
- MODERATE AND LOW RISK (13)



Share of estimated maximum losses by risk type (in %)

- FINANCIAL RISKS (6)
- BUSINESS RISKS (21)
- OPERATIONAL RISKS (4)



4.2. Presentation of Key Risks of the Elektro Gorenjska and Their Mitigation

Below is an overview of the key risks that the Elektro Gorenjska actively manages in its business environment.

AGEN Methodology and Other Electricity Distribution Regulations

Revenue from infrastructure rental and service fees is determined by AGEN through the Act on the Methodology for Determining the Network Fee and criteria for determining eligible costs. Due to legislative changes in the field of the public service of the Distribution Operator (DO), there is a risk of lower revenues if required cost efficiency is not achieved, as well as a risk to appropriate development in accordance with current investment plans defined in the company's Business Plan, Network Development Plan and Investment Plan.

The Company therefore continuously ensures cost-effective operations and actively participates in the drafting of laws and by-laws through various working groups. Additionally, it focuses on appropriate planning and optimized execution of business processes.

THE COMPANY THEREFORE CONTINUOUSLY ENSURES COST-EFFECTIVE OPERATIONS AND ACTIVELY PARTICIPATES IN THE DRAFTING OF LAWS AND BY-LAWS THROUGH VARIOUS WORKING GROUPS. ADDITIONALLY, IT FOCUSES ON APPROPRIATE PLANNING AND OPTIMIZED EXECUTION OF BUSINESS PROCESSES.

Liquidity Risk

Elektro Gorenjska could face liquidity challenges due to uneven cash inflows and outflows, prolonged loan acquisition procedures, or significantly exceeding planned investments.

This risk is managed through diligent debt collection processes, short- and long-term financial planning, regular monthly meetings with departments affecting this risk, internal cash flow management, timely loan acquisition procedures, financial oversight and adjustments to the pace and scale of investment execution.

Interest Rate Risk

Elektro Gorenjska has long-term loans with both fixed and variable interest rates, which are heavily influenced by EU central bank policies. An increase in interest rates has a direct negative impact on performance due to higher financing costs.

Elektro Gorenjska manages this risk by negotiating lower margins or markups with banks, refinancing existing loans or repaying loans with unfavourable financial terms, actively monitoring trends in variable and fixed interest rates and bank margins and seeking the most favourable funding conditions.

Return of Awarded Grant Funding

There is a risk that the company may be required to repay grant funding already received if project management deficiencies occur or if project objectives are not achieved. This risk is managed through the engagement of external experts to support project management and reporting activities, regular project reviews by management, the operation of a dedicated project team responsible for coordinating activities across the company, and specialised training tailored to the requirements of individual projects.

Network Efficiency

The power system is undergoing major changes. Distribution networks are at the forefront of the low-carbon transition. There has been a surge in solar panel and heat pump installations, increased use of electric vehicles and batteries—all of which increase stress on low-voltage (LV) networks and impact voltage quality. Some networks are already overloaded and require reinforcement, which involves high costs, complex spatial planning and resource strain.

Elektro Gorenjska manages this risk by connecting distributed energy sources to network points with adequate short-circuit power, using the QGIS tool for low-voltage (LV) network planning and employing other support tools that enhance the observability of the LV network. It also conducts appropriate analyses before connecting new large consumers or new consumers in areas where poor voltage conditions are anticipated. To ensure network efficiency during planning, the company uses AMI and MiSmart measurement data and introduces advanced analytics. It is also exploring options for utilizing flexibility services (demand-side response).

Lack of Investment Funds

The risk may arise if the Elektro Gorenjska is unable to secure sufficient funds for the implementation of planned investments due to a lack of internal financial resources and limited borrowing capacity. There is a possibility of a shortage of internal funds because of legislative changes that reduce operating results and may also impose more stringent conditions for obtaining loans to finance investments. The level of internal funds is also influenced by dividend payouts to shareholders. Over the long term, this risk could increase, as reduced investment in infrastructure could lead to poorer voltage quality, more frequent supply interruptions, and a decline in commercial service quality.

This risk is managed by adjusting the scope of investments (rebalance) in accordance with available resources, maintaining active communication with SDH as the central manager of capital assets and majority owner, timely coordination with the company's supervisory bodies, and continuous employee awareness-raising regarding the company's strategic direction.

Breakdowns and Accidents

Breakdowns and accidents of unknown magnitude may occur due to external factors (weather conditions or unintentional damage caused by third parties) or faults in power equipment.

Elektro Gorenjska primarily manages this risk through appropriate construction, maintenance, and operation of the network, as well as by continuously upgrading information technology and securing EEI.

Procurement Risks

There is a risk that an individual company within Elektro Gorenjska may fail to ensure the timely, required, or ordered and cost-aligned delivery of materials or execution of services/construction. Procurement risks and the resulting inability to carry out public procurement procedures for purchasing equipment or executing services/construction may lead to non-compliance with applicable legislation. Delays in initiating procurement procedures, submitted audit requests, and other risk factors can cause project delays, jeopardize planned investments, increase company costs, and hinder the ability to carry out core business processes.

These risks are managed through proper scheduling of procedures, larger stockpiles of materials with anticipated supply difficulties, strict legal compliance, consistent application of supplier evaluation guidelines, expert preparation of tender documentation, monitoring the Public Procurement Directorate portal and State Audit Commission practices, and professional training.

THE POWER SYSTEM IS UNDERGOING MAJOR CHANGES. DISTRIBUTION NETWORKS ARE AT THE FOREFRONT OF THE LOW-CARBON TRANSITION.

Environmental Risks

Risk factors that can lead to harmful environmental impacts include non-compliance with laws and internal environmental procedures, ignoring energy and environmental inspector decisions, equipment breakdowns, handling of hazardous substances, hazardous waste, and external factors (weather conditions, third-party damage, natural and other disasters).

Elektro Gorenjska manages these risks by complying with environmental legislation, meeting ISO 14001:2015 standards, educating employees on environmental management, systematically identifying new environmental impacts, and insuring both energy and non-energy infrastructure.

Lack of Qualified Personnel

This risk includes a shortage of professionally competent staff, loss of key personnel, and challenges in recruiting qualified employees.

Elektro Gorenjska manages this by hiring qualified (especially highly educated) personnel, motivating existing staff, offering scholarships, educational opportunities, upskilling, and professional development (e.g., personal and team coaching, soft skills training).

Operation of the Internal Information System

ICT risks refer to any threat to business data, critical systems, and processes. This includes risks associated with use, ownership, operation, integration, impact, and adoption of ICT within the Company.

The Elektro Gorenjska manages the operation of its own information system through the implementation of an information security policy, systematic risk management, regular audits of information systems conducted by external providers, business continuity planning, and the execution of activities outlined in the information strategy. The Company also mitigates risks by adopting new technological solutions.

Information Security

In Elektro Gorenjska's activities, there is a risk of intentional or accidental misuse, loss, or disclosure of information, which could constitute a legal violation and, in the worst-case scenario, threaten company operations through financial losses, cash flow issues, reputational damage, and breaches of contractual obligations.

The risk is managed primarily through the implementation of regulatory requirements, regular monitoring of information security risks within the established Information Security System (ISS), and continuous awareness-raising and training of employees on the management of information security risks. Additional measures include the systematic identification and management of emerging information security risks, the implementation of information risk management programmes, maintenance of a backup ICT infrastructure site, enforcement of the information security policy, implementation of the Corporate Security Communication Action Plan, established protection and recovery plans for emergency and extraordinary events, deployment of a process anomaly detection system, implementation of an access control system, use of multi-factor authentication, and the regular performance of social engineering exercises for employees (i.e., phishing tests).

Risk of Serious Workplace Injuries and Fatalities

The company is exposed to the risk of serious workplace injuries and fatalities, primarily arising from non-compliance with occupational health and safety and fire safety regulations, incorrect work procedures, and negligent or irresponsible actions by employees. This risk is managed through the implementation of a comprehensive set of occupational health and safety measures, the systematic identification and monitoring of hazardous incidents, and the provision of appropriate insurance coverage and assistance for employees.

4.3. Opportunity Management System

The Opportunity Management System is a key process within Elektro Gorenjska, enabling the identification, evaluation, and leveraging of opportunities for business improvement and growth. It provides a structured approach to discovering new business prospects, assessing risks, and responding to market changes with the aim of increasing competitiveness and ensuring long-term success.

Through a structured approach, Elektro Gorenjska actively monitors the business environment, identifies emerging opportunities, risks, and market developments, and responds to them in a timely and considered manner. In this way, the company does not merely adapt to change but actively helps shape it, while strengthening the competitiveness and long-term development potential.

The modern nature of operations is reflected in the continuous modernisation and enhancement of the distribution network, which has been systematically developed over several decades. At the same time, internal processes that support innovation and development are continuously improved in a sustainable manner.

An effective system for collecting, evaluating, and implementing innovation proposals has been established, with active participation from employees across all areas of the organisation. Their knowledge, experience, and initiatives represent a key source of progress, as evidenced by the continuous growth in both the number and quality of proposals submitted in recent years.

This approach fosters an environment in which opportunities are identified at an early stage, responsibly developed, and transformed into tangible benefits for employees, customers, and society as a whole.

The Research, Development and Innovation Department works closely with all sectors and departments of the company on European, development, and implementation projects.

Business development has been recognised as one of the company's key processes. It is overseen by the highest level of management and coordinated by the Strategic Innovation Division.

Priority areas include:
- Active search for and identification of new business models and opportunities;
- Active participation in flexibility markets;
- Implementation of smart grid concepts;
- Management of green transition projects;
- Management of e-mobility projects;
- Internal process improvements to enhance the performance of public utility services;
- Introduction of innovative solutions into operations;
- Active management of user relationships, including prosumer engagement;
- Development and implementation of supporting methodological and software solutions to aid operations within the new business paradigm.

4.4. Integrated Quality Management System at Elektro Gorenjska

The Integrated Quality Management System (iQMS) is an essential part of Elektro Gorenjska's management system, through which the company's leadership commits to fulfilling its quality policy, which directs our operation and development.

The Quality Policy is an integral part of the company's business policy and reflects our clear commitment to the long-term achievement of our vision and strategic objectives. This commitment is supported by a modern and responsible management approach founded on effective risk management, information security, and the protection of employee health, safety, and the environment.

The sustainability of our operations is driven by our people. For this reason, particular attention is devoted to employee development, engagement, and satisfaction, as well as to creating a working environment that promotes a healthy work–life balance. It is firmly believed that quality is created through the knowledge, expertise, and responsibility of our employees and is reflected in our daily activities.

These principles are underpinned by a commitment to continuous improvement, which remains a fundamental element of our operations. Through this approach, reliability, efficiency, and long-term value are strengthened for employees, customers, and society as a whole.

With its established and actively managed iQMS, Elektro Gorenjska meets:

- The requirements of multiple certification systems, evidenced by the SIQ mark;
- The accreditation system requirements of its Metrology Laboratory and other standards, including risk management aligned with ISO 31000 and the Family-Friendly Company certificate.

ISO 9001 Q-491
ISO 14001 E-149
ISO 45001 H-039
ISO/IEC 27001 I-061

IQNET RECOGNIZED CERTIFICATION

SLOVENSKA AKREDITACIJA
SIST EN ISO/IEC 17020/C
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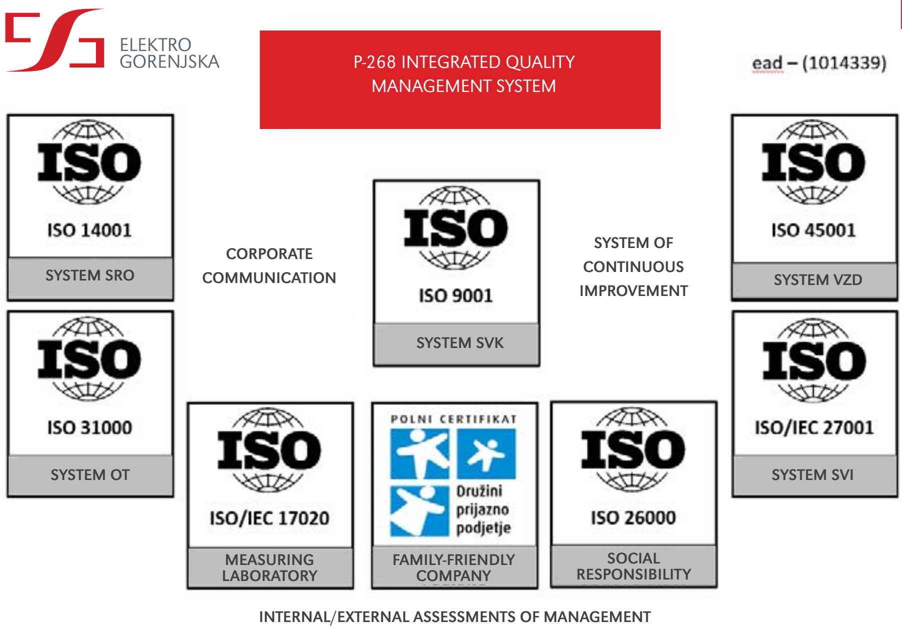
iQMS of Elektro Gorenjska



The Integrated Quality Management System (IQMS) enables all key activities to be brought together within a comprehensive and effective management framework. It supports the achievement of the company's vision, strategy, and mission, while ensuring systematic risk management and high-quality engagement with all stakeholders, including customers, employees, shareholders, and the wider community.

Our approach is founded on clear focus and integration. The IQMS is not merely a system; it represents a coordinated way of working that promotes stability, transparency, and long-term reliability.

The modern nature of the system is reflected in effective communication, continuous improvement, and the regular monitoring and evaluation of all its components. This ensures that the system remains adaptable, responsive, and development-oriented.

The sustainability of our approach is also supported by a clear allocation of responsibilities. Individual systems within the IQMS are overseen by dedicated expert councils, which ensure compliance with regulatory requirements and applicable standards while contributing to a high level of operational quality.

Through this approach, an integrated and responsible system is maintained – one that is founded on people, expertise, and collaboration and that creates long-term value for all those within our sphere of influence.

Key goals of the iQMS include:
- Monitoring the implementation of Elektro Gorenjska's 2024–2028 strategy using 35 strategic performance indicators (KPIs);
- Managing 48 business processes, tracked by 148 performance indicators;
- Managing 31 strategic risks (OT);
- Managing 16 environmental risks;
- Managing 56 ISR – including cyber threats and risks related to essential service providers and critical infrastructure, and
- Managing occupational health and safety risks through workplace-specific risk assessments.

In managing the IQMS, the company uses proprietary applications developed in-house, which make a significant contribution to the efficiency and effectiveness of the system. These include:
- A strategic risk management system (OT system);
- Tools for inputting and evaluating risk control measures (OT system);
- A QMS application which oversees changes in documents, processes, risks, and indicators used to monitor both strategic implementation and the performance of individual processes;
- An internal and external audit and accreditation management tool based on the PDCA approach (iQMS system);
- An information security risk management system (ISMS system).

The performance of each business process is reviewed quarterly and discussed in Quality Committee and Management Board meetings, alongside updates from other management systems within the iQMS. This structured approach demonstrates the company's ongoing commitment to continuous improvement, growth, and sustainable operations.

In 2025, employees submitted 47 proposals for improvements and corrective actions, which contributed to system enhancements and fostered a proactive approach toward innovation, environmental responsibility, and business excellence.

Elektro Gorenjska recognizes that its success relies on its people. Employee engagement and loyalty are critical to the company's growth and development. Since 2015, Elektro Gorenjska has implemented 16 family-friendly measures aimed at improving the overall well-being of employees in the workplace – aligned with the objectives of the Family-Friendly Company certificate.

5. Corporate Governance

In line with Elektro Gorenjska's Sustainable Development Strategy, the guidelines of the shareholder, and the principles of sustainable business operations, Corporate Governance Guidelines have been established. These provide a clear, modern, and responsible framework for operations, aimed at preventing unacceptable risks, inappropriate practices, and irregularities that could affect business partners, customers, employees, or society as a whole.

Operations are conducted in accordance with the principles of legality, integrity, and transparency. Through this approach, trust is strengthened and the Company's reputation is safeguarded over the long term, while any conduct inconsistent with the principles of integrity is firmly rejected.

The area of corporate governance has been comprehensively regulated in accordance with the guidelines of the Slovenian Sovereign Holding (SDH), with the objective of establishing a unified, transparent, and sustainability-oriented governance system.

5.1. Statement on Governance

Elektro Gorenjska operates in accordance with applicable regulations and internal acts. The management represents and acts on behalf of the company, conducting business independently and at its own responsibility. In doing so, decisions are made in line with the company's strategic goals and in the interest of shareholders and owners. The Company adheres to the documents adopted by the Slovenian Sovereign Holding (SDH), that is, the Corporate Governance Code for State-Owned Enterprises, the Recommendations and Expectations of the Slovenian Sovereign Holding, and the Procedures and Criteria for the Conduct of Management and Supervisory Board Members of State-Owned Enterprises.

The applicable regulations relevant to operations and the company's Articles of Association are published on our website (www.elektro-gorenjska.si/). Other applicable acts for the company are available on the SDH website (www.sdh.si/).

In 2025, Elektro Gorenjska's operations did not materially deviate from the principles, procedures, and criteria prescribed by the aforementioned SDH documents. The Elektro Gorenjska Group ceased to exist on 15 September 2025 following the sale of its subsidiary, Gorenjske elektrarne d.o.o. The parent company declares that, during the existence of the Elektro Gorenjska Group, it did not fully adhere to those provisions of the codes and recommendations that are already regulated by law, or that are governed by the Company in a different manner in accordance with the provisions of its Articles of Association. Nor did it apply certain non-binding recommendations that have not been incorporated into the Company's internal acts or are not prescribed as statutory obligations.

Members of the supervisory board act professionally, responsibly, and independently in the performance of their duties, and comply with the provisions of the relevant SDH acts. The company also informs supervisory board members and committees about updates to SDH acts and about training sessions organized free of charge by SDH, as well as enabling participation in other trainings in the energy sector.

Measures to promote balanced gender representation and the diversity policy will be adopted by the Supervisory Board in accordance with the provisions of the Act Amending the Companies Act (ZGD-1M).

The Management Board of each company is responsible for maintaining appropriate accounting records, establishing and ensuring the effective operation of internal controls, selecting and applying accounting policies, and safeguarding the company's assets.

When establishing and operating internal controls, Elektro Gorenjska pursues the following primary objectives:

- Accuracy, reliability, and completeness of accounting records and the truthfulness and fairness of financial reporting,
- Compliance with legislation, regulations, and internal rules,
- Efficiency and effectiveness of operations.

Elektro Gorenjska strives to ensure that the control system is both effective and efficient in terms of risk management while remaining cost-efficient. To this end, the Company maintains:

- A transparent organizational structure;
- Clear accounting policies consistently applied throughout Elektro Gorenjska;
- An effective and fully staffed accounting function;
- A modern and efficient accounting and business information system;
- Regular external and internal audits of business processes and overall operations.

Accounting control is based on the principles of responsibility allocation, record accuracy and timeliness, reconciliation of accounting records with actual conditions, separation of record-keeping from transaction execution, and the professionalism and independence of accountants. Accounting controls are closely linked to general and application controls in the field of IT, which ensure access restrictions, monitoring, and the completeness and accuracy of data collection and processing.

Control mechanisms for specific operational areas are further detailed in the chapter Development of an Integrated Risk and Opportunity Management System. Elektro Gorenjska believes that the current internal control system has successfully supported the operations of both the Company and the Group, which existed until 15 September 2025, ensured compliance with regulations, and enabled fair and transparent financial reporting.

Elektro Gorenjska further declares that, in line with its strategic guidelines for achieving the established business objectives, the Management Board of the parent company actively monitored and directly supervised the operations of its subsidiary, Gorenjske elektrarne d.o.o., until 15 September 2025, and indirectly supervised GEK Solar, the subsidiary of Gorenjske elektrarne. Until 15 September 2025, uniform corporate governance standards, consistent with those applied by the parent company within the Elektro Gorenjska Group, were implemented in the management and governance of both the subsidiary and its subsidiary.

Elektro Gorenjska will continue to comply with the recommendations set out in the SDH governance documents and will further develop and enhance its governance system accordingly. Should any deviation from this statement of compliance with the relevant codes and recommendations occur, the Company will ensure its timely disclosure.

5.2. Sustainable Business Policy

Elektro Gorenjska continuously strives to improve outcomes in terms of employee satisfaction, occupational health and safety, environmental protection, and quality. Our operations are grounded in universally accepted principles of ethics and integrity, employment, occupational health and safety, environmental and biodiversity protection, and quality, along with related management and governance systems.

Through this approach, sustainability is not merely a guiding principle but becomes an integral part of our day-to-day operations and decision-making. Responsibility is taken for long-term development founded on people, environmental stewardship, and reliable business operations.

OUR OPERATIONS ARE GROUNDED IN UNIVERSALLY ACCEPTED PRINCIPLES OF ETHICS AND INTEGRITY, EMPLOYMENT, OCCUPATIONAL HEALTH AND SAFETY, ENVIRONMENTAL AND BIODIVERSITY PROTECTION, AND QUALITY, ALONG WITH RELATED MANAGEMENT AND GOVERNANCE SYSTEMS. THROUGH THIS APPROACH, SUSTAINABILITY IS NOT MERELY A GUIDING PRINCIPLE BUT BECOMES AN INTEGRAL PART OF OUR DAY-TO-DAY OPERATIONS AND DECISION-MAKING. RESPONSIBILITY IS TAKEN FOR LONG-TERM DEVELOPMENT FOUNDED ON PEOPLE, ENVIRONMENTAL STEWARDSHIP, AND RELIABLE BUSINESS OPERATIONS.

Our Sustainability Policy comprehensively addresses the areas of governance, social responsibility, and environmental stewardship. At the same time, we actively develop and strengthen a network of suppliers that operate in accordance with the same principles, as we believe that sustainability is built collectively with all those who form part of our business environment.

Sustainable Business Strategy of Elektro Gorenjska

Elektro Gorenjska's strategy for 2024–2028 sets a clear course for the company's business development. Even amid evolving regulatory landscapes, the company remains firmly committed to advancing its sustainability journey – embracing technological innovation and driving the green transition forward.

Sustainable Business Goals of Elektro Gorenjska

Sustainable business at Elektro Gorenjska considers environmental, social, and governance (ESG) aspects.

OUR SUSTAINABILITY POLICY COMPREHENSIVELY ADDRESSES THE AREAS OF GOVERNANCE, SOCIAL RESPONSIBILITY, AND ENVIRONMENTAL STEWARDSHIP. AT THE SAME TIME, WE ACTIVELY DEVELOP AND STRENGTHEN A NETWORK OF SUPPLIERS THAT OPERATE IN ACCORDANCE WITH THE SAME PRINCIPLES, AS WE BELIEVE THAT SUSTAINABILITY IS BUILT COLLECTIVELY WITH ALL THOSE WHO FORM PART OF OUR BUSINESS ENVIRONMENT.

1. Environmental Aspect:
- Reducing the carbon footprint: emphasis on reducing carbon emissions and promoting the use of renewable energy sources;
- Protection of natural resources: a policy focused on reducing environmental impact;
- Energy efficiency: promoting investment in energy-efficient equipment and infrastructure;
- Encouraging the use of renewable energy sources;
- Investing in energy efficiency and low-carbon technologies;
- Implementing policies to reduce pollution and preserve biodiversity;
- Supporting the circular economy and recycling.

2. Social Aspect:
- Employee health and safety: ensuring safe working conditions, appropriate equipment, and policies that support employee health and well-being;
- Social responsibility: engaging with the communities in which the company operates and contributing to local development;
- Diversity and inclusion: fostering diversity among employees and ensuring equal opportunities for all;
- Introducing policies to combat social inequality;
- Promoting gender equality;
- Protecting labour rights and encouraging decent working conditions;
- Education and training for sustainable development.

3. Governance:
- Commitment to ethics and integrity: setting high standards for ethical conduct and integrity across all business practices;
- Sound governance: establishing an effective governance system that includes transparency, accountability, and effective risk management;
- Monitoring and reporting: recording, measuring, and regularly reporting on the implementation of ESG goals and initiatives.

4.Innovation and Technology:
- Continuously seeking and introducing innovations and technological solutions that contribute to a sustainable electricity distribution system;
- Monitoring technological advances that enable better management and efficiency of the electricity distribution network.

Management Commitment

The Management Board of Elektro Gorenjska commits to doing everything necessary to ensure the implementation of all defined sustainable business goals, including the provision of resources, implementation of measures, progress monitoring, and the engagement of all employees. To this end, the management will:
- Allocate and provide the necessary financial and human resources for implementing sustainability measures;
- Develop and carry out concrete actions to achieve the defined sustainability goals;
- Regularly monitor and measure progress towards these goals and adapt strategies and actions as needed;
- Involve all levels of employees in the sustainable development process by encouraging their participation, education, and awareness;
- Ensure transparency and accountability in implementing sustainability policies through regular reporting and communication with all stakeholders.

The Management Board affirms its strong commitment to sustainable business practices based on responsible environmental stewardship, respect for social responsibility, and the establishment of effective governance practices.

The Sustainable Business Policy of Elektro Gorenjska entered into force on August 1, 2024.

5.3. Internal Audit

Internal auditing strengthens the Company's ability to create, protect, and sustain value by providing the supervisory body and management with independent, risk-based assurance, advice, insights, and foresight. It supports the achievement of the Company's objectives through the systematic and disciplined evaluation and improvement of the effectiveness of risk management, control processes, and corporate governance, while adhering to the principles of integrity, professional competence, due professional care, objectivity, and independence.

The Company has established its own internal audit function, which in 2025 was carried out by the Head of Internal Audit in accordance with the Global Internal Audit Standards (hereinafter: the Standards). The Head of Internal Audit is functionally accountable and reports to the Supervisory Board and its Audit Committee, while administratively reporting directly to the President of the Management Board.

The Internal Audit Charter of Elektro Gorenjska serves as the foundation for the operation of the internal audit function. The Charter was updated in 2025, among other reasons to align it with the requirements of the revised Standards, including the Supervisory Board's mandate defining the function's authority, role, and responsibilities.

Internal audit activities are performed in areas where key risks to the Company arise or may arise and where improvements to operations, business security, and overall business benefits can be achieved. To support more effective, efficient, and economical operations, particular attention is devoted to areas where operational weaknesses or threats could jeopardise the Company's long-term viability and development, as well as to areas exposed to risks of fraud, errors, non-compliance, or disputes.

In 2025, the internal audit function carried out its activities in accordance with the approved annual work plan. All eight planned internal audits were completed, together with other internal audit activities, including the periodic verification of the implementation of recommendations, internal audit planning, methodology-related activities, and other related tasks. The findings of audits and other activities were regularly reported by the Head of Internal Audit to the audited entities and the Management Board, and periodically to the Audit Committee and the Supervisory Board.

In 2025, an internal quality assessment of the internal audit function was conducted in accordance with the Standards. The assessment concluded that the internal audit function operated, in all material respects, in compliance with the Standards and other relevant regulations, confirming the appropriateness and effectiveness of its performance.

Sustainability Report of Elektro Gorenjska

2025

6. Foundations for Preparation

Sustainability stands as the cornerstone of our collective future—both for society and for the planet. It extends beyond environmental responsibility; it is a profound obligation to generations yet to come. Every decision we make today shapes the world our children and grandchildren will inherit.

Every decision we make today shapes the world our children and grandchildren will inherit. To leave behind not just a liveable world, but a better one, we must act now – embracing sustainable practices as a shared responsibility.

This is more than a business imperative; it is a moral commitment to fostering a more just, cleaner, and resilient future for all.

Framework for Sustainability Reporting

Sustainability calls for a comprehensive, integrated approach – one that weaves together environmental, social, and economic considerations to promote long-term responsibility and resilience. A company's success is no longer measured solely by its financial performance, but increasingly by its broader impact on the environment and society. True sustainability seeks to achieve a societal optimum that respects the interests of all stakeholders. Within this evolving landscape, the recent amendment to the Slovenian Companies Act (ZGD-1M) incorporates the Corporate Sustainability Reporting Directive (CSRD) into national legislation. This directive introduces mandatory disclosure of ESG factors, representing a vital step toward enhanced transparency, accountability, and a deeper integration of sustainability into corporate strategies – unlocking new pathways for transformation and growth.

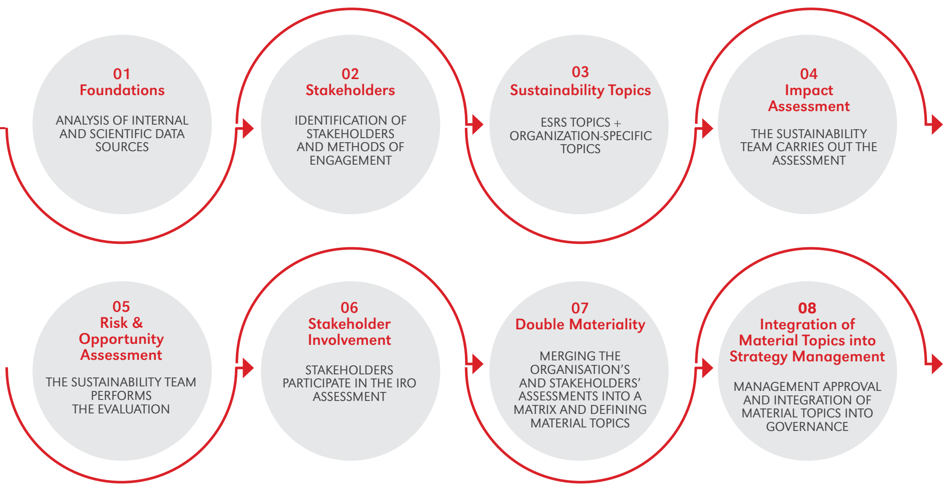
6.1. Double Materiality Assessment

Within Elektro Gorenjska, the impacts of business activities on people and the environment, as well as potential risks to operations, have been identified and assessed. The value chain, including its impacts and associated risks, was also evaluated – primarily focusing on direct suppliers and drawing on internal expertise.

The double materiality assessment process was designed in a structured and inclusive manner. The process began with the identification of key internal experts possessing in-depth knowledge and experience relevant to the new European Sustainability Reporting Standards (ESRS). A total of 54 experts from various fields participated from the outset, ensuring a consistent and integrated approach to evaluating the relevance of different sustainability topics.

To ensure a consistent understanding and high-quality implementation, workshops were organised to present the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the methodology applied in the double materiality assessment. This established a solid foundation for consistent, transparent, and professionally supported sustainability reporting.

Double Materiality Matrix Development Process



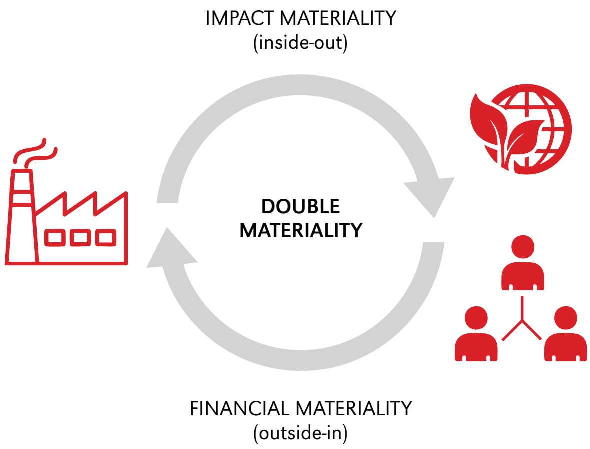
The starting point for the double materiality assessment was an analysis of impacts on the environment and society, based on previously established approaches for identifying and evaluating the sustainability impacts of the Company's operations and value chain. At the same time, a financial assessment of sustainability-related risks that could affect the Company's operations was also carried out.

Where possible, impacts and risks were quantified, with quantitative assessments complemented by professionally substantiated qualitative evaluations.

Given the practices already established in the area of sustainability impact assessment, and taking into account the complexity of quantifying sustainability-related risks, the preparatory phase focused primarily on an in-depth analysis of impacts.

Due to the extensive requirements of the ESRS standards regarding double materiality, stakeholder involvement at this stage was limited to internal experts possessing the relevant knowledge and experience required to ensure a comprehensive and professionally conducted assessment process.

The Concept of Double Materiality



IMPACT MATERIALITY	FINANCIAL MATERIALITY
A sustainability topic is considered material from an impact perspective if it relates to actual or potential significant positive or negative impacts on people or the environment over the short, medium, or long term.	A sustainability topic is considered material from a financial perspective if it triggers or may trigger significant financial effects on the company, creating risks or opportunities that materially affect cash flows, development, performance, position, cost of capital, or access to financing.

Key inputs for the double materiality assessment:
- Elektro Gorenjska's 2024–2028 Sustainable Development Strategy,
- National Energy and Climate Plan of the Republic of Slovenia (NEPN),
- National Energy Report for Slovenia,
- ISO 9001 Quality Management,
- ISO 14001 Environmental Management,
- Environmental Risk Register,
- ISO 45001 Occupational Health and Safety,
- ISO/IEC 27001 Information Security,
- ISO 31000 Risk Management,
- HR and Communications Strategy,
- Recommendations by Slovenian Sovereign Holding (SDH),
- Identified risks and opportunities from EDP workshops,
- Climate change projections to the end of the 21st century,
- REDOS Study.

Stakeholder Identification and Engagement

One of the key strategic sustainability challenges is reconciling short-term stakeholder interests – which may vary or even conflict – with the long-term interests of all stakeholders and society as a whole.

The ESRS double materiality principle, which encompasses both the organisation's impacts on the environment and the environment's impacts on the organisation, reflects a structured approach to addressing Impact-Risk-Opportunity (IRO) requirements. It enables the structured identification, assessment, and management of key sustainability topics in accordance with the requirements of the ESRS standards.

Details are presented in the accompanying table.

KEY STAKEHOLDERS	KEY RISKS AND OPPORTUNITIES	FORMS OF PROACTIVE ENGAGEMENT	KEY IDENTIFIED IMPACTS
1. Network Users (consumers, producers, and electricity suppliers, aggregators)	**Risks:** Higher short-term operating costs; lack of understanding of ESG initiatives **Opportunity:** More active users contribute to a more stable and sustainable network; enhanced social reputation **Risk:** Suboptimal network development due to difficulties i**n anticipating future user needs** **Opportunity:** Growing electricity consumption; increased interest in investing in personal renewable energy sources (RES)	1. Participation in development projects 2. Promotion of community self-sufficiency models; raising user awareness about optimal consumption capacity, efficient electricity use, and appropriate sizing of self-supply systems	• Lower investment costs, reduced environmental burden, and lower financing costs for stakeholders • Accelerated sustainable development (ESG); the company's carbon footprint (Scope 1 and Scope 2) is expected to be reduced by 55% by 2030 • Reduced carbon footprint, lower maintenance and investment costs, increased connection capacity, higher revenues and returns
2. Employees (Internal Stakeholders)	**Risk:** Resistance to cooperation or change **Opportunities:** Interest in modern solutions, expansion of competencies and employability, meaningful work aligned with the company's mission **Risks:** Opposition to change, intergenerational non-cooperation, disagreements with trade unions and the works council, incompetent leadership **Opportunities:** Improved competencies and employability, higher engagement, satisfaction due to inclusion and dynamic work environment **Risks:** Increased workload, staff shortages, and overburdened existing personnel **Opportunity:** Engagement in optimizing project management implementation, enhancing meaningfulness of work and reducing workload **Risks:** Understaffing, poor organizational structure, resistance to change due to lack of understanding of initiatives **Opportunity:** More engaged and efficient employees because of better work organization	1. Implementation of a comprehensive innovation system 2. Employee involvement through collective innovation systems, training, and internal communication channels … 3. Internal and external training, structured two-way communication, regular meetings with the Works Council, timely/prior coordination of interests, inclusion in decision-making 4. Training and optimization of existing staff performance, timely recruitment of suitably qualified new employees, appropriate digital support 5. Workshops, meetings, and targeted training sessions 6. Systematic and gradual development involving key employees already in the early stages of designing changes (e.g. "design thinking" workshops)	• Faster implementation of meaningful sustainability-related changes, higher added value, potentially higher wages, smart investments, reduced CAPEX and OPEX, increased profitability • Reduced operating costs (e.g. commuting), higher employee engagement and satisfaction, lower absenteeism-related costs

3. Partner Organizations and Professional Associations (including electricity distribution companies, transmission system operators, CIGRE, CIRED, Chamber of Commerce and Industry (GZS), educational and research institutions)	**Risks:** Pursuit of fragmented solutions/interests, disagreements on technological and organizational solutions **Opportunity:** Willingness to collaborate and reduce development risks and poor decision-making **Risk:** Implementation of incorrect or irrational solutions **Opportunities**: Joint problem-solving and knowledge transfer … **Risk:** Talent poaching (loss of key personnel) **Opportunity:** Collaboration on developing competent personnel **Risks**: Coordination requiring more time **Opportunities:** Sharing knowledge and solutions; shared development costs	1. Development partnerships across various projects 2. Collaboration on joint projects, training, and promotional events… 3. Systematic agreements on staff development based on clear ethical and professional standards; agreements on personnel exchange 4. Participation in projects through already established groups and wider networks	• Joint solutions implemented in support of green ESG goals; lower development costs and risks • Reduced development costs and shared implementation of solutions • Sufficient number and competency of staff for stakeholders; enhanced reputation and easier realization of stakeholders' missions; more competent employees • Reduced development costs through joint solution deployment
4. Suppliers and Development Companies (including their employees)	**Risks:** Lack of understanding of the specific needs of the distribution operator (DO), strong bargaining power of large suppliers, instability of startup companies **Opportunities:** Interest or need for development collaboration in new areas, high "test" potential of solutions for various purposes **Risks:** Higher short-term operating costs, misunderstanding of ESG initiatives **Opportunities:** More long-term and stable partnerships, long-term cost reductions, enhanced company reputation		• Modern solutions with profitability potential in multiple market segments; more prudent investment decisions • Support for corporate decarbonisation; joint development leading to short-term reductions in financing costs • Opportunity to involve a wider range of providers; clearer and more timely information; better pricing in public tenders • Modern solutions with profitability potential across multiple (diverse) market segments, more prudent investments, and lower CAPEX and OPEX.
5. Municipalities, Local Communities, and Civil Society	**Risks:** Higher short-term costs, misunderstanding of project goals **Opportunities:** Easier acceptance of new investment projects, smoother spatial integration … **Risks:** Spatial planning challenges, increased costs due to additional local community demands **Opportunities:** Optimised shared construction of energy infrastructure, willingness to pursue timely and optimal solutions	1. Involvement of local communities and civil society in investment and other joint projects from the earliest planning stages 2. Timely and transparent coordination of investment plans	• More optimal solutions for both nature and people; shared savings in comprehensive investment evaluations • Fewer disruptive interventions in the environment; greater stakeholder satisfaction due to inclusion

6. National Institutions and Regulators (Government of the Republic of Slovenia, ministries, AGEN)	**Risks:** Inadequate financial resources for development and financial stability, regulatory environment that hinders timely investment **Opportunities:** Securing or obtaining additional funding, Willingness to implement changes driven by national commitments to international bodies (EU, UN, etc.) **Risk:** Lack of financial resources for implementation of development plans, reduced network tariff revenue **Opportunities**: Calls for co-financing	1. Proactive dialogue with the regulator to amend regulations and with legislators to ensure systemic funding sources for development plans 2. Proactive cooperation with the regulator to ensure appropriate regulatory changes, and with the legislator to secure a suitable systemic funding source for RDI (Research, Development, and Innovation) activities	• Stable and adequately sized network infrastructure, integration of renewable energy sources, fewer penalties for unmet national commitments, higher investments, increased revenues (returns, amortisation, and connection power) • Fulfilment of national sustainability commitments, lower long-term development and maintenance costs, modern solutions, and improved long-term profitability • Systemic solutions enabling Slovenia to meet its ESG obligations without facing penalties, full regulatory compliance • Alignment of development plans with investment strategy; more efficient and timely fulfilment of national decarbonisation commitments
7. Financial Community and Shareholders (shareholders, SDH – Slovenian Sovereign Holding)	**Risk:** Decline in revenue and profitability due to insufficient or inadequate financial resources **Opportunities:** Possibility of obtaining non-repayable funds, improved financial and capital position, and long-term financial stability of the company **Risks:** Short-term investment and restructuring costs **Opportunities:** Lower bank financing costs, potential to secure non-repayable funds	1. Partnership with banks (including international) to secure “green” loans, enabling access to grants and compliant dividend payments (as defined in the dividend policy) in line with legislation, the company’s mission, and long-term value 2. Partnership-based communication, exemplary sustainable corporate governance aligned with ESRS standards	• Development of a sustainable network in line with the DO development plan will allow for increased renewable energy connection capacity and decarbonisation • Network undergrounding enhances climate resilience; long-term financial stability enables dividend payments and loan repayments; positive financial outcomes • Greater long-term business and financial stability and profitability
8. Media	**Risk:** Misunderstanding and possible negative interpretations **Opportunity:** Broader understanding and development of wider coalitions supporting necessary changes **Risk:** Misunderstanding of initiatives, unrealistic expectations **Opportunity:** Building broader public support	Transparency and openness, proactive messaging, invitations to actively participate in promotional events	• Better conditions for increased public understanding of distribution activities and their importance; higher media reach and support for sustainable development • Greater public interest and understanding of the role of electricity distribution in society

Definition of the List of Identified Impacts/Drivers, Risks and Opportunities by Processes, Stakeholders and ESG Topics

The next step involved determining the scope of impacts and risks for the factors covered by various ESRS topics and subtopics (ESRS 1 AR16). At this stage, relevant data were collected, including internal company impact reports, existing risk and environmental management systems, past materiality assessments, and other analyses previously conducted. These data served as the basis for the preliminary identification of key impacts and risks to be further assessed in the following phases of the process. Additional factors and risks related to business operations were also evaluated during joint workshops and included in the preparation.

In line with the company's strategic orientation, the focus is placed on the principles of social responsibility and the needs of the communities in which it operates. The starting point of the sustainability strategy is an analysis of stakeholder expectations and strategies, including potential latent interests and the ways in which stakeholders express their influence. A deep and holistic understanding of stakeholder needs is being actively and systematically developed. All stakeholder groups relevant to the company's operations and capable of influencing its sustainability objectives have been identified.

Stakeholder engagement is a key tool for creating long-term shared value and for achieving a just transition. To capture stakeholder needs and expectations, continuous, active, and open dialogue is encouraged through a range of listening initiatives, led by various corporate functions with distinct roles, levels of involvement, and responsibilities.

Assessment of the Materiality of Impacts/Factors, Risks and Opportunities, and Financial Materiality

As part of the preparation process, a methodology was selected that included criteria such as the severity of impacts, the likelihood of risks, and the relevance to the company and its stakeholders. Each assessment was documented, including the rationale behind the assigned rating. This ensured transparency and traceability throughout the entire process.

Assessment Methodology

In accordance with ESRS guidelines, three parameters were assessed: scale, severity, and irremediability.

1. For "severity", the extent of the impact on the environment or people was evaluated, considering the mitigating measures already in place.

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2. For "scale", the assessment considered how widespread the impact was, based on indicators such as the percentage of locations, employees, or financial expenditure affected.

3. For "irremediability", the difficulty of reversing the damage was assessed in terms of cost and timeframe.

Risk and Opportunity Assessment

A structured methodology was applied in the risk assessment process, combining an evaluation of potential financial impacts with an assessment of the likelihood of their occurrence. Financial impacts were assessed based on key business performance indicators, such as EBITDA, CAPEX, and OPEX, which together constituted a significant component of the overall evaluation, while the other component was based on the likelihood of risk materialisation. Existing risk mitigation measures were also taken into account in the assessment.

The nature and scale of impacts were assessed using various scenarios based on professionally determined input parameters. This approach enables a comprehensive understanding of potential consequences and enhances the robustness of the assessments.

Risks were evaluated from the perspective of their impact on environmental, social, and governance matters, taking into account the likelihood of their occurrence, and separately from the perspective of their financial effects. The same methodological approach was applied in the assessment of opportunities, with the scales appropriately adjusted to reflect positive impacts.

The financial dimension of the assessment includes the determination of the annual value of each individual risk or opportunity, enabling their comparability and facilitating their effective integration into subsequent decision-making processes.

Calibration of Assessment Results

After the workshops, all collected data were analysed and used to calculate results, including the determination of a 'materiality level' for each impact and risk.

Additional calibrations were carried out at this stage, incorporating feedback from workshop participants and validating the results with internal leadership. The aim of calibration was to ensure that the outcomes accurately reflected the real significance of the impacts and risks for the company.

Review and Evaluation of Results with Executive Management

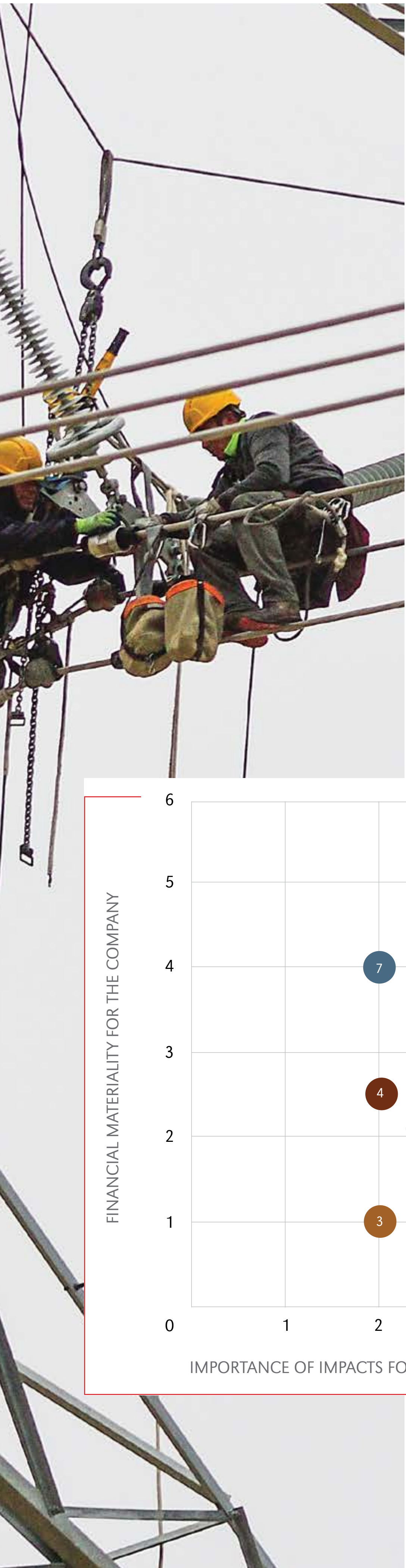
The final phase of the process involves a comprehensive review and validation of the assessment results by the Company's senior management. This step is essential to ensuring the appropriateness, completeness, and strategic relevance of the findings.

It confirms that all material impacts and risks have been appropriately identified and assessed, while also establishing a foundation for their systematic integration into the Company's future strategic decision-making and sustainability reporting processes.

Use of Assessment Results for Further Planning

The results of the double materiality assessment will be used to refine corporate strategies, particularly in the areas of sustainability and reporting.

Based on these findings, future activities will be adapted to effectively address the most material topics relevant to the company and its stakeholders. This approach supports focused, effective, and strategically sustainable decision-making.

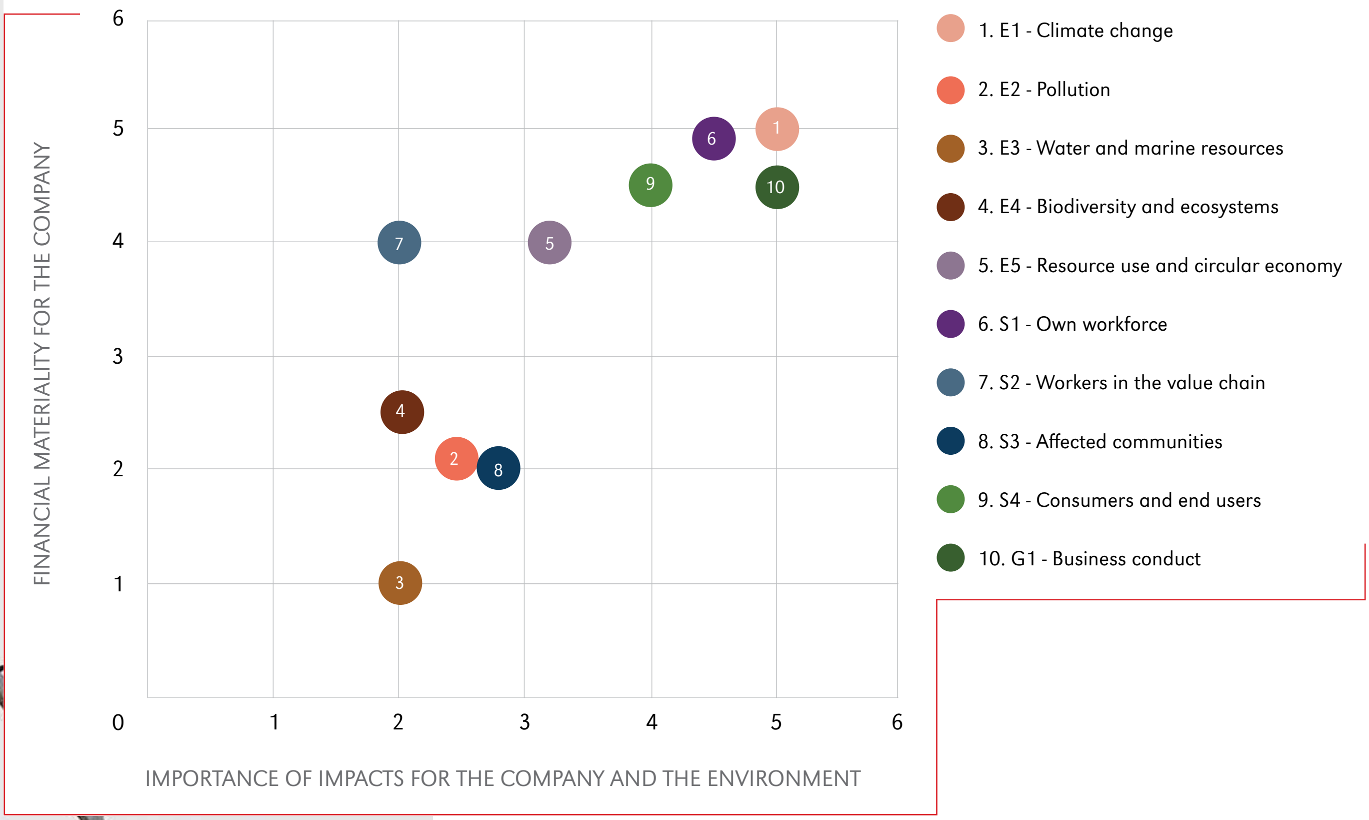


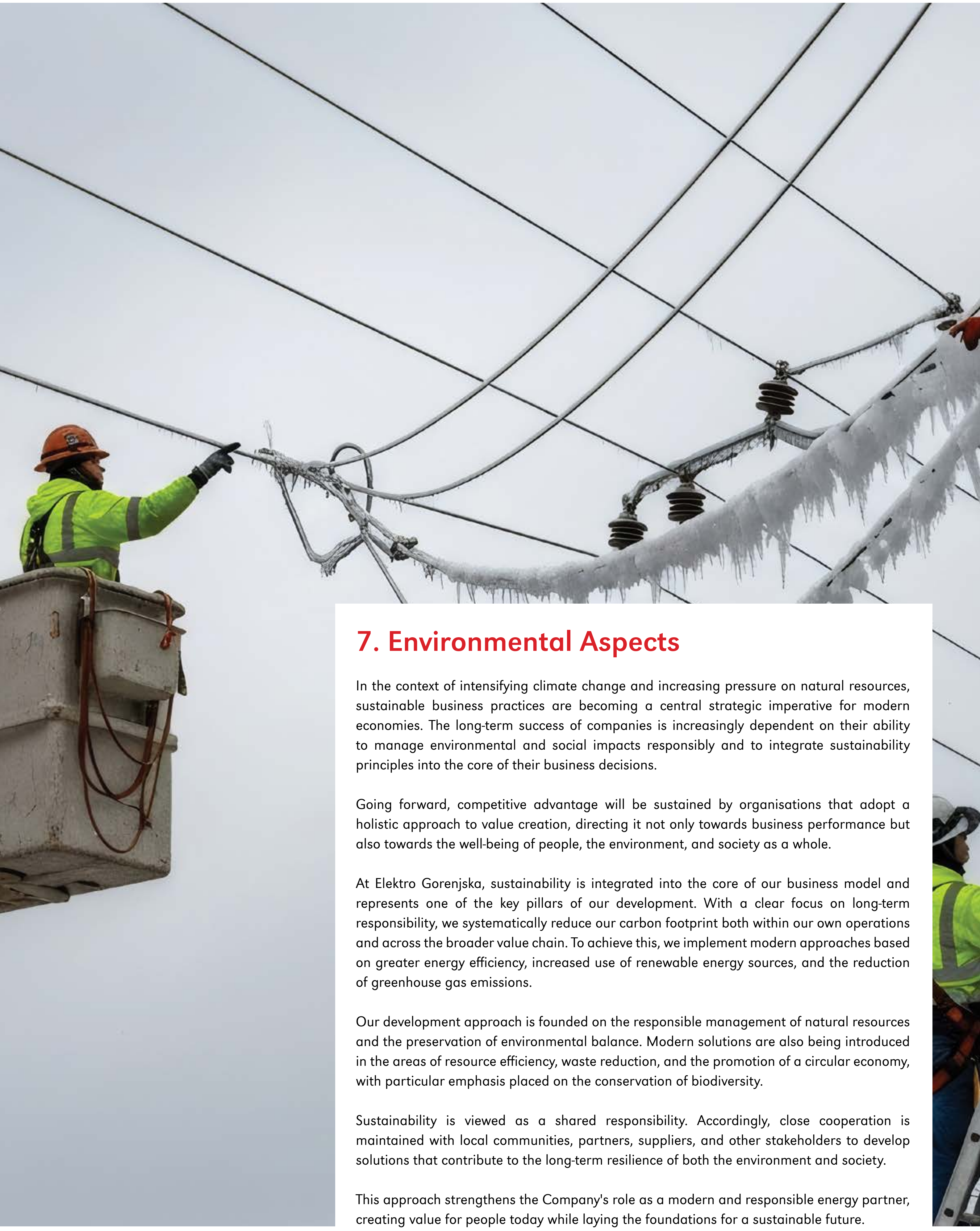
6.2. Double Materiality Matrix

The company's impacts on the environment and society (impact materiality assessment), as well as the sustainability-related risks it is exposed to (financial materiality assessment), have been identified. The results are grouped by ESRS topics and show that the most material sustainability topics are: E1 (Climate Change), E5 (Resource Use and Circular Economy), S1 (Own Workforce), S2 (Workers in the Value Chain), S4 (Consumers and End Users), and G1 (Business Conduct).

The environmental impacts and risks identified under E1 (Climate Change) and E5 (Resource Use and Circular Economy) are closely linked to the company's strategic efforts to rapidly expand renewable energy sources. While the deployment of new renewable energy capacities helps reduce climate impacts, it also requires significant investment in the expansion and reinforcement of the distribution network, which continues to serve as a key enabler of the sustainable energy transition.

Double Materiality Matrix





7. Environmental Aspects

In the context of intensifying climate change and increasing pressure on natural resources, sustainable business practices are becoming a central strategic imperative for modern economies. The long-term success of companies is increasingly dependent on their ability to manage environmental and social impacts responsibly and to integrate sustainability principles into the core of their business decisions.

Going forward, competitive advantage will be sustained by organisations that adopt a holistic approach to value creation, directing it not only towards business performance but also towards the well-being of people, the environment, and society as a whole.

At Elektro Gorenjska, sustainability is integrated into the core of our business model and represents one of the key pillars of our development. With a clear focus on long-term responsibility, we systematically reduce our carbon footprint both within our own operations and across the broader value chain. To achieve this, we implement modern approaches based on greater energy efficiency, increased use of renewable energy sources, and the reduction of greenhouse gas emissions.

Our development approach is founded on the responsible management of natural resources and the preservation of environmental balance. Modern solutions are also being introduced in the areas of resource efficiency, waste reduction, and the promotion of a circular economy, with particular emphasis placed on the conservation of biodiversity.

Sustainability is viewed as a shared responsibility. Accordingly, close cooperation is maintained with local communities, partners, suppliers, and other stakeholders to develop solutions that contribute to the long-term resilience of both the environment and society.

This approach strengthens the Company's role as a modern and responsible energy partner, creating value for people today while laying the foundations for a sustainable future.

7.1. Guidelines for Responsible Environmental Management

The Environmental Management System (EMS) at Elektro Gorenjska ensures compliance with environmental legislation and effective control of environmental aspects associated with operational processes.

A responsible approach to the environment is one of the fundamental pillars of our strategy and reflects our clear commitment to sustainable development. It is founded on our Environmental Policy and strategic guidelines, which shape our decisions and development priorities.

The modern nature of our approach is reflected in the systematic monitoring of progress through measurable environmental indicators, enabling transparent performance evaluation and the continuous improvement of environmental performance.

Our key environmental commitments are aligned with the recommendations of ISO 14001:2015 and are reflected in measurable results, including:
- Setting strategic and operational environmental goals that reflect the specifics of the business and its development;
- Preventing and reducing environmental and spatial impacts;
- Continuously improving environmental protection measures;
- Monitoring resource use, particularly energy consumption and related costs;
- Transferring best practices in environmental management across the company;
- Ensuring compliance with Slovenian and EU legislation, and
- Upholding environmental and ethical standards that go beyond legal requirements.

The EMS consists of 14 core activities, including:
- Partnerships with external institutions and stakeholders;
- Development of environmental policy and operational scope;
- Identification of environmental aspects;
- Assessment of environmental aspects;
- Definition of improvement measures for EMS;
- Monitoring of environmental programs and targets of EMS;
- Regular system performance reviews (by the Environmental Management Council);
- Management of environmental emergencies;
- Implementation of internal and external audits, and
- Preparation of reports.

In 2025, activities that make a significant contribution to the comprehensive reduction of the environmental impacts of electricity distribution operations were continued. 16 environmental aspects have been identified and are managed through an annual assessment process aimed at ensuring their effective control. Their performance is reflected in measurable results monitored through 10 environmental indicators. Five of these relate to energy consumption, while the remaining indicators address electromagnetic radiation, emissions, waste, noise, and soil.

Environmental legislation is monitored on an ongoing basis, and operations are continuously aligned with regulatory requirements. All relevant legislative changes affecting the Company's activities are promptly incorporated into operational processes.

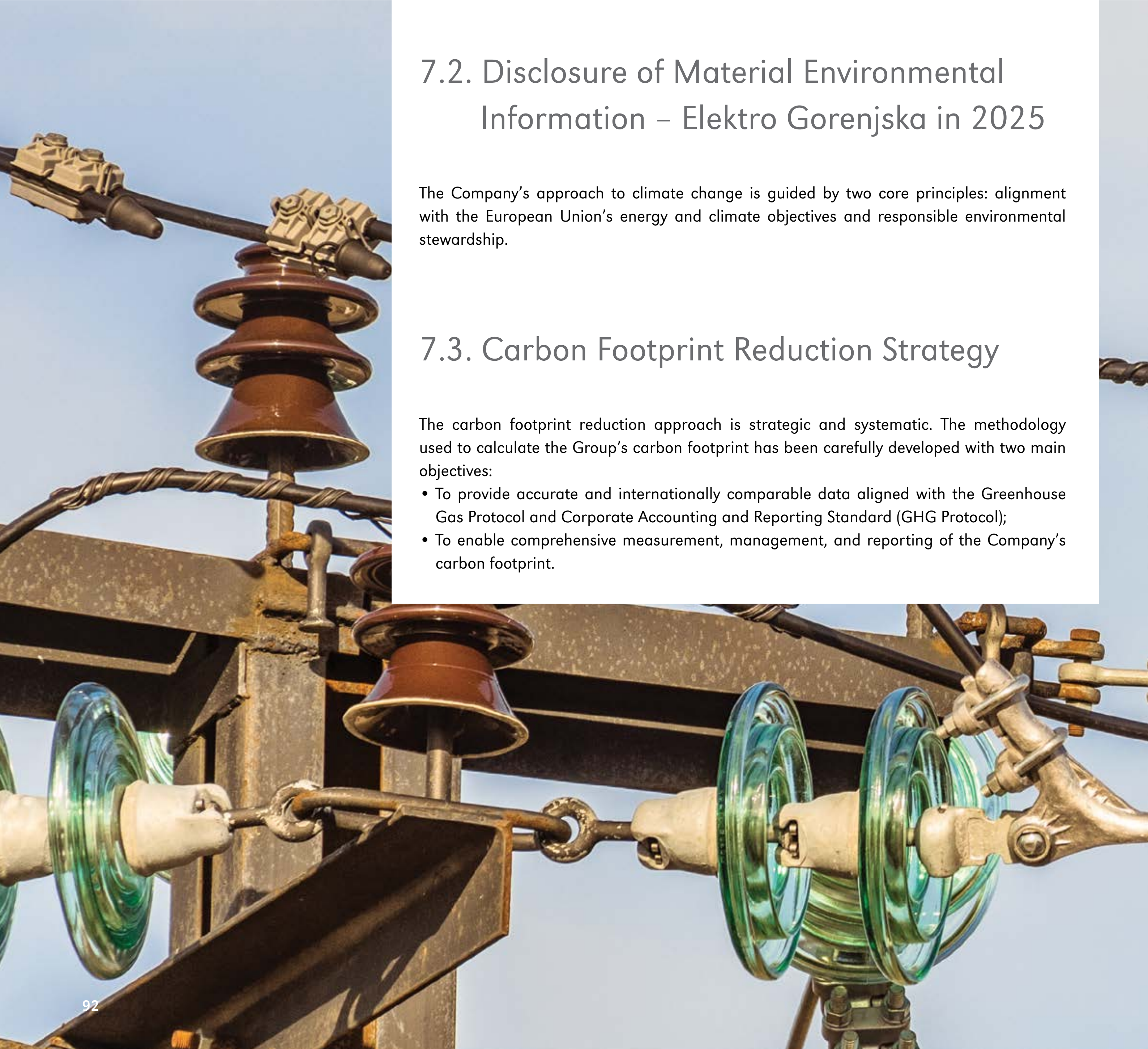
Elektro Gorenjska develops its distribution network and energy facilities in a manner that maximises compliance with environmental standards and supports the transition to a low-carbon society. In response to climate change, the proportion of underground network construction is being increased, thereby reducing the impacts of global warming and extreme weather events on the network. Across our energy infrastructure, the latest technologies are employed to ensure both operational efficiency and environmental protection, while minimising the risk of environmental incidents.

Environmental Management Council

The Environmental Management Council is responsible for implementing Elektro Gorenjska's environmental policy. It is led by a coordinator, with members tasked with overseeing specific environmental aspects and carrying out the objectives of environmental programs.

The Council's key priorities include:
- Preventing environmental pollution at locations with energy infrastructure and related operations (e.g., hazardous oil spills);
- Monitoring specific environmental impacts through measurements to ensure compliance with noise, radiation, and light pollution limits;
- Using energy, raw materials, and natural resources efficiently;
- Promoting waste separation and recycling to reduce the volume of residual waste, and
- Providing continuous employee education.

By consistently carrying out its tasks and programs, the Council aims to prevent or mitigate long-term environmental impacts, respond effectively to the expectations of business partners, owners, and the wider public, and contribute to the company's sustainable development.



7.2. Disclosure of Material Environmental Information – Elektro Gorenjska in 2025

The Company's approach to climate change is guided by two core principles: alignment with the European Union's energy and climate objectives and responsible environmental stewardship.

7.3. Carbon Footprint Reduction Strategy

The carbon footprint reduction approach is strategic and systematic. The methodology used to calculate the Group's carbon footprint has been carefully developed with two main objectives:
- To provide accurate and internationally comparable data aligned with the Greenhouse Gas Protocol and Corporate Accounting and Reporting Standard (GHG Protocol);
- To enable comprehensive measurement, management, and reporting of the Company's carbon footprint.

Operational boundaries for the calculation of Elektro Gorenjska's carbon footprint have been defined in accordance with the GHG Protocol, ensuring the consistent treatment of all relevant emission scopes.

Direct emissions are calculated based on fuel consumption from sources owned or controlled by Elektro Gorenjska. Reporting includes emissions of CO_2, CH_4, N_2O, and CO_2-equivalents.

Scope 1 includes the organization's direct greenhouse gas (GHG) emissions resulting from its own consumption of fuels in combustion devices, the use of company-owned vehicles, process emissions, and fugitive emissions of greenhouse gases (so-called F-gases: hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF_6)). In the case of Elektro Gorenjska, Scope 1 accounts for direct emissions from sources owned or controlled by the company (e.g., boilers, furnaces, vehicles). This category includes:

- Direct emissions from the consumption of fossil fuels;
- Fuel use for heating and hot water preparation;
- Fuel use for in-house generation of electricity and heat (if the company consumes 100% of the generated electricity and heat);
- Emissions from the use of fugitive emissions, and
- Use of refrigerant gases.

Scope 2 includes indirect emissions associated with energy consumption, arising from the use of electricity and heat obtained from external suppliers, related parties, or the Company's own generation facilities where energy is partly consumed internally and partly sold to other entities:

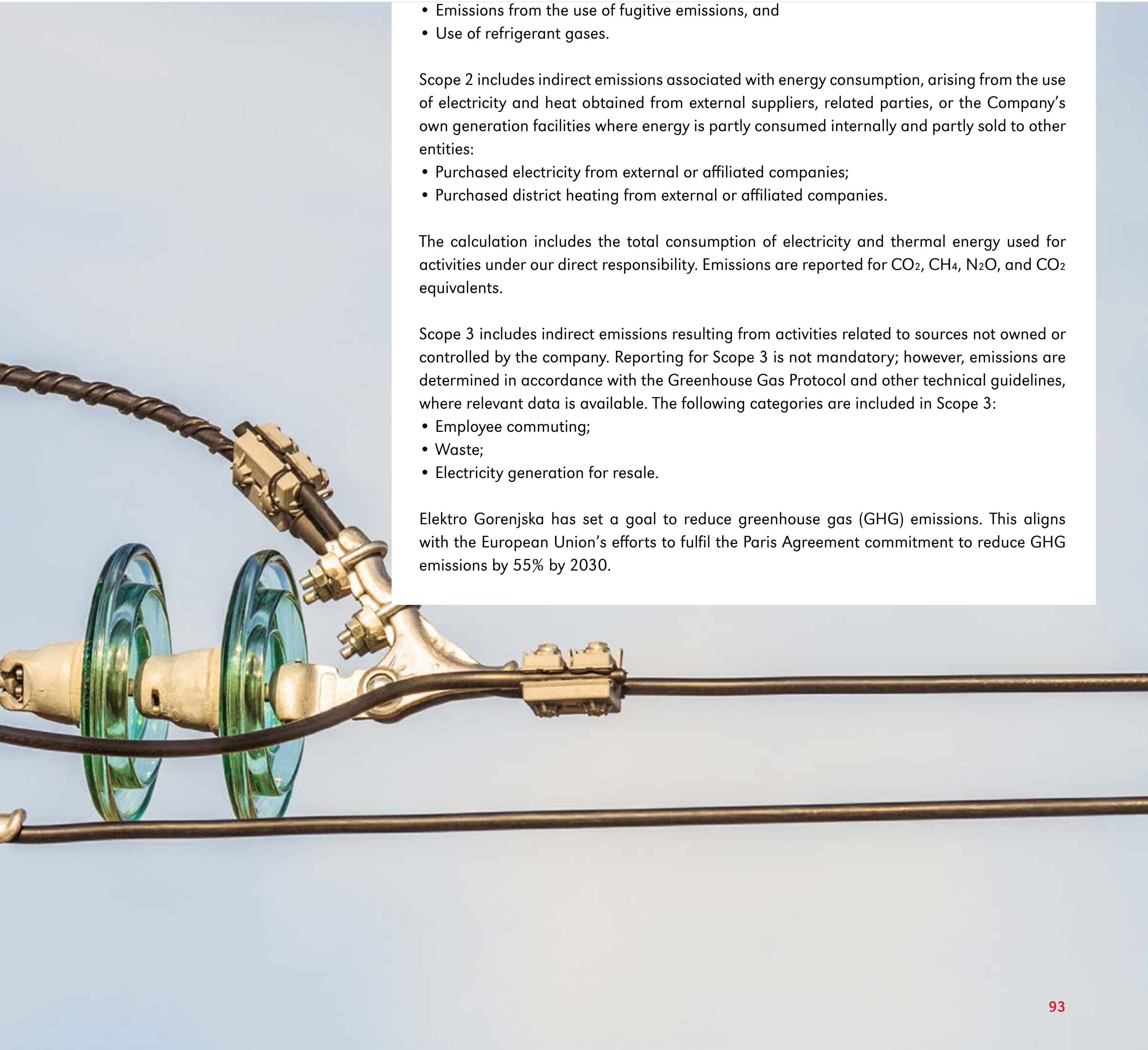
- Purchased electricity from external or affiliated companies;
- Purchased district heating from external or affiliated companies.

The calculation includes the total consumption of electricity and thermal energy used for activities under our direct responsibility. Emissions are reported for CO_2, CH_4, N_2O, and CO_2 equivalents.

Scope 3 includes indirect emissions resulting from activities related to sources not owned or controlled by the company. Reporting for Scope 3 is not mandatory; however, emissions are determined in accordance with the Greenhouse Gas Protocol and other technical guidelines, where relevant data is available. The following categories are included in Scope 3:

- Employee commuting;
- Waste;
- Electricity generation for resale.

Elektro Gorenjska has set a goal to reduce greenhouse gas (GHG) emissions. This aligns with the European Union's efforts to fulfil the Paris Agreement commitment to reduce GHG emissions by 55% by 2030.



The core target is to reduce CO_2 emissions from Scope 1 and Scope 2 by 55% by 2030.
In line with this, a set of short-term measures has been prepared to meet the decarbonisation targets through 2026, including:

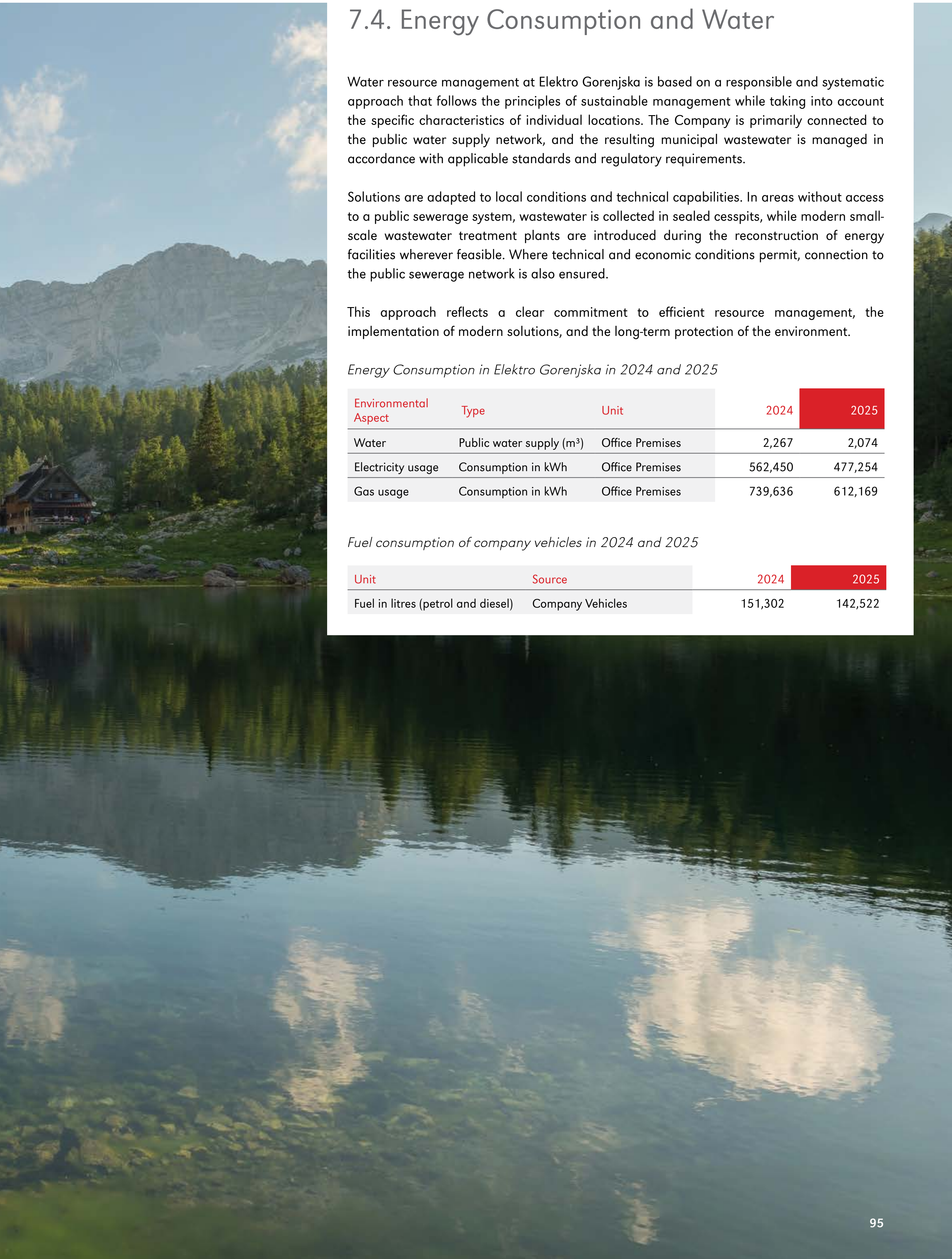
- Annual calculation of the carbon footprint of Elektro Gorenjska for the previous year in accordance with a harmonised methodology;
- Inclusion of "climate sustainability" as a mandatory criterion in procurement, tenders, and other decision-making processes;
- Procurement of vehicles with lower emissions and fuel consumption (e.g., EURO7 engines, hybrids, low rolling resistance tyres);
- Reducing energy consumption for heating and cooling office premises;
- Reducing energy consumption for lighting office premises;
- Minimising the need for business travel through virtual meetings and online event/meeting organisation;
- Regular servicing and replacement of outdated air conditioning systems with more environmentally friendly options;
- Implementing measures to reduce electricity losses;
- Improving building energy efficiency (renovations, replacing outdated lighting with energy-saving options, self-supply systems);
- Purchasing electricity from suppliers that provide green energy;
- Exploring waste reduction options, including recycling and reuse where possible;
- Promoting remote work and environmentally friendly commuting (walking, cycling, public transport);
- Raising employee awareness of their ability to reduce their own CO_2 emissions;
- Increasing environmental awareness among employees to promote responsible waste management;
- Phasing out bottled water and encouraging the use of tap water;
- Using toilet paper made from recycled materials.

In addition, a set of long-term measures has been defined to reduce emissions and achieve climate-neutral operations, such as:

- Use of SF6-free switchgear in secondary and primary substations;
- Full electrification of the vehicle fleet;
- Establishing an energy management information system for energy tracking and optimisation;
- Appointment of an energy manager;
- Use of LCA (Life Cycle Assessment) in key business processes;
- Heating and cooling exclusively with renewable energy sources;
- Decarbonisation of the entire value chain;
- GHG reduction projects financed through carbon credits.

The following projects and measures are currently underway:

- Preparation of a plan for the phased replacement of SF_6-containing switchgear;
- Establishment of partial self-supply for the office building using PVPP + CHP systems;
- Use of green electricity for internal consumption;
- Analysis of electricity losses in the distribution network to evaluate system efficiency compared to advanced systems;
- Exploration of alternative heating options for HVAC systems;
- Preparation of a project for upgrading external building fittings;
- Preparation of a project for installing a ventilation system with waste heat recovery.



7.4. Energy Consumption and Water

Water resource management at Elektro Gorenjska is based on a responsible and systematic approach that follows the principles of sustainable management while taking into account the specific characteristics of individual locations. The Company is primarily connected to the public water supply network, and the resulting municipal wastewater is managed in accordance with applicable standards and regulatory requirements.

Solutions are adapted to local conditions and technical capabilities. In areas without access to a public sewerage system, wastewater is collected in sealed cesspits, while modern small-scale wastewater treatment plants are introduced during the reconstruction of energy facilities wherever feasible. Where technical and economic conditions permit, connection to the public sewerage network is also ensured.

This approach reflects a clear commitment to efficient resource management, the implementation of modern solutions, and the long-term protection of the environment.

Energy Consumption in Elektro Gorenjska in 2024 and 2025

Environmental Aspect	Type	Unit	2024	2025
Water	Public water supply (m^3)	Office Premises	2,267	2,074
Electricity usage	Consumption in kWh	Office Premises	562,450	477,254
Gas usage	Consumption in kWh	Office Premises	739,636	612,169

Fuel consumption of company vehicles in 2024 and 2025

Unit	Source	2024	2025
Fuel in litres (petrol and diesel)	Company Vehicles	151,302	142,522

7.5. Greenhouse Gas Emissions

Since 2022, Elektro Gorenjska has been monitoring its overall carbon footprint, representing the total amount of greenhouse gas emissions generated. This is done with the aim of reducing CO_2 emissions over which the company has influence. Emissions are tracked in relation to:

- Fuel used for business transport and operations;
- Energy sources for heating;
- Greenhouse gases;
- Electricity consumption;
- Other indirect emissions stemming from employee commuting; electricity losses, and waste generated by the company's operations.

The carbon footprint calculation is harmonized at the national level across Slovenian electricity distribution companies and is carried out in accordance with an established methodology.

Carbon Footprint Verification of Elektro Gorenjska

The carbon footprint of Elektro Gorenjska was verified by the external and independent institution SIQ – Slovenian Institute of Quality and Metrology.

Carbon Footprint of Elektro Gorenjska

ELEKTRO GORENJSKA	Unit	Year	% of Emissions	Year	% of Emissions	Year	% of Emissions
GHG Emissions		2022	2022 (%)	2023	2023 (%)	2024	2024 (%)
Scope 1							
Fuel for transport	[t CO_2 ekv]	390.89	72.04%	398.18	68.37%	369.54	72.62%
Combustion in stationary devices	[t CO_2 ekv]	44.74	8.24%	74.41	12.78%	34.98	6.87%
Fugitive emissions from refrigeration devices	[t CO_2 ekv]	13.00	2.40%	9.24	1.59%	0.96	0.19%
Other fugitive and process emissions	[t CO_2 ekv]	94.00	17.32%	100.58	17.27%	103.40	20.32%
TOTAL SCOPE 1	**[t CO_2 ekv]**	**542.63**	**100.00%**	**582.40**	**100.00%**	**508.88**	**100.00%**
cope 2							
Electricity	[t CO_2 ekv]	0.00	0.00%	8.65	0.07%	30.83	23.94%
District heating (heat/cooling)	[t CO_2 ekv]	133.99	0.79%	105.44	0.86%	97.96	76.06%
Electricity – losses	[t CO_2 ekv]	16,814.77	99.21%	12,114.47	99.07%	0.00	0.00%
TOTAL SCOPE 2	**[t CO_2 ekv]**	**16,948.76**	**100.00%**	**12,228.56**	**100.00%**	**128.79**	**100.00%**
Scope 3							
Commuting	[t CO_2 ekv]	243.62	4.34%	251.23	4.56%	261.74	4.72%
Waste	[t CO_2 ekv]	5,369.18	95.66%	5,260.18	95.44%	5,281.59	95.28%
Sale of electricity	[t CO_2 ekv]	0.00	0.00%	0.00	0.00%	0.00	0.00%
Sale of thermal energy	[t CO_2 ekv]	0.00	0.00%	0.00	0.00%	0.00	0.00%
TOTAL SCOPE 3	**[t CO_2 ekv]**	**5,612.80**	**100.00%**	**5,511.41**	**100.00%**	**5,543.32**	**100.00%**
TOTAL SCOPE 1+2+3	**[t CO_2 ekv]**	**23,104.19**		**18,322.38**		**6,180.99**	

EXAMINATOR'S OPINION

Based on the independent verification process described herein declaration, SIQ Ljubljana, Mašera-Spasićeva ulica 10, 1000 Ljubljana gives a positive opinion on the methodology for calculating the carbon footprint of the company Elektro Gorenjska, d. d. and Elektro Gorenjska Group in declares that the methodology is:

- prepared in accordance with the requirements of the GHG protocol (guidelines for reporting on scope 1, 2 and 3 emissions) and ISO 14064-3 standard Greenhouse gases – Part 3: Specification with guidelines for validation and verification of reports on greenhouse gas emissions;
- content correctly and fairly represents the method of calculation carbon footprint to prepare a carbon footprint report for the volume 1, 2 and selected categories of volume 3 for the period of the calendar year (January 1 to December 31 of the reporting year) of Elektro Gorenjska, d. d. and the Elektro Gorenjska Group.

Use of Environmentally Friendly Services, Products, and Technologies in Energy Processes and Facilities

The fluorinated greenhouse gas SF_6 (hereinafter referred to as SF_6 gas) is used in hermetically sealed components of high-voltage electrical switchgear. It functions as an insulator, thereby ensuring the proper operation of energy equipment. As a result, properly functioning devices do not produce greenhouse effects on the environment.

Through monitoring – especially regular maintenance – leakage of SF_6 gas from high-voltage equipment is minimized to the greatest extent possible. Servicing and upgrades are carried out by authorized professional providers.

7.6. Measures to Reduce Environmental Impact

Reducing environmental impact represents one of the key strategic challenges of modern development and is an important prerequisite for the long-term preservation of the natural environment. It is a complex and multidimensional process that requires coordinated action at all levels, from individuals to institutions, and is founded on cooperation and interconnectedness.

Elektro Gorenjska regards sustainability as a shared responsibility and implements it through clearly defined measures across its operations. This modern and systematic approach contributes to the reduction of environmental impacts and supports the creation of a sustainable future.

Encouraging Reduced Energy Use and Efficient Resource Management

Elektro Gorenjska systematically monitors the consumption of key resources, such as water, electricity, and heat, providing a foundation for efficient resource management and continuous improvement.

For the provision of thermal energy, natural gas is used, while a modern combined heat and power (CHP) plant is operated for the simultaneous generation of electricity and heat. This approach enables greater energy efficiency, optimises resource consumption, and contributes to the sustainable management of energy resources.

Reducing Air Emissions

Air quality management forms an important part of Elektro Gorenjska's sustainability efforts and is focused on the systematic reduction of emissions, particularly in the areas of heating and mobility.

To support this objective, modern heating, cooling, and air-conditioning systems and equipment are being introduced across the Company's facilities, enabling more effective emission management. Their performance is ensured through regular inspections conducted by authorised service providers and through the monitoring of air emissions, which facilitates the continuous assessment and improvement of environmental performance.

The vehicle fleet also represents a significant source of greenhouse gas emissions. Consequently, low-CO_2-emission vehicles are being systematically introduced as part of the fleet's gradual modernisation, while the transition to electric vehicles is being implemented in line with legislative requirements and policy objectives.

This approach reflects a clear commitment to reducing the Company's environmental footprint, adopting modern solutions, and supporting the long-term sustainable transformation of its operations.

No new electric vehicles were purchased in 2025; however, three new electric vehicle charging stations were installed. The number of charging stations will continue to increase in the coming years. This expansion will follow a comprehensive sustainability approach that takes into account environmental, technological, innovation, and, above all, safety considerations.

Comprehensive Waste Management and Recycling

Various types of waste are generated in the course of Elektro Gorenjska's operations, including construction, municipal, non-municipal, and hazardous waste. Waste management is based on a systematic and responsible approach aimed at minimising environmental impacts.

Waste is consistently collected separately at designated collection points and subsequently transferred to authorised contractors for further treatment. Through the promotion of waste segregation and the optimisation of waste management practices, the volume of mixed municipal waste destined for disposal has been successfully reduced in recent years.

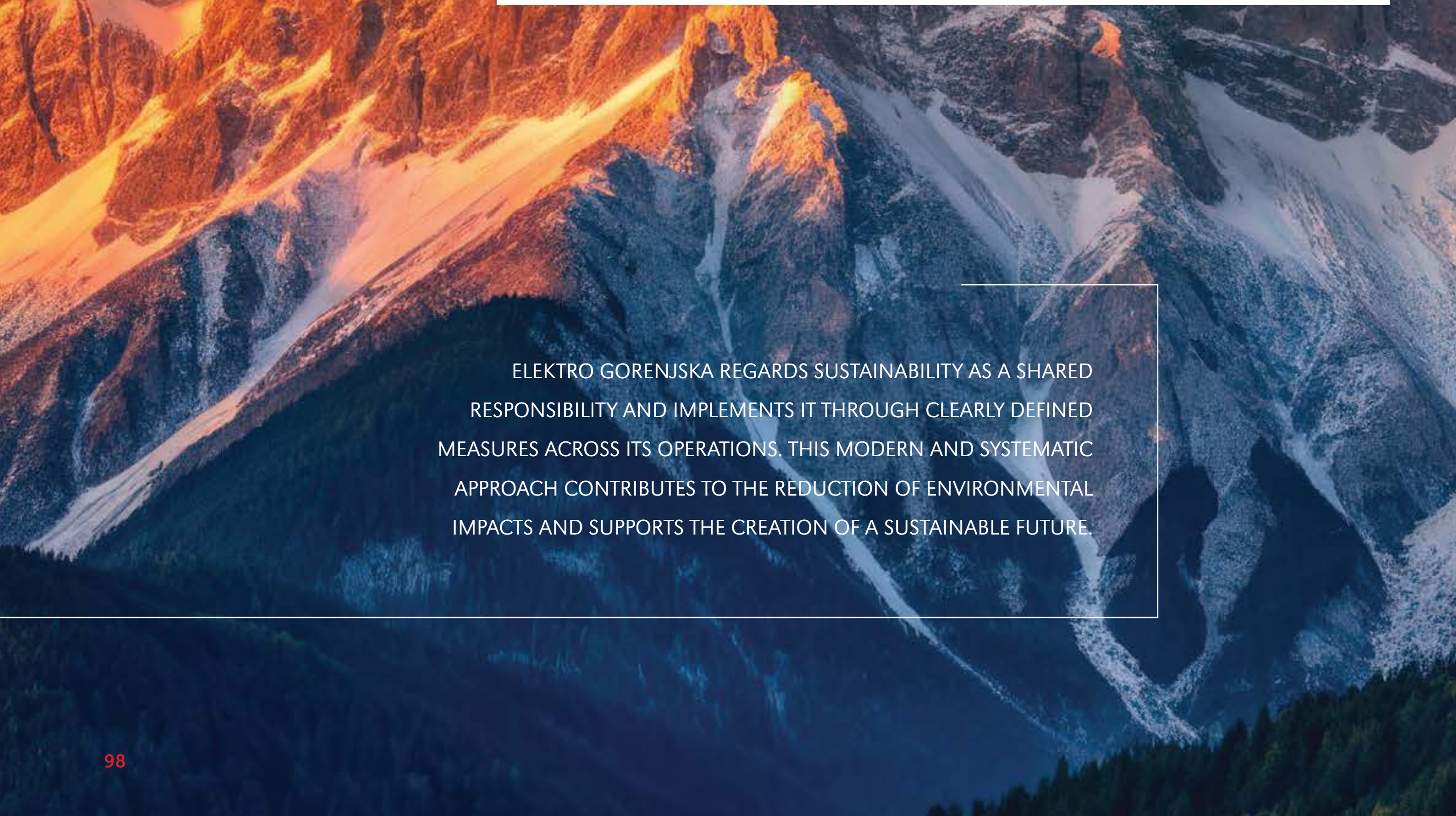
This approach contributes to reducing environmental burdens while enabling more efficient resource management and the optimisation of waste management costs.

Waste by Type 2024 – 2025

Waste Type	Source	2024	2025
Recyclable waste (revenue in €)	Construction / Investments	35,638	23,093
Non-recyclable waste (disposal cost in €)	Construction / Investments	17,580	49,466
Municipal waste (disposal cost in €)	Office Premises	9,793	15,755
Electronic waste (toners, cartridges in kg)	Office Premises	72	49

Total SF_6 in Energy Devices and Electricity Losses in Distribution in 2024 and 2025

Waste Type	Source	2024	2025
SF6 gas (kg)	Energy facility insulation (Primary Substation, PDU, TS)	7,336	7,429
Electricity losses in distribution (kWh)		44,232,685	36,467,985



ELEKTRO GORENJSKA REGARDS SUSTAINABILITY AS A SHARED RESPONSIBILITY AND IMPLEMENTS IT THROUGH CLEARLY DEFINED MEASURES ACROSS ITS OPERATIONS. THIS MODERN AND SYSTEMATIC APPROACH CONTRIBUTES TO THE REDUCTION OF ENVIRONMENTAL IMPACTS AND SUPPORTS THE CREATION OF A SUSTAINABLE FUTURE.

Reducing Noise

At Elektro Gorenjska, noise reduction is supported through the systematic monitoring and professional assessment of environmental noise impacts. To this end, operational monitoring and noise impact assessments are carried out in individual areas.

The operation of low- and medium-voltage transformer substations remains within the permissible limits prescribed by applicable legislation; therefore, no additional periodic measurements are required. At high- and medium-voltage distribution-transformer substations, however, noise measurements are conducted periodically, generally every three years or as required by environmental conditions and specific stakeholder requirements.

This approach enables the effective management of environmental impacts and ensures compliance with legislative requirements while upholding the principles of sustainable operations.

Managing Electromagnetic Radiation

The management of electromagnetic radiation at Elektro Gorenjska is based on systematic monitoring and ensuring compliance with applicable regulations. Regular electromagnetic radiation monitoring is conducted at more complex facilities, enabling the ongoing assessment of potential impacts on people and the environment.

The results of measurements carried out to date confirm that electromagnetic radiation generated by low- and medium-voltage transformers remains within the permitted limit values. Furthermore, no excessive exposure levels have been detected outside the protected zones of power facilities, and therefore no additional protective measures are required.

Nevertheless, periodic measurements are conducted at distribution-transformer substations, while efforts to inform and engage the public are continuously strengthened. This approach reflects a responsible, transparent, and sustainability-oriented commitment to managing environmental and social impacts.

Managing Light Pollution

The external lighting of our facilities complies with the Regulation on Limit Values for Light Pollution.

Managing Environmental Incidents

In 2025, Elektro Gorenjska recorded one environmental incident.

REDUCING ENVIRONMENTAL IMPACT REPRESENTS ONE OF THE KEY STRATEGIC CHALLENGES OF MODERN DEVELOPMENT AND IS AN IMPORTANT PREREQUISITE FOR THE LONG-TERM PRESERVATION OF THE NATURAL ENVIRONMENT. IT IS A COMPLEX AND MULTIDIMENSIONAL PROCESS THAT REQUIRES COORDINATED ACTION AT ALL LEVELS, FROM INDIVIDUALS TO INSTITUTIONS, AND IS FOUNDED ON COOPERATION AND INTERCONNECTEDNESS.

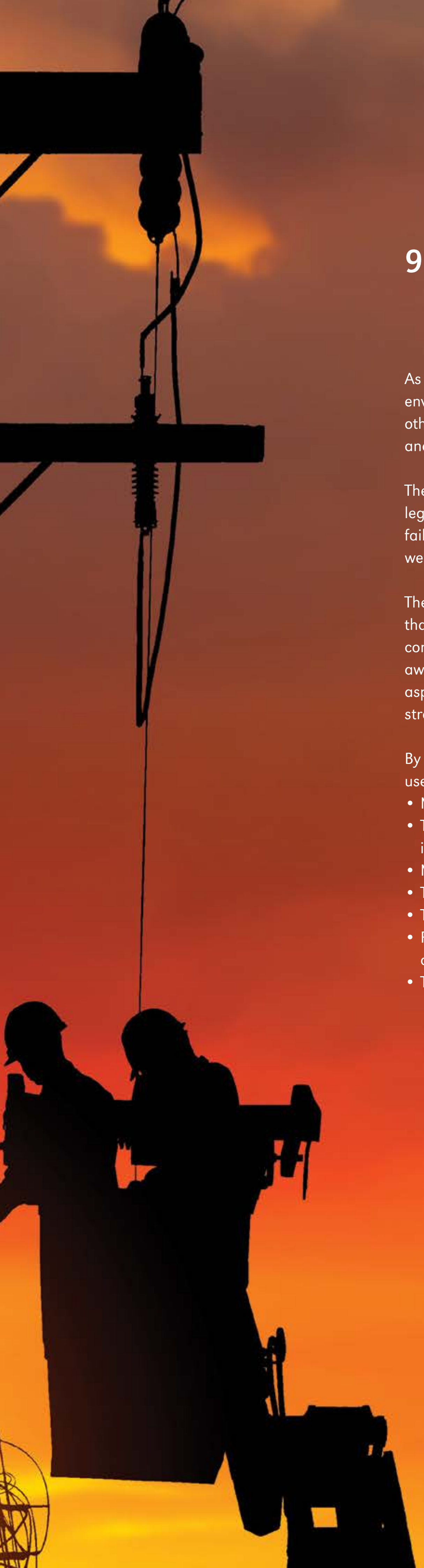
8. Preserving Biodiversity and Ecosystems

Planning and constructing power infrastructure at Elektro Gorenjska is guided by a responsible and sustainability-oriented approach that prioritizes environmental protection and minimizes impacts on the surrounding landscape. Wherever possible, existing access roads are used during construction, and construction sites are kept to the smallest feasible extent to reduce impacts on the landscape, vegetation, and forest ecosystems.

When installing overhead and underground connections, all prescribed mitigation measures are consistently implemented. These include the reuse of excavated material, the restoration of affected areas using native plant species, and the establishment of replacement forest areas where required. Special attention is also given to the protection of wildlife, particularly birds, through the use of visible markers and protective elements on infrastructure.

All interventions in the natural environment are carried out based on the required permits and in cooperation with the relevant authorities. Prior to the commencement of works, conditions and requirements are obtained from the Institute of the Republic of Slovenia for Nature Conservation, while landowners and the competent forestry services are also informed of planned activities.

The maintenance of power line corridors is conducted in accordance with legislation and professional guidelines, with a clear focus on preserving biodiversity. Interventions are limited to the extent necessary to ensure the safe operation of the network while safeguarding the natural environment.



9. Managing Impacts, Risks and Opportunities

As with any infrastructure-related activity, the operations of Elektro Gorenjska have certain environmental impacts that may affect soil, air, and water resources, as well as people and other living organisms. Managing these impacts is an important component of responsible and sustainable business operations.

The key environmental risk factors primarily arise from potential non-compliance with legislative requirements, internal rules, and environmental standards; technical equipment failures; the handling of hazardous substances and waste; and external influences such as weather conditions, third-party activities, and various emergency situations.

The Company manages these risks through a comprehensive and systematic approach that includes the consistent monitoring and implementation of environmental legislation, compliance with the requirements of the ISO 14001:2015 standard, and continuous employee awareness-raising and training. In addition, regular identification of new environmental aspects and the appropriate protection of infrastructure contribute to risk reduction and the strengthening of long-term operational sustainability.

By recognising the opportunities associated with environmental risks, we strive to make better use of the positive opportunities that arise in our operating environment. These include:

- More efficient energy management;
- The development of a resilient electricity network through the use of advanced technologies in operation and maintenance;
- Monitoring and comprehensive management of hazardous substances;
- The implementation of Best Available Technology (BAT);
- The gradual replacement of fleet vehicles with electric vehicles;
- Participation in municipal projects co-financed by the European Union, implemented in cooperation with municipalities acting as applicants under public calls for proposals, and
- The use of advanced vehicles and associated machinery.

10. Social Responsibility

At Elektro Gorenjska, operations are understood as being inseparably connected with the environment and the communities in which the Company operates. Every decision and action has a broader social impact; therefore, the Company's role is fulfilled responsibly, holistically, and with a clear focus on people. Sustainability is viewed through the principle of "people for people", which guides relationships, decision-making, and long-term development.

The Company's approach is based on modern governance standards, open and transparent communication, and active engagement with all key stakeholders. Trust is strengthened, and solutions contributing to the sustainable development of society and the economy are co-created through regular and transparent communication, accessible information, and the inclusion of local communities.

When infrastructure is integrated into the environment, an inclusive and partnership-based approach is adopted. The Company's activities extend beyond electricity distribution, as a balance is actively sought between system development, community needs, and environmental protection. In this way, the conditions for long-term quality coexistence and sustainable spatial development are created.

Transparency and accountability form the foundation of the Company's operations. Activities are conducted in accordance with best corporate governance practices and are presented to the public in a clear and transparent manner.

Employees represent an important part of the Company's sustainability commitment. A modern working environment is fostered based on respect, collaboration, and development. Through continuous investment in employee knowledge, well-being, and engagement, the organisational culture is strengthened and the conditions for long-term success are created.

Social responsibility is also demonstrated through support for the wider community. Through long-term cooperation with organisations and initiatives that support vulnerable groups, a contribution is made to greater inclusion, solidarity, and quality of life.

In this way, Elektro Gorenjska operates as a modern, responsible, and sustainability-oriented partner, creating value for people today while laying the foundations for the future.

10.1. Stakeholder Interests and Perspectives

In line with its strategic orientations, the Company focuses on the responsible management of its impacts and on understanding the needs of the environment in which it operates. Its sustainability strategy is founded on a thorough analysis of the expectations and priorities of key stakeholders, as well as an understanding of their influence on the business environment.

On this basis, a comprehensive and systematic approach to understanding stakeholder needs is established, enabling more informed, aligned, and long-term decision-making.

The Company's key stakeholder groups are:

- **Network Users** (consumers, producers and electricity suppliers, aggregators)

The primary focus is to ensure stable and reliable electricity supply. Cooperation with network users is encouraged through development projects, as well as the promotion of community-based self-sufficiency. Users are educated on optimal consumption capacity, efficient electricity use, and appropriate system sizing for self-supply. Regular updates and active communication are maintained regarding new developments and innovative solutions tailored to user needs.

The Elektro Gorenjska website serves as a key communication tool with various stakeholders, especially users. It offers a web application for notifying users of planned electricity outages at their metering points. Notices of scheduled outages are published on the company's website and broadcast via local radio stations.

Users also have access to a free call centre for handling complaints, meter error reports, meter readings for annual billing, planned outage updates, general inquiries, and ongoing communication with field teams and electricity suppliers.

Digital communication with users is also being strengthened. They are encouraged to use the My Elektro application (https://mojelektro.si/login) and are actively engaged through Facebook and LinkedIn. To facilitate easier access to information, a new and modern communication channel has been introduced. EGON, the virtual advisor and conversational chatbot of Elektro Gorenjska, now enables both users and employees to obtain information 24 hours a day, seven days a week.

- **Employees**

A supportive, safe, and well-organized work environment is provided, enabling personal and professional development. Employees are seen as drivers of positive change, so clear instructions for safe and healthy work practices and information protection are prioritized. Necessary resources are provided to carry out work effectively and safely, with attention to work–life balance.

- **Partner Organizations and Professional Associations** (other electricity distribution companies, transmission system operators, CIGRE, CIRED, Chamber of Commerce and Industry of Slovenia, Electrotechnical Association, etc.)

As part of the broader professional community responsible for electricity supply in Slovenia, Elektro Gorenjska strives to be a reliable and forward-thinking member. It ensures compliance with contractual obligations, legal regulations, and operational standards while remaining responsive to business changes. Active participation in development projects helps shape Slovenia's energy future.

- **Suppliers and Development Companies** (including their employees)

Fair treatment, mutual respect, and stable, long-term contractual relationships are ensured with suppliers and development companies, including their employees. Key to these relationships are payment discipline and the establishment of development partnerships based on the confidentiality of personal data and the provision of reliable and credible information regarding requested services. Clear environmental requirements are also set for material deliveries, service execution, and waste management, contributing to sustainable practices. The relationship is marked by responsiveness, long-term cooperation, respect for workers' rights, and a commitment to health and safety across the entire supply chain.

Dialogue with the business environment relies on a blend of personal engagement and digital communication.

- **Municipalities, Local Communities, and Civil Society**

The Company's role in relation to municipalities, local communities, and civil society is key to promoting sustainable green transformation and the development of local areas. As development partners, efforts are made to adapt quickly to changes and actively engage in development initiatives. Development projects are implemented using cohesion funds, with an emphasis on partnership with local communities and civil society, thereby contributing to the sustainable development of the Gorenjska region. At the initiative of Elektro Gorenjska and in partnership with all municipalities in Gorenjska, an Action Plan for Measures in the Field of Energy Infrastructure for the Sustainable Transition of Gorenjska until 2030 was prepared in 2024. The plan represents a major step toward advancing Gorenjska's energy infrastructure to a more sustainable level.

- **National Institutions and Regulators** (Government of the Republic of Slovenia, ministries, AGEN)

By ensuring mutual respect, stable relationships, and long-term contractual frameworks, trust and sustainable cooperation with national institutions and regulators are maintained. Reliable and credible access to information is guaranteed, while efforts are made to foster links between industry and academia. Direct business communication, public consultations, and broad consensus-building are core elements of this engagement.

- **Financial Community and Shareholders**

Efforts are made to ensure dividend stability and growth in company value. This includes active participation in governing bodies such as the general assembly and supervisory board, as well as offering direct recommendations to majority state-owned companies.

Communication with shareholders and the financial public takes place in writing and in person, in line with applicable regulations. Information shared with shareholders covers business performance and the company's strategic direction. Publicly available data (annual reports, quarterly reports, concluded contracts, general assembly proceedings and materials) is published on the website www.elektro-gorenjska.si. Shareholder communication follows the recommendations of the Slovenian Sovereign Holding (SDH) and OECD guidelines on corporate governance of state-owned enterprises, which emphasize three key principles: transparency, efficiency, and accountability.

The annual report is the primary communication tool for shareholders and the financial community, where transparency, timeliness, and accuracy of information on business performance and planning are of utmost importance, in accordance with the relevant regulations.

- **Media**

Our aim is to provide regular and up-to-date information about the company's operations, corporate topics, developments in the network, completed major energy infrastructure projects, as well as socially responsible activities and other relevant topics related to the organization's work. Regular contributions are made to the Slovenian power industry magazine Naš stik, where current news and articles are published.

10.2. Responsibility Towards Employees

Employee relations management at Elektro Gorenjska is founded on a clear focus on development, engagement, and the long-term creation of value. Responsibility, continuous innovation, and openness represent the core principles that shape the way the Company operates, as well as its approach to developing and integrating new employees.

Modern human resource management is based on systematic workforce planning, continuous competency development, and the creation of a supportive and inclusive working environment. Through a combination of strategic recruitment, internal mobility, talent development, and a transparent remuneration system, organisational agility and the ability to adapt to change are strengthened. Equal opportunities for all are ensured, while a culture founded on respect, cooperation, and accountability is continuously fostered.

Employees represent a key strategic advantage of Elektro Gorenjska. Their knowledge, commitment, and innovative mindset form the foundation of the Company's ability to identify opportunities and respond effectively to the challenges of a rapidly changing environment. The development of employees and organisational culture has therefore been defined as one of the Company's central strategic priorities, supported by clearly defined objectives and concrete development initiatives.

Our organisational culture is being shaped into a modern, agile, and collaborative environment that encourages ownership, innovative thinking, and a strong focus on results. The sustainable dimension of people management is understood as a responsibility towards employees, while their development and well-being are recognised as essential drivers of long-term success. This reflects a "people for people" approach, in which individuals, through their expertise and actions, contribute to creating broader value for society.

At the same time, the Company recognises the challenges associated with the availability of qualified professionals in the labour market, particularly in the fields of energy and information technology. Attracting, developing, and retaining competent employees therefore remains one of the key priorities directly influencing the successful implementation of the Company's strategy and its continued development..

EMPLOYEE DATA AT ELEKTRO GORENJSKA	2024	2025
Number of employees as of 31 December	300	308
Average number of employees	302.7	305.8
Share of male employees	79.0 %	78.5 %
Share of female employees	21.0 %	21.8 %
Average age	45.9	45.5
Average length of service	23.2	22.7
Percentage of employees receiving training and development	95.0 %	88.9 %
Average training hours per employee	25.27	20.78
Percentage of engaged employees	39 %	32 %
Number of employees with disabilities	7	8
Average education level	6.38	6.37
Share of lost days due to sick leave (per employee)	4.86 %	4.90 %
Employee turnover rate	5.66 %	6.42 %
Share of held annual evaluations	95.29 %	89.77 %
Number of activities and measures promoting workplace health	11	7

Recognizing the critical role of human capital, HR management remains a central pillar of every business strategy. As the most frequently recruited roles are often those facing the greatest talent shortages, ongoing employer branding efforts are essential to boost attractiveness and position the organization as an employer of choice. These efforts aim to enhance visibility, reputation, and the ability to attract and retain skilled professionals.

To that end, 2025 marked the fourth consecutive year of organizing the Transformator Summer School, a bridge to young talent and potential future employees. This initiative represents an innovative HR practice and a unique example of a multidisciplinary approach that fosters interaction and cooperation with students in the electricity distribution sector.

The business strategy also recognizes the importance of building a strong employer brand, leading to a systematic and strategic approach to its development. Through various activities, the company aims to strengthen employee engagement and cohesion, support the execution of the business strategy, attract promising new colleagues, improve recruitment and talent development processes, and enhance both internal communication and communication among employees.

These efforts are brought together in the Transformator project, which symbolizes a commitment to transformation – both within the company and in the broader environment in which it operates.

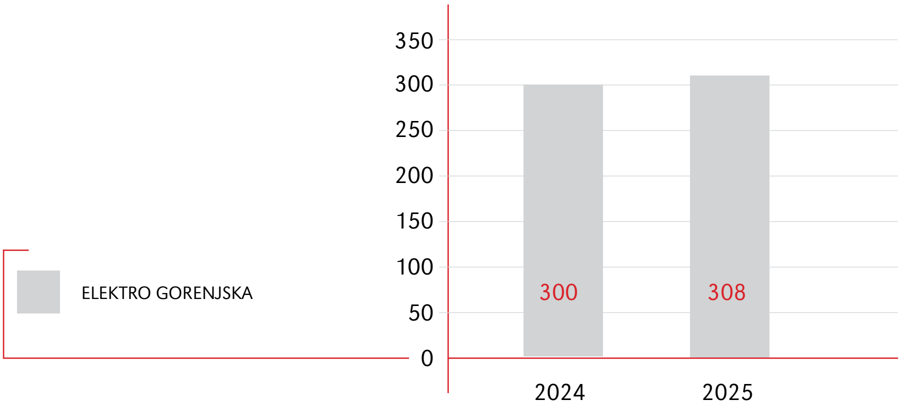
Demographic Structure in the Elektro Gorenjska

As of 31 December 2025, Elektro Gorenjska employed 308 individuals, including 67 women, representing 21.8% of the total workforce. Compared to 31 December 2024, the total number of employees increased by 8. The average number of employees was 305.8.

On the same date, 3.9% of employees had fixed-term contracts, a quarter of these employees were women, while the overall share increased by 0.2 percentage points compared with the end of 2024.

Four employees worked part-time: two men and two women. The men were employed part-time under pension and disability insurance regulations, while women worked reduced hours due to parental leave. Additionally, two women worked six-hour days, also under parental leave provisions.

Employment trends at Elektro Gorenjska in 2024 and 2025



Employee turnover rate at Elektro Gorenjska

Employee turnover within the Company remains low. In 2025, 21 employees left the organization – a number consistent with previous years. Most exits were due to retirement, with fewer resulting from the end of fixed-term contracts and only a small portion from voluntary resignations.

Employee Turnover Rate at Elektro Gorenjska

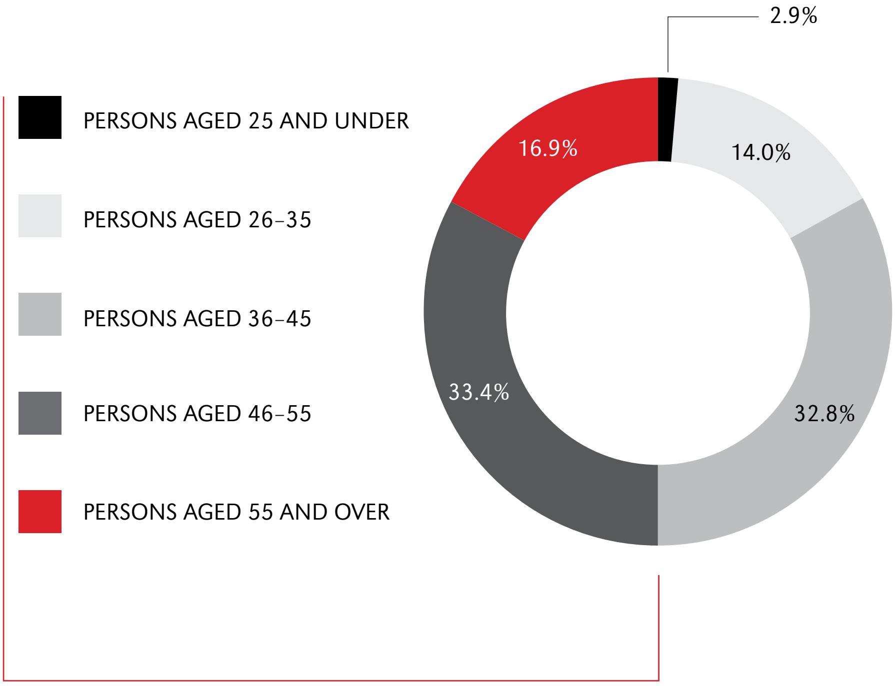
	2024	2025
Elektro Gorenjska	5.66%	6.42%

10.3. Gender Equality and Diversity

Regardless of the sector in which operations take place, all employees and other stakeholders are provided with equal opportunities, irrespective of gender, race, religion, sexual orientation, nationality, or other cultural differences. The organization follows its Gender Equality Action Plan.

As at 31 December 2025, women accounted for 21.8% and men for 78.2% of the workforce within Elektro Gorenjska. Among the five sector directors, one is a woman.

Age structure of employees at Elektro Gorenjska in 2025



10.4. Occupational Health and Safety

Providing a safe and healthy working environment represents one of the key pillars of Elektro Gorenjska's sustainable and responsible management approach. The occupational health and safety management system is based on strict compliance with legislative requirements and established international standards, particularly ISO 45001:2018, which enable the systematic prevention of risks and the protection of employees.

The approach is founded on a clear focus on prevention and continuous improvement. Based on risk assessments, workplace hazards are continuously identified, evaluated, and managed, thereby reducing the likelihood of accidents, injuries, and occupational illnesses.

The modern nature of the system is reflected in a structured and proactive approach to safety management that goes beyond mere compliance and focuses on the long-term well-being of employees. Its sustainability dimension is demonstrated through a commitment to people, recognising that a safe and healthy working environment is the foundation of stable, responsible, and successful organisational performance.

Coverage of the Health and Safety Management System

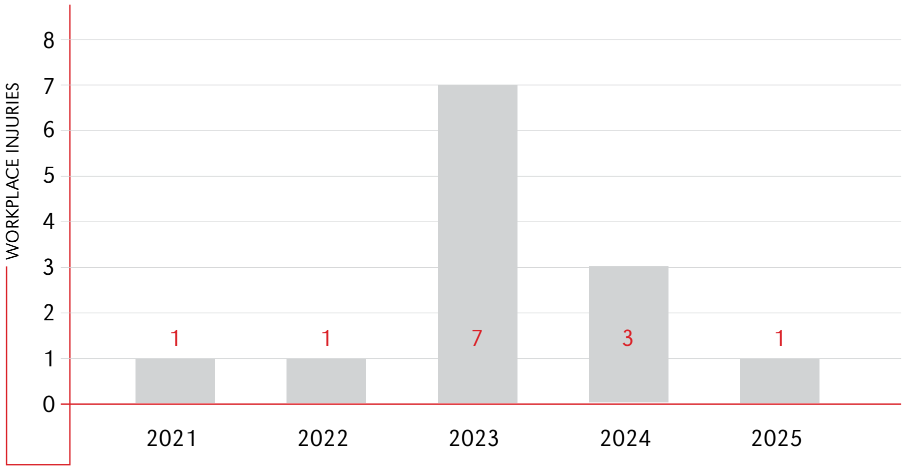
The health and safety management system covers 100% of the internal workforce and includes all employees. It is based on statutory legal requirements, internal corporate regulations, and the ISO 45001:2018 international standard.

Work-Related Injuries, Illnesses, and Fatalities

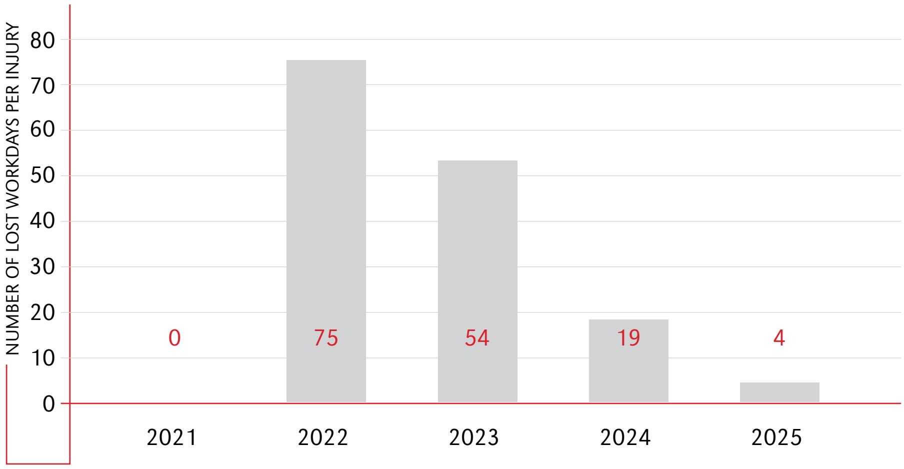
During the reporting period, the following cases of work-related injuries, illnesses, and fatalities were recorded among employees and workers at company sites:

- In 2025, 1 workplace accident occurred at Elektro Gorenjska. The incident was minor. No injuries related to electric shock were reported.
- The injury frequency rate, indicating the percentage of injured workers, stood at 0.33%. The lost time injury rate, indicating the number of lost workdays per injury, was 4 days.

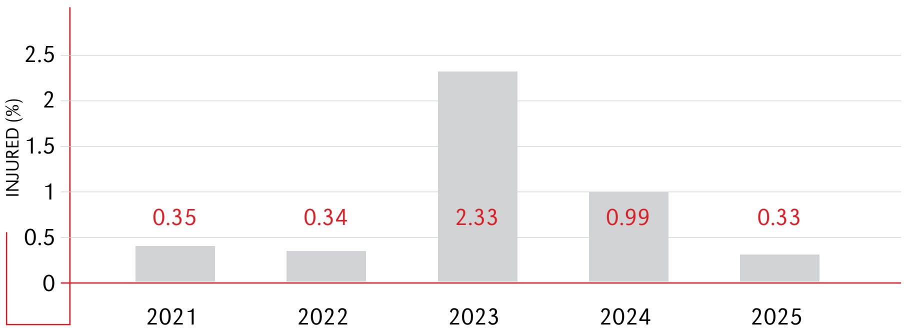
Number of Workplace Injuries at Elektro Gorenjska from 2021 to 2025



Severity of Workplace Injuries at Elektro Gorenjska from 2021 to 2025



Frequency of Workplace Injuries at Elektro Gorenjska from 2021 to 2025



Details of Work-Related Accidents and Illnesses

The number of work-related accidents includes all incidents that occurred in the workplace or during the performance of work duties. The calculation of the percentage of injured workers and lost workdays is based on the standard formula – i.e., the number of cases per 1,000,000 hours worked.

In the case of work-related illnesses, acute, chronic, and recurring conditions directly linked to working conditions are included, in accordance with ILO (International Labour Organization) guidelines. These illnesses include musculoskeletal disorders, respiratory diseases, skin conditions, and mental health disorders, confirmed by the occupational health service provider.

Audit and Certification of the Occupational Health and Safety Management System

The occupational health and safety management system has been internally audited/certified by an external auditor in accordance with the requirements of the international standard ISO 45001:2018.

Employee Absences Due to Sick Leave

Absenteeism, i.e. prolonged absence from work due to sick leave and parental leave, is monitored on an annual basis. In 2025, a 1% increase was recorded in the total level of reimbursed and non-reimbursed absences. Compared with 2024, the average number of non-reimbursed absence days decreased by 11%, while reimbursed absences increased by 12%. In 2025, 200 employees took sick leave at least once, representing 21 more employees than in the previous year. The average number of sick leave days per employee was 0.5 days higher than in 2024. During 2025, employees of Elektro Gorenjska were absent from work due to illness for an average of nearly 12 days.

Work–Life Balance

Work–life balance represents an important component of sustainable people management at Elektro Gorenjska. With a clear focus on employee well-being, conditions are systematically created to enable a healthy balance between professional responsibilities and private life.

In accordance with applicable legislation, collective agreements, and internal policies, employees are entitled to various forms of family-related leave, with equal access ensured regardless of gender. This approach reflects the Company's commitment to equality, inclusion, and responsible people management.

The modern nature of our approach is also reflected in the implementation of measures under the Family-Friendly Company Certificate programme, which includes flexible forms of work organisation, such as a working time account system, as well as additional forms of support during important life events.

The sustainable dimension of people management is thus realised through the creation of a supportive and encouraging working environment that enables employees to maintain a high quality of life while strengthening their engagement and long-term commitment to the organisation.

Complaints and Serious Impacts on Human Rights

Transparency and the safeguarding of human rights are key principles of business conduct. In 2025, one work-related incidents or complaint was recorded.

In the case concerned, the Company immediately implemented corrective measures to protect the affected individuals and ensure compliance with legal obligations and international standards.

During the reporting period, no serious human rights incidents were identified, such as forced labour, human trafficking, or child labour. The Company did not violate the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises.

10.5. Creating a Positive Work Environment

Employee support at Elektro Gorenjska is designed as a comprehensive framework that extends beyond the workplace. It is focused on promoting employees' health, well-being, and long-term social security.

Particular attention is devoted to encouraging an active lifestyle through the activities of the Company's sports association, implementing measures under the Family-Friendly Company Certificate programme, and systematically promoting health in the workplace. These initiatives help create conditions for a balanced and high-quality life for employees.

In addition, employees' social security is strengthened through various forms of insurance coverage. The Company also supports activities for retired colleagues, thereby maintaining strong connections and demonstrating respect for all generations.

Elektro Gorenjska Sports Association – A Healthy Mind in a Healthy Body

Sport has long been an invisible thread that binds colleagues together, as reflected in the achievements of our athletes at the traditional summer and winter games of Slovenian electricity distribution companies.

The Elektro Gorenjska Sports Association, active for many years, brings together over 200 members – employees of Elektro Gorenjska as well as retirees.

Depending on financial resources, the association provides various exercise sessions, indoor sports, and opportunities for social sports activities. The aim is to offer options that members enjoy and are eager to participate in.

The association includes 16 different sections covering a wide range of sports. Among outdoor activities, the cycling section is the most active, organizing two annual trips. Winter sports are also popular. Football and volleyball are the most popular indoor sports. Bowling (kegljanje), shooting, ten-pin bowling and dance are also available.

Proud Holder of the Family-Friendly Company Certificate

The success of Elektro Gorenjska is built on its people – both its leadership team and employees, whose knowledge, dedication, and sense of responsibility contribute to the Company's key processes and achievements. For this reason, employee well-being remains one of our strategic priorities.

In this context, the Family-Friendly Company Certificate plays an important role in strengthening employee engagement, satisfaction, and long-term commitment. Since 2011, it has been developed as a modern and sustainability-oriented framework that enables employees to achieve a better balance between their professional and private lives.

Employees are provided with a range of flexible measures that continue to evolve in line with their needs and life circumstances. This approach reflects our people-centred focus and our understanding that balance, support, and trust are essential foundations for the long-term success of the organisation.

Workplace Health Promotion

The promotion of employee health at Elektro Gorenjska represents an important component of sustainable people management and one of the key elements in creating a modern and supportive working environment. Care for employees’ health, well-being, and physical and mental balance is systematically implemented through the activities of the Workplace Health Promotion Group.

Through a comprehensive range of measures, employees are encouraged to actively participate in activities aimed at maintaining and improving their health, while awareness of the importance of both mental and physical well-being is continuously strengthened. The programme includes preventive medical examinations, vaccinations, and various forms of support that enable employees to take better care of their health.

The effectiveness of these measures is regularly monitored and enhanced. Activities are periodically evaluated, reported to management, and assessed through employee feedback. The programme is reviewed and adapted annually to reflect current needs and circumstances, ensuring its continued relevance and long-term effectiveness.

The understanding that employee health is a key investment for both the individual and the organisation is reflected in concrete initiatives such as preventive health examinations, vaccinations, and the promotion of physical activity and active breaks. Various communication initiatives further strengthen a culture of health and a responsible approach to personal well-being.

In this way, the Company reinforces a sustainable approach in which people remain at the centre, while modern practices support long-term success and the quality of the working environment.

Staying Connected with Retirees

The Company continues to support and finance the activities of the Elektro Gorenjska Retirees Association, established in 2006. Members organize various outings, informative and sports trips, visit sick and elderly members, and help families in need.

10.6. Strategic Guidelines for Human Resource Management

Strategic Employment Approach

Human resource planning at Elektro Gorenjska is closely aligned with the Company's strategic and annual business objectives and represents an important driver for achieving its long-term goals. It is founded on a clear focus on competency development, talent acquisition, and the strengthening of organisational capabilities.

As a modern organisation, we strive to attract skilled, committed, and development-oriented employees. Recruitment and selection processes are based on the principles of equal opportunity, transparency, and professionalism, with equal treatment of all candidates regarded as a fundamental standard. Employees' rights, obligations, and responsibilities are clearly defined through legislation, collective agreements, and internal policies, thereby ensuring a stable and well-structured working environment.

The sustainable dimension of people management is reflected in the systematic development of knowledge and competencies. In light of rapid technological advancement and the increasing complexity of work processes, investment in employees' professional expertise remains one of the Company's key priorities. Particular emphasis is placed on technical competencies, especially in the field of electrical engineering, which lies at the core of our business, as well as on leadership development.

THE SUSTAINABLE DIMENSION OF PEOPLE MANAGEMENT IS REFLECTED IN THE SYSTEMATIC DEVELOPMENT OF KNOWLEDGE AND COMPETENCIES. IN LIGHT OF RAPID TECHNOLOGICAL ADVANCEMENT AND THE INCREASING COMPLEXITY OF WORK PROCESSES, INVESTMENT IN EMPLOYEES' PROFESSIONAL EXPERTISE REMAINS ONE OF THE COMPANY'S KEY PRIORITIES. PARTICULAR EMPHASIS IS PLACED ON TECHNICAL COMPETENCIES, ESPECIALLY IN THE FIELD OF ELECTRICAL ENGINEERING, WHICH LIES AT THE CORE OF OUR BUSINESS, AS WELL AS ON LEADERSHIP DEVELOPMENT.

This approach enables the development of an organisation founded on knowledge, accountability, and collaboration. It reflects a "people for people" philosophy, in which employees, through their expertise and commitment, create value for customers, the community, and the Company's future development.

10.7. Employee Training and Development

At Elektro Gorenjska, sustainability is understood as a way of operating that begins with people. The long-term success of the organisation is directly linked to the actions of its employees, which is why the development of sustainability-related competencies represents one of the Company's key strategic priorities.

Education and training in the field of sustainability are designed as a systematic and modern process that enables employees to acquire the knowledge and skills needed to understand the complex challenges facing contemporary society. Particular emphasis is placed on developing critical thinking, collaboration, communication, and responsible decision-making skills. This approach strengthens an organisational culture founded on the principle of "people for people" and supports the development of solutions aimed at the long-term well-being of society and the environment.

Employee development is further supported through advanced competency and career management systems. The organisation systematically identifies potential, promotes internal mobility, and provides opportunities for advancement to more demanding positions. Regular annual performance and development reviews serve as an important tool for aligning objectives, monitoring performance, and planning employees' future development.

The modern nature of this approach is also reflected in the digitalisation of learning and the expansion of access to various forms of education, including e-learning and other flexible training formats. At the same time, a high level of professional competence is maintained, particularly in areas that are critical to the safe and reliable performance of the Company's activities.

WE ARE BUILDING AN ORGANISATION FOUNDED ON KNOWLEDGE, ACCOUNTABILITY, AND CONTINUOUS DEVELOPMENT. EMPLOYEES ARE THE DRIVING FORCE BEHIND ITS SUSTAINABLE TRANSFORMATION, CREATING LONG-TERM VALUE FOR CUSTOMERS, THE COMMUNITY, AND THE WIDER ENVIRONMENT THROUGH THEIR EXPERTISE AND COMMITMENT.

Through this approach, the Company is building an organisation founded on knowledge, accountability, and continuous development. Employees are the driving force behind its sustainable transformation, creating long-term value for customers, the community, and the wider environment through their expertise and commitment.

A significant step forward in employee development was made in 2023 with the introduction of a new e-learning platform, providing employees with access to a broad range of learning content. A growing number of employees participated in online seminars and other digital forms of education and training. In 2025, management training in soft skills development also continued.

As at 31 December 2025, the average educational attainment level of employees at Elektro Gorenjska was 6.37, where level 6 corresponds to a post-secondary vocational education qualification.

Educational Structure of Employees in Elektro Gorenjska as of 31 December 2025

	Elektro Gorenjska	
Education Level as of 31 December 2025	Number	Share (%)
Doctorate (Level 8/2)	3	0.97
Master's Degree (Level 8/1)	15	4.87
Master's-Level Education (Second Bologna Cycle) (Level 6/2))	67	21.75
Bachelor's-Level Education (First Bologna Cycle) (Level 6/2)	54	17.53
Post-Secondary Vocational Education (Level 6/1)	69	22.40
Secondary School (Level 5)	68	22.08
Three-Year Vocational Program (Level 4)	32	10.39
Two-Year Vocational Program (Level 3)	0	0.00
Primary School (1)	0	0.00
Total Employees	**308**	**100.00**

10.8. Internal Communication

Effective internal communication is one of the key foundations of a connected and modern organisation, particularly in an environment where work is carried out across multiple locations and diverse organisational units. At Elektro Gorenjska, the exchange of information, knowledge, and opinions therefore plays an important role in ensuring coordinated operations and strengthening a unified organisational culture.

Communication with employees is clear, strategically planned, and systematically managed. It is supported by annual operational plans and regular monitoring of responsiveness and effectiveness, enabling the continuous improvement of communication practices.

The modern nature of the system is reflected in the use of various communication channels and formats that facilitate two-way and inclusive communication. The active collection of feedback through surveys and other tools enhances employee engagement and enables a better understanding of their needs and expectations.

THE DEVELOPMENT OF AN AGILE CULTURE IS BASED ON CREATING A MODERN AND INCLUSIVE WORKING ENVIRONMENT IN WHICH EMPLOYEES ACTIVELY EMBODY THE ORGANISATION'S VALUES, WHILE MANAGERS LEVERAGE THEIR UNDERSTANDING OF INDIVIDUAL POTENTIAL TO PROVIDE TAILORED LEADERSHIP AND DEVELOPMENT OPPORTUNITIES. THIS APPROACH STRENGTHENS ACCOUNTABILITY, COLLABORATION, AND THE ABILITY TO ADAPT QUICKLY TO CHANGE, ALL OF WHICH ARE ESSENTIAL FOR ACHIEVING STRATEGIC OBJECTIVES.

This approach contributes to greater organisational cohesion, strengthens trust, and supports consistent and coordinated external communication, thereby positively influencing the Company's reputation and credibility in the long term.

The following communication tools are used for internal communication:
- Središče Intranet portal, which provides access to information, content from various fields, and all applications employees need for their work processes and effective task performance;
- Email updates providing timely information;
- Notice boards, highlighting longer-term points of interest;
- Monthly e-newsletter, presenting key updates from within the company;
- Elgo – a quarterly printed newsletter, offering in-depth content of interest to employees – from project developments to department activities – and intended for retired colleagues;
- Naš stik magazine, published six times a year by ELES, covering broader topics in the energy sector;
- Various social and educational events for employees;
- Additional tools introduced as needed (e.g. brochures).

By signing the Commitment to Respect Human Rights, the Company has pledged to uphold these rights throughout all business processes and to avoid and prevent any potential negative impacts on human rights.

10.9. Corporate Culture

In line with the business strategy, special attention was given in 2025 to the development of human resources and an agile organizational culture. The goals of this strategic direction include developing a culture of agility, enhancing the employer brand, and recruiting, developing, and retaining promising and key employees.

The development of an agile culture is based on creating a modern and inclusive working environment in which employees actively embody the organisation's values, while managers leverage their understanding of individual potential to provide tailored leadership and development opportunities. This approach strengthens accountability, collaboration, and the ability to adapt quickly to change, all of which are essential for achieving strategic objectives.

The management of organisational climate and employee engagement is founded on the systematic monitoring of employee experience. Feedback is gathered through regular satisfaction surveys and annual engagement assessments, enabling the continuous improvement of the working environment and the strengthening of conditions that support the achievement of both personal and business goals.

Employee engagement is measured using the internationally recognised Gallup methodology, with the Company's results placing it above the average of Slovenian organisations. In recent years, the long-term, comprehensive, and strategic management of employee relations has contributed significantly to a marked improvement in engagement levels, confirming the effectiveness of the chosen approach.

This progress demonstrates the Company's commitment to building a modern, sustainable, and people-centred organisation, in which agility, engagement, and competency development serve as the key foundations for future growth.

10.10. Compensation Policy

At Elektro Gorenjska, ensuring fair and competitive remuneration is an important component of responsible and sustainable people management. The remuneration policy is based on the principles of social fairness, compliance with applicable legislation, and alignment with relevant benchmark standards.

A living wage is regarded as a foundation of a stable and inclusive working environment, as it enables employees to maintain a secure and good quality of life while contributing to their engagement and long-term commitment to the organisation.

Compliance of remuneration with applicable standards is regularly monitored and assessed, with any identified deviations being systematically addressed. Based on the analyses conducted, the Company assesses that employee remuneration is aligned with the relevant benchmark values applicable in the Republic of Slovenia.

This approach reflects a people-centred focus and strengthens the foundations of a sustainable and modern organisation that creates value for both its employees and society as a whole.

10.11. Social Protection

At Elektro Gorenjska, employee social security is regarded as an important component of responsible and sustainable people management. The protection framework is designed as a comprehensive system based on compliance with applicable legislation, collective agreements, and internal policies, with the objective of ensuring stability and security for employees in key life situations.

All employees are covered by a social protection system that addresses risks associated with illness, occupational injuries, disability, parenthood, unemployment, and retirement. This ensures access to healthcare services and appropriate income support during periods of increased vulnerability.

The modern nature of this approach is also reflected in additional forms of protection, such as voluntary supplementary pension insurance, group accident insurance, and supplementary health insurance. These measures further strengthen the long-term financial and social security of employees.

The sustainable dimension of human resource management is realised through a strong focus on employee well-being, where protection against life's risks forms the foundation of trust, security, and long-term commitment between the organisation and its employees.

10.12. Employment of Persons with Disabilities

As at 31 December 2025, Elektro Gorenjska employed eight persons with disabilities, representing an increase compared with the previous year. The employment of persons with disabilities is managed in accordance with legislative requirements and forms part of the Company's broader commitment to an inclusive and responsible working environment.

In line with the statutory quota requirements for the electricity supply sector, the Company fulfils its obligations through a combined approach consisting of direct employment and the use of an alternative quota scheme. This scheme is implemented through cooperation with disability enterprises, with which the Company maintains long-term partnerships.

In 2025, the alternative quota was fulfilled through contracts concluded with three disability enterprises, contributing to the inclusion of a greater number of persons with disabilities in the broader business environment. This approach reflects the Company's sustainability-oriented outlook and its commitment to social responsibility and inclusive development.

11. Workers in the Value Chain

Workers in the value chain represent an important part of our sustainability ecosystem, and their role is therefore addressed in a comprehensive and responsible manner. We plan and conduct our business activities with the awareness that they can directly affect a broad range of stakeholders, and we therefore strive to operate in a balanced and inclusive way.

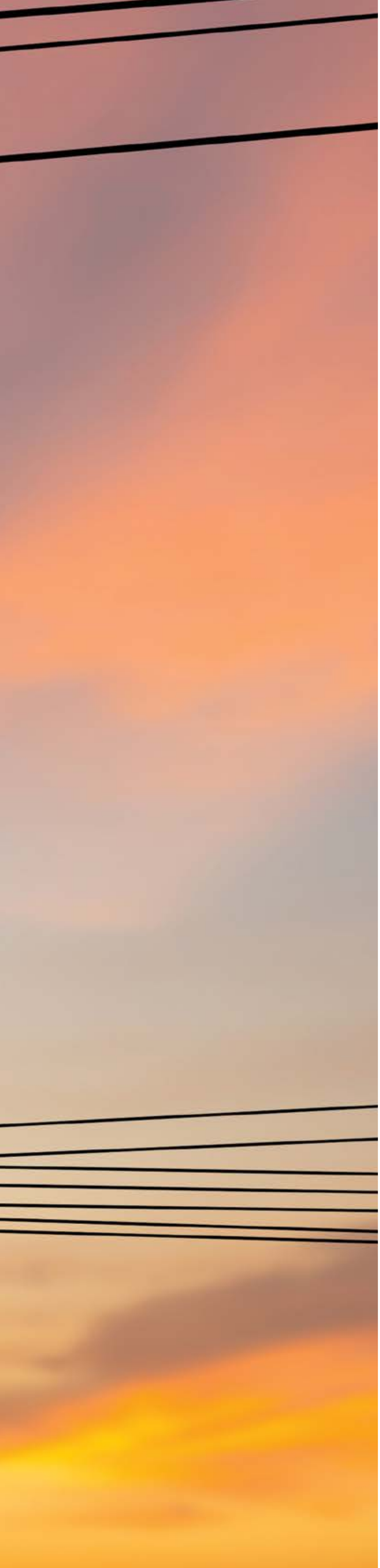
We view sustainability as a responsibility towards people throughout the entire value chain. This is reflected in our respect for the needs of employees and business partners, the development of long-term relationships, and our commitment to transparent and trustworthy business practices.

Cooperation with suppliers at Elektro Gorenjska is based on strategic partnership and a shared commitment to sustainable operations. Relationships are developed proactively, with a focus on ensuring compliance with social and environmental standards and maintaining the long-term stability of the entire value chain.

Our approach is founded on the open exchange of knowledge and information, with suppliers actively contributing to technological development and the improvement of solutions. Such cooperation enables a reliable electricity supply while simultaneously contributing to higher-quality services and greater customer satisfaction.

In conditions of increased uncertainty, such as supply chain disruptions or resource constraints, the Company acts responsibly and inclusively. Through timely communication and coordinated implementation of measures, it strives to maintain stable and trustworthy relationships with suppliers.

This approach strengthens the resilience of the system, promotes long-term cooperation, and reflects a sustainability-oriented mindset grounded in the principle of “people for people”.



Key Impacts, Risks, and Opportunities and Their Connection to Strategy and Business Model

Suppliers and workers in the value chain constitute a key part of Elektro Gorenjska's sustainability ecosystem. Their role is directly linked to supply reliability, service quality, and long-term competitiveness. Accordingly, cooperation with them is based on strategic partnership, responsibility, and shared operating standards.

The sustainable dimension of value chain management stems from a clear focus on people. Particular attention is devoted to ensuring safe and decent working conditions and respecting human rights. This includes strict compliance with labour and occupational safety standards, the use of appropriate equipment, workforce competence, and oversight of work performance. Through these measures, health and safety risks are reduced while a culture of responsible conduct is strengthened throughout the value chain.

The modern nature of this approach is reflected in the integration of sustainability criteria already at the stage of needs assessment, technical specifications, and cooperation requirements. At the same time, the use of advanced technologies, competency development, and joint training initiatives are encouraged, contributing to greater efficiency, safety, and professionalism among all stakeholders involved.

The Company also recognises key risks related to occupational safety, compliance with standards, and dependencies arising from contractual relationships, and manages these risks systematically. At the same time, the sustainable transformation of the energy sector creates new opportunities for job creation, improved working conditions, and enhanced knowledge and expertise throughout the value chain.

This approach reflects the Company's commitment to being a modern, responsible, and sustainable organisation that builds long-term relationships and creates value for people, partners, and society as a whole.

Policies Related to Workers in the Value Chain

The Code of Business Conduct and Ethics serves as the fundamental framework for responsible, transparent, and sustainable operations at Elektro Gorenjska. It establishes clear standards of conduct and provides guidance to employees in decision-making and day-to-day business activities.

The Code promotes a culture of integrity, respect, and accountability, while ensuring a consistent understanding of ethical principles in relationships with colleagues, customers, business partners, and the wider value chain.

A commitment to respecting human rights, complying with legislation, and adhering to the highest ethical standards forms the foundation for building trust and ensuring the long-term stability of operations, while also supporting the development of a modern and sustainability-oriented organisation.

The Company has also signed the Commitment to Respect Human Rights in Business Operations[1]. By signing this commitment, the Company has undertaken to respect human rights throughout its business processes and to avoid and prevent potential adverse impacts on human rights. Measures supporting these commitments have been adopted and are being implemented progressively.

An Integrated Management System (IMS) has been established, meeting the requirements of the following standards: ISO 9001 Quality Management, ISO 14001 Environmental Management, ISO 45001 Occupational Health and Safety Management, ISO/IEC 27001 Information Security Management, and ISO 31000 Risk Management. Where objectively justified reasons exist for requiring compliance with specific quality standards, tender documentation stipulates that bidders must hold the relevant quality certifications.

[1] Available at: Podpisana-zaveza-Elektro-Gorenjska-d.d.pdf

THE SUSTAINABLE DIMENSION OF VALUE CHAIN MANAGEMENT STEMS FROM A CLEAR FOCUS ON PEOPLE. PARTICULAR ATTENTION IS DEVOTED TO ENSURING SAFE AND DECENT WORKING CONDITIONS AND RESPECTING HUMAN RIGHTS. THIS APPROACH STRENGTHENS THE RESILIENCE OF THE SYSTEM, PROMOTES LONG-TERM COOPERATION, AND REFLECTS A SUSTAINABILITY-ORIENTED MINDSET GROUNDED IN THE PRINCIPLE OF »PEOPLE FOR PEOPLE«.

Supplier relationship management at Elektro Gorenjska is based on a structured and systematic approach designed to ensure high standards of quality, safety, and compliance. To this end, a unified supplier evaluation framework has been established, enabling regular and comprehensive monitoring of supplier performance.

Supplier assessments are based on clearly defined criteria, including reliability of delivery, quality of supplied goods and services, responsiveness in addressing non-conformities, and compliance with occupational health and safety, environmental protection, and information security requirements. This approach strengthens accountability throughout the value chain and supports the long-term stability and effectiveness of cooperation.

The modern nature of the system is further reflected in the planned enhancement of the evaluation process through the introduction of independent external quality assessments, which will contribute to greater transparency and objectivity.

Through this approach, partnerships founded on trust, accountability, and a shared commitment to sustainable operations are strengthened.

At present, the Company has no additional policies specifically addressing workers in the value chain. A Supplier Code of Conduct will be developed progressively, placing particular emphasis on respect for human rights, the prohibition of child labour and forced labour, and the prevention of any violations of the fundamental rights of workers throughout the value chain.

To date, no cases of non-compliance have been identified within the value chain in relation to the United Nations Guiding Principles, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines concerning the fundamental human rights of workers in the value chain.

Employees are informed through internal communications about adopted policies, the obligation to respect human rights in business operations, and the requirement to act in accordance with ethical principles. All current information and updates are published regularly on the Company's website. In addition, an e-learning system has been established through which employees can further enhance their knowledge, including through training modules such as the Code of Business Conduct and Ethics presented in e-learning format.

Procedures for Engaging with Workers in the Value Chain Regarding Impacts

Engagement with workers in the value chain at Elektro Gorenjska is managed primarily during the implementation phase, with a strong focus on maintaining high standards of safety, quality, and accountability. Already during the contractor selection process, compliance with key requirements is systematically assessed, particularly with regard to workforce qualifications, medical fitness, and the ability to provide a safe working environment.

Before work commences, clear operational and safety frameworks are established. These include formalised arrangements concerning occupational health and safety, site induction procedures for contractors, and ongoing supervision of safety measures. This ensures the consistent management of risks inherent to the Company's activities.

Our approach is further reflected in the integration of quality standards and, where relevant, the requirement to comply with internationally recognised standards. In the area of material procurement, quality oversight is further strengthened through the possibility of reviewing production processes and suppliers' value chains, as well as through independent verification of supplied materials.

At the same time, the Company recognises opportunities to further enhance engagement with workers in the value chain, particularly in relation to incorporating their perspectives, establishing a more systematic dialogue, and strengthening human rights standards. Further development in these areas represents an important step towards comprehensive, inclusive, and sustainable value chain management.

For certain categories of goods, contractual arrangements reserve the Company's right, both upon the initial delivery and subsequently during contract performance, to conduct inspections of the manufacturer's production processes, review the supplier's value chain, and carry out incoming quality inspections of delivered materials through independent accredited institutions.

At present, the Company does not conduct consultation activities with representatives of contractors through which the views of workers regarding actual and potential impacts would be systematically considered. Likewise, no dedicated function or designated responsible person has been appointed to coordinate engagement with workers in the value chain.

Cooperation with suppliers does not currently include formal mechanisms that would provide direct insight into workers' views regarding the exercise of rights such as collective bargaining and other human rights-related matters.

Corrective Procedures for Negative Impacts and Channels for Raising Concerns by Workers in the Value Chain

The management of impacts on workers in the value chain at Elektro Gorenjska is based on a preventive, systematic, and responsible approach. Particular emphasis is placed on the timely identification and management of risks, especially in the area of occupational health and safety.

Before work begins, a structured onboarding process is established, including coordination with project supervision and management, site inspections, and reviews of technical documentation. The Company consistently requires the use of appropriate personal protective equipment, certified and calibrated tools, and the engagement of suitably qualified personnel. Regular medical examinations and professional training are also required, with contractors demonstrating compliance through valid supporting documentation. Regular safety inspections are conducted at worksites, and all incidents are addressed with a high degree of responsibility and due diligence.

To ensure open and responsible communication, an accessible reporting channel has been established through which employees and workers in the value chain may anonymously submit suggestions, raise concerns, or report potential violations. All submissions are handled systematically and with an appropriate level of accountability. Existing mechanisms provide for the effective handling of such matters and constitute a solid foundation for the continued management of this area.

Actions Taken in Relation to Material Impacts on Workers in the Value Chain and Approaches to Managing Material Risks and Opportunities Related to Workers in the Value Chain, Including the Effectiveness of Such Actions

The core mission of Elektro Gorenjska is to ensure a reliable and long-term stable electricity supply. This requires the continuous development, reinforcement, and upgrading of the electricity network, as well as systematic investment in new infrastructure projects. Due to the scale and complexity of these activities, a significant portion of implementation is carried out in cooperation with external contractors, who form an important part of the Company's value chain.

Impacts on workers in the value chain are therefore regarded as an important element of sustainable and responsible management. Requirements and expectations are defined carefully, with particular attention given to occupational safety, professional competence, and quality of execution, as these factors form the basis for the reliable operation of the system.

THE CORE MISSION OF ELEKTRO GORENJSKA IS TO ENSURE A RELIABLE AND LONG-TERM STABLE ELECTRICITY SUPPLY. THIS REQUIRES THE CONTINUOUS DEVELOPMENT, REINFORCEMENT, AND UPGRADING OF THE ELECTRICITY NETWORK, AS WELL AS SYSTEMATIC INVESTMENT IN NEW INFRASTRUCTURE PROJECTS. DUE TO THE SCALE AND COMPLEXITY OF THESE ACTIVITIES, A SIGNIFICANT PORTION OF IMPLEMENTATION IS CARRIED OUT IN COOPERATION WITH EXTERNAL CONTRACTORS, WHO FORM AN IMPORTANT PART OF THE COMPANY'S VALUE CHAIN.IMPACTS ON WORKERS IN THE VALUE CHAIN ARE THEREFORE REGARDED AS AN IMPORTANT ELEMENT OF SUSTAINABLE AND RESPONSIBLE MANAGEMENT.

To ensure high standards, regular internal evaluations of suppliers and contractors are conducted, and decisions regarding future cooperation are based on the results of these assessments. Quality management is further supported by the Integrated Management System, under which regular internal and external audits are performed, with the requirements of the relevant standards also being extended to contractual partners.

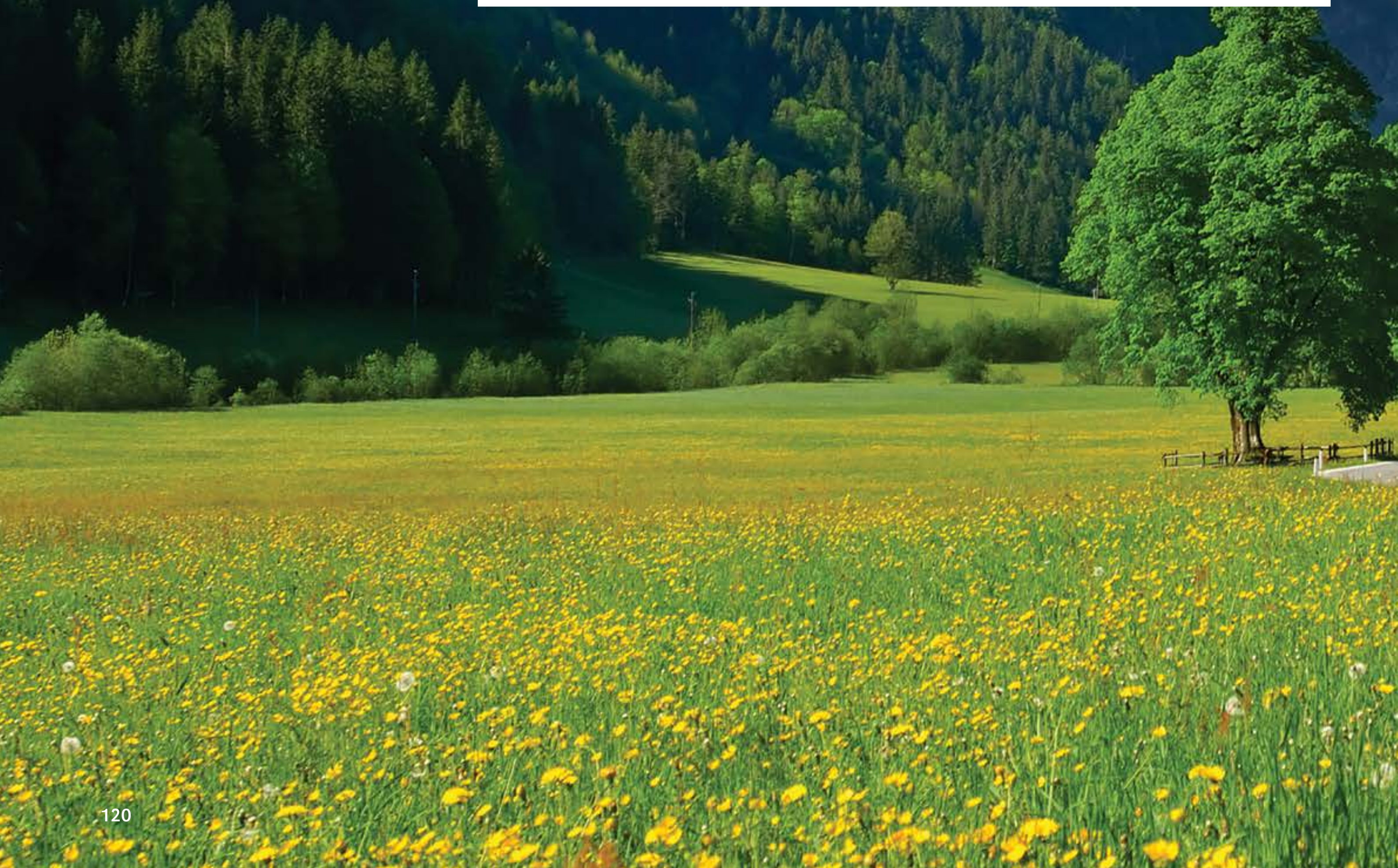
Where non-compliances or deviations are identified, corrective action is taken in a responsible and timely manner and in accordance with applicable requirements, thereby ensuring the stability, safety, and long-term sustainability of the entire system.

Objectives Related to Managing Material Negative Impacts, Promoting Positive Impacts, and Managing Material Risks and Opportunities

At Elektro Gorenjska, occupational health and safety is recognised as one of the most significant impacts affecting workers in the value chain. Accordingly, this area is addressed with a high degree of responsibility and is continuously enhanced through additional safety measures that contribute to safer and better-organised working conditions. A key development focus is also placed on the introduction of modern technologies and digital solutions, which reduce the influence of human factors and enable safer and more efficient work processes.

The sustainable development of the Company is founded on people and knowledge. Professional competencies are systematically enhanced, knowledge transfer between generations is encouraged, and cooperation with educational institutions is strengthened. In this way, an environment is created in which experience is combined with new approaches and innovative solutions, contributing to the development of modern processes and services.

Through the continuous improvement of practices, learning from experience, and the implementation of control mechanisms, operational excellence and corporate reputation are further strengthened. A strong focus on reliability, the responsible fulfilment of commitments, and the timely resolution of non-compliances supports the maintenance of trust among customers and business partners. This approach contributes to the long-term stability of operations and reinforces the Company's position as a modern, sustainability-oriented, and responsible partner within its operating environment.



12. Local Partnerships

The Company has a distinctive and responsible role within the environment it helps shape. As a connecting link between the municipalities and communities of the Gorenjska region, Elektro Gorenjska is focused on people and on enhancing the quality of life throughout the region.

For more than six decades, stable foundations for the development of Gorenjska have been built through knowledge, experience, and professional expertise. This role is understood as a sustainability commitment that extends beyond day-to-day operations and is reflected in long-term thinking, responsible resource management, and the pursuit of solutions for future generations.

As a modern organisation, the Company actively contributes to the development of a green and competitive environment. Through collaboration, partnerships, and cooperation with local communities, organisations, and municipalities, an ecosystem is being built that promotes innovation, sustainable practices, and shared growth.

For us, the vision of a green Gorenjska is not merely a goal but a shared journey on which people, knowledge, and energy are brought together to create a sustainable future.

At the Company's initiative, and in close cooperation with all municipalities in the region, the Action Plan for Measures in the Field of Energy Infrastructure for the Sustainable Transition of Gorenjska by 2030 was developed in 2024. This pioneering strategic document serves as a comprehensive roadmap for the region’s green transition. As the first plan of its kind to be prepared by a Slovenian electricity distributor in partnership with local municipalities, it stands as a testament to our role as a key facilitator of sustainable development.

More than just a plan, it is a unifying project, bringing together all municipalities of Gorenjska in a coordinated effort to shape the region’s energy future. We take great pride in Elektro Gorenjska’s central role in driving this landmark partnership project. In 2025, the Action Plan for Gorenjska officially entered its implementation phase.

Our commitment to sustainable development is also reflected in the initiative for the development of the Julian Alps Biosphere Area, which brought together twelve partners at the end of 2024. The project represents a pilot example of green electricity self-sufficiency and creates new opportunities for the development of sustainable energy solutions in environmentally sensitive natural areas.

Through initiatives such as these, the Company strengthens its role as a modern organisation that connects people, knowledge, and partnerships while helping to shape a sustainable future for the region.

13. Sponsorships and Donations

We view our role as extending beyond our core business activities. As active contributors to the environment in which we live and operate, we fulfil our responsibility towards the community consciously, with a long-term perspective and a clear focus on people.

We believe that sustainability is created through collaboration. Accordingly, we bring together knowledge, resources, and partnerships while supporting initiatives that strengthen the vitality, creativity, and resilience of the Gorenjska region. In the fields of sport, culture, education, healthcare, and humanitarian activities, we identify opportunities through which a meaningful and lasting impact can be created.

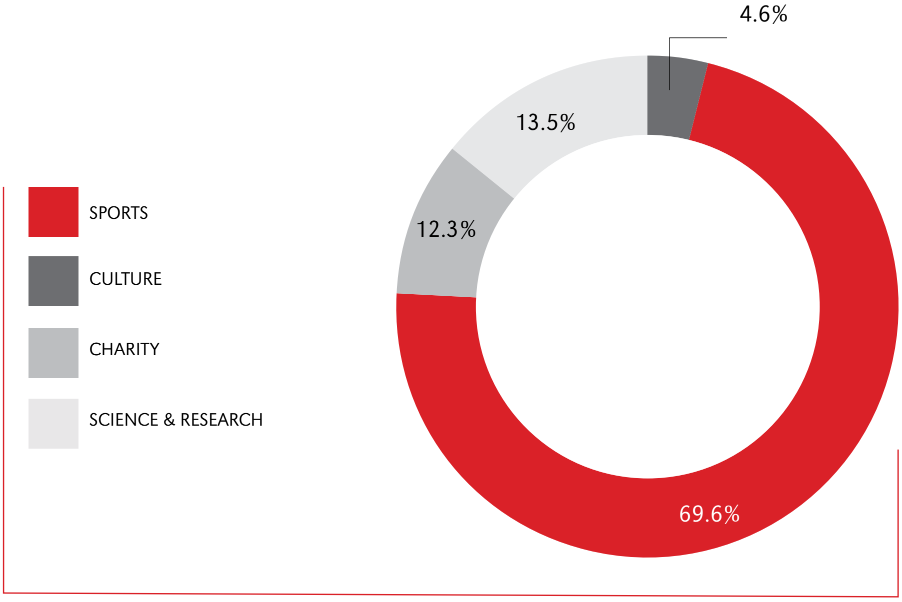
As a modern organisation, we build bridges between business and society and help create an environment in which the community grows alongside us. Our goal is not only to contribute, but also to help shape a future founded on connectivity, responsibility, and shared progress.

Sponsorship initiatives are selected based on internal regulations that outline criteria for quality and societal impact. Both short-term and long-term effects on the company, local communities, and the surrounding environment are carefully considered.

In 2025, a total of €83,600 was allocated for sponsorships and donations. More than half of this amount supported sports projects, which play a vital role in promoting the healthy development of all generations.

To ensure transparency and openness, all sponsorship and donation projects are published on the company's website at the following link:
https://www.elektro-gorenjska.si/o-skupini/elektro-gorenjska/katalog-informacij-javnega-znacaja-javne-objave/objave-po-11-odstavku-10-a-clena-zdijz

Distribution of sponsorship and donation funds by category in Elektro Gorenjska in 2025



Sponsorships

In 2025, Elektro Gorenjska allocated €14,200 to sponsorship projects, with the majority of funds directed toward sports initiatives in the Gorenjska region.

This is how our sustainability and social responsibility commitments are put into practice, as sport is recognised as an important promoter of values such as teamwork, perseverance, equality, and a healthy lifestyle.

Systematic support is provided to key sports organisations in the region, while smaller associations and clubs are also supported. In this way, a contribution is made to the development of the local community and the strengthening of a positive social environment. This approach reflects a focus on people and a commitment to creating long-term value in the communities in which the Company operates.

Donations

In 2025, Elektro Gorenjska allocated €69,400 to donations, reflecting its commitment to responsible and sustainable operations within the local community.

A significant portion of these funds was directed towards supporting volunteer fire brigades and mountain rescue associations in the Gorenjska region, which play a vital role in ensuring the safety, health, and protection of people during emergencies. Through these donations, we contributed to improving their equipment and resources, thereby enhancing their preparedness and effectiveness in responding to natural disasters.

Systematic support is also provided to non-profit, non-governmental and non-political organisations whose activities contribute to social resilience and quality of life. A long-term partnership with the Neodvisen.si programme reflects the Company's strong focus on people and society, as the programme plays an important role in raising awareness of addiction-related risks and in providing professional support to individuals and families. In 2025, €8,000 was allocated to support its activities.

This approach reinforces the Company's role as a modern and responsible organisation that, through carefully considered investments, helps create a safer, more connected and more sustainable community.

14. Responsibility to Network Users

Responsibility towards electricity distribution network users is a fundamental principle of our operations. With a strong focus on people, we ensure a reliable, high-quality and stable electricity supply that is essential for everyday life and the development of society.

Trust is built through open, transparent and timely communication, as well as through the consistent fulfilment of our commitments. Users are provided with access to relevant information and enabled to enjoy a safe and predictable customer experience.

As a modern and sustainability-oriented organisation, our services are continuously enhanced and the reliability of the system is continuously strengthened. Our commitment is reflected in ongoing improvement, responsible management and a long-term dedication to providing users with an energy supply they can always rely on.

14.1. Investments

Elektro Gorenjska's investments amounted to €39.8 million in 2025.

In accordance with Commission Delegated Regulation (EU) 2021/2139, €30.2 million of Elektro Gorenjska's investments in 2025 qualified as so-called green investments.

KEY INVESTMENTS IN 2025

A total of €8.7 million was invested in distribution transformer substations, with the most notable projects including:

- **RTP 110/20 kV Radovljica:** Replacement of Power Transformers TR1 and TR2 (40 MVA): As part of the power transformer replacement project, both existing 110/20 kV, 20 MVA transformer units were replaced with larger 40 MVA units due to increased capacity requirements and the ageing of the existing equipment. Transformer TR1 was replaced in March and TR2 in September. Investment in this project amounted to €3.1 million in 2025,
- **RTP 110/20 kV Primskovo:** As part of the reconstruction of the 110 kV switchyard, a new GIS switchgear facility was constructed, including the installation of 110 kV GIS switchgear and associated secondary equipment, as well as the relocation of two 110 kV cable systems and power transformers. The facility has been operating on the new system since June 2025. Landscaping and external site improvements around the switchyard were completed in autumn. Although the project has been under implementation since 2023, investment in 2025 amounted to €1.5 million,
- **RTP 110/20 kV Železniki:** In 2025, the replacement of the secondary equipment in the 110 kV switchyard commenced, with approximately 50% of the work completed during the year. At the same time, the ageing power transformer was replaced with the former 20 MVA transformer from the RTP Radovljica. The project is expected to be completed in full during the second half of 2026. Investment in 2025 amounted to €1.1 million.
- **RTP 110/20 kV Bohinj:** In 2025, the replacement of the secondary equipment in the 110 kV switchyard commenced, with approximately 50% of the work completed during the year. The project is expected to be completed in full during the second half of 2026. Investment in 2025 amounted to €1.1 million.

Investments in medium- and low-voltage networks and the construction/renovation of transformer stations (TP) totalled €21.5 million in 2025. Significant construction efforts were carried out over the course of the year. Despite extensive investment plans, most projects were successfully implemented, particularly those related to the Recovery and Resilience Plan (RRP), the rehabilitation of critical sections of the network, and the provision of new connections and network expansions.

A significant share of financial resources continued to be allocated in 2025 to the construction of cable duct infrastructure, which was developed as part of joint municipal infrastructure projects alongside other utility networks.

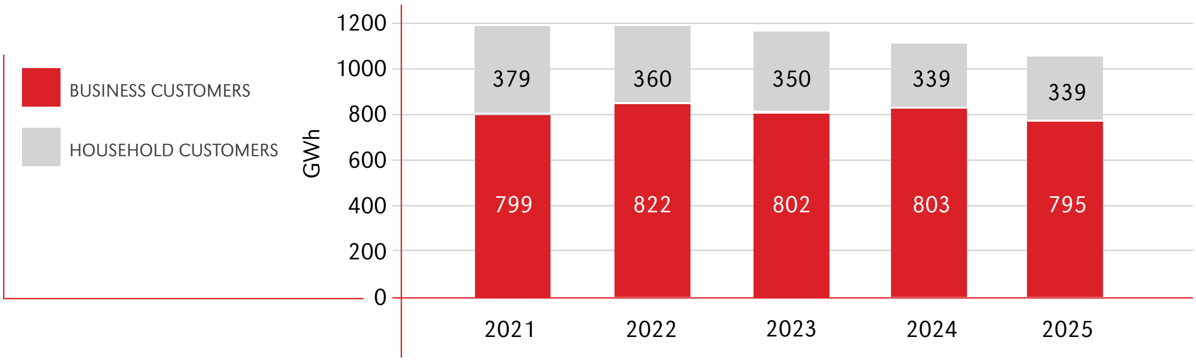
Low-voltage (LV) network reinforcements were carried out to ensure connection conditions for customers with deferred connection approvals, as well as to facilitate the integration of distributed electricity generation sources.

A total of 32.5 km of medium-voltage (MV) cable lines were installed, 44 new transformer substations were constructed, and major reconstructions were completed at 40 transformer substations. In addition, 84 km of low-voltage cable lines were installed. While part of these investments supported LV network expansion, the majority were related to network reinforcement required to accommodate additional electricity demand (particularly heat pumps) and self-supply electricity generation facilities.

14.2. Electricity Distribution Volume in 2025

In 2025, a total of 1,135 GWh of electricity was distributed through the network.

Electricity Distributed by Year (GWh)

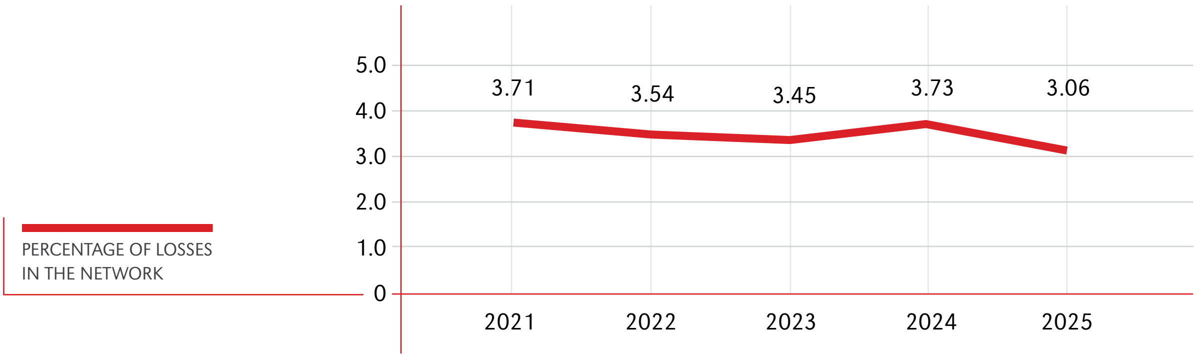


The volume of electricity distributed in 2025 decreased slightly among business customers compared with the previous year. Among household customers, virtually no change was recorded compared with the previous year, with distribution volumes remaining at a comparable level.

14.3. Electricity Losses in the Network

In 2025, electricity losses in the network amounted to 3.06 %.

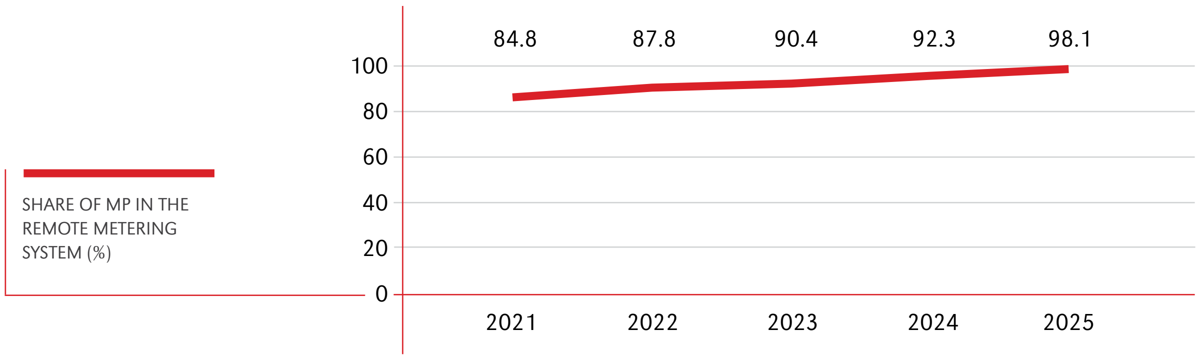
Electricity losses in the network (%) for 2021–2025



In 2023, the methodology for calculating network losses was changed to align with the methodology used by the Energy Agency. Due to issues related to network charge billing following the introduction of the new Methodology Act for the Calculation of Network Charges for Electricity Operators, network losses were slightly higher in 2024, and the effects were also reflected in 2025, although to a significantly lesser extent. On average, across both years, network losses remained within the range recorded in previous years. Based on the trend observed in recent years, slightly higher network losses are expected in the coming year compared with 2025.

This indicator is improved through additional network reinforcements, the installation of new AMI smart meters and the associated correction of errors at metering and transfer points, as well as through the increasing share of electricity supplied from self-consumption generation facilities.

Share of metering points (MP) in the remote metering system (%) for 2021–2025



The share of metering points equipped with remote reading in the district heating system increased by a further 5.8% in 2025. As a result, almost all metering points are now fitted with remote meters, although communication issues persist at approximately 1% of these metering points.

THE DATA INDICATES THAT OVERALL VOLTAGE QUALITY WITHIN THE ELEKTRO GORENJSKA REGION IS GOOD. NEW CONSTRUCTION, UPGRADES, AND MAINTENANCE OF THE DISTRIBUTION SYSTEM – INCLUDING METERING AND COMMUNICATION INFRASTRUCTURE AT THE LOW-VOLTAGE LEVEL – CONTINUE TO IMPROVE MONITORING AND RESOLUTION OF VOLTAGE IRREGULARITIES.

14.4. Voltage Quality in Electricity Supply

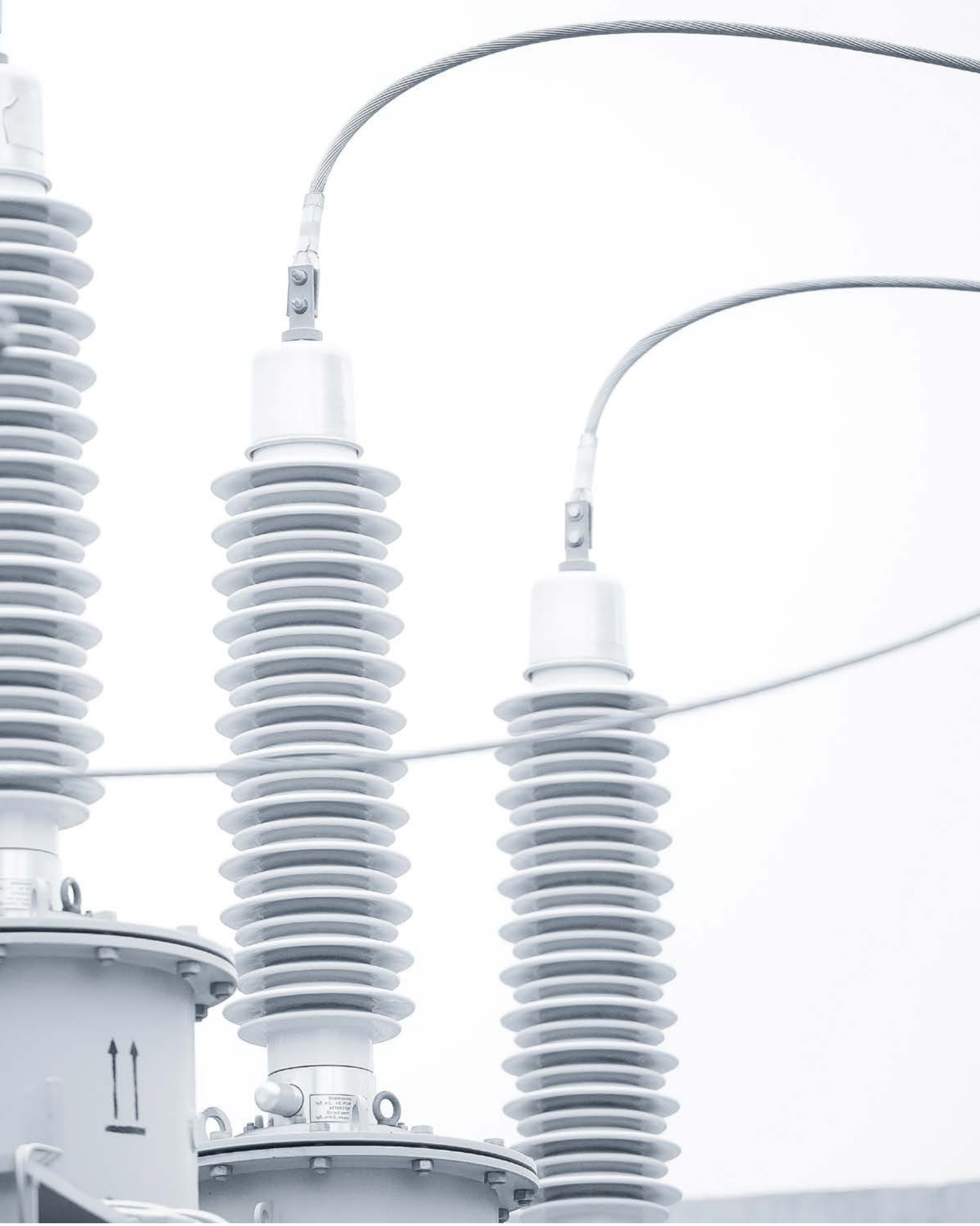
Conditions relating to voltage quality in 2025 did not differ significantly from those recorded in 2024. A slightly increased flicker level was observed in the 20 kV medium-voltage area of the RTP Jesenice, primarily as a result of the impact of the metal-processing industry. All other parameters at the high-voltage and medium-voltage levels remained compliant with the requirements of the SIST EN 50160 standard throughout the 2025 measurement period.

In 2025, 13 complaints relating to voltage quality at the low-voltage level were received. Of these, four were found to be justified. Any identified non-compliances are addressed as quickly as possible and within the statutory deadlines.

Voltage quality compliance according to SIST EN 50160 on HV level for 2025

Transformer Station (RTP) 110/X	Weeks monitored	Number of non-compliant weeks						Number of voltage sags	Number of voltage swells	Compliance with PQS (Power Quality Standards)	
		Magnitude of supply voltage	Harmonics	Flicker	Imbalance	Signalling voltages	Frequency			Number of compliant weeks	Number of non-compliant weeks
RTP Jesenice 110 kV	49	0	0	0	0	0	0	102	21	49	0
RTP Radovljica 110 kV	51	0	0	0	0	0	0	87	22	51	0
RTP Tržič 110 kV	49	0	0	0	0	0	0	104	25	49	0
RTP Primskovo 110 kV	49	0	0	0	0	0	0	90	15	49	0
RTP Zlato polje 110 kV	51	0	0	0	0	0	0	86	19	51	0
RTP Labore 110 kV	51	0	0	0	0	0	0	92	12	51	0
RTP Škofja Loka 110 kV	51	0	0	0	0	0	0	93	13	51	0
RTP Železniki 110 kV	51	0	0	0	0	0	0	92	20	51	0
RTP Bohinj 110 kV	51	0	0	0	0	0	0	92	26	51	0

The data indicates that overall voltage quality within the Elektro Gorenjska region is good. New construction, upgrades, and maintenance of the distribution system – including metering and communication infrastructure at the low-voltage level – continue to improve monitoring and resolution of voltage irregularities.



14.5. Supply Continuity in Electricity Delivery

Ensuring a high-quality and reliable electricity supply remains a top priority. As such, continuous attention is given to monitoring and improving quality indicators.

Electricity supply quality is reflected in the performance at over 93,000 metering points across the network.

Power supply quality is evaluated based on:
- Continuity of supply, referring to the frequency and duration of interruptions experienced by users;
- Commercial quality, reflecting service interactions between the system operator and users;
- Voltage quality, representing technical voltage parameters measured at user delivery points.

Minimum standards for supply continuity are expressed as either guaranteed or system standards, as defined by the regulator. Guaranteed standards apply to individual metering points and define acceptable limits for the number and duration of unplanned long and short interruptions per year. System standards are expressed through SAIDI, SAIFI, CAIDI, CAIFI, MAIFI, and MAIFI-e indicators. The regulator AGEN also defines target values for SAIDI and SAIFI for each regulatory period.

The tables and charts below display the values of system continuity indicators that are monitored by Elektro Gorenjska and submitted, in compliance with applicable legislation, to the regulator's information system (AGEN).

Unplanned Long-Duration Power Supply Interruptions in 2025

	Internal				External				Force majeure			
	SAIFI	**SAIDI**	**CAIFI**	**CAIDI**	**SAIFI**	**SAIDI**	**CAIFI**	**CAIDI**	**SAIFI**	**SAIDI**	**CAIFI**	**CAIDI**
	Interr./ user	Min/user	Interr./ user	Min/ interr.	Interr./ user	Min/user	Interr./ user	Min/ interr.	Interr./ user	Min/user	Interr./ user	Min/ interr.
Total rural	0.20	9.74	0.73	48.19	0.02	0.64	0.49	31.49	0.00	0.00	0.00	0.00
Total urban	0.21	4.66	0.75	22.62	0.03	0.53	0.67	19.52	0.00	0.00	0.00	0.00
Total	0.41	14.40	1.48	70.81	0.05	1.17	1.16	51.01	0.00	0.00	0.00	0.00

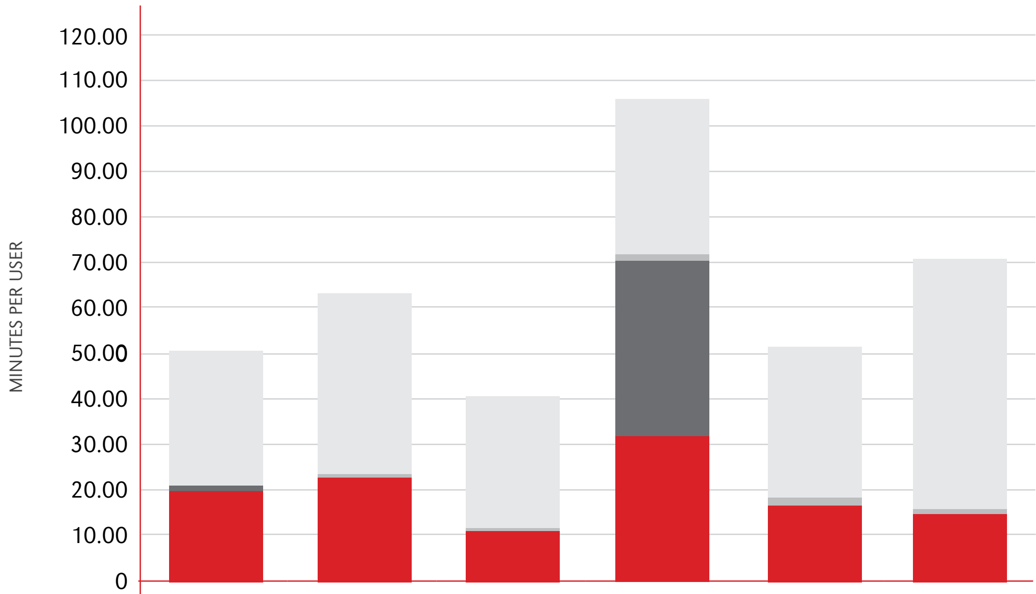
Planned Long-Duration Power Supply Interruptions in 2025

	SAIFI	**SAIDI**	**CAIFI**	**CAIDI**
	Interr./user	Min/user	Interr./user	Min/interr.
Total rural	0.19	29.12	0.66	151.33
Total urban	0.17	26.31	0.59	152.09
Total	0.36	55.43	1.25	303.42

Short-Duration Power Supply Interruptions in 2025

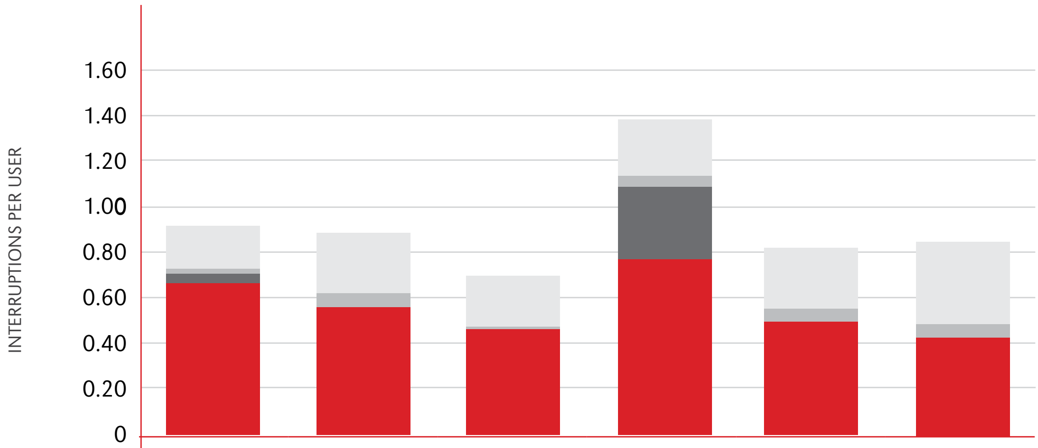
	Rural	**Urban**	**Total 2025**
MAIFI	1.28	0.94	2.22

SAIDI – System Average Interruption Duration Index



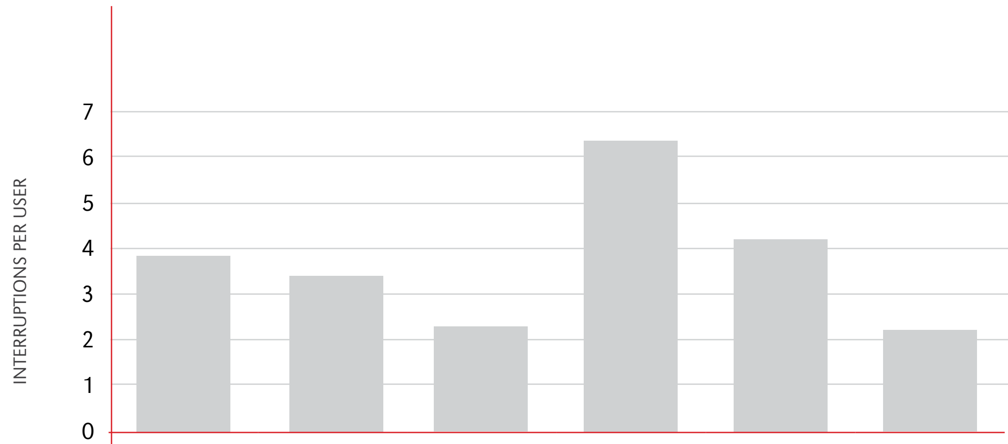
	2020	2021	2022	2023	2024	2025
Unplanned – Internal Cause	19.83	22.22	11.57	32.80	18.79	14.40
Unplanned – Force Majeure	1.05	0.00	0.00	38.60	0.00	0.00
Unplanned – External Cause	0.37	0.87	0.53	1.66	1.91	1.16
Planned	30.46	39.92	30.06	33.33	30.04	55.43

SAIFI – System Average Interruption Frequency Index



	2020	2021	2022	2023	2024	2025
Planned	0.19	0.26	0.22	0.22	0.24	0.37
Unplanned – External Cause	0.02	0.06	0.01	0.05	0.06	0.05
Unplanned – Force Majeure	0.04	0.00	0.00	0.30	0.00	0.00
Unplanned – Internal Cause	0.66	0.55	0.45	0.78	0.49	0.41

MAIFI – Momentary Average Interruption Frequency Index



	2020	2021	2022	2023	2024	2025
MAIFI	3.9	3.4	2.32	6.35	4.22	2.21

The values of the SAIFI and SAIDI indicators for planned long-duration interruptions were slightly higher in 2025 for two reasons. The first reason was the increased volume of network investment works carried out during the year. The second reason for the higher continuity-of-supply indicator values was the change introduced under Article 58 of the Rules on Monitoring the Quality of Electricity Supply (Official Gazette of the Republic of Slovenia, Nos. 59/15, 23/18, 62/19, 90/21 and 172/21 – ZOEE), pursuant to which distribution companies are required to monitor and report interruptions at the low-voltage (LV) supply level as well. As a result, interruptions in the LV network accounted for 21% of the SAIDI value and 16% of the SAIFI value.

The values of the SAIDI and SAIFI indicators for unplanned long-duration interruptions were also comparable with those recorded in previous years, taking into account that interruptions in the LV network accounted for 27% of the SAIDI value for unplanned long-duration interruptions (internal causes) and 11% of the SAIFI value for unplanned long-duration interruptions (internal causes).

The MAIFI indicator was lower than in 2024 and remained comparable with previous years, with the exception of 2023, which was affected by extreme weather conditions.

Elektro Gorenjska continues to achieve results in power supply continuity that remain below the threshold limits prescribed by the regulator AGEN.

14.6. Commercial Quality

For most commercial quality indicators in 2025, the average values achieved were significantly better than the threshold values prescribed by the minimum quality standards. The issues encountered in the previous year following the adoption of the new Methodology Act for the Calculation of Network Charges for Electricity Operators (Official Gazette of the Republic of Slovenia, No. 146/22, as amended) were largely resolved, resulting in improved values for commercial quality indicators compared with the previous year. In 2025, connections of self-supply installations subject to deferred conditions under the Energy Act (EZ-1) continued to be carried out, based on connection approvals issued in 2024.

Commercial Quality Parameters

Overview of commercial quality parameters for 2025

Commercial Quality Parameter	Minimum Quality Standards (MQS)			
	Systemic (S) or Guaranteed (G) Standard	Required Level of Compliance [%]	Threshold Value	Unit
1.1 Average time required to issue a connection consent	S	95	20	Working day
1.2 Average time required to issue a cost estimate or quotation for simple works	G	100	8	Working day
1.4 Average time required to activate a connection in the system	G	100	8	Working day
2.1 Average time required to respond to written enquiries, complaints, or user requests	G	100	8	Working day
2.2 Average call holding time in the call centre	-	0	0	-
2.3 Call centre service level parameter	-	0	0	-
3.1 Average time to restore power supply in the event of a fault on the load-limiting device (6 AM –10 PM)	G	100	4	Hour
3.1 Average time to restore power supply in the event of a fault on the load-limiting device (10 PM – 6 AM)	G	100	6	Hour
3.2 Average time required to respond to a complaint regarding voltage quality	S	95	30	Working day
3.3 Average time required to resolve voltage quality deviations	S	50	6	Month
4.1 Average time required to repair a meter fault	G	100	8	Working day
4.2 Average time required to restore power supply following disconnection due to non-payment by the user	G	100	3	Working day

Achieved Values				Share of Services Performed		Notes
Total Number of Required or Performed Services	Number of Justified Exceptions (Force Majeure, External Cause)	Parameter Value	Standard Deviation	Up to and Including the Threshold Value [%]	Above the Threshold Value [%]	
2,602	0	19,3	20,8	0,74	0,26	
97	0	3,7	6,4	94,85	5,15	
894	0	6,4	11,2	0,83	0,17	
56	0	5,6	5,9	0,81	0,19	
46,804	0	14,0	9,1			
46,804	0	87,6				
2,728	0	0,7	0,8	100,00	0,00	
32	0	0,6	0,7	100,00	0,00	
13	0	14,5	4,5	100,00	0,00	
3	0	15,0	14,4	66,67	33,33	The threshold for the cases in question is 24 months. Two cases were resolved within this period, whereas one was resolved beyond the prescribed deadline.
661	0	1,1	4,1	0,96	0,04	
347	0	0,1	1,1	1,00	0,00	

For Parameter No. 1.1, Average Time Required to Issue a Connection Approval, performance remained below the threshold value due to a sharp decline in the number of applications for self-supply installations and additional staffing resources. All backlogs from 2023 were eliminated in 2024.

For Parameter No. 1.2, Average Time Required to Issue a Cost Estimate or Quotation for Simple Works, performance improved compared with 2024, primarily as a result of increased staffing capacity.

For Parameter No. 1.4, Average Time Required to Activate a Connection in the System, the indicator fell below the threshold value in 2025, mainly due to the significantly lower number of requested connections for individual self-supply installations.

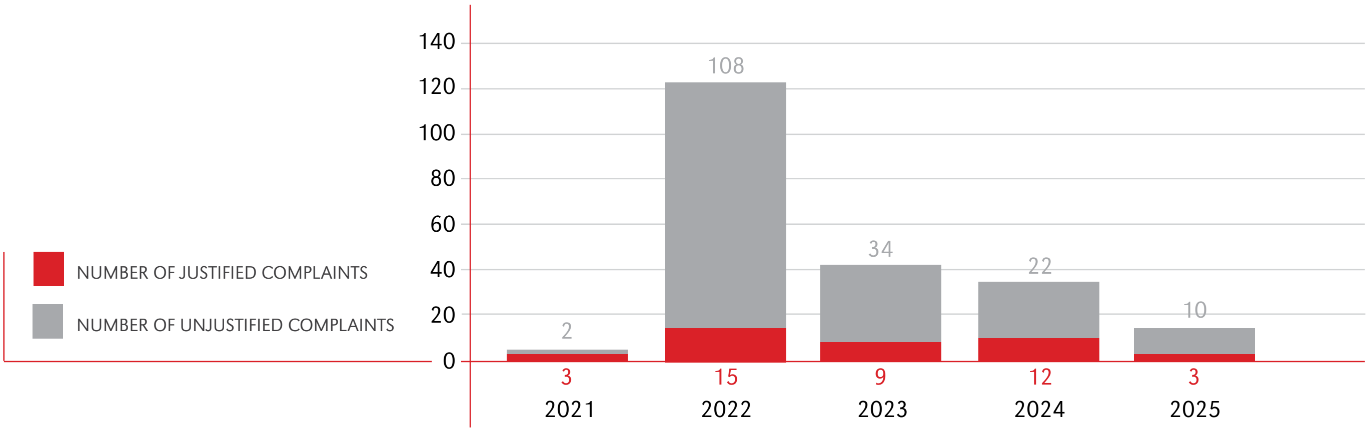
For Parameter No. 2.1, Average Time Required to Respond to Written Questions, Complaints or Requests from Users, performance also fell below the threshold value in 2025. Following the first months of 2025, the number of user complaints related to the new network charge calculation methodology decreased substantially. During this period, users became more familiar with the new Act on the Methodology for Calculating Network Charges for Electricity System Operators.

Complaints

Complaints related to commercial quality in 2025

Area	Subarea	Reason for Complaint	Complaints		
			Total Number of Complaints	Number of Justified Complaints	Share of Justified Complaints [%]
Connection to the System	Delays	Delay in Issuing the Cost Estimate (Quotation) for Simple Works	0	0	0
		Delay in Issuing the Connection Consent	0	0	0
		Delay in Issuing the Connection Contract for the Low-Voltage System	0	0	0
Metering	Meter Reading	Failure to Perform Regular Annual Meter Reading by the Authorized Company	1	0	0
	Meter Operation	Delay in Resolving a Meter Malfunction	1	0	0
Quality of Supply	Voltage Quality	Exceeding the Deadline for Responding to a Complaint Regarding Voltage Quality	0	0	0
		Exceeding the Maximum Time Allowed to Resolve Voltage Deviation Non-Conformities	0	0	0
	Continuity of Supply	Exceeding the Maximum Permitted Duration and Number of Unplanned Long Interruptions (Applies Only to Final Users on the Medium-Voltage System)	0	0	0
		Exceeding the Maximum Permitted Duration of an Individual Unplanned Long Interruption	0	0	0
Activation of Connections	Activation of a New Connection	Exceeding the Time Limit for Activating a System Connection	0	0	0
	Reconnection After Disconnection	Exceeding the Time Limit for Restoring Supply in Case of a Malfunction of the Current Limiting Device	0	0	0
		Incorrect Disconnection Due to Maintenance Staff Error	1	0	0
	Disconnections Due to Non-Payment or Late Payment	Exceeding the Time Required to Restore Supply Following Disconnection Due to Non-Payment	0	0	0
	Customer Services	Missed or Delayed Pre-Arranged Visits	0	0	0
		Late Notification of Planned Interruptions to Users	1	0	0
Billing & Invoicing and Debt Collection	Unclear Invoices	Delay in Responding to Users' Written Inquiries, Complaints, or Requests	9	3	33

Number of commercial quality complaints from 2021 to 2025



Most complaints received in 2025 related to billing and invoice issuance, particularly during the winter season, when the more expensive agreed-capacity time blocks are in effect and electricity consumption is higher.

14.7. Maintenance of the Electricity Energy Infrastructure (EEI)

Elektro Gorenjska comprehensively performs the duties of a distribution system operator (DSO) within its geographical service area, with the provision of a reliable, high-quality and uninterrupted electricity supply serving as the guiding principle of its operations. The efficient management, operation and maintenance of electricity infrastructure play a key role in achieving this objective.

Through a high level of organisational efficiency, clearly structured processes and professionally qualified employees, the Company ensures the effective execution of these tasks within the planned resources available. An important competitive advantage is also its in-depth understanding of the local environment, operating conditions and stakeholders, enabling informed and timely decision-making and ensuring the stable operation of the system.

ELEKTRO GORENJSKA COMPREHENSIVELY PERFORMS THE DUTIES OF A DISTRIBUTION SYSTEM OPERATOR (DSO) WITHIN ITS GEOGRAPHICAL SERVICE AREA, WITH THE PROVISION OF A RELIABLE, HIGH-QUALITY AND UNINTERRUPTED ELECTRICITY SUPPLY SERVING AS THE GUIDING PRINCIPLE OF ITS OPERATIONS. THE EFFICIENT MANAGEMENT, OPERATION AND MAINTENANCE OF ELECTRICITY INFRASTRUCTURE PLAY A KEY ROLE IN ACHIEVING THIS OBJECTIVE. THROUGH A HIGH LEVEL OF ORGANISATIONAL EFFICIENCY, CLEARLY STRUCTURED PROCESSES AND PROFESSIONALLY QUALIFIED EMPLOYEES, THE COMPANY ENSURES THE EFFECTIVE EXECUTION OF THESE TASKS WITHIN THE PLANNED RESOURCES AVAILABLE.

Infrastructure maintenance is based on a strategic focus on preventive approaches that reduce the risk of failures and enhance network reliability. By systematically carrying out maintenance activities according to predefined criteria, the Company strengthens the long-term efficiency of the system, resulting in fewer failures and optimised maintenance costs.

Corrective maintenance remains a necessary but less predictable component of asset management, as it is associated with unforeseen events such as adverse weather conditions, natural disasters, technical overloads or third-party interventions. Even in such circumstances, the Company ensures a rapid and effective response, thereby maintaining a high level of supply reliability.

This approach reflects the Company's commitment to modern, sustainable and customer-oriented management of the electricity system.

In 2025, preventive maintenance accounted for the majority of maintenance activities carried out on the distribution electricity infrastructure in order to reduce the likelihood of failures of any component within the electricity system. This was achieved through an effective process of planning and implementing maintenance activities in accordance with predefined criteria and procedures.

OUR MAINTENANCE APPROACH IS BASED ON PREVENTIVE AND PREDICTIVE PRINCIPLES.THROUGH THE CONTINUED DEVELOPMENT OF EXPERTISE, TECHNOLOGIES AND PROCESSES, WE FURTHER STRENGTHEN OUR POSITION AS A MODERN AND SUSTAINABILITY-ORIENTED OPERATOR OF THE ELECTRICITY SYSTEM.

By consistently monitoring technological developments and introducing advanced solutions, we systematically enhance the reliability, quality and efficiency of the electricity system. Through the integration of modern equipment and information solutions, we meet increasingly demanding supply quality standards while effectively managing growing electricity consumption, the integration of distributed energy resources and energy storage systems, and ensuring safe and cost-efficient system operation.

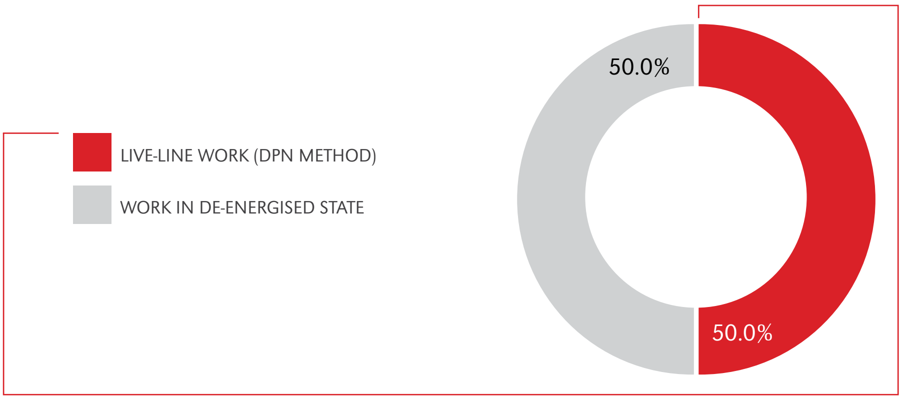
Key elements of our modern electricity system include advanced power engineering equipment, data acquisition and processing systems, remote network control, automation through remotely controlled devices, voltage quality monitoring systems, and modern telecommunications and software solutions. These enable greater visibility of system operations and more efficient system management.

Our maintenance approach is based on preventive and predictive principles. We regularly carry out inspections of power lines and electrical installations, vegetation management within safety corridors, audits of key facilities and equipment, as well as control measurements and testing of protection systems. Particular emphasis is placed on the diagnostics of medium-voltage cable networks, which provide an important basis for planning future maintenance activities and investments.

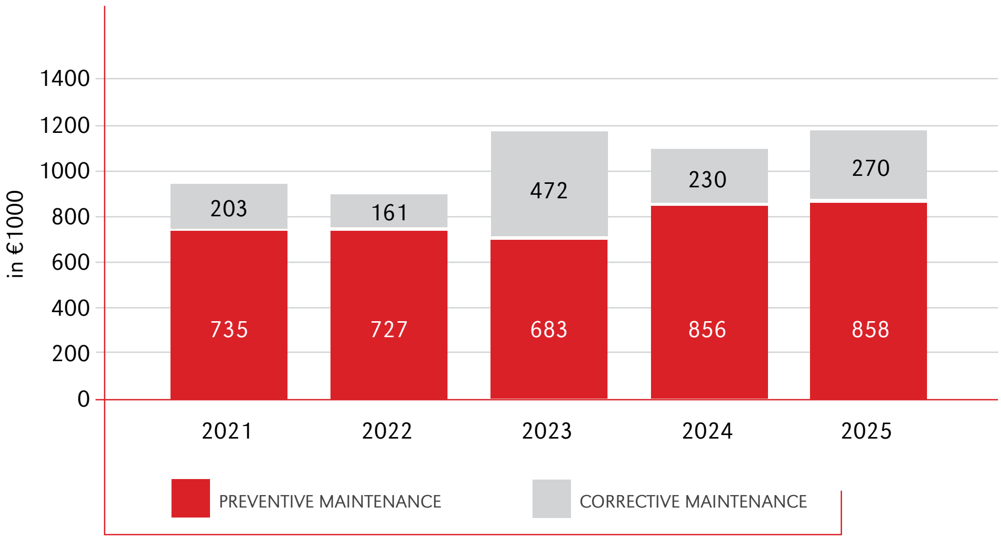
The modern nature of our operations is also reflected in the use of live-line working methods, which have been successfully carried out for many years by our own professionally trained personnel. This approach enables maintenance work to be performed with minimal impact on users and contributes to greater reliability and continuity of electricity supply.

Through the continued development of expertise, technologies and processes, we further strengthen our position as a modern and sustainability-oriented operator of the electricity system.

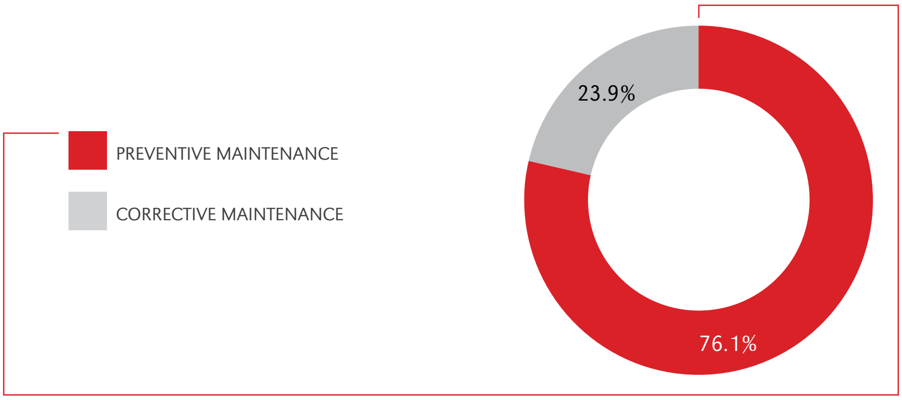
Share of substation audits by method of implementation in 2025



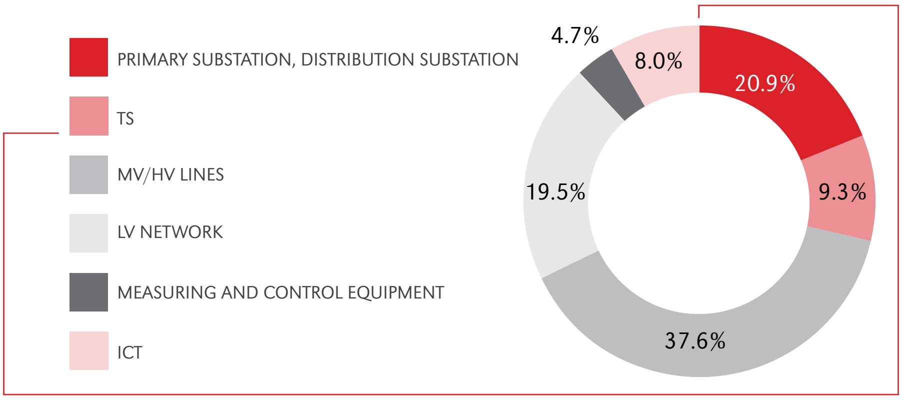
Maintenance cost trends for electricity infrastructure from 2021 to 2025 (in € 1000)



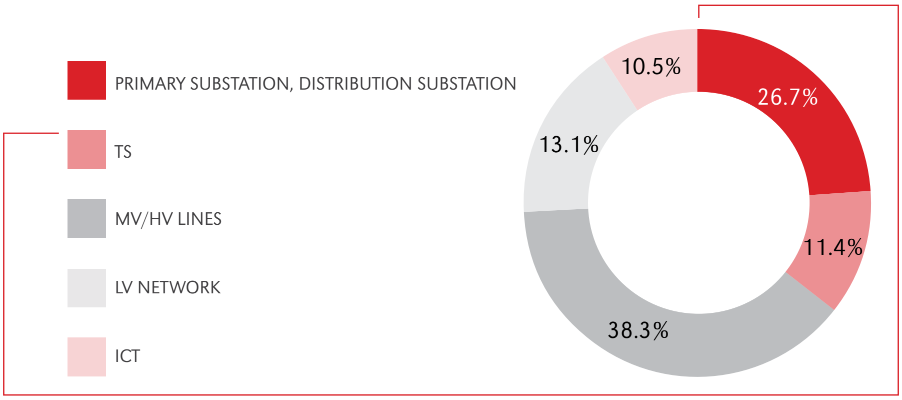
Share of total EEI maintenance costs in 2025 by maintenance type



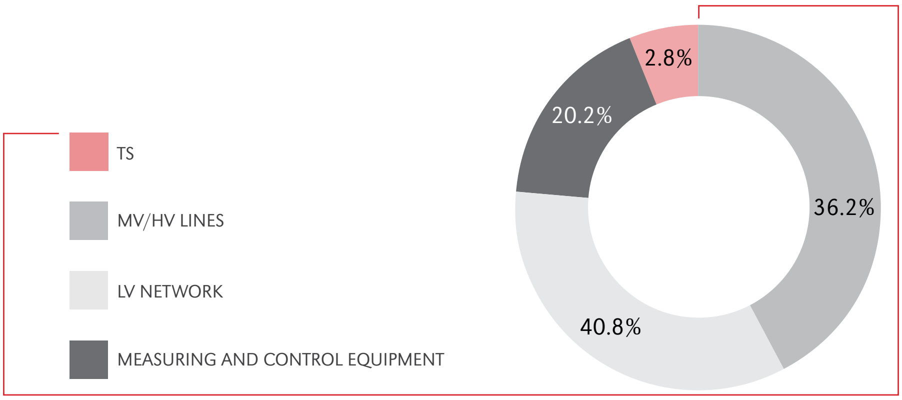
Share of total EEI maintenance costs in 2025 by asset type



Share of preventive EEI maintenance costs in 2025 by asset type



Share of corrective EEI maintenance costs in 2025 by asset type



15. Corporate Governance at Elektro Gorenjska

Sustainability is now commonly defined through the ESG framework, which encompasses environmental, social and governance dimensions. While the environmental and social aspects are often at the forefront, governance is considered to play an equally important and strategic role in ensuring long-term success.

The governance pillar of ESG is regarded as the foundation of the Company's operations. Responsible decision-making, transparency and stakeholder trust are built upon it. It encompasses a clear governance structure, high ethical standards, accountability towards all stakeholders, and strict compliance with legislation and regulatory requirements.

As a modern and sustainability-oriented organisation, governance is viewed as a key driver for creating a stable, responsible and sustainably successful business environment.

15.1. Business Conduct Policies and Corporate Culture

The Role of Management and Supervisory Bodies in Business Conduct

Governance plays an important strategic role at Elektro Gorenjska in ensuring responsible, transparent and compliant business operations. The Management Board and Supervisory Board are actively involved in the development, implementation and oversight of key policies and strategies governing ethical conduct, regulatory compliance and the prevention of corruption risks.

Comprehensive oversight of ethics and integrity is exercised by the Management Board in cooperation with the Supervisory Board. This includes the approval of relevant policies, monitoring of their implementation, and ensuring alignment with best practices and regulatory requirements.

Reports on compliance are regularly reviewed by the Supervisory Board, which also monitors any breaches of business conduct. Within the scope of its responsibilities, the Supervisory Board assesses the adequacy of measures implemented to manage risks associated with unethical conduct, including corruption and bribery.

An important element of effective governance is the organisational culture fostered by leadership through example. Standards of ethical behaviour are established through management conduct, while employees' commitment to responsible and compliant business practices is reinforced, providing a foundation for long-term stability and stakeholder trust.

Expertise of Management and Supervisory Bodies in Business Conduct

The Management Board and Supervisory Board of Elektro Gorenjska possess a high level of professional expertise and experience in business conduct, providing an important foundation for effective governance. The composition of these bodies includes experts from key fields such as corporate governance, ethics and compliance, and risk management, with particular emphasis on the establishment of oversight mechanisms aimed at preventing corruption and other forms of unethical conduct.

The competencies of Board members are continuously enhanced through regular training programmes organised by the majority owner of the electricity distribution companies, ensuring that the latest trends and best practices in business conduct are effectively monitored and incorporated.

Professional competence and responsible governance are further supported by a clearly defined governance framework comprising key documents such as the Articles of Association, the Compliance Policy, the Code of Business Conduct and Ethics, and the Integrity Plan.

The diversity of knowledge and experience represented within the Supervisory Board enables comprehensive and balanced oversight of the Company's operations. The competencies of its members cover key areas including the electricity sector, law, finance and accounting, management, risk management, and internal controls, thereby ensuring a high level of professionalism, independence and effectiveness in the supervisory function.

Managing Impacts, Risks, and Opportunities

Elektro Gorenjska systematically develops a corporate culture founded on integrity, accountability and compliance. This culture is established in accordance with legislative requirements and the expectations of the shareholder and represents one of the key foundations of sustainable and modern corporate governance.

A comprehensive compliance management system has been established, including an appointed Compliance Officer and clearly defined processes for the development, implementation and oversight of corporate culture. These processes encompass the adoption of internal policies, the proposal of improvements, regular reporting to the Management Board, and the continuous training and awareness-raising of employees.

Key documents defining the framework for integrity and compliance include:
- A Compliance Policy that defines key principles, guidelines, and objectives for business operations;
- An Integrity Plan, which identifies and assesses risk factors and proposes mitigation measures in areas such as conflicts of interest, the improper acceptance of gifts, lobbying contacts, protection of trade secrets, and other elements of corporate integrity.

The Code of Business Conduct and Ethics serves as the central guideline for behaviour and decision-making within the Company. It is available to all employees and the wider public and establishes standards of conduct that strengthen the Company's reputation and stakeholder trust. Compliance with the Code is expected of all employees, while the Company also promotes the same standards among business partners, suppliers and other stakeholders, as reflected in its contractual relationships.

To ensure effective oversight of compliance with ethical principles, a confidential and anonymous whistleblowing mechanism has been established, enabling the secure handling of reports and the protection of whistleblowers. The system is aligned with the European Whistleblower Protection Directive and national legislation and includes the adoption of an appropriate internal policy, as well as the appointment of a confidential adviser and a competent review committee.

Through this approach, the Company strengthens a culture of integrity, transparency and responsible conduct, thereby reinforcing the foundations for stable and trustworthy long-term business operations.

15.2. Compliance Management

Ensuring compliance is a fundamental and integrated governance function that is inseparably embedded in all processes and levels of the Company's operations. Responsibility for compliance is shared among all employees, while management plays a key role in directing, overseeing and developing the compliance system as one of the pillars of sustainable and responsible business operations.

Management actively ensures:
- A long-term commitment to operating in accordance with legislation, corporate values, strategic objectives and business guidelines;
- The development of a culture of compliance and the strengthening of awareness regarding the importance of ethical and responsible conduct;
- Employee involvement in understanding and shaping the compliance system, while encouraging proposals for improvement;
- The establishment of open and transparent communication that strengthens accountability and stakeholder trust;
- The continuous development of an organisational culture that supports integrity, accountability and modern governance standards.

The areas of compliance and integrity are based on the relevant legislative and regulatory framework and follow best practices in corporate governance. The established system ensures compliance across all key legal and business areas, including corporate law, personal data protection, labour legislation, competition law, electricity distribution activities and broader aspects of corporate integrity.

The Compliance Policy serves as the central governance document, defining the objectives, principles and key areas of compliance, as well as its integration into the overall risk management system. It clearly sets out responsibilities and mechanisms for the effective implementation of measures and the continuous improvement of the system.

The effectiveness of the system is further ensured through established internal control mechanisms, regular internal and external audits, and the internal audit function. The system is based on the continuous monitoring, assessment and updating of risks, whereby findings from the operational environment are systematically translated into concrete improvements and governance measures.

The Company also provides structured and reliable channels through which initiatives, opinions and concerns related to compliance may be raised. These mechanisms include procedures relating to personal data protection, the prevention of inappropriate conduct, complaint handling and the management of irregularities in the area of corporate integrity. Their analysis enables the timely identification of deviations and the implementation of targeted measures aimed at strengthening compliance and enhancing long-term business resilience.

15.3. Regulatory Compliance

The operations of Elektro Gorenjska are largely regulated. The regulatory conditions, in accordance with the Electricity Supply Act (ZOEE) and related secondary legislation, are determined by the Energy Agency (AGEN). The revenues generated by the Company under its contractual relationship with the DSO are dependent on these regulatory conditions and account for 73% of the Company's operating revenues. The regulatory framework establishes the boundaries within which the Company must operate and to which it must continuously adapt, as regulatory conditions are subject to change. Particular attention is therefore devoted to active participation in the processes related to the development and adoption of new regulatory frameworks.

15.4. Supplier Relationship Management

As a contracting authority, we operate in accordance with the principles of lawful, transparent and responsible public procurement, while systematically strengthening the resilience and sustainability of our supply chain. Clear financial and technical requirements are defined already during the preparation of tender documentation, ensuring the selection of qualified and reliable partners and the long-term quality of project delivery.

Contractual relationships are built on the principles of balanced risk and responsibility management, including clearly defined mechanisms to ensure performance discipline, quality and timely delivery. Through the use of advanced digital procurement monitoring solutions, a high level of transparency is maintained, enabling a timely response to any deviations or disruptions within the supply chain.

Suppliers are regarded as key partners in value creation, and relationships with them are therefore developed on the foundations of fairness, reliability and long-term stability. Through the systematic management of payment flows, the timely settlement of obligations is ensured, while competitiveness and the participation of small and medium-sized enterprises in public procurement procedures are actively encouraged.

Environmental, social and governance considerations are consistently integrated into procurement processes, strengthening the sustainability orientation of business operations. Wherever possible, the principles of green public procurement are applied, and preference is given to solutions with a lower environmental footprint throughout their life cycle. Any deviations from applicable standards are addressed in a responsible and systematic manner.

Through the continuous development of quality management and risk management systems, broader impacts affecting the supply chain, including global challenges, are proactively monitored, thereby strengthening its resilience and adaptability.

As a socially responsible and modern organisation, we consciously contribute to the development of the local environment. Where appropriate and feasible, vulnerable groups and local partners are included in the supply chain, creating broader social value. At the same time, active cooperation is maintained with educational institutions, contributing to knowledge transfer and the development of future talent.

15.5. Data Protection

The protection of personal data represents one of the key pillars of responsible and modern governance and is an important element in maintaining stakeholder trust. Activities in this area at Elektro Gorenjska are fully aligned with the requirements of the General Data Protection Regulation (GDPR), with a comprehensive data protection management system having been established to ensure compliance, transparency and the secure processing of personal data.

The function of the Data Protection Officer (DPO), who reports directly to the Management Board, provides independent oversight, professional support and the continuous improvement of personal data protection practices. The role of the DPO is strategically embedded within decision-making processes, particularly in the introduction of new solutions and modifications to information systems, for which data protection impact assessments are systematically conducted.

A culture of data protection is strengthened through planned and continuous employee training, with particular emphasis placed on responsible conduct, awareness and an understanding of risks. This ensures a high level of operational compliance while reducing the likelihood of misuse or security incidents.

Effective mechanisms have also been established for handling requests and identifying potential irregularities, enabling timely responses, consistent documentation and the implementation of appropriate corrective and preventive measures. Incident management is based on the principles of traceability, accountability and the continuous improvement of the system.

Participation in professional networks and the exchange of best practices further support the development of this area, including the oversight of external data processors. This approach enables comprehensive risk management and reinforces the trust of customers and other stakeholders in the secure and responsible handling of their personal data.

In accordance with the applicable legal requirements, a dedicated email address has been established through which users may submit requests under the Regulation or raise concerns regarding the protection of personal data. Every communication received is treated as a potential security incident and documented in a security incident report. The content of each communication is reviewed in accordance with GDPR requirements and within the prescribed response timeframes, after which a response is provided to the sender. Where deficiencies in the personal data protection system are identified, corrective and preventive measures are implemented and subsequently monitored by the Data Protection Officer.

15.6. Corporate Integrity

Elektro Gorenjska is committed to the highest standards of ethical conduct and have therefore developed a comprehensive system for the prevention, detection and management of irregularities in the area of corporate integrity. This system encompasses policies, procedures and tools designed to ensure effective protection against such risks and the transparent handling of all allegations of potential misconduct.

To strengthen corporate integrity and minimise the risks of corruption, unlawful conduct and unethical behaviour, the Company has established the function of the Corporate Security and Integrity Officer, whose responsibilities cover the areas of integrity, compliance and security. In the performance of these duties, the Officer operates independently and autonomously and is protected against any retaliatory measures arising from the execution of their responsibilities.

In addition, the Company and its employees are bound in their operations by principles of good business practice and ethical conduct, as set out in the publicly available Code of Business Conduct and Ethics, without exception or deviation from the commitments contained therein.

As a tool for managing corruption risks and risks related to breaches of integrity, the Company has adopted an Integrity Plan, which serves as a risk register for corporate integrity and corruption-related risks. Through the Integrity Plan, the Company's exposure to integrity breaches and corruption risks has been assessed across individual business processes and employee roles, risk factors associated with corruption and other unlawful or unethical conduct have been identified, and measures for managing these risks have been defined.

An Assessment of Exposure of Job Positions at Elektro Gorenjska to Corporate Integrity Risks has also been prepared. This assessment is based on the Integrity Plan and its identified corporate integrity risks and serves as a foundation for various measures and activities undertaken by the Company in this area, as well as for guiding future actions. The assessment demonstrated that employees are exposed to different levels of risk depending on the nature and content of their work, and that awareness, attention and future mitigation measures must therefore be adapted accordingly.

Procedures for the Prevention, Detection and Investigation of Alleged Irregularities in the Area of Corporate Integrity

To detect any potential acts of bribery, corruption or other breaches of integrity, the Company encourages whistleblowers to report suspicions related to possible bribery and other misconduct. To this end, the possibility of anonymously reporting irregularities is provided through several secure reporting channels. Reports of alleged violations or irregularities are reviewed by the designated Compliance Officer/Confidential Adviser and a three-member committee, whose members must not include individuals whose impartiality may reasonably be questioned or individuals concerned by the report itself. The committee reviews reports independently and is not bound by any instructions, thereby ensuring a fair and objective investigation. In accordance with applicable regulations, whistleblowers are provided with protection against retaliation and guaranteed anonymity throughout the procedure. No reports of alleged irregularities were received in 2025.

WE ARE COMMITTED TO THE HIGHEST STANDARDS OF ETHICAL CONDUCT AND HAVE THEREFORE DEVELOPED A COMPREHENSIVE SYSTEM FOR THE PREVENTION, DETECTION AND MANAGEMENT OF IRREGULARITIES IN THE AREA OF CORPORATE INTEGRITY. THIS SYSTEM ENCOMPASSES POLICIES, PROCEDURES AND TOOLS DESIGNED TO ENSURE EFFECTIVE PROTECTION AGAINST SUCH RISKS AND THE TRANSPARENT HANDLING OF ALL ALLEGATIONS OF POTENTIAL MISCONDUCT.

Acceptance of Gifts and Conflicts of Interest

Through internal policies, including the Rules on the Acceptance of Gifts and the Rules on Conflicts of Interest, Lobbying and Other Corporate Integrity Measures, the Company regulates in detail the procedures for preventing and avoiding conflicts of interest, the improper acceptance or giving of gifts, corrupt practices, and the detection and handling of violations committed by employees and members of management bodies. These rules require all employees to conduct business in compliance with legislation, other applicable regulations and the Company's internal policies.

The Rules on the Acceptance of Gifts establish the conditions and procedures under which employees (and their family members) may accept gifts in connection with the performance of their duties. The rules define limitations on the acceptance of gifts, identify persons subject to these requirements and specify obligations arising upon the acceptance of a gift.

Significant attention is also devoted to managing and addressing situations in which employees may face a conflict between their private interests and those of the Company. Such situations arise where a person's private interest influences, or creates the appearance of influencing, the impartial and objective performance of their duties. Internal policies require such circumstances to be disclosed and the individual concerned to recuse themselves from the relevant activities.

To effectively reduce the risk of corruption and bribery among business partners, the Company includes an anti-corruption clause in its contracts, the breach of which results in the nullity of the legal transaction. Contracts also require a written declaration regarding the participation of legal and natural persons in the ownership structure of suppliers and include a contractual commitment to comply with the Code of Business Conduct and Ethics.

During the reporting period, no cases or convictions involving violations of anti-corruption or anti-bribery legislation by Company employees were recorded. Furthermore, no confirmed incidents of corruption or bribery occurred in 2025.

Political Influence and Lobbying

The Company is committed to transparency in all activities involving political influence, lobbying and political contributions. Activities in this area are aimed at ensuring compliance with legislation and supporting a sustainable and responsible business environment. Particular emphasis is placed on issues that are critical to the electricity distribution sector and that affect the Company's long-term operations.

Lobbying activities are governed by the Rules on Conflicts of Interest, Lobbying and Other Corporate Integrity Measures. These rules define the conditions for lawful lobbying, other applicable requirements, and employee obligations in the event of lobbying contacts.

Oversight of lobbying activities is carried out by the Compliance Officer, who maintains a register of lobbying contacts and authorisations issued for lobbying activities. The Compliance Officer is responsible for reporting to the Supervisory Board and other competent external supervisory authorities.

In 2025, the Company's legal representative participated in two lobbying contacts, although not in the capacity of either a lobbyist or a lobbying target. No financial or non-financial resources were allocated for political purposes during 2025.

The Company is a member of the Economic Interest Association of Electricity Distribution Companies (GIZ Distribution), which also includes the other Slovenian electricity distribution companies. The principal objectives of the association are to facilitate, coordinate and promote the activities of the public distribution system operator and distribution market operator, improve operational performance without generating profit for the association itself, and coordinate other common activities and interests, provided that such cooperation does not infringe competition rules. Membership fees amounting to €127,400 were paid by the Company in 2025.

The Company does not provide sponsorships or donations to religious or political organisations. As part of its commitment to responsible engagement with society and sustainable development, sponsorship and donation activities are directed primarily towards sports, cultural, scientific, educational, humanitarian and environmental projects.

Protection of Inside Information

In 2025, two internal policies were adopted regulating an important area of business operations and providing the legal basis for determining the confidentiality level (business secret classification) of certain information and data generated within the Company. Employees are required to protect such information as confidential business information. Through these measures, compliance with applicable legislation and guidelines is ensured, while the obligation to safeguard the Company's own inside information, as well as that of other organisations, is fulfilled. These measures also contribute to protecting the Company's reputation and competitive position in the market.

Reporting to Management and Supervisory Bodies

The results of investigations concerning reports related to corruption, bribery and other breaches of integrity are systematically and regularly reported to the Management Board and Supervisory Board. At the same time, compliant and timely reporting is provided to the competent external supervisory authorities in accordance with applicable legislation.

This approach enables management to maintain comprehensive oversight of identified irregularities and to effectively monitor and evaluate implemented preventive and corrective measures, thereby strengthening business integrity and the long-term resilience of the organisation.

Communication of Policies and Accessibility

Elektro Gorenjska ensures systematic and targeted communication of key internal policies relating to corporate integrity and the prevention of corruption and bribery to relevant stakeholders. Communication is conducted through a multi-channel approach that includes internal announcements, the intranet, internal publications, meetings, workshops, internal controls and digital platforms, with content tailored to the specific needs of individual target groups.

Particular emphasis is placed on the early and continuous familiarisation of employees with these policies. Employees are introduced to relevant policies upon commencement of employment and are provided with permanent access to them through the Company's intranet. This approach strengthens transparency, understanding and the consistent implementation of integrity principles in day-to-day operations.

Employee Training in Corporate Integrity

The systematic development of integrity is supported through planned and regularly conducted training programmes, primarily targeted at functions with greater exposure to integrity-related risks. Key topics include risk identification, ethical decision-making, an understanding of the fundamental principles of integrity, and effective approaches to the prevention and management of irregularities.

The programmes are designed using modern and practical learning methods, including interactive workshops, digital training modules and simulations of real-life situations, enabling a deeper understanding of risks and strengthening the ability to manage them proactively and effectively.

All key functions with a higher level of risk exposure are systematically included in these training activities, particularly those relating to procurement, sales, investments, finance and legal affairs, thereby ensuring a comprehensive organisational approach to integrity management.

Particular emphasis is also placed on the involvement of senior management. Through regular training, management further strengthens its role in overseeing integrity-related risks and ensures that decisions are aligned with the highest standards, current best practices and applicable regulatory requirements.

THE SYSTEMATIC DEVELOPMENT OF INTEGRITY IS SUPPORTED THROUGH PLANNED AND REGULARLY CONDUCTED TRAINING PROGRAMMES, PRIMARILY TARGETED AT FUNCTIONS WITH GREATER EXPOSURE TO INTEGRITY-RELATED RISKS. KEY TOPICS INCLUDE RISK IDENTIFICATION, ETHICAL DECISION-MAKING, AN UNDERSTANDING OF THE FUNDAMENTAL PRINCIPLES OF INTEGRITY, AND EFFECTIVE APPROACHES TO THE PREVENTION AND MANAGEMENT OF IRREGULARITIES.

15.7. Cybersecurity

Cybersecurity and information security represent one of the key foundations of reliable and modern business operations at Elektro Gorenjska. The systematic protection of information assets contributes to the secure, uninterrupted and efficient execution of business processes while strengthening stakeholder trust.

Information security is focused on ensuring the confidentiality, integrity, authenticity and availability of information, while cybersecurity addresses the comprehensive protection of information systems against increasingly complex digital threats, cyberattacks and misuse.

To this end, an Information Security Management System (ISMS) has been established and integrated into all key business processes, directly supporting the achievement of the Company's strategic objectives. Its effectiveness and efficiency are ensured in accordance with the international ISO/IEC 27001:2022 standard, under which the Company is certified, as well as through strict compliance with applicable legislation and best practices in the field of cybersecurity.

At Elektro Gorenjska, cybersecurity is regarded as a strategic function embedded within risk management, business continuity and supply reliability. A high level of protection of information systems is achieved through a comprehensive set of organisational and technical measures based on a systematic approach and the continuous enhancement of capabilities.

1. Organisational Measures

The organisational framework enables comprehensive management of information risks, prioritisation of critical information assets, and effective detection of and response to security incidents. Key measures include:

- Information risk assessments;
- Business impact analysis (BIA);
- Establishment of security incident response plans;
- Business continuity management;
- Regular employee training and awareness-raising activities; and
- Integration with the Security Operations Centre (SOC).

2. Technical Measures

At the technical level, advanced security controls are implemented to ensure comprehensive protection, monitoring and management of information assets and network infrastructure.

General Security Controls:

- Vulnerability management;
- Backup management and protection;
- Security assessments and penetration testing; and
- Centralised management and monitoring of end-user devices.

Network Security Controls:

- Implementation of firewalls with advanced security mechanisms; and
- Network segmentation.

Security Event Detection and Response:

- Security event detection through monitoring systems and endpoint protection solutions;
- Centralised logging, analysis and retention of log records; and
- Integration with the SOC for advanced correlation and analytics.

Cybersecurity is a continuous process that requires constant adaptation to technological developments and the evolving threat landscape. As information systems become increasingly complex, exposure to cyber risks also increases. Consequently, cybersecurity is treated as an integral part of risk management and business continuity management. Through the systematic implementation of organisational and technical measures, exposure to cyber risks is reduced, while the resilience of information systems and the protection of information are strengthened in support of stable, reliable and sustainable business operations.

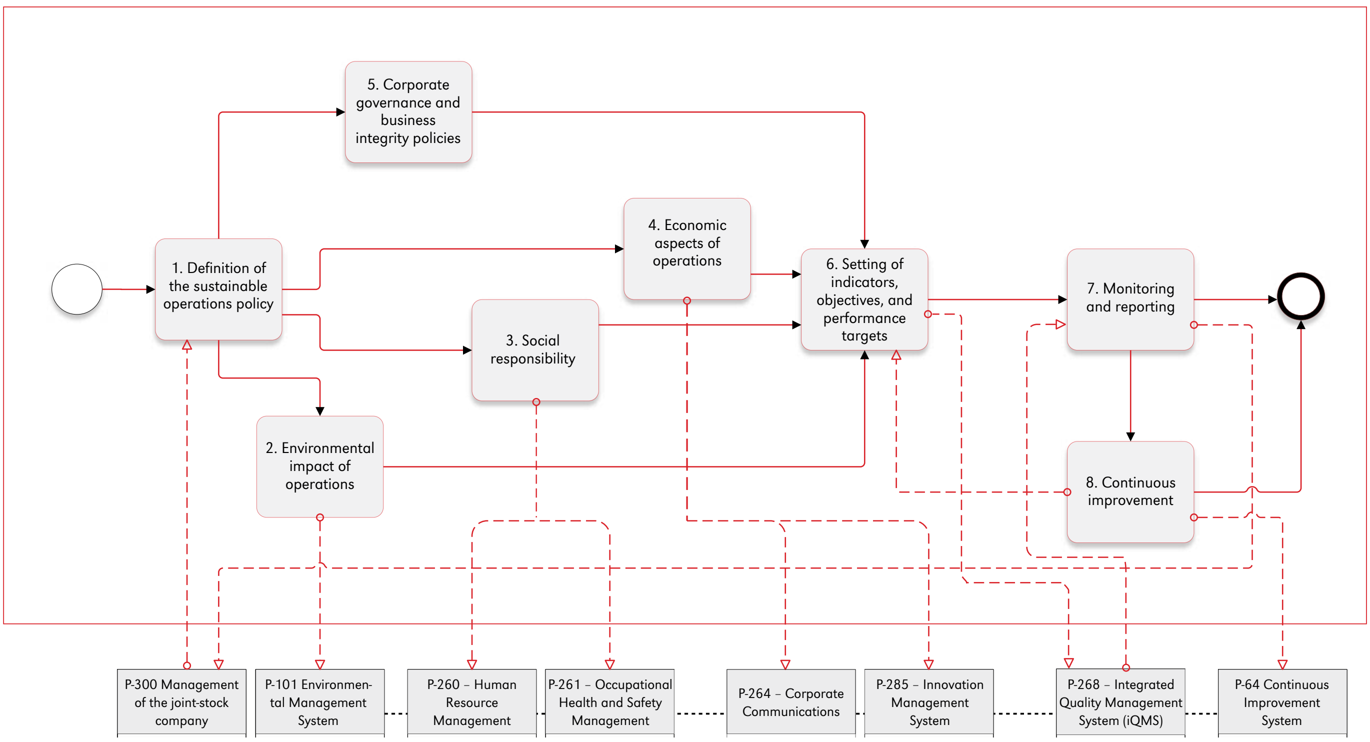
15.8. Sustainability Management System

At Elektro Gorenjska, sustainability is understood as a comprehensive approach to business operations that systematically incorporates economic, social and environmental considerations and is focused on the long-term resilience and stability of the Company's development.

The objective is to create balanced value for all stakeholders – shareholders, employees, customers and the wider community – while maintaining a responsible approach towards the environment.

Business objectives are pursued in parallel with efforts to reduce environmental impacts, strengthen social responsibility, and ensure the efficient and sustainable management of resources and energy.

P-209 Sustainable Operations System



Financial report of Elektro Gorenjska

2025

16. FINANCIAL REPORT

16.1. Management Statement of Responsibility

The Management Board of Elektro Gorenjska hereby confirms the accounting statements, and all other components published and presented in this annual report. The annual report provides a true and fair view of the company's financial position.

The Management Board affirms that appropriate accounting policies have been applied in the preparation of the financial statements and that accounting estimates have been made based on the principles of prudence and sound management.

The Management Board of Elektro Gorenjska approved the company's financial statements for the 2025 financial year on 24 March 2026.

The Management Board of Elektro Gorenjska is responsible for the proper maintenance of the company's accounting records, for taking appropriate measures to safeguard assets and other property and confirms that the financial statements have been prepared on the assumption of the company's going concern and in accordance with applicable legislation and Slovenian Accounting Standards.

The tax authorities may, at any time within five years after the end of the year in which tax should have been assessed, review the company's operations. This may result in additional tax liabilities, default interest, and penalties under corporate income tax or other taxes and levies. The management is not aware of any circumstances that could give rise to a material liability in this respect.

Kranj, 30 March 2026

President of the Management Board
Dr. Ivan Šmon, MBA

16.2. Auditor's Report

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INDEPENDENT AUDITOR'S REPORT
To the shareholders of Elektro Gorenjska, d.d.
(Translation of the original report in Slovene language - for information purposes only)

REPORT ON FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Elektro Gorenjska, d.d. (the Company), which comprise the balance sheet as at December 31, 2025 and the income statement, statement of other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, including a summary of significant accounting policies and other explanatory information.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025, and its financial performance and cash flows for the year then ended in accordance with Slovenian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Regulation (EU) No. 537/2014 of the European Parliament and Council dated as at April 16, 2014 on specific requirements regarding statutory audit of public-interest entities. Our responsibilities under those standards 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 Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Slovenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Capitalised costs of own products and services

Key audit matter

Capitalised costs of own products and services amounted to 10.024.021 EUR in the year ended December 31, 2025 (2024: 6.261.655 EUR).

The Company constructs buildings and equipment with its own resources. Additions to tangible fixed assets, constructed by the Company, are valued at estimated costs of hours spent, which include personnel expenses and other indirect costs, as well as direct costs of materials and transport. The determination of hourly rates for personnel expenses and judgment regarding which types of indirect costs to include in the cost of tangible fixed assets, includes estimation. Estimation of the amounts and structure of own costs of construction is important for the audit as it is linked to material subjective judgments of the management. In determining the matter, the management uses assumptions and judgments for recognising tangible fixed assets as they are determined by

Our response

Our audit procedures included:
- Assessing the guidelines defining additions to tangible fixed assets and construction costs in order to test that they comply with the guidelines prescribed by Slovene accounting standards.
- Testing the design and implementation of internal controls and testing of internal controls in the part related to the recognition of personnel expenses, costs of materials and services and fixed assets.
- Familiarization with the method of recognising fixed assets constructed by the Company.
- Examination of the methodology and assumptions used by the Company in calculating the cost of personnel and verification of the completeness and accuracy of data used.
- Recalculation of the personnel costs and comparison with the calculation for the

Slovene accounting standards.

Due to the abovementioned information we determined this matter as a key audit matter.

Disclosures regarding this matter are included in point 16.4 Notes to the financial statements and within this point subtitle Significant accounting policies and estimates - Tangible fixed assets, and in Note 2 - Tangible fixed assets of the point 16.5.1 Notes to the financial statement items, and in Note 2 Capitalized own products and own services of the point 16.5.2 Notes on profit and loss account items.

current year and to market data.

- Testing, on a sample of selected items, of capitalised own products and services, where we:
  - assessed whether the appropriate personnel expenses have been used;
  - obtained the bases for the cost of material and transport;
  - conducted interviews with persons responsible for construction of fixed assets;
  - verified supporting accounting documents and entries in the financial statements.

  The sample included randomly selected items and items that we determined based on our risk-based approach due to the size, complexity, content or duration of construction or maintenance.
- We have reviewed the disclosures in the annual report regarding fixed assets and capitalized own products and services.

Investments in property, plant and equipment

Key audit matter

Carrying amount of property, plant and equipment as at December 31, 2025 amounted to 255.274.772 EUR (31. December 2024: 231.922.824 EUR); costs of maintenance for the year 2025 amounted to 1.722.645 EUR (2024: 1.648.082 EUR).

Beside new investments the Company performs maintenance of property, plant and equipment, mainly electrical distribution infrastructure. As items, which fulfil conditions for recognition of property, plant and equipment, are capitalized and depreciated on an annual basis, costs of maintenance are expensed in P&L as incurred.
Distinction among items which fulfil conditions for recognition in the balance sheet and items expensed as incurred is significant for the audit of financial statements as it requires management judgement if and which conditions need to be fulfilled for recognition as property, plant and equipment and which for recognition as expenses. Due to this information, we determined the matter as a key audit matter. When determining these facts, the Company follows conditions for recognition of fixed assets as defined in Slovenian Accounting Standards.

Disclosures regarding this matter are included in point 16.4 Notes to the financial statements and within this point subtitle Significant accounting policies and estimates - Fixed assets, to the Note 2 Tangible fixed assets of the point 16.5.1 Notes to the financial statement items, to the Note 5 Maintenance costs of the point 16.5.2 Notes on profit and loss account items.

Our response

Our audit procedures included:

- Assessing the guidelines defining investments into tangible fixed assets and construction costs in order to test that they comply with the guidelines prescribed by Slovene accounting standards.
- Testing the design and implementation of internal controls and testing of internal controls in the part costs, property, plant and equipment and related liabilities.
- Familiarization with the management of investments.
- Testing, on a sample of selected items, of property, plant and equipment as well as maintenance costs, where we:
  - Assessed if conditions for recognition of property, plant and equipment or maintenance costs are fulfilled;
  - Obtained the bases for such treatment from responsible persons;
  - Conducted interviews with persons responsible for construction of fixed assets;
  - Verified supporting documentation and postings in the accounting evidences.

  The sample included randomly selected items and items that we determined based on our risk-based approach due to the size, complexity, content or duration of construction or maintenance.
- We have reviewed the disclosures in the annual report according to the requirements of Slovenian Accounting Standards.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report does not include the financial statements and our auditor's report thereon. We have received other information before the date of the auditor's report, except for the report of the Supervisory Board, which will be available at a later time.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, regulatory requirements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. With regards to these procedures, we report on the following:

- other information is consistent with audited financial statements in all respect;
- other information is prepared in line with regulatory requirements and
- based on our knowledge and understanding of the Company and its environment, obtained during the audit, no material inconsistencies were found in relation to other information.

Responsibilities of Management and the Supervisory Board for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Slovenian Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process and for confirming the audited annual report.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free 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 ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee and the Supervisory Board 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 the Audit Committee and the Supervisory Board 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, related safeguards.

From the matters communicated with the Supervisory Board and the Audit Committee, 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

Independent assurance report on the appropriateness of the criteria for allocating revenue and expenditure to activities and on the correctness of their application

We have conducted an engagement to provide reasonable assurance as to whether the criteria for the division of economic categories by different activities (hereinafter referred to as the "division criteria") disclosed in section 16.9 of the Annual Report are appropriate and applied correctly in the separate accounting for the individual activities of the customer Elektro Gorenjska d.d. for the financial year ended 31 December 2025 in accordance with the requirements of the Electricity Supply Act (ESPA).

Definition of appropriate benchmarks

In order to assess the appropriateness of the division criteria, we assessed compliance with the ESPA. We assessed whether the division criteria reflect the volume of activity giving rise to the economic category they are intended to divide. If the volume of activities giving rise to the economic category could not be measured, we assessed whether the apportionment criterion was determined on the basis of the direct cost share.

In order to assess the correctness of the application of the allocation criteria, we performed audit procedures to verify that each criterion is applied to allocate the economic category for which it was adopted and in the manner in which it was established.

Management and Supervisory Board responsibilities

Management is responsible for the preparation and proper application of the allocation criteria in accordance with the ESPA and for such internal control as management determines is necessary to enable the preparation and fair application of the allocation criteria in accordance with the ESPA.

The Supervisory Board is responsible for adopting the sharing criteria and supervising their application in accordance with the requirements of the ESPA.

Auditor's responsibility

Our responsibility is to provide an assurance engagement and to express a conclusion on whether the apportionment criteria have been prepared in accordance with the requirements of the EIR and are being applied appropriately. We conducted our engagement to provide reasonable assurance in accordance with International Standard on Assurance Engagements 3000 - Assurance Engagements other than Audits or Investigations of Historical Financial Information (ISA 3000) issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform the engagement to obtain reasonable assurance about whether the conclusion is appropriate.

We have acted in accordance with the independence and ethical requirements of the International Code of Ethics for Accounting Professionals issued by the International Accounting Standards Board. The Code is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct. Our firm operates in accordance with the International Standards on Quality Management (ISQM 1) and maintains a comprehensive quality management system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of work done

Within the scope of the work performed, we carried out the following audit procedures:
- We identified and assessed the risk of material misstatement of the adequacy of the criteria and the appropriateness of their application in relation to the requirements of the ESPA;
- we obtained an understanding of internal control relevant to the engagement to provide reasonable assurance in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- we assessed whether the criteria used are appropriate;
- we obtained reasonable assurance about whether the criteria for sharing are appropriate;
- we obtained reasonable assurance about whether the allocation criteria are applied appropriately in accordance with the criteria adopted.

We believe that the evidence obtained provides a sufficient and appropriate basis for our conclusion.

Conclusion

In our opinion, based on the procedures performed and the evidence obtained, the criteria for allocating indirect costs (expenses), income, assets and resources to the individual activities for the financial year ended 31 December 2025 are, in all material respects, appropriate in accordance with the EIR and have been applied correctly.

Other reporting obligations as required by EU Regulation No. No 537/2014 of the European Parliament and of the Council

Confirmation to the Audit Committee
We confirm that our audit opinion expressed herein is consistent with the additional report to the Audit Committee of the Company.

Provision of Non-audit Services
We declare that no prohibited non-audit services referred to in the Article 5(1) of Regulation ((EU) No. 537/2014 of the European Parliament and the Council were provided and audit company complied with independence requirements at auditing.

Other services
There are no services, in addition to the statutory audit which we provided to the Company and its controlled undertakings, and which have not been disclosed in the Annual Report.

Appointment of the Auditor, the Period of Engagement and Certified Auditor
BDO Revizija d.o.o. was appointed as the statutory auditor of the Company and the Group by the shareholder on General Shareholders' Meeting held on August 24, 2023, the president of the Supervisory board signed the engagement letter on September 14, 2023 for the period of 3 years. Our total uninterrupted engagement started on September 26, 2017.

Engagement partner responsible for the audit on behalf of BDO Revizija d.o.o. is Blaž Velcl, certified auditor.

Ljubljana, April 17, 2026

BDO Revizija d.o.o.
Cesta v Mestni log 1, Ljubljana

(signature on the original issued in Slovene language)

Blaž Velcl, certified auditor

16.3. Financial Statements of Elektro Gorenjska for the Financial Year Ended 31 December 2025

STATEMENT OF FINANCIAL POSITION OF ELEKTRO GORENJSKA AS AT 31 DECEMBER 2025 — in €

Item		Note	31 December 2025	31 December 2024
	ASSETS			
A.	**Long-term Assets**		**263,549,382**	**252,483,821**
I.	**Intangible Assets and Long-Term Deferred Costs and Accrued Revenues**	**1**	**5,875,410**	**3,122,256.17**
	1. Long-Term Property Rights		5,455,857	3,002,484
	5. Other Long-Term Deferred Costs and Accrued Revenues		419,553	119,771
II.	**Property, Plant and Equipment**	**2**	**255,274,772**	**231,922,823**
	1. Land and Buildings		181,656,247	167,638,632
	a) Land		7,152,464	6,979,301
	b) Buildings		174,503,783	160,659,331
	2. Production Plant and Machinery		65,582,588	51,041,831
	3. Other Plant and Equipment		63,454	65,744
	4. Property, Plant and Equipment Under Acquisition		7,972,484	13,176,617
	a) Property, Plant and Equipment Under Construction and Production		7,906,039	13,140,182
	b) Advances for Acquisition of Property, Plant and Equipment		66,444	36,434
III.	**Investment Property**	**3**	**1,867,795**	**1,755,081**
IV.	**Long-Term Financial Investments**	**4**	**266,953**	**13,982,256**
	1. Long-Term Financial Investments, Excluding Loans		124,155	13,839,457
	a) Shares and Interests in Group Companies		0	13,715,303
	b) Shares and Interests in Associates		124,155	124,155
	2. Long-Term Loans		142,798	142,798
	b) Long-Term Loans to Others		142,798	142,798
V.	**Long-Term Operating Receivables**		**107,074**	**155,550**
	2. Long-Term Trade Receivables		0	48,476
	3. Long-Term Receivables from Others		107,074	107,074
VI.	**Deferred Tax Assets**		**157,377**	**1,545,854**
B.	**Short-Term Assets**		**32,803,609**	**14,705,211**
II.	**Inventories**	**5**	**1,425,254**	**1,428,961**
	1. Material		1,425,254	1,189,317
	4. Advances for Inventories		0	239,644
IV.	**Short-Term Operating Receivables**	**6**	**6,724,574**	**10,368,705**
	1. Short-Term Trade Receivables from Group Companies		0	31,500
	2. Short-Term Trade Receivables from Customers		6,199,215	9,803,964
	3. Short-Term Income Tax Receivables		0	175,468
	4. Short-Term Receivables from Others		525,359	357,774
V.	**Cash and Cash Equivalents**	**7**	**24,653,781**	**2,907,545**
C.	**Short-Term Accrued Expenses and Deferred Income**	**8**	**2,747,356**	**177,555**
	TOTAL		299,100,348	267,366,587

in €

Item		Note	31 December 2025	31 December 2024
	EQUITY AND LIABILITIES			
A.	**Capital**	9	**200,739,956**	**174,345,788**
I.	**Subscribed Capital**		**104,136,615**	**104,136,615**
	1. Share Capital		104,136,615	104,136,615
II.	**Capital Reserves**		**45,973,479**	**45,973,479**
III.	**Profit Reserves**		**41,938,968**	**23,067,946**
	1. Legal Reserves		5,701,217	4,320,411
	5. Other Profit Reserves		36,237,751	18,747,534
V.	**Fair Value Reserves**		**-54,215**	**-214,130**
VI.	**Retained Earnings**		**0**	**992**
VII.	**Net Profit For The Financial Year**		**8,745,108**	**1,380,886**
	1. Unallocated Portion Of Net Profit For The Current Year		8,745,108	1,380,886
B.	**Provisions And Long-Term Accrued Expenses And Deferred Income**	10	**27,966,343**	**22,068,899**
	1. Provisions For Retirement Benefits And Similar Obligations		3,339,044	3,551,527
	2. Other Provisions		7,431,385	7,431,385
	3. Long-Term Deferred Income		17,195,913	11,085,987
C.	**Long-Term Liabilities**	11	**49,011,795**	**55,040,106**
I.	**Long-Term Financial Liabilities**		**47,609,953**	**54,688,957**
	2. Long-Term Financial Liabilities To Banks		47,609,953	54,688,957
II.	**Long-Term Operating Liabilities**		**1,200,127**	**139,914**
	4. Long-Term Operating Liabilities Based On Advances Received		224,627	139,914
	5. Other Long-Term Operating Liabilities		975,500	0
III.	**Deferred Tax Liabilities**		**201,716**	**211,235**
Č.	**Short-Term Liabilities**		**20,033,145**	**14,229,100**
II.	**Short-Term Financial Liabilities**	12	**7,204,762**	**7,123,688**
	2. Short-Term Financial Liabilities To Banks		7,079,005	6,944,084
	4. Other Short-Term Financial Liabilities		125,757	**179,604**
III.	**Short-Term Operating Liabilities**	13	**12,828,383**	**7,105,412**
	1. Short-Term Operating Liabilities To Group Companies		0	51,119
	2. Short-Term Operating Liabilities To Suppliers		7,732,885	3,056,670
	4. Short-Term Operating Liabilities Based On Advances Received		130,542	130,488
	5. Short-Term Income Tax Liabilities		1,364,281	0
	6. Other Short-Term Operating Liabilities		3,600,675	3,867,136
D.	**Short-Term Accrued Expenses And Deferred Income**	14	**1,349,108**	**1,682,694**
	TOTAL EQUITY AND LIABILITIES		299,100,348	267,366,587

The notes to the financial statements are an integral part of the financial statements and should be read in conjunction with them.

STATEMENT OF PROFIT OR LOSS OF ELEKTRO GORENJSKA FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 — in €

Item		Note	2025	2024
1.	**Net Sales Revenue**	1	**41,699,685**	**37,972,194**
	a. Net Sales Revenue From Domestic Market		41,691,578	37,963,461
	b. Net Sales Revenue From Foreign Market		8,107	8,733
3.	**Capitalised Own Products And Services**	2	**10,024,021**	**6,261,655**
4.	**Other Operating Income (Including Revaluation Operating Income)**	3	**1,803,657**	**1,536,599**
5.	**Cost Of Goods, Material And Services**		**14,440,825**	**11,739,051**
	a. Cost Of Goods Sold, Cost Of Material Used	4	8,603,974	6,196,686
	b. Cost Of Services	5	5,836,851	5,542,365
6.	**Labour Costs**	6	**17,532,958**	**16,175,542**
	a. Salaries And Wages		12,354,795	11,547,661
	b. Social Security Contributions		2,717,269	2,483,780
	- Of Which Pension Insurance Contributions		1,712,667	1,607,937
	c. Other Labour Costs		2,460,894	2,144,101
7.	**Depreciation And Amortisation**	7	**13,982,216**	**13,243,861**
	a. Amortisation		13,620,896	12,982,136
	b. Revaluation Operating Expenses For Intangible Assets And Property, Plant And Equipment		334,504	255,675
	c. Revaluation Operating Expenses For Current Assets		26,816	6,050
8.	**Other Operating Expenses**	8	**293,404**	**1,462,067**
9.	**Financial Income From Equity Interests**	9	**24,894,059**	**3,500,000**
	a. Financial Income From Equity Interests In Group Companies		24,894,059	3,500,000
10.	**Financial Income From Loans Granted**		**99,686**	**23,139**
	b. Financial Income From Loans Granted To Others		99,686	23,139
11.	**Financial Income From Operating Receivables**		**23,481**	**19,036**
	b. Financial Income From Operating Receivables From Others		23,481	19,036
13.	**Financial Expenses From Financial Liabilities**		**1,631,585**	**2,170,318**
	a. Financial Expenses From Loans Received From Group Companies		0	2,680
	b. Financial Expenses From Loans Received From Banks		1,631,585	2,167,638
14.	**Financial Expenses From Operating Liabilities**		**108,612**	**102,926**
	b. Financial Expenses From Liabilities To Suppliers And Bills Payable		163	227
	c. Financial Expenses From Other Operating Liabilities		108,449	102,699
15.	**Other Income**		**16**	**18**
16.	**Other Expenses**		**69,467**	**36,096**
17.	**NET PROFIT OR LOSS FOR THE ACCOUNTING PERIOD BEFORE TAX**		**30,485,538**	**4,382,780**
18.	**Income Tax**	10	**1,489,440**	**136,538**
19.	**Deferred Taxes**	10	**1,359,759**	**26,447**
20.	**NET PROFIT OR LOSS FOR THE ACCOUNTING PERIOD**		**27,636,339**	**4,219,795**

The notes to the financial statements are an integral part of the financial statements and should be read in conjunction with them.

STATEMENT OF OTHER COMPREHENSIVE INCOME OF ELEKTRO GORENJSKA FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025		in €
Item	2025	2024
NET PROFIT FOR THE FINANCIAL YEARA	27,636,339	4,219,795
Other Components of Comprehensive Income	139,707	-16,780
TOTAL COMPREHENSIVE INCOME	**27,776,046**	**4,203,015**

The notes to the financial statements are an integral part of the financial statements and should be read in conjunction with them.

CASH FLOW STATEMENT OF ELEKTRO GORENJSKA FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 in €

Item	2025	2024
A. CASH FLOWS FROM OPERATING ACTIVITIES		
a. Receipts From Operating Activities	**60,869,460**	**52,901,470**
1. Receipts From Sales Of Products And Services	51,911,687	48,614,251
2. Receipts From Income Tax	237,804	0
3. Other Receipts From Operating Activities	8,719,969	4,287,219
b. Payments For Operating Activities	**-31,113,933**	**-33,396,102**
1. Payments For Purchase Of Materials And Services	-12,706,254	-13,545,068
2. Payments For Salaries And Profit Shares To Employees	-11,956,924	-11,683,094
3. Payments For Income Tax	-187,495	-605,960
4. Payments For Other Duties	-1,550,269	-3,599,240
5. Other Payments For Operating Activities	-4,712,991	-3,962,740
c. Net Cash From Operating Activities (Positive Or Negative)	**29,755,527**	**19,505,367**
B CASH FLOWS FROM INVESTING ACTIVITIES		
a. Receipts From Investing Activities	**38,812,799**	**5,581,625**
1. Receipts From Interest And Profit Shares From Others	2,309,608	3,543,496
3. Receipts From Disposal Of Property, Plant And Equipment	93,829	1,723,160
4. Receipts From Disposal Of Investment Property	0	314,969
5. Proceeds from the Disposal of Financial Assets	36,409,362	0
b. Payments For Investing Activities	**-36,810,470**	**-26,544,326**
1. Payments For Acquisition Of Intangible Assets	-2,879,652	-2,395,581
2. Payments For Acquisition Of Property, Plant And Equipment	-33,778,407	-24,126,300
3. Payments For Acquisition Of Investment Property	-152,411	-22,444
c. Net Cash From Investing Activities (Positive Or Negative)	**2,002,329**	**-20,962,700**
C. CASH FLOWS FROM FINANCING ACTIVITIES		
a. Receipts From Financing Activities	**11,000,000**	**13,150,000**
2. Receipts From Increase In Financial Liabilities	11,000,000	13,150,000
b. Payments For Financing Activities	**-21,011,620**	**-15,163,531**
1. Interest Paid Relating To Financing	-1,821,654	-2,334,062
3. Repayment Of Financial Liabilities	-17,808,089	-11,274,856
4. Dividend And Profit Share Payments	-1,381,878	-1,554,613
c. Net Cash From Financing Activities (Positive Or Negative)	**-10,011,620**	**-2,013,531**
Č. CLOSING CASH BALANCE	24,653,781	2,907,545
x. Net Cash Flow For The Period	**21,746,235**	**-3,470,864**
y. Opening Cash Balance	**2,907,545**	**6,378,409**

The notes to the financial statements are an integral part of the financial statements and should be read in conjunction with them.

STATEMENT OF CHANGES IN EQUITY OF ELEKTRO GORENJSKA FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

From 1 January 2024 to 31 December 2025:

MOVEMENTS WITHIN INDIVIDUAL EQUITY ITEMS	Subscribed Capital	Capital Reserves		
	I	II		
	Share Capital	Paid-In Capital Surplus	Capital Reserves From Reduction of Share Capital	General Revaluation Adjustment of Capital
	I/1st	II/1st	II/2nd	II/3rd
A.1. BALANCE AS AT 31 DECEMBER 2024	104,136,615	1	28,581	45,944,897
A.2. BALANCE AS AT 1 JANUARY 2025	104,136,615	1	28,581	45,944,897
B.1. CHANGES IN EQUITY – TRANSACTIONS WITH OWNERS	0	0	0	0
g) Dividend Payment	0	0	0	0
B.2. TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD	0	0	0	0
a) Total Comprehensive Income for the Reporting Period	0	0	0	0
č) Other Components of Comprehensive Income for the Reporting Period	0	0	0	0
B.3. CHANGES IN CAPITAL	0	0	0	0
a) Allocation of the Remaining Part of Net Profit of the Comparative Period To Other Components Of Equity	0	0	0	0
b) Allocation of Part of Net Profit of The Reporting Period to Other Components of Equity Based on Management and Supervisory Body Decision	0	0	0	0
f) Other Changes in Capital	0	0	0	0
C. BALANCE AS AT 31 DECEMBER 2024	104,136,615	1	28,581	45,944,897

Note 9 – Equity in the section The notes to the financial statements are an integral part of the financial statements and should be read in conjunction with them.

in €

Profit Reserves		Reserves Arising From Fair Value Measurement	Retained Net Profit		Net Profit for the Financial Year	TOTAL EQUITY
III		V	VI		VII	
Legal Reserves	Other Profit Reserves	Reserves Arising from Fair Value Measurement	Retained Net Profit	Retained Loss Brought Forward	Net Profit for the Financial Year	
III/1st	III/5th	V	VI/1st	VI/2nd	VII/1st	
4,320,411	18,747,535	-214,130	992	0	1,380,886	174,345,788
4,320,411	18,747,535	-214,130	992	0	1,380,886	174,345,788
0	0	0	-1,381,878	0	0	-1,381,878
0	0	0	-1,381,878	0	0	-1,381,878
0	0	139,707	0	0	27,636,339	27,776,046
0	0	0	0		27,636,339	27,636,339
0	0	139,707	0		0	139,707
1,380,807	17,490,216	20,208	1,380,886	0	-20,272,117	0
0	0	0	1,380,886		-1,380,886	0
1,380,807	17,490,216	0	0	20,208	-18,891,231	0
0	0	20,208	0	-20,208	0	0
5,701,218	36,237,751	-54,215	0	0	8,745,108	200,739,956

STATEMENT OF CHANGES IN EQUITY OF ELEKTRO GORENJSKA FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

From 1 January 2024 to 31 December 2024:

MOVEMENTS WITHIN INDIVIDUAL EQUITY ITEMS	Subscribed Capital	Capital Reserves		
	I	II		
	Share Capital	Paid-In Capital Surplus	Capital Reserves From Reduction of Share Capital	General Revaluation Adjustment of Capital
	I/1st	II/1st	II/2nd	II/3rd
A.1. BALANCE AS AT 31 DECEMBER 2023	104,136,615	1	28,581	45,944,897
A.2. BALANCE AS AT 1 JANUARY 2024	104,136,615	1	28,581	45,944,897
B.1. CHANGES IN EQUITY – TRANSACTIONS WITH OWNERS	0	0	0	0
g) Dividend Payment	0	0	0	0
i) Other Changes in Equity	0	0	0	0
B.2. TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD	0	0	0	0
a) Total Comprehensive Income for the Reporting Period	0	0	0	0
č) Other Components of Comprehensive Income for the Reporting Period	0	0	0	0
B.3. CHANGES IN CAPITAL	0	0	0	0
a) Allocation of the Remaining Part of Net Profit of the Comparative Period To Other Components Of Equity	0	0	0	0
b) Allocation of Part of Net Profit of The Reporting Period to Other Components of Equity Based on Management and Supervisory Body Decision	0	0	0	0
f) Other Changes in Capital	0	0	0	0
C. BALANCE AS AT 31 DECEMBER 2024	104,136,615	1	28,581	45,944,897

Note 9 – Equity in the section The notes to the financial statements are an integral part of the financial statements and should be read in conjunction with them.

in €

Profit Reserves		Reserves Arising From Fair Value Measurement	Retained Net Profit	Net Profit for the Financial Year	TOTAL EQUITY
III		V	VI	VII	
Legal Reserves	Other Profit Reserves	Reserves Arising from Fair Value Measurement	Retained Net Profit	Net Profit for the Financial Year	
III/1st	III/5th	V	VI/1st	VII/1st	
4,109,421	14,737,737	-196,358	1,028	1,553,585	170,315,507
4,109,421	14,737,737	-196,358	1,028	1,553,585	170,315,507
0	1,381,878	0	-1,554,613	0	-172,735
0	0	0	-1,554,613	0	-1,554,613
0	1,381,878	0	0	0	1,381,878
0	0	-16,780	0	4,219,795	4,203,015
0	0	0	0	4,219,795	4,219,795
0	0	-16,780	0	0	-16,780
210,990	2,627,919	-992	1,554,577	-4,392,494	0
0	0	0	1,553,585	-1,553,585	0
210,990	2,627,919	0	0	-2,838,909	0
0	0	-992	992	0	0
4,320,411	18,747,535	-214,130	992	1,380,886	174,345,788

RETAINED EARNINGS OF ELEKTRO GORENJSKA AS AT 31 DECEMBER 2025 in €

Item	2025	2024
1. Net Profit for the Financial Year	27,636,339	4,219,795
2. + Retained Net Profit / Retained Net Loss (Deductible Item)	-20,208	992
4. - Increase (Additional Formation) of Profit Reserves Based on the Decision of Management and Supervisory Bodies: a) Legal Reservese	1,380,807	210,990
5. - Increase (Additional Formation) of Profit Reserves Based on the Decision of Management and Supervisory Bodies: a) Other Profit Reserves	17,490,216	2,627,919
7. BALANCE SHEET PROFIT	**8,745,108**	**1,381,878**

The notes to the financial statements are an integral part of the financial statements and should be read in conjunction with them.

16.4. Basis of Preparation of Financial Statements

General Accounting Framework

Elektro Gorenjska maintains its accounting records and prepares its financial statements in accordance with the Slovenian Accounting Standards (SAS), the Companies Act (ZGD-1, Official Gazette of the Republic of Slovenia, No. 65/09 with amendments), and the Electricity Supply Act (ZOEE, Official Gazette of the Republic of Slovenia, No. 172/21). The preparation of the financial statements is based on the two fundamental accounting assumptions: the going concern assumption and the accrual basis of accounting. In developing the accounting policies used in the preparation of the financial statements, the company's management primarily considers understandability, relevance, reliability, and comparability.

Pursuant to Article 56 of the Companies Act (ZGD-1), a company domiciled in Slovenia that controls one or more companies in the Republic of Slovenia or abroad is required to prepare consolidated financial statements. As Elektro Gorenjska sold its 100% interest in its sole subsidiary in September 2025, it is no longer required to prepare consolidated financial statements for 2025.

The Company does not disclose information which it reasonably believes could result in material harm if disclosed. The Company's financial year corresponds to the calendar year. The reporting precision used in this Annual Report is 1 euro.

Foreign Exchange Differences Recognition

The reference exchange rate of the European Central Bank, published on the website of Banka Slovenije (Bank of Slovenia) on the date of each individual business transaction, is used to translate asset and liability items originally denominated in foreign currencies. Closing balances of monetary items are translated using the exchange rate published on the balance sheet date.

Exchange differences arising from the translation of financial assets denominated in foreign currencies that qualify as monetary items are recognised in profit or loss. Translation of other financial assets in foreign currencies is recognised in accordance with their classification.

Exchange differences arising on the settlement of monetary items or on the translation of monetary items at exchange rates different from those used at initial recognition are recognised in profit or loss in the period in which they arise.

Segment Reporting by Geographical and Business Areas

Elektro Gorenjska reports on the following geographical segments: Slovenia, other EU countries, and non-EU countries.

A business segment is a distinguishable component of the company engaged in providing a particular service or group of related services, whose risks and returns differ from those of other business segments.

For the financial year 2025, i.e. the period from 1 January 2025 to 31 December 2025, the company presents its operations by the following business segments:
- Activities under the contract with the Distribution System Operator (Pogodba z DO), and
- Other activities.

The Statement of Financial Position and the Income Statement by business segments are presented in the chapter Disclosures in Accordance with the Electricity Supply Act.

Significant Accounting Policies and Estimates

Elektro Gorenjska did not change its accounting policies in 2025. The key accounting policies and estimates are as follows:

Property, Plant and Equipment

Property, plant and equipment are assets owned, leased, or otherwise controlled by the company, used in the production or supply of goods or services, for rental (excluding investment property), or for administrative purposes, and are expected to be used over more than one accounting period.

The cost of property, plant and equipment comprises:
- The purchase price (expenditures related to acquisition, construction, or upgrade);
- Import duties and non-refundable purchase taxes, and
- Directly attributable costs necessary to bring the asset to its intended use:
  - Expenses for project and construction documentation;
  - Site preparation costs (excavation, backfilling, drainage);
  - Costs of obtaining permits for utility connections (energy, water, sewage, telecommunications, lightning protection);
  - Transportation and installation costs;
  - Testing costs, reduced by any income from the sale of test outputs;
  - Legal fees (e.g. land registry);
  - Brokerage commissions;
  - Other transaction-related costs that would not have been incurred otherwise;
- Costs related to leased assets used in the construction or upgrade of property, such as depreciation of right-of-use assets;
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset, provided the asset takes more than one year to be ready for use.

For property, plant and equipment constructed internally by the company, the cost includes directly attributable costs and an appropriate portion of general construction costs. Costs not related to the construction or not recognised by the market are excluded. The cost also includes borrowing costs incurred in the construction or production of the asset. The cost must not exceed the market value of comparable assets. Internally constructed asset cost components include direct labour hours, material costs (valued at the weighted average moving price at the level of organisational units), and other direct production costs (e.g. administrative and legal fees, notary services).

Borrowing costs are capitalised upon project completion. If the investment is not completed within the reporting year, borrowing costs are capitalised as of the year-end to the investment items named in the loan agreement or unnamed project items exceeding a planned value of €400,000.

Elektro Gorenjska assesses that it has no significant obligations for dismantling, restoration, or similar commitments. A right-of-use asset is recognised at the lease commencement date and is depreciated on a straight-line basis over the lease term.

Energy infrastructure leased to ELES under the contract with the Distribution System Operator (Pogodba z DO) is recognised under property, plant and equipment and not as investment property. Elektro Gorenjska considers this presentation appropriate based on the nature of the assets, as they are used for own operations and not held to earn rentals or other income.

After initial recognition, property, plant and equipment are measured using the cost model. At year-end, the company assesses whether there is any indication of impairment, considering both external and internal information sources.

The depreciation base of depreciable assets equals their cost less any impairment losses.

Subsequent expenditures that increase the future economic benefits of the asset beyond those originally assessed are added to the asset's carrying amount. If the expenditures extend the asset's useful life, the asset's cost and useful life are adjusted accordingly. Maintenance and repair costs necessary for the normal operation of the asset are recognised as expenses.

The straight-line depreciation method is used. Average useful lives and depreciation rates of major asset groups are as follows:

Major Groups of Depreciable Assets	Estimated Useful Life (in Years)	Depreciation Rate (%)
Energy Infrastructure Buildings	25–50	2–4
Other Buildings	20–50	2–5
Energy Infrastructure Equipment	10–35	2.86–10
Computer Hardware	3	33.33
Other Equipment	2–20	5–50
Vehicles	7–12	8.33–14.29

Intangible Assets and Long-Term Deferred Costs and Accrued Revenues

An intangible asset is an identifiable non-monetary asset without physical substance. The company recognises intangible assets at cost, less accumulated amortisation and accumulated impairment losses. Impairment of intangible assets with a finite useful life is assessed in the same manner as for property, plant and equipment.

The company also recognises right-of-use assets under intangible assets.

The straight-line amortisation method is applied. The useful lives and amortisation rates of major categories of amortisable intangible assets are as follows:

Major Categories of Amortisable Assets	Estimated Useful Life (in Years)	Amortisation Rate (%)
Computer Software	3–7	14.29–33.33
Other Rights	33–100	1–3.33

Investment Property

Investment property is property held by the company to earn rental income and/or for capital appreciation.

These primarily include:
- Land held for long-term capital appreciation rather than for short-term sale in the ordinary course of business;
- Land for which no future use has been determined;
- Buildings leased out under one or more operating lease agreements;
- Vacant buildings held for future lease under operating lease agreements;
- Property under construction or development for future use as investment property.

The following are not classified as investment property:
- Property used by employees (e.g. housing provided under operating leases);
- Property leased on a long-term basis to ELES the contract with the Distribution System Operator (Pogodba z DO);
- Property forming part of the Sava hydropower plant, currently under denationalisation proceedings and leased long-term to the subsidiary Gorenjske elektrarne.

Such properties are instead treated as property, plant and equipment.

After initial recognition, investment properties are measured at cost, less accumulated depreciation and impairment losses. The straight-line depreciation method is used. Useful lives of significant classes of depreciable investment property range between 25 and 50 years, with depreciation rates from 2% to 4%.

Financial Investments

Financial investments are assets recognised in the Statement of Financial Position as long-term or short-term financial investments.

Equity investments and loan investments are broken down into those relating to associates, joint ventures, and others. Other financial investments are classified at initial recognition based on the company's business model for managing the financial assets subject to classification and the characteristics of the contractual cash flows of the financial asset.

In accounting for a regular purchase or sale of a financial asset, such an asset is recognised in the accounting records and in the Statement of Financial Position based on the trade date – the date on which the company commits to purchase or sell the asset.

At initial recognition, a financial investment is measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of the financial asset are added to the initially recognised amount, unless the asset is measured at fair value through profit or loss.

If there is objective evidence that a financial investment measured at amortised cost or cost has been impaired, the impairment loss is measured as the difference between the asset's carrying amount and the present value of expected future cash flows, discounted at the original effective interest rate of the financial investment. The impairment loss is recognised in profit or loss as a revaluation financial expense.

Receivables

Receivables represent rights arising from proprietary or other legal relationships that entitle the company to demand payment of a debt from another party or, in the case of advances, the delivery of goods or the performance of services. A receivable is recognised when the company obtains control over the contractual rights associated with it and when the inflow of economic benefits is probable.

At initial recognition, receivables are measured at the amount stated in the supporting documents, assuming they will be paid. Subsequently, receivables may be increased or reduced due to subsequent discounts, payments received, or other forms of settlement. After initial recognition, receivables are measured at amortised cost.

In the Statement of Financial Position, long-term receivables that have already matured (but remain unpaid) and long-term receivables falling due within one year from the balance sheet date are presented as short-term receivables.

At least quarterly – before the preparation of financial statements – the appropriateness of each receivable's carrying amount is reviewed. Receivables for which full or partial settlement is deemed unlikely are classified as doubtful, if more than 90 days past due, or disputed, if legal proceedings have been initiated or the payment is contested. For both categories, the company establishes a 100% impairment allowance. For this purpose, appropriate internal records are maintained. Disputed receivables include all those subject to:
- Enforcement proceedings based on an enforceable title;
- Enforcement based on credible accounting documents (e.g. lawsuits), and
- Insolvency proceedings (compulsory settlement, simplified compulsory settlement, or bankruptcy).

Receivables overdue by more than 90 days are classified as doubtful receivables. However, the company may reduce the impairment allowance for a specific receivable based on payment received by the data preparation date, agreed payment deferrals, collateral held, or other justified reasons.

Based on sound reasoning, the company may also classify as doubtful receivables those not yet 90 days overdue, if it is unlikely that they will be settled in full.

Inventories

Inventories of materials include quantities held in storage that will be used in the production of goods or the provision of services.

Each unit of material inventory (including small tools and packaging) is initially recognised at acquisition cost, which comprises the purchase price, import duties, and other non-refundable taxes, along with direct procurement costs.

The cost of materials held in inventory prior to use is reported using the weighted average cost method at the level of organisational units. The weighted average cost is calculated daily. The company regularly – at least once annually during the inventory count – reviews the net realisable value of inventories and writes them down when their carrying amount exceeds their net realisable value.

Cash and Cash Equivalents

Cash and cash equivalents include:
- Cash held in transaction accounts with banks or other financial institutions that can be used for payment, and
- Cash equivalents.

Cash equivalents are short-term investments that are readily convertible into a known amount of cash and are subject to an insignificant risk of changes in value. The company treats short-term deposits and bank balances with maturities of up to three months as cash equivalents.

All transaction accounts are held in euros. The account with Gorenjska Banka is also maintained in other currencies.

Revaluation of cash is the adjustment of the carrying amount, which may be performed at year-end or during the year. It applies only to cash denominated in foreign currencies, if the exchange rate changes after initial recognition. The resulting exchange difference may increase or decrease the originally recognised value. In the first case, the difference is recognised as financial income, and in the second as a financial expense related to cash.

Equity

Total equity of the company comprises called-up capital, capital reserves, profit reserves; revaluation reserves (arising from fair value measurements); retained earnings or loss from previous years and undistributed net profit or unrecognised loss for the current financial year.

The company's share capital is divided into registered ordinary shares, each with an equal share and nominal value.

Revaluation reserves relate to the increase or decrease of actuarial gains or losses on retirement benefit obligations.

All components of equity other than share capital belong to the shareholders in proportion to their shareholding in the company's share capital.

Liabilities

Liabilities represent recognised obligations related to the financing of own assets, which must be settled—typically in cash. Deferred tax liabilities are treated as a distinct category of liabilities.

In the Statement of Financial Position, long-term liabilities that are either already due but not yet settled or will mature within one year after the reporting date, are presented as short-term liabilities. Liabilities may be financial (e.g. loans obtained under loan agreements, lease liabilities under finance leases), or operating (e.g. trade payables to suppliers, liabilities to employees, liabilities to the state, and liabilities to customers for received advances and security deposits).

After initial recognition, liabilities are measured at amortised cost. Their carrying amount increases by accrued interest and decreases by repayments or other forms of settlement, provided a settlement agreement exists. A liability is derecognised when contractual rights to the related cash flows expire (e.g. due to statute of limitations) or when the liability is transferred along with all associated risks and rewards.

Provisions

Provisions are recognised for present obligations arising from binding past events, which are expected to result in an outflow of resources in an uncertain period, and whose settlement amounts can be reliably measured. Provisions serve to accumulate future costs or expenses in advance to cover obligations that will require economic outflows. Contingent liabilities are not recognised as provisions. The carrying amount of a provision equals its original value, reduced by amounts used, until a reassessment indicates the need to increase or decrease the provision. A provision is recognised in the accounting records and the Statement of Financial Position if:
- A present legal or constructive obligation exists due to a past event;
- It is probable that an outflow of resources will be required to settle the obligation, and
- The amount of the obligation can be reliably estimated.

An obligation exists when, under applicable rules and regulations, the company has no realistic alternative but to settle it. If it is not clear whether a present obligation exists, it is assumed to exist if it is more likely than not (i.e. probability >50%) based on all available evidence as at the reporting date.

If the probability is lower, the company discloses a contingent liability instead. A contingent liability is also disclosed in the rare event that the amount of the obligation cannot be reliably estimated.

Provisions also include long-term employee benefits, in accordance with IAS 19, and are classified as:
- Jubilee benefits (classified as other long-term employee benefits);
- Retirement benefits (classified as post-employment benefits), and
- Termination benefits.

Provisions for jubilee and retirement benefits are based on actuarial valuations of future obligations, discounted to the reporting date, in line with SAS 10, and applying principles from IAS 19 where SAS 10 lacks detailed guidance. The difference between SAS 10 and IAS 19 lies in the treatment of actuarial gains/losses: under SAS 10, these are proportionally transferred to retained earnings for employees for whom retirement benefit provisions are no longer required.

The calculation of provisions for retirement benefits and jubilee awards is performed by a certified actuary. Provisions are recognised in the amount of future expected payments, discounted to the reporting date. The following components are considered in the calculation: current service cost, interest cost, and actuarial gains or losses arising from changes in actuarial assumptions or experience adjustments.

At the reporting date, the company determines and recognises in the income statement the income or expense arising from the remeasurement of retirement benefit provisions, including:
- The number of additional provisions for current service costs related to retirement benefits for the current year;
- Increases or decreases in previously recognised provisions due to the introduction or amendment of benefit plans (past service cost);
- Accrued interest cost on the provisions (as an additional provision expense);
- The impact of curtailments or settlements of retirement benefit obligations.

Actuarial gains and losses on retirement benefits are not recognised in the income statement, but are instead recognised directly in equity, under revaluation reserves. These reserves may also be negative. Revaluation reserves from this source are transferred proportionally to retained earnings as the retirement benefit provisions for retired employees are utilised.

Jubilee awards are classified as other long-term employee benefits. At the reporting date, the company determines and recognises in the income statement the related income or expenses, including actuarial gains and losses, from the remeasurement of provisions for jubilee awards. Termination benefits for fixed-term employment contracts are recognised as short-term accrued expenses (short-term deferred costs) rather than as provisions.

Provisions are derecognised in the accounting records and the Statement of Financial Position when the obligations for which they were established are no longer probable or no longer exist. Provisions for anticipated costs or expenses are reduced directly by the related expenditures for which they were originally formed. Accordingly, when provisions are used, no additional expenses are recognised in the income statement.

Accruals and Deferrals

Accruals and deferrals represent receivables and liabilities in a broader sense and can be either prepaid/accrued assets (active) or deferred/accrued liabilities (passive). They include deferred income and expenses, prepaid expenses and accrued costs and temporarily unbilled revenues as a specific type of receivable or liability.

Accruals and deferrals expected to be realised within one year are classified as short-term; those expected to be realised over a longer period are classified as long-term.

The company also includes the following under long-term deferred income:
- Government grants received for the acquisition of property, plant and equipment or for covering specific costs;
- Free-of-charge acquisition of property, plant and equipment;
- Funds received in the form of connection fee contributions;
- Earmarked funds for the co-financing of fixed asset construction.

Short-term deferred expenses (passive deferrals) also include accrued unused annual leave.

Deferred Tax Assets and Liabilities, and Corporate Income Tax

Deferred tax assets and liabilities are calculated using the balance sheet liability method, which focuses on temporary differences.

A deferred tax asset is recognised for deductible temporary differences, carried forward unused tax losses, and unused tax credits, if it is probable that sufficient taxable profit will be available in the future against which they can be utilised. Deferred tax assets and liabilities are not recognised in the accounting records if the amounts are individually or collectively immaterial to the company.

Deferred taxes are measured using the tax rates and laws enacted by the end of the reporting period, which are expected to apply when the related deferred tax assets are realised or liabilities are settled.

At each reporting date, the company reassesses unrecognised deferred tax assets and recognises them if it becomes probable that future taxable profit will allow for their utilisation.

Current corporate income tax is the amount expected to be paid based on taxable profit using applicable tax rates at the reporting date.

Revenue

Revenue is recognised when there is an increase in economic benefits, either through asset increases or liability reductions, and this increase can be measured reliably. Revenue is recognised when it is probable that consideration will be received and control over the goods or services has been transferred to the customer.

Amounts collected on behalf of the Distribution System Operator (DO) in transactions executed in the company's name but for the DO's account are not recognised as revenue, but as operating liabilities to the DO, in accordance with the agreement.

Operating revenue includes sales revenue, capitalised own products and services and other income related to business operations, including revaluation gains, such as: gains on disposal of property, plant and equipment or investment property above their carrying amount, or reversals of previously impaired receivables.

Other income includes irregular items and residual income that increase the profit.

Financial income arises from financial investments, receivables, interest income, profit shares, and revaluation financial income.

Interest on overdue receivables is not recognised as income but increases the impairment allowance, due to justified doubt regarding collection – until the principal is paid.

The company also earns revenue through real estate construction for sale. These contracts typically conclude within 12 months. Accordingly, revenue is recognised progressively during construction, using the input method – based on the ratio of actual incurred costs to estimated total costs. The company assesses that construction contracts do not include a significant financing component.

Expenses

Expenses are categorised as operating expenses, financial expenses, and other expenses. Operating and financial expenses are considered regular (recurring).

Operating expenses include all incurred costs for the period, and revaluation operating expenses, which arise primarily from impairments of property, plant and equipment, impairments of intangible assets and investment property, impairments of receivables and inventories and losses on disposal of property or investment property below carrying amount.

Financial expenses comprise financing costs and investment-related expenses. The former mainly consist of interest expenses, while the latter primarily represent revaluation financial expenses. These arise from impairments of financial investments and the sale or other disposal of financial assets at a price lower than their carrying amount. Interest expenses are recognised based on the time elapsed and the applicable interest rate.

Other expenses consist of unusual items and residual expenses that reduce the company's profit.

Cash Flow Statement

The cash flow statement is presented in a sequential format and is prepared using the direct method (Variant I).

For the purposes of the cash flow statement, cash equivalents are included under cash and cash equivalents.

Cash flows related to self-managed investments are classified under cash flows from investing activities.

Income Statement

The company prepares the income statement using Variant I, as defined in SAS 21. It is followed by the Statement of Other Comprehensive Income.

Information on the formation of net profit or loss is presented in the Statement of Changes in Equity.

Significant Sources of Estimation Uncertainty and Applied Assumptions and Bases for Judgements

The assumptions and estimates that most significantly affect the amounts recognised in the financial statements include:
- The determination of useful lives of intangible assets and property, plant and equipment;
- Impairment adjustments for doubtful receivables;
- The estimation of provisions.

Transactions with the Distribution Operator

In March 2026, the Company received the preliminary settlement for the 2025 regulatory year from the Distribution Operator (ELES, d.o.o.). The preliminary settlement for 2025 was prepared by ELES on the basis of unaudited financial statements. The settlement showed that the contractual value of services and rental charges invoiced during 2025 was €1,434,804 lower than the amount determined under the preliminary settlement. Accordingly, Elektro Gorenjska increased its revenue for 2025 by EUR 1,434,804, recognising a receivable for underbilled revenue relating to 2025. In 2024, revenue determined on the basis of the preliminary settlement for the 2024 regulatory year was €402,141 lower than the amount already invoiced during the year. Consequently, Elektro Gorenjska reduced its revenue for 2024 by €402,141, recognising a liability for overbilled revenue relating to 2024. The final settlement for 2025 will be prepared by the Distribution SOperator on the basis of a decision issued by the Energy Agency, taking into account the audited data of both contractual parties.

As of the date of preparation of the 2025 financial statements, the final settlement for 2024 had not yet been completed. However, the Company has already reconciled and confirmed the identified difference of €992,947 with the Energy Agency. The reconciliation process is still ongoing with one of the other electricity distribution companies. The Company has therefore already taken the final settlement into account, resulting in an increase in revenue of €992,947.

Ongoing Legal Disputes and Related Provisions

Some legal disputes are currently ongoing, the most significant of which is a denationalisation procedure in which Elektro Gorenjska is acting as the liable party for restitution. Elektro Gorenjska does not disclose details related to these disputes, as it believes that such disclosure could jeopardise its interests.

16.5. Notes to the Financial Statement Items

16.5.1. Notes to the Statement of Financial Position Items

Note 1 – Intangible Assets and Long-Term Deferred Costs and Accrued Revenues

The value of intangible assets, including long-term deferred costs and accrued revenues, amounted to €5,875,410 as at 31 December 2025. The movements of these items in 2025 and 2024 were as follows:

in €

2025	Property Rights	Property Rights Under Acquisition	Other Long-Term Deferred Costs and Accrued Revenue	Total Intangible Assets and Long-Term Deferred Costs
1	2	3	4	5 = 2+3+4
Cost				
Balance as at 31 Dec 2024	9,621,574	339,608	119,772	10,080,953
Additions	0	3,739,325	419,575	4,158,900
Disposals, Eliminations, Transfers	-134,156	0	–119,793	–253,949
Transfer From Assets Under Construction	2,812,809	–2,812,809	0	0
Balance as at 31 Dec 2025	**12,300,227**	**1,266,124**	**419,553**	**13,985,905**
Accumulated Amortisation				
Balance as at 31 Dec 2024	6,958,697	0	0	6,958,697
Increase (Amortisation)	1,285,953	0	0	1,285,953
Disposals, Eliminations, Transfers	-134,156	0	0	-134,156
Balance as at 31 Dec 2025	**8,110,495**	**0**	**0**	**8,110,495**
Carrying Amount				
Balance as of 31 Dec 2024	2,662,877	339,607	119,772	3,122,256
Balance as at 31 Dec 2025	**4,189,733**	**1,266,123**	**419,553**	**5,875,410**

in €

2024	Property Rights	Property Rights Under Acquisition	Other Long-Term Deferred Costs and Accrued Revenue	Total Intangible Assets and Long-Term Deferred Costs
1	2	3	4	5 = 2+3+4
Cost				
Balance as at 31 Dec 2023	8,713,234	165,301	60,401	8,938,935
Additions	0	1,082,647	78,873	1,161,520
Disposals, Eliminations, Transfers	0	0	–19,503	–19,503
Transfer From Assets Under Construction	908,340	–908,340	0	0
Balance as at 31 Dec 2024	**9,621,574**	**339,608**	**119,771**	**10,080,953**
Accumulated Amortisation				
Balance as at 31 Dec 2023	5,824,827	0	0	5,824,827
Increase (Amortisation)	1,133,870	0	0	1,133,870
Disposals, Eliminations, Transfers	0	0	0	0
Balance as at 31 Dec 2024	**6,958,697**	**0**	**0**	**6,958,697**
Carrying Amount				
Balance as of 31 Dec 2023	2,888,407	165,300	60,401	3,114,109
Balance as at 31 Dec 2024	**2,662,878**	**339,607**	**119,771**	**3,122,256**

Intangible assets primarily relate to long-term property rights, representing rights of use for computer software solutions or licences. Property rights under acquisition comprise investments in the renovation and upgrade of software. As at 31 December 2025, Elektro Gorenjska had no financial commitments in connection with the acquisition of intangible assets.

Note 2 – Property, Plant and Equipment

The value of property, plant and equipment as at 31 December 2025 amounted to €255,274,772, representing 85% of Elektro Gorenjska's total assets. Compared to the balance as at 31 December 2024, the value increased by 10.1% or €23,351,949. The movements in property, plant and equipment in 2025 were as follows:

in €

2025	Land	Buildings	Equipment	Right-of-Use Assets	Property, Plant and Equipment Under Construction	Advances	Total Property, Plant and Equipment
1	2	3	4	5	6	7	8=2+3+4+5+6+7
Cost							
Balance as at 31 Dec 2024	6,979,301	337,364,942	143,371,190	208,725	13,140,182	36,434	501,100,774
Additions	0	0	0	0	35,934,121	361,186	36,295,307
Disposals, derecognition, transfers	–12,876	–1,448,277	-4,690,933	0	0	-331,176	-6,483,262
Transfer from assets under construction	186,039	20,609,622	20,372,603	0	-41,168,264	0	0
Transfers to investment property	0	-25,316	0	0	0	0	-25,316
Impairment	0	0	0	0	0	0	0
Balance as at 31 Dec 2025	**7,152,464**	**356,500,971**	**159,052,859**	**208,725**	**7,906,039**	**66,444**	**530,887,502**
Accumulated Depreciation							
Balance as at 31 Dec 2024	0	176,705,610	92,430,596	41,745	0	0	269,177,951
Depreciation expense	0	6,583,347	5,664,054	41,745	0	0	12,289,146
Disposals, derecognition, transfers	0	–1,274,159	-4,562,597	0	0	0	-5,836,756
Transfer to investment property	0	-17,611	0		0	0	-17,611
Impairment	0	0	0	0	0	0	0
Balance as at 31 Dec 2025	**0**	**181,997,187**	**93,532,053**	**83,490**	**0**	**0**	**275,612,730**
Carrying Amount							
As at 31 Dec 2024	6,979,301	160,659,331	50,940,594	166,980	13,140,182	36,434	231,922,823
As at 31 Dec 2025	**7,152,464**	**174,503,783**	**65,520,807**	**125,235**	**7,906,039**	**66,444**	**255,274,772**

The movements in property, plant and equipment in 2024 were as follows:

in €

2024	Land	Buildings	Equipment	Right-of-Use Assets	Property, Plant and Equipment Under Construction	Advances	Total Property, Plant and Equipment
1	2	3	4	5	6	7	8=2+3+4+5+6+7
Cost							
Balance as at 31 Dec 2023	7,282,781	330,097,812	140,354,548	208,725	5,483,278	41,264	483,468,408
Additions	0	0	0	0	22,912,710	185,496	23,098,205
Disposals, derecognition, transfers	-413,559	-3,411,106	-1,450,849	0	0	-190,326	-5,465,839
Transfer from assets under construction	110,078	10,678,235	4,467,491	0	-15,255,805	0	0
Transfers to investment property	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Balance as at 31 Dec 2024	**6,979,301**	**337,364,942**	**143,371,190**	**208,725**	**13,140,182**	**36,434**	**501,100,774**
Accumulated Depreciation							
Balance as at 31 Dec 2023	0	172,520,895	88,398,519	0	0	0	260,919,414
Depreciation expense	0	6,307,879	5,453,133	41,745	0	0	11,802,757
Disposals, derecognition, transfers	0	-2,123,164	-1,421,056	0	0	0	-3,544,220
Impairment	0	0	0	0	0	0	0
Balance as at 31 Dec 2024	**0**	**176,705,610**	**92,430,596**	**41,745**	**0**	**0**	**269,177,951**
Carrying Amount							
As at 31 Dec 2023	7,282,781	157,576,917	51,956,029	208,725	5,483,278	41,264	222,548,993
As at 31 Dec 2024	**6,979,301**	**160,659,331**	**50,940,594**	**166,980**	**13,140,182**	**36,434**	**231,922,824**

New acquisitions are presented in the section Investments. Key individual acquisitions include:
- Electrical equipment for the 110 kV substation at RTP Primskovo – primary equipment (€3,434,002),
- Construction works at RTP Primskovo (€2,015,438), and
- The RT 40000-110 power transformer at the Radovljica substation (€1,930,595).

Disposals and derecognition of property, plant and equipment occurred due to new investments, refurbishment and reconstruction of existing assets and sales. Major disposals in 2025 included:
- Electrical equipment at the 110 kV RTP Primskovo substation (acquisition cost: €1,019,820; carrying amount: €1,019,820),
- Electrical equipment at the 110 kV RTP Primskovo substation – secondary equipment (acquisition cost: €752,749; carrying amount: €752,749), and
- Electrical equipment at the 20 kV RTP Tržič substation (acquisition cost: €618,834; carrying amount: €618,834).

A significant portion of property, plant and equipment comprises electricity distribution infrastructure, as defined by the Decree on Energy Infrastructure (Official Gazette of the Republic of Slovenia, No. 22/2016, as amended). In addition to buildings and equipment, this infrastructure also includes certain land parcels. As at 31 December 2025, the carrying amount of the electricity distribution infrastructure amounted to €233,808,844 (31 December 2024: €207,664,300). For the purpose of performing the activities of the Distribution System Operator, which are carried out by ELES under the concession agreement for the provision of the public utility service of distribution system operation, ELES leases the entire electricity distribution infrastructure from Elektro Gorenjska.

The Company's property, plant and equipment are owned by the Company and have not been pledged as collateral for any liabilities. Among its property, plant and equipment, Elektro Gorenjska also recognises a portion of the Sava Hydroelectric Power Plant, in relation to which a denationalisation dispute was initiated in previous years and remains unresolved as of the date of preparation of this report. The Company jointly owns certain items of property, plant and equipment with ELES. As at the end of 2025, the carrying amount of Elektro Gorenjska's share in these jointly owned assets amounted to €645,652.

To finance new acquisitions of property, plant and equipment, the Company obtained several long-term loans in 2024 and prior years. As at 31 December 2025, the outstanding balance of these loans amounted to €54,688,958 (31 December 2024: €61,633,042). Borrowing costs in the amount of €135,995 were capitalised.

Note 3 – Investment Property

The value of investment property at the end of 2025 amounted to €1,867,795. The movement in investment property in 2025 and 2024 was as follows:

in €

2025	Land	Buildings	Investment Property Under Construction	Total Investment Property
1	2	3	4	5=2+3+4
Cost				
As at 31 Dec 2024	474,515	2,084,054	0	2,558,569
Additions	0	0	150,806	150,806
Disposals, eliminations	0	0	0	0
Transfer from assets under construction	0	150,806	-150,806	0
Transfer from Property, Plant and Equipment (PPE)	0	25,316	0	25,316
As at 31 Dec 2025	**474,515**	**2,260,176**	**0**	**2,734,691**
Accumulated Depreciation				
As at 31 Dec 2024	0	803,488	0	803,488
Depreciation	0	45,797	0	45,797
Disposals, eliminations	0	0	0	0
Transfer from Property, Plant and Equipment (PPE)		17,611		17,611
As at 31 Dec 2025	**0**	**866,895**	**0**	**866,895**
Carrying Amount				
As at 31 Dec 2024	474,515	1,280,566	0	1, 755,081
As at 31 Dec 2025	**474,515**	**1,393,281**	**0**	**1,867,795**

in €

2024	Land	Buildings	Investment Property Under Construction	Total Investment Property
1	2	3	4	5=2+3+4
Cost				
As at 31 Dec 2023	474,515	2,123,069	0	2,597,584
Additions	0	0	19,851	19,851
Disposals, eliminations	0	-58,866	0	-58,866
Transfer from assets under construction	0	19,851	-19,851	0
As at 31 Dec 2024	**474,515**	**2,084,054**	**0**	**2,558,569**
Accumulated Depreciation				
As at 31 Dec 2023	0	814,727	0	814,727
Depreciation	0	45,510	0	45,510
Disposals, eliminations	0	-56,748	0	-56,748
As at 31 Dec 2024	**0**	**803,488**	**0**	**803,488**
Carrying Amount				
As at 31 Dec 2023	474,515	1,308,342	0	1,782,857
As at 31 Dec 2024	**474,515**	**1,280,566**	**0**	**1,755,081**

The structure of investment property was as follows:

in €

Item	31 Dec 2025	31 Dec 2024
Apartments	308,308	311,661
Holiday facilities	953,085	830,241
Other buildings	131,887	138,664
Land	474,515	474,515
Total investment property	**1,867,795**	**1,755,081**

Based on a valuation performed in 2025 by a certified real estate valuer accredited by the Slovenian Institute of Auditors, the fair value of the investment property recognised by the Company as at 31 December 2025 amounted to €6,748,505. All investment properties are owned by the Company and have not been pledged as collateral for any liabilities.

Rental income generated from investment property amounted to €232,010 (2024: €227,861). Direct operating expenses arising from investment properties that generated rental income in 2025, as well as direct operating expenses relating to investment properties that did not generate rental income in 2025, consisted of depreciation expense (€45,797) and costs of materials and services (€118,375). In 2024, depreciation expense amounted to €45,510, while costs of materials and services totalled €131,357.

Note 4 – Long-Term Financial Investments

As at 31 December 2025, long-term financial investments amounted to €266,953. Compared to the balance as at 31 December 2024, their value decreased significantly because of the sale of the Company's 100% ownership interest in Gorenjske elektrarne.

in €

Investment	Ownership Share		Balance in €	
	As at 31 Dec 2024	As at 31 Dec 2025	As at 31 Dec 2024	As at 31 Dec 2025
Investment in share of Gorenjske elektrarne d. o. o.	100.00%	0.00%	13,715,303	0
Informatika, d. o. o., Maribor	10.50%	10.50%	124,154	124,154
Total non-loan long-term financial investments			**13,839,457**	**124,154**
Long-term invested funds (Eldom Maribor)			142,799	142,799
Total long-term loans			**142,799**	**142,799**
Total long-term financial investments			**13,982,256**	**266,953**

Long-term financial investments have not been pledged as collateral for any liabilities. The Company estimates that the fair value of long-term financial investments, other than investments in subsidiaries, is equal to their carrying amount.

With respect to long-term financial investments, the Company is primarily exposed to the risk of adverse changes in their fair value. The Company's risk exposure and risk management framework are described in the section Development of an Integrated Risk and Opportunity Management System.

Note 5 – Inventories

The value of inventories of materials and small tools and equipment as at 31 December 2025 amounted to €1,425,254. The Company estimates that the net realisable value of inventories is at least equal to their carrying amount. The Company has not pledged any inventories as collateral for its liabilities. The movement of material inventories in 2025 and 2024 is presented in the following table.

in €

Item	2025	2024
Opening balance of material inventories as at 1 Jan	1,189,317	1,295,369
Purchases	7,590,643	4,931,981
Write-offs	-24,297	0
Sales	-70	-7
Consumption	-7,096,430	-4,891,240
Transfer of small inventory into use	-233,908	-146,786
Closing balance of material inventories as at 31 Dec	**1,425,254**	**1,189,317**

The inventory count as at 31 October 2025 did not reveal any surpluses or shortages.

Note 6 – Short-Term Operating Receivables

As at 31 December 2025, short-term operating receivables amounted to €6,724,574. Compared with 31 December 2024, the balance decreased primarily as a result of lower receivables from ELES.

in €

Item	31 Dec 2025	31 Dec 2024
Short-term receivables from Group companies	**0**	**31,500**
Short-term trade receivables	6,330,545	9,939,484
Impairment of short-term trade receivables	-131,329	-135,520
Short-term trade receivables	**6,199,215**	**9,803,964**
Short-term income tax receivables	**0**	**175,468**
Other short-term operating receivables	528,293	360,453
Impairment of other short-term operating receivables	-2,934	-2,680
Other short-term operating receivables	**525,359**	**357,774**
Total short-term operating receivables	**6,724,574**	**10,368,705**

Short-term operating receivables are unsecured. Risk exposure and hedging instruments are described in the chapter Financial Risk Management. A breakdown of short-term receivables from customers (network charges and other market services) and interest receivables by maturity as at 31 December 2025 is shown in the following table.

in €

Item	Not yet due	Due up to 30 days	Due 31–60 days	Due 61–90 days	Due over 90 days	Total overdue	Total receivables
1	2	3	4	5	6	7=3+4+5+6	8 =2+7
Receivables for network charges and services	6,015,046	174,754	9,399	-4,745	126,764	306,172	6,321,218
Interest receivables	1,971	517	158	153	6,526	7,355	9,326
TOTAL SHORT-TERM TRADE RECEIVABLES	6,017,018	175,271	9,557	-4,592	133,290	313,527	6,330,545

Movements in allowances for trade receivables are presented below.

in €

Item	Balance as at 31 Dec 2024	New formation		Use and reversal			Balance as at 31 Dec 2025
		Charged to expenses	Charged to receivables	Write-offs of receivables	Amounts collected (reversal to income)	Reversal of excess impairment	
1	2	3	4	5	6	7	8
Impairment of trade receivables	128,571	1,282	0	496	0	5,260	124,097
Impairment of interest receivables	6,949	0	713	13	308	109	7,233
Total impairment of receivables	135,520	1,282	713	509	308	5,369	131,329

Note 7 – Cash and Cash Equivalents

As at 31 December 2025, Elektro Gorenjska held €24,653,781 in cash and cash equivalents. The substantial increase in cash and cash equivalents compared with the balance at the end of 2024 was primarily due to the proceeds received from the sale of the Company's investment in Gorenjske elektrarne in 2025.

Note 8 – Short-Term Prepayments and Accrued Income

Short-term prepayments and accrued income amounted to €2,747,356 at the end of 2025. Compared with the balance at the end of 2024, they increased by €2.6 million. The increase was primarily attributable to short-term accrued receivables recognised on the basis of the preliminary settlement for 2025 in the amount of €1,434,804 and the estimated final settlement for 2024 in the amount of €992,947.

Note 9 – Equity

Total equity comprises share capital, capital reserves, profit reserves, fair value reserves, retained earnings, and net profit for the year. As at 31 December 2025, total equity amounted to €200,739,956, and the book value per share was €11.62.

Elektro Gorenjska's share capital (€104,136,615) is divided into 17,273,475 ordinary registered no-par value shares. All shares are fully paid up. They are issued in dematerialised form and registered with KDD – Central Securities Clearing Corporation, in accordance with applicable regulations.

Capital reserves totalling €45,973,479 were formed on 1 January 2006 pursuant to the transitional provisions (paragraph 15 of the introduction to SAS 2006) from the previously recognised general capital revaluation adjustment. An additional €28,581 results from the cancellation of treasury shares in 2019.

Legal reserves as at 31 December 2025 amounted to €5,701,217 and were formed in accordance with Article 64 of the Companies Act (ZGD-1).

Other profit reserves total €36,237,751. These were formed from the net profit for 2025 and previous years. Elektro Gorenjska uses other profit reserves in accordance with Article 11 of its Articles of Association.

Fair value reserves total – €54,215, relating to post-employment benefits – actuarial gains/losses from retirement benefits and the related deferred tax adjustment. Changes in these reserves for 2025 are shown in the table below.

in €

Item	Balance as at 1 Jan 2025	Reversal	New Recognition	Transfer to Retained Earnings (employee expenses 2025)	Balance as at 31 Dec 2025
Actuarial Gains/Losses	-199,530	35,158	123,748	20,208	-20,417
Adjustment of Provisions for Deferred Taxes	-14,600	0	-19,198	0	-33,798
Total	-214,130	35,158	104,550	20,208	-54,215

Net profit for 2025 amounted to €27,636,339, compared with net profit of €4,219,795 reported for 2024. The Company's retained earnings available for appropriation for 2025 amounted to €8,745,108. The calculation is presented in the section Financial Statements of Elektro Gorenjska for the Financial Year Ended 31 December 2025. The decision regarding the appropriation of retained earnings is within the competence of the General Meeting of Shareholders.

The appropriation of retained earnings for 2024 was determined by a resolution of the General Meeting of Shareholders held on 19 June 2025. In accordance with the resolution, the entire amount of retained earnings available for appropriation, totalling €1,381,878, was distributed to the shareholders as dividends.

Basic earnings per share for 2025 amounted to €1.60, compared with €0.24 in 2024. As the Company has no preference shares, basic and diluted earnings per share are identical.

Earnings per share are calculated based on net profit for the financial year and the weighted average number of ordinary shares outstanding during the period. The calculation is presented in the following table.

in €

Item	2025	2024
Net Profit for the Financial Year	27,636,339	4,219,795
Weighted Average Number of Ordinary Shares	17,273,475	17,273,475
Basic/Diluted Earnings per Share	1.60	0.24

Note 10 – Provisions and Long-Term Accrued Expenses and Deferred Income

As at 31 December 2025, provisions and long-term accrued expenses and deferred income amounted to €27,966,343, an increase of €5.9 million or 26.7% compared to the the balance as at 31 December 2024.

Movements in provisions and long-term deferred items in 2025 are shown in the following table:

in €

Item	Balance as at 31 Dec 2024	Formation	Use	Reversal	Balance as at 31 Dec 2025
Provisions for jubilee benefits and termination benefits	3,551,527	367,935	0	580,417	3,339,044
Other provisions	7,431,385	0	0	0	7,431,385
Long-term deferred income	11,085,987	7,262,999	1,153,074	0	17,195,913
Total	22,068,899	7,630,934	1,153,074	580,417	27,966,343

Movements in provisions and long-term deferred items in 2024 are shown in the following table:

in €

Item	Balance as at 31 Dec 2023	Formation	Use	Reversal	Balance as at 31 Dec 2024
Provisions for jubilee benefits and termination benefits	3,457,557	395,710	273,657	28,083	3,551,527
Other provisions	6,335,008	1,096,377	0	0	7,431,385
Long-term deferred income	8,354,662	3,355,421	624,096	0	11,085,987
Total	**18,147,227**	**4,847,508**	**897,753**	**28,083**	**22,068,899**

Provisions for jubilee benefits and retirement indemnities are based on actuarial valuations under IAS 19.

The actuarial valuation as at 31 December 2025 is based on the following actuarial assumptions: a statistical mortality probability equal to 0.4% of the average employee mortality rate for the following financial year (active population, reduced by 10%); a linearly declining employee turnover rate (from 3% at age 18 to 0.0% at age 58, remaining constant at 0.0% thereafter); retirement in accordance with applicable legislation and known individual circumstances; salary growth within the Company (equal to the annual inflation rate increased by 0.4%, but not exceeding the projected average wage growth in Slovenia); growth in average wages within the electricity sector (equal to the growth in average wages in Slovenia); salary growth due to promotion (0.8% annually for the following year); employer contributions related to long-service awards and retirement severance benefits (17.1%); a seniority allowance (annual increase of 0.5% of base salary); and a discount rate of 3.9%.

Other provisions relate to compensation claims arising from denationalisation proceedings. Long-term deferred income and accrued expenses include, among other items, property, plant and equipment received free of charge (€3,646,629), long-term deferred income relating to the GreenSwitch project (€3,718,442), long-term deferred income relating to the Recovery and Resilience Plan (RRP) project (€3,796,456), long-term deferred income relating to the RePower project (€1,524,820), deferred costs relating to average connection costs (€842,960), long-term deferred income from lease and usage fees (€661,633), and earmarked funds for covering disproportionate connection costs (€431,367).

Note 11 – Long-Term Liabilities

As at 31 December 2025, Elektro Gorenjska recorded €49,011,795 in long-term liabilities, a decrease of 10.9% over the previous year. The majority relates to long-term financial liabilities to banks (€47,609,953).

In 2025, the Company did not obtain any new long-term loans and repaid loan principal amounting to €6,944,084. Interest expense amounted to €1,631,585 and is presented net of capitalised borrowing costs of €135,995.

As at 31 December 2025, the outstanding balance of borrowings amounted to €54,688,957, compared with €61,633,042 at the end of 2024. The maturity profile of borrowings and other financial liabilities to banks as at 31 December 2025 is presented below:

in €

1 year	2–5 years	Over 5 years	Total
7,079,005	22,964,287	24,645,665	54,688,957

Financial liabilities totalling €52,688,957 are secured with promissory notes.

As at 31 December 2025, 32% of the Company's total long-term borrowings, or €17.7 million, carried a fixed interest rate. The outstanding balance of loans obtained for the financing of property, plant and equipment amounted to €54,688,957 as at 31 December 2025.

With respect to its long-term financial liabilities, the Company is primarily exposed to interest rate risk, as a portion of its long-term borrowings bears a variable interest rate (EURIBOR plus a margin). The Company's risk exposure and risk management framework are described in the section Development of an Integrated Risk and Opportunity Management System.

The Company has no long-term liabilities to members of the Management Board, members of the Supervisory Board, or internal shareholders.

Note 12 – Short-Term Financial Liabilities

As at 31 December 2025, short-term financial liabilities amounted to €7,204,762. These primarily relate to short-term portions of long-term loans and interest payable to banks.

Note 13 – Short-Term Operating Liabilities

Short-term operating liabilities amounted to €12,828,383 at year-end 2025, up €5.7 million from the prior year. The increase was primarily attributable to higher trade payables. A more detailed breakdown of short-term operating liabilities is presented in the following table.

in €

Item	As at 31 Dec 2025	As at 31 Dec 2024
Liabilities to Suppliers on Own Behalf	**7,732,885**	**3,107,789**
– To Group Companies	0	51,119
– To Other Suppliers	7,732,885	3,056,670
Liabilities to Suppliers in Own Name and for the Account of Others	**2,273,827**	**2,603,954**
– Liabilities to the Company ELES	2,267,658	2,600,376
– To Others	6,169	3,578
Other Liabilities, of Which	**2,821,671**	**1,393,669**
– For Salaries	1,211,716	1,164,872
– To the State and Other Institutions	1,385,838	14,749
– For Received Advances and Security Deposits	130,542	130,488
– Other (Debt Settlements—Cessions, Interest, Employee Withholdings)	93,574	83,560
Total Current Operating Liabilities	**12,828,383**	**7,105,412**

Note 14 – Short-Term Accrued Expenses and Deferred Income

As at 31 December 2025, short-term accrued expenses and deferred income amounted to €1,349,108, which is €344,000 less than at year-end 2024. The decrease is primarily due to a €402,000 liability for overcharged revenues based on the preliminary settlement with the distribution systemoperator for 2024.

Note 15 – Off-Balance Sheet Records

Off-balance sheet assets and liabilities totalled €8,215,962 as at 31 December 2025, representing an increase of €1,700,000 compared to the previous year.

in €

Item	31 Dec 2025	31 Dec 2024
Received Guarantees and Bills of Exchange	6,679,486	4,985,722
Issued Promissory Notes and Bills of Exchange	127,058	69,461
Property, Plant and Equipment Owned by the Company	1,409,419	1,488,374
Total Off-Balance-Sheet Records	**8,215,962**	**6,543,557**

Elektro Gorenjska has no potential off-balance sheet liabilities as defined by the Companies Act (ZGD-1).

16.5.2. Notes to the Income Statement Items

Note 1 – Net Sales Revenue

In 2025, net sales revenue amounted to €41,699,685. Almost all net sales revenue was generated in the domestic market. It consists of:

in €

Item	2025	2024
Revenue From Rent and Services in Relation to the Subsidiary	38,982,773	35,397,826
Revenue From Services Rendered to Group Companies	0	104,749
Rental Income:	854,818	819,278
– Rental Income From Group Companies	0	103,447
– Rental Income From Others	854,818	715,831
Revenue From Construction and Installation Work	1,665,314	1,523,032
Revenue From Other Services	196,779	127,308
Total Net Sales Revenue	**41,699,685**	**37,972,194**

Most of the net sales revenue in 2025 relates to rental income and services rendered to the distribution system operator (€38,392,773). These revenues were 10.1% higher than in 2024.

Note 2 – Capitalised Own Products and Services

The value of capitalised own work in 2025 amounted to €10,024,021. It primarily represents investments in property, plant and equipment – energy infrastructure.

in €

Item	2025	2024
Direct Costs of Materials	6,493,931	4,163,965
Direct Labor Costs	2,158,171	1,698,282
Total Direct Costs of Materials and Labour	**8,652,102**	**5,862,247**
Total Indirect Costs of Materials, Labour and Depreciation	1,371,919	399,408
Total Costs of Product Manufacturing and Service Provision Related to Capitalized Own Products	**10,024,021**	**6,261,655**

Note 3 – Other Operating Income

Other operating income amounted to €1,803,657, comprising:

in €

Item	2025	2024
Revaluation Operating Revenues	30,323	442,752
Revenues from the Transfer of Deferred Long-Term Revenues to Regular Operating Revenues:	1,424,834	806,351
– Free Acquisition of Fixed Assets	33,274	33,231
– Free Acquisition of Connections	198,446	198,446
– Average Connection Costs	85,319	85,319
– Other (EU Projects, Other)	1,107,795	489,355
Insurance Compensation Received	51,556	43,232
Government Grants Received – Refunds	253,115	211,903
Other Revenues	43,829	32,362
Total Other Operating Revenues	**1,803,657**	**1,536,599**

Note 4 – Cost of Goods Sold and Material Used

The cost of goods sold, and consumed material consists of:

in €

Item	2025	2024
Material Costs:	8,603,903	6,196,679
– For Maintenance	308,520	323,167
– Related to Capitalized Own Products and Services for the Market	7,503,936	5,048,598
– For Electricity, Gas, and Thermal Energy	403,411	508,515
– Write-Off of Small Inventory	233,908	146,786
– Office Supplies	29,724	43,090
– Other Material Costs	124,405	126,525
Cost of Goods and Materials Sold	70	7
Total Cost of Goods Sold and Consumed Materials	**8,603,974**	**6,196,686**

Note 5 – Cost of Services

In 2025, service costs amounted to €5,836,851. The largest share relates to maintenance services for EEI and other property, plant and equipment. A detailed breakdown is provided in the following table.

in €

Item	2025	2024
Service Costs Related to the Production of Products and Performance of Services	102,813	88,923
Telephone, Postal, and Other Transport Services	283,230	252,659
Services Related to the Maintenance of the Power Infrastructure and Other Property, Plant and Equipment	1,722,645	1,648,082
Payment Transactions, Banking Services and Insurance Premiums	853,102	823,548
Intellectual and Personal Services	755,347	921,386
Advertising and Representation Costs	143,799	131,566
Services Provided by Natural Persons Not Performing Business Activities, Including Taxes and Contributions on the Company	180,368	149,901
Information Services	514,526	373,409
Student Work Services	271,850	287,488
Other Service Costs	1,009,172	865,402
Total Service Costs	**5,836,851**	**5,542,365**

Maintenance of EEI is also discussed in the chapter Maintenance of the Electricity Energy Infrastructure (EEI).

A key item under payment transactions, banking services and insurance premiums is insurance premiums, which totalled €804,000 in 2025.

Intellectual and personal services primarily include research services, consultancy services and supplementary professional training.

Other services include rental costs as well as membership fees, municipal services, cleaning services, business travel expenses, and others.

Pursuant to Article 57 of the Companies Act (ZGD-1), Elektro Gorenjska is required to have its annual report audited. The contractual fee for the audit of the 2025 annual report amounted to €19,830. In addition, the auditor received €2,384 for assurance services.

Note 6 – Labour Costs

Labour costs amounted to €17,532,958 and comprise:

in €

Item	2025	2024
Costs of Wages and Wage Compensations	12,354,795	11,547,661
Costs of Additional Pension Insurance for Employees	567,006	540,001
Employer's Contributions and Other Contributions on Wages	2,150,263	1,943,779
Costs of Commuting to Work	267,474	240,570
Meal Allowance	807,625	735,505
Other Labour Costs	1,385,795	1,168,026
Total Labour Costs	**17,532,958**	**16,175,542**

Employer contributions and other salary-related levies include pension and disability insurance contributions: €1,143,857 in 2025 and €1,066,679 in 2024.

Other labour costs include provisions for jubilee benefits and retirement indemnities, holiday allowance, bonuses, employee insurance costs, and payments to pupils and students on work placement. The number of employees, their educational structure, and other employment-related information are detailed in the chapter Social Responsibility. Remuneration of the Management Board and Supervisory Board is detailed in the chapter Related Party Transactions in the financial report.

Note 7 – Depreciation and Amortisation

Depreciation and amortisation expenses in 2025 amounted to €13,982,216, consisting of:

in €

Item	2025	2024
Amortization of Intangible Assets	1,285,953	1,133,870
Amortization of Property, Plant and Equipment	12,289,146	11,802,757
Amortization of Investment Property	45,797	45,510
Total Amortization Costs	**13,620,896**	**12,982,136**
Impairment Losses on Property, Plant and Equipment and Investment Property	334,504	255,675
Impairment Losses on Current Assets	26,816	6,050
Total Impairment and Amortization	**13,982,216**	**13,243,861**

Note 8 – Other Operating Expenses

Other operating expenses totalled €293,404, comprising:

in €

Item	2025	2024
Contribution for the Promotion of Employment of Persons with Disabilities	79,602	84,262
Contribution for Building Land	78,345	82,140
Formation of Provisions	0	1,096,377
Other Expenses (Taxes, Contributions etc.)	135,457	199,287
Total Other Operating Expenses	**293,404**	**1,462,067**

Employment of persons with disabilities is described in more detail in the chapter Social Responsibility.

Note 9 – Financial Income from Equity Interests

The Company recognised €24.9 million of finance income from equity investments in 2025. This amount primarily relates to the effects of the sale of the Company's 100% ownership interest in Gorenjske elektrarne.

Note 10 – Corporate Income Tax and Deferred Taxes

In 2025, income tax including deferred taxes amounted to €2,849,199, compared to €162,984 in 2024.

in €

Item	2025	2024
Current Tax	1,489,440	136,537
Deferred Tax	1,359,759	26,447
Total Income Tax	**2,849,199**	**162,984**
Profit Before Tax	30,485,538	4,382,780
Tax Rate	22%	22%
Calculated Tax	6,706,818	964,212
Tax Due to Decrease in Income	–2,987,202	–776,855
Tax from Tax Relief	–2,536,074	–232,474
Tax from Increase/Decrease in Expenses for Tax Purposes	144,150	149,119
Tax from Other Items	161,747	32,536
Deferred Tax Calculated at the 19% Rate	1,179,238	26,386
Impact of Change in Tax Rate from 19% to 22% on Deferred Taxes	180,521	61
Total Income Tax	**2,848,199**	**162,984**
Effective Tax Rate	**9%**	**4%**

The movement in deferred tax assets and liabilities in 2025 was as follows:

in €

Item	Deferred Tax Assets			Deferred Tax Liabilities		Total
	Provisions for post-employment and other employee benefits	Tax loss	Tax credits (allowances)	Financial investments	Small tools and equipment	
Balance as at 1 Jan 2024	**241,182**	**662,259**	**688,459**	**0**	**228,166**	**1,363,734**
Recognised in the Income Statement	-25,997	-17,380	0	0	0	-43,377
Reversal through Profit or Loss	0	0	0	0	16,930	-16,930
Recognised in Other Comprehensive Income	-2,668	0	0	0	0	-2,668
Balance as at 31 Dec 2024	**212,517**	**644,879**	**688,459**	**0**	**211,235**	**1,334,619**
Balance as at 1 Jan 2025	**212,517**	**644,879**	**688,459**	**0**	**211,235**	**1,334,619**
Recognised in the Income Statement	35,941	644,878	688,459	0	9,520	1,359,759
Recognised in Other Comprehensive Income	-19,198	0	0	0	0	-19,198
Balance as at 31 Dec 2025	**157,377**	**0**	**0**	**0**	**201,716**	**-44,339**

No deferred tax asset has been recognised in respect of unused tax credits amounting to €6,421,556. The Company estimates that taxable profits over the next five years will not be sufficient to enable the utilisation of these tax credits.

16.5.3. Notes to the Statement of Other Comprehensive Income

Other components of comprehensive income amounted to €139,707, of which €158,905 represents the change in actuarial gains and losses, and –€19,198 relates to deferred tax receivables from retirement benefits.

16.5.4. Notes to the Cash Flow Statement

The cash flow statement shows cash flows from operating, investing, and financing activities and is prepared using the direct method.

As at 31 December 2025, Elektro Gorenjska held €24,653,781 in bank accounts. As at 31 December 2024, the balance was €2,907,545. For the period January–December 2025, the Company had a positive net cash flow of €21,746,235.

Cash receipts from operating activities exceeded cash payments by €29,755,527 in 2025, indicating that the Company generated positive cash flow from its core operations. The largest share of cash receipts related to services and rental income from electricity distribution infrastructure received under Pogodba z DO (the contract with the Distribution System Operator).

Net cash generated from investing activities amounted to €2,002,629 in 2025. Cash outflows from investing activities totalled €36,810,470. The industry in which the Company operates is highly technology-intensive and requires substantial and continuous investment to ensure a reliable and high-quality electricity distribution service (as described in greater detail in the section Our Investments). Acquisitions of intangible assets and property, plant and equipment were financed from cash inflows from investing activities, the most significant of which were proceeds from the disposal of the Company's investment in Gorenjske elektrarne amounting to €36,409,362.

Cash inflows from financing activities amounted to €11.0 million during the period, while cash outflows totalled €21.0 million. As a result, net cash used in financing activities amounted to €10.0 million.

16.6. Related Party Transactions

The following section presents transactions with related parties, including transactions with the Republic of Slovenia, transactions with companies owned by the Republic of Slovenia, and transactions with members of the Management Board and the Supervisory Board. As the Elektro Gorenjska Group existed until the date of disposal of its subsidiary Gorenjske elektrarne, transactions with the subsidiary up to the date of sale are also disclosed.

Transactions with Gorenjske elektrarne

Transactions with Gorenjske elektrarne up to the date of disposal (15 September 2025) were as follows:

in €

Item	1 January 2025 – 15 September 2025
Dividend Payment to the Owner	2,200,000
Revenues from Services Rendered and Rent (Costs of Subsidiary)	120,368
Other Transactions	22,038
Total	**2,342,405**

Transactions with the Republic of Slovenia

Key transactions with the Republic of Slovenia in 2025 were as follows:

in €

Item	Payments in 2025
Dividends	1,098,310
Corporate Income Tax (Tax and Prepayments)	312,655
Other contributions (VAT, Employer Contributions)	3,587,044
Total	**4,998,008**

Transactions with Companies Directly or Indirectly Owned by the Republic of Slovenia

The table below shows major transactions with entities in which the state has a direct or indirect controlling interest.

in €

Business Partner	Outstanding Receivables as of Dec 31, 2025	Outstanding Liabilities as of Dec 31, 2025	Expenses in 2025	Revenues in 2025
ELES d. o. o.	3,617,340	2,268,676	19,912,190	38,982,773
Modra zavarovalnica d. d.	0	44,024	474,922	0
Zavarovalnica Sava d. d.	1,116	118	758,555	51,556
Zavarovalnica Triglav d. d.	0	147	2,508	0
SID d. d.	0	2,762,921	97,076	0
NLB d. d.	4,709	27,504,872	911,638	37,671
Total	3,623,164	32,580,758	22,156,889	39,072,000

Outstanding liabilities to ELES relate to transactions carried out on behalf of a third party. The expenses recognised in relation to ELES do not represent actual expenses of the Company but rather payments made in connection with activities performed on behalf of another party. Transactions with other entities over which the State exercises a controlling influence are not material in value.

Transactions with the Management and Supervisory Boards

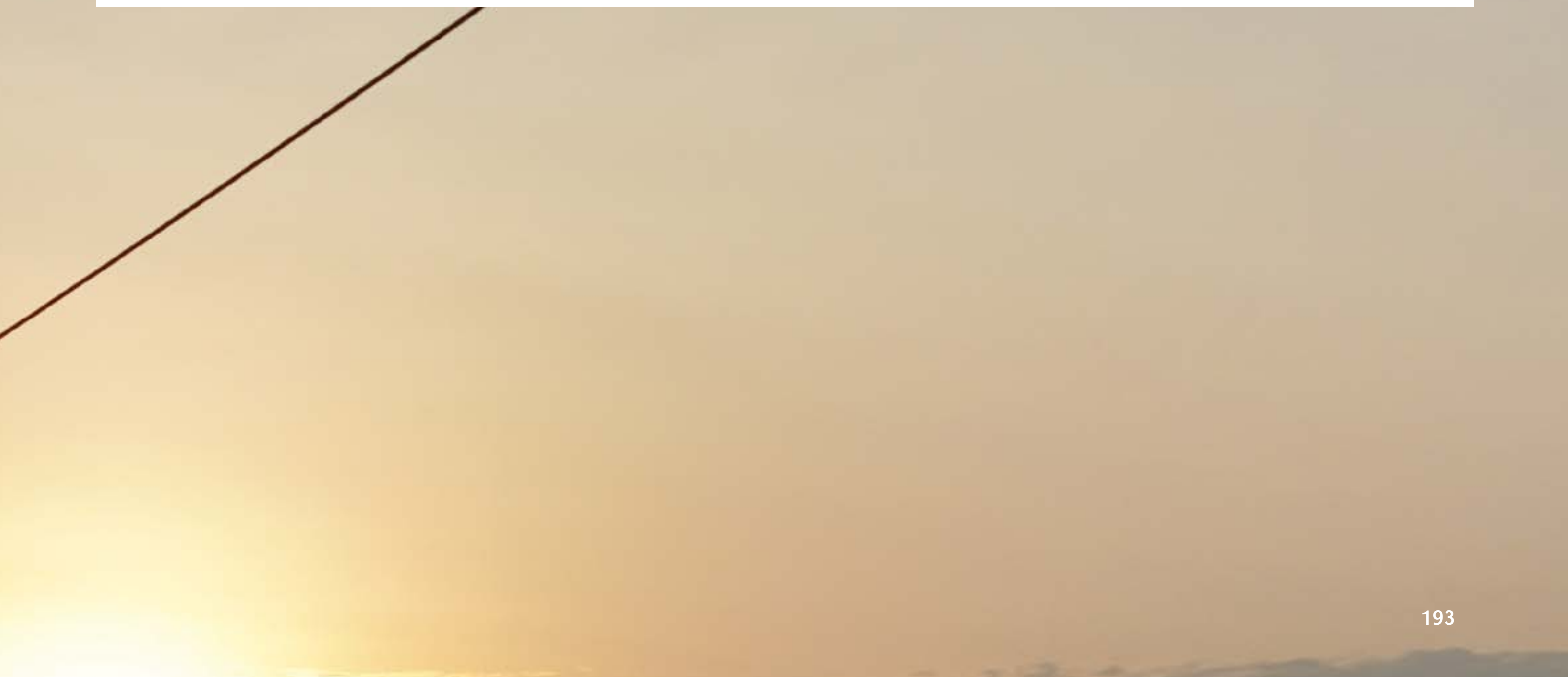
In 2025, Elektro Gorenjska paid the President of the Management Board the following remuneration for performing his duties:

in €

Recipient	Fixed Pay (gross)	Performance Bonus	Summer Holiday Allowance	Winter Holiday Allowance	Reimbursement of Expenses	Benefits
President of the Management Board	139,975	11,398	2,749	639	2,921	11,740

Reimbursed expenses (so-called material costs) include meal allowances, business travel reimbursements, and mobile phone expenses. These are calculated in accordance with the employment contract and the corporate collective agreement. Benefits include insurance premiums and use of a company car.

Remuneration of Supervisory Board members in 2024 is presented in the following table. Since some members also served on Supervisory Board committees, payments for committee work are included.



in €

	Function Fee (gross)	Supervisory Board Meeting Fee (gross)	Committee Meeting Fee (gross)	Total Gross	Travel Costs
	1	2	3	4=1+2+3	5
Representatives of Shareholders					
Gabrijel Škof	21,188	2,750	1,100	25,038	2,348
Rajko Stanković	15,255	2,750	1,760	19,765	700
Franjo Curanović	15,538	2,750	1,760	20,048	53
Vid Meglič	10,480	1,925	1,100	13,505	162
Anika Vrabec Božič	3,560	825	0	4,385	107
Employee Representatives					
David Gogala	11,300	2,750	0	14,050	0
Borut Jereb	14,125	2,750	1,100	17,975	0

Remuneration of the external member of the Audit Committee was as follows:

in €

	Function Fee (gross)	Committee Meeting Fee (gross)	Total Gross	Travel Costs	Total
	1	2	3=1+2	4	5
External Member of the Commitee					
Dr Simon Čadež	5,650	1,760	7,410	236	7,646

In 2025, the Supervisory Board held 10 sessions. The Nomination and Human Resources Committee held five regular sessions, while the Audit Committee held eight. Attendance at all meetings was 100%.

The costs of other benefits provided to members of the Supervisory Board in 2025 relate to directors' and officers' liability insurance, in accordance with Resolution No. 16 adopted by the General Meeting of Shareholders of Elektro Gorenjska. The costs of this insurance are presented in the table below. In connection with this insurance coverage, a taxable benefit in kind is calculated for Supervisory Board members in accordance with applicable tax regulations.

in €

Member of the Supervisory Board	D&O liability insurance premium
Representatives of Shareholders	
Gabrijel Škof	143
Rajko Stanković	143
Franjo Curanović	143
Vid Meglič	94
Anika Vrabec Božič	49
Employee Representatives	
David Gogala	143
Borut Jereb	143

The Company neither received nor granted any advances, loans, or guarantees to the groups of persons referred to in this section and, as at 31 December 2025, does not recognise any receivables arising from such transactions..

16.7. Financial Risk Management

The Company recognises that risks are an inherent element of its operations. It is further acknowledged that effective risk management can only be achieved through a comprehensive and systematic approach. Accordingly, risk management is regarded as a key prerequisite for the successful and efficient attainment of the Company's long-term business objectives.

Financial risks are associated with the generation of financial income, the management of financial expenses and liabilities, the preservation of the value of financial assets, and the maintenance of long-term liquidity and solvency. The Company is exposed to a range of financial risks, most notably credit risk, liquidity risk, interest rate risk, the risk of insufficient investment funding, and the risk of inadequate remuneration for services provided under the contractual relationship with ELES.

Credit Risk

Pursuant to the Agreement on the Lease of Electricity Distribution Infrastructure and the Provision of Services for the Distribution System Operator, payments from end-users are collected by the Company in its own name and on behalf of the Distribution System Operator (DSO). This arrangement gives rise to a heightened risk exposure, as the Company is required to settle all obligations to the Distribution System Operator regardless of whether overdue receivables from end-users have been collected. The Company also provides market-based services to a limited extent.

The ageing structure of short-term receivables relating to network charges, electricity supply and services, as well as interest receivables, as at 31 December 2025 and 31 December 2024, is presented below:

in €

	31 Dec 2025	31 Dec 2024
Not Yet Due Receivables	6,017,018	7,588,826
Overdue up to 30 Days	175,271	635,298
Overdue 31–60 Days	9,557	7,929
Overdue 61–90 Days	-4,592	1,044
Overdue More Than 90 Days	133,290	1,706,387
Total Overdue Receivables	313,525	2,350,658
Percentage of Overdue Receivables in Total Outstanding Receivables	5%	24%
Totals	**6,330,544**	**9,939,484**

The movement in impairment allowances for trade receivables and receivables for default interest in 2025 and 2024 is presented in the table below.

in €

	2025	2024
Opening Balance as at 1 January	135,520	143,399
New Impairment Allowances Recognised	1,995	7,169
Utilisation and Reversal	6,186	15,048
Closing Balance as at 31 December	**131,329**	**135,520**

Receivables are reviewed on a regular monthly basis. Collection activities are carried out consistently and in accordance with uniform criteria applicable to all customers. Default interest is also collected systematically. The accuracy of record-keeping and collection procedures has contributed to the achievement of favourable results. The largest debtors, i.e. customers with outstanding network charge liabilities, are reviewed at regular monthly meetings, during which an individual action plan is prepared for each debtor with the objective of maximising recoverability. Each case is assessed individually. The creditworthiness of debtors is regularly monitored. Collection measures also include telephone follow-up, the possibility of instalment payment arrangements, the identification of set-off opportunities, assignment of receivables and other recovery mechanisms. Where instalment repayment agreements, assignment agreements or orders of assignment are concluded, accrued default interest is always included in the contractual arrangements. Advance invoices are issued for certain services. In the settlement of outstanding receivables, the provisions of the General Terms and Conditions of the Distribution Network Access Agreement are observed. Once all available "soft collection" measures have been exhausted, a notice of disconnection is issued in the event of non-payment of invoiced network charges. If the customer fails to settle the outstanding debt within the period specified in the notice, the metering point is disconnected. This approach helps prevent further financial losses and payment indiscipline that could otherwise result in a higher level of overdue receivables.

As at 31 December 2025, the short-term receivable from the Company's largest customer amounted to €3,617,340, representing 57% of total short-term trade receivables.

Liquidity Risk

The risk of short-term insolvency, or liquidity risk, arises from the possibility that the Company may, at a given point in time, lack sufficient liquid resources to meet its current obligations or maintain normal business operations. Liquidity difficulties could result from uneven cash inflows and outflows, lengthy procedures for obtaining long-term financing, or investment expenditures significantly exceeding planned levels. Liquidity risk is also closely linked to investment risk. Managing liquidity risk therefore includes securing financing for investments in accordance with the business plan, ensuring the availability of sufficient funds and preventing delays in investment implementation, as financing procedures may be time-consuming.

The Company is recognised for its exemplary payment discipline and experienced no liquidity difficulties in 2025.

Liquidity risk arising from operating activities is managed through the following measures:

- Continuous monitoring and coordination among all organisational units with respect to the procurement of goods and services and the conclusion of procurement contracts, taking into account the expected availability of cash resources. This also includes prioritising individual procurement activities based on available funds. These measures apply across all areas of the Company's operations.
- Monitoring the execution of open purchase orders and concluded procurement contracts, particularly with regard to completion dates and the timing and amount of expected payments.
- Monitoring the timely collection of receivables, particularly those due from major customers, as late payments resulting from deteriorating payment discipline, requests for extended payment terms and discounts, and increased collection costs associated with overdue receivables may adversely affect liquidity. This also includes maintaining an appropriate information system for monitoring overdue receivables and ensuring timely and effective communication regarding unpaid receivables among organisational units so that appropriate actions can be taken without delay (e.g. issuing reminders in a timely manner, initiating legal collection proceedings, etc.). In entering into commercial contracts with customers of the Company's services, advance payments and systematic creditworthiness assessments of business partners are used wherever possible. Customers with overdue receivables are regularly reminded of their outstanding obligations on a monthly basis.
- Continuous monitoring of inventory levels. Management resolutions have been adopted defining inventory monitoring procedures. The Company is also further optimising operational processes, particularly in the areas of planning, material procurement and project execution.
- Particular attention is devoted to the preparation and monitoring of cash flow forecasts. Effective liquidity planning enables the optimal management of potential short-term surpluses or shortages of liquid resources.

The following tables present financial liabilities by maturity.

in €

2025	Maturity			Total
	Within 1 Year	Between 2 and 5 Years	Over 5 Years	
Financial Liabilities to Banks	7,079,005	22,964,288	24,645,665	54,688,958
Undrawn Financial Commitments	10,230,828	0	0	10,230,828

in €

2024	Maturity			Total
	Within 1 Year	Between 2 and 5 Years	Over 5 Years	
Financial Liabilities to Banks	6,944,084	27,566,019	27,122,938	61,633,042

Risks associated with the fulfilment of financial obligations to lending banks are managed through the maintenance of an appropriate financing structure and the achievement of favourable financial ratio levels. Failure to comply with financial covenant requirements as at the reporting date could result in amendments to contractual terms, such as changes to loan repayment schedules or interest rates. The collateral provided for loans is described in the section Long-Term Liabilities.

Key liquidity risk indicator::

	31 December 2024	31 December 2025
Current Ratio Current Assets / Current Liabilities	1.03	1.64

The severity of liquidity risk is assessed as significant. Owing to the established control mechanisms and the implementation of the measures described above, the likelihood of a liquidity shortfall materialising is considered low. Nevertheless, it is recognised that any occurrence of illiquidity could result in adverse business consequences.

Interest Rate Risk

Interest rate risk represents the risk arising from adverse movements in interest rates. As the majority of the Company's borrowings carry variable interest rates (EURIBOR), they are exposed to fluctuations in interest rates. At the end of 2025, 67.6% of the Company's cash flows were exposed to variable interest rates (compared with 88.0% at the end of 2024).

The exposure to interest rate risk was as follows:

in €

	2025	2024
Financial Liabilities at Variable Interest Rates	36,955,624	54,290,184
Financial Liabilities at Fixed Interest Rates	17,733,334	7,342,858
Total	**54,688,958**	**61,633,042**

A 50-basis-point change in the interest rate applicable to financial instruments with variable interest rates would, as at the reporting date, increase or decrease profit or loss by the amounts presented below.

in €

	Impact on Profit or Loss 2025		Impact on Profit or Loss 2024	
	Increase by 50 bps	Decrease by 50 bps	Increase by 50 bps	Decrease by 50 bps
Financial liabilities with variable interest rates	-249,455	249,455	-247,873	247,873

Interest rate risk is managed through the following measures: obtaining borrowings at fixed interest rates, actively monitoring interest rate movements and bank spreads, negotiating with banks to reduce existing spreads or margins, refinancing existing loans, and actively seeking the most favourable terms for access to external sources of financing.

Foreign Exchange Risk

As the Company conducts its operations in euros, it is not exposed to foreign exchange risk.

16.8. Events After the Reporting Date

No significant business events occurred after the reporting date.

16.9. Disclosures in Accordance with the Electricity Supply Act

16.9.1. Criteria and Methodologies for Allocation of Indirect Costs (Expenses), Revenues, Assets and Liabilities by Activity

General

The financial performance and position of individual activities are affected by both direct and indirect revenues and expenses, as well as by assets and liabilities that are allocated to an activity either directly or indirectly.

The allocation methodologies presented below are based on the Elektro Gorenjska's internal organisational units (OEs), which were used to record business events in 2024. All revenues, expenses, assets, and liabilities are originally recognised within the OE where they occur. If this is not possible or appropriate, items are allocated across multiple OEs at the point of initial recognition using pre-established allocation criteria. Primary allocation criteria include:
- The number of employees per activity, and
- The floor area of the premises used by the OE within a facility

General Criterion for the Allocation of Indirect Revenues, Expenses, Assets and Liabilities by Activity

Indirect revenues and expenses are primarily composed of the revenues and expenses of general service departments: the Management, the Corporate Services Sector (CSS), and the Information and Communication Technology Sector (ICT). This excludes revenues and expenses of these departments arising from services rendered to related parties (e.g. legal, human resources, accounting, finance, and other similar services). Revenues generated in relation to related parties are initially recognised under other activities. Expenses incurred in connection with services provided to related parties are directly recorded under those other activities.

The resulting indirect revenues and expenses, as well as the assets and liabilities of the general service departments, are allocated to activities based on the following two criteria:
- Number of employees, and
- Number of fixed assets.

Based on these criteria, 91% of the indirect expenses, revenues, assets and liabilities of the general service departments were allocated to the activity under the contract with the DSO, and 9% to other activities.

Other Significant Criteria for the Allocation of Indirect Revenues, Expenses, Assets and Liabilities by Activity

Interrelationships between organisational units (OUs) or activities primarily include the following:
- Intangible and tangible assets, long-term deferred costs and accrued revenues, long-term trade receivables, assets held for sale, short-term trade receivables, provisions and long-term accrued expenses and deferred income, part of the short-term trade payables, short-term accrued expenses and deferred income, and inventories are originally recognised by individual OUs. An exception applies to intangible and tangible assets that relate to multiple activities (so-called pooled assets). These assets are reallocated from the original OE to the relevant OEs using a defined allocation key. Assets and liabilities recognised under general services (Management, Corporate Services Sector, ICT Sector) are allocated to individual activities based on the allocation key for pooled assets or using the general allocation criteria.
- All investment property and long-term financial investments are recognised under other activities.
- Long-term and short-term financial liabilities to banks are allocated to activities based on the purpose for which the loans were obtained.
- Interest expenses on bank loans are allocated to activities in proportion to the share of financial liabilities attributable to each activity, or as defined in the preceding paragraph.
- Cash and cash equivalents are initially recognised under the OE where the corresponding receivable or payable is recorded, or under the OE to which the related cost is charged. If the payment relates to a liability originally recognised under Management, it is subsequently reallocated appropriately for the purpose of preparing activity-based statements.

- Corporate income tax liabilities are recorded in full under Management. However, in the activity-based income statement, corporate income tax is allocated to each activity. The amount attributable to each activity is calculated based on data used to prepare the corporate income tax calculation by OU (a corporate tax computation is prepared at the activity level). Interim corporate income tax prepayments and year-end receivables or liabilities as at 31 December are recorded under Management. For the preparation of the balance sheet by activity as at 31 December, the corporate income tax liabilities or receivables are allocated based on the actual tax calculation by activity. Liabilities and receivables by activity are recognised based on actual tax prepayments by activity and the final corporate income tax computation by activity.

16.9.2. Statement of Financial Position by Activity

In accordance with the provisions of the Electricity Supply Act (ZOEE), the Company discloses its financial statements by activity.

STATEMENT OF FINANCIAL POSITION BY ACTIVITY AS AT 31 DECEMBER 2025 in €

Item		Distribution Activity (DO)	Other Activities	Elektro Gorenjska Total
ASSETS				
A.	Long-Term Assets	257,953,910	5,595,472	263,549,382
I.	**Intangible Assets and Long-Term Deferred Costs**	**5,647,814**	**227,596**	**5,875,410**
	1. Long-Term Property Rights	5,255,484	200,373	5,455,857
	5. Other Long-Term Deferred Costs	392,330	27,223	419,553
II.	**Property, Plant and Equipment**	**252,062,362**	**3,212,410**	**255,274,772**
	1. Land and Buildings	178,817,196	2,839,051	181,656,247
	a) Land	6,273,718	878,746	7,152,464
	b) Buildings	172,543,478	1,960,305	174,503,783
	2. Production Equipment and Machinery	65,223,476	359,112	65,582,588
	3. Other Equipment	56,848	6,606	63,454
	4. Property, Plant and Equipment Under Construction	7,964,842	7,641	7,972,483
	a) Construction in Progress	7,898,398	7,641	7,906,039
	b) Advances for Acquisition of Property, Plant and Equipment	66,444	0	66,444
III.	**Investment Property**	**0**	**1,867,796**	**1,867,796**
IV.	**Long-Term Financial Investments**	**0**	**266,953**	**266,953**
	1. Long-Term Financial Investments, Excluding Loans	0	124,155	124,155
	b) Shares and Interests in Associates	0	124,155	124,155
	2. Long-Term Loans	0	142,798	142,798
	b) Long-Term Loans to Others	0	142,798	142,798
V.	**Long-Term Trade Receivables**	**107,074**	**0**	**107,074**
	3. Long-Term Trade Receivables from Others	107,074	0	107,074
VI.	**Deferred Tax Assets**	**136,660**	**20,717**	**157,377**
B.	Short-Term Assets	-22,818,193	55,621,802	32,803,609
II.	**Inventories**	**1,420,478**	**4,776**	**1,425,254**
	1. Materials	1,420,478	4,776	1,425,254
IV.	**Short-Term Trade Receivables**	**6,282,005**	**442,569**	**6,724,574**
	2. Short-Term Trade Receivables from Customers	5,848,337	350,878	6,199,215
	4. Other Short-Term Trade Receivables	433,668	91,691	525,359
V.	**Cash and Cash Equivalents**	**-30,520,676**	**55,174,457**	**24,653,781**
C.	Short-Term Deferred Costs	2,711,992	35,364	2,747,356
	TOTAL ASSETS	237,847,709	61,252,638	299,100,347

STATEMENT OF FINANCIAL POSITION BY ACTIVITY AS AT 31 DECEMBER 2025 in €

Item		Distribution Activity (DO)	Other Activities	Elektro Gorenjska Total
LIABILITIES AND EQUITY				
A.	Equity	150,131,730	50,608,226	200,739,956
I.	**Subscribed Capital**	**87,770,535**	**16,366,080**	**104,136,615**
	1. Share Capital	87,770,535	16,366,080	104,136,615
II.	**Capital Reserves**	**41,584,616**	**4,388,863**	**45,973,479**
III.	**Profit Reserves**	**15,565,856**	**26,373,113**	**41,938,969**
	1. Legal Reserves	3,411,748	2,289,470	5,701,218
	5. Other Profit Reserves	12,154,108	24,083,643	36,237,751
V.	**Reserves from Fair Value Revaluation**	**-56,058**	**1,843**	**-54,215**
VI.	**Retained Earnings**	**4,185,699**	**-4,185,699**	**0**
VII.	**Net Profit for the Financial Year**	**1,081,082**	**7,664,026**	**8,745,108**
	1. Unallocated Profit for the Current Year	1,081,082	7,664,026	8,745,108
B.	Provisions and Long-Term Accruals and Deferrals	19,373,209	8,593,133	27,966,342
	1. Provisions for Pensions and Similar Obligations	2,880,411	458,633	3,339,044
	2. Other Provisions	0	7,431,385	7,431,385
	3. Long-Term Accrued Expenses and Deferred Income	16,492,798	703,115	17,195,913
C.	Long-Term Liabilities	48,905,842	105,954	49,011,796
I.	**Long-Term Financial Liabilities**	**47,609,953**	**0**	**47,609,953**
	2. Long-Term Financial Liabilities to Banks	47,609,953	0	47,609,953
II.	**Long-Term Trade Payables**	**1,107,456**	**92,671**	**1,200,127**
	4. Long-Term Advance Liabilities	219,751	4,876	224,627
	5. Other Non-Current Trade Payables	887,705	87,795	975,500
III.	**Deferred Tax Liabilities**	**188,433**	**13,283**	**201,716**
Č.	Short-Term Liabilities	18,267,111	1,766,034	20,033,145
II.	**Short-Term Financial Liabilities**	**7,204,762**	**0**	**7,204,762**
	2. Short-Term Financial Liabilities to Banks	7,079,005	0	7,079,005
	4. Other Short-Term Financial Liabilities	125,757	0	125,757
III.	**Short-Term Trade Payables**	**11,062,349**	**1,766,034**	**12,828,383**
	2. Short-Term Trade Payables to Suppliers	7,386,664	346,221	7,732,885
	4. Short-Term Trade Liabilities Arising from Advances Received	100,802	29,740	130,542
	5. Short-Term Income Tax Liabilities	266,351	1,097,930	1,364,281
	6. Other Short-Term Operating Liabilities	3,308,532	292,143	3,600,675
D.	Short-Term Accrued Expenses and Deferred Income	1,169,816	179,292	1,349,108
	TOTAL LIABILITIES AND EQUITY	237,847,708	61,252,639	299,100,347

STATEMENT OF FINANCIAL POSITION BY ACTIVITY AS AT 31 DECEMBER 2024

in €

Item		Distribution Activity (DO)	Other Activities	Elektro Gorenjska Total
ASSETS				
A.	Long-Term Assets	233,907,042	18,576,779	252,483,821
I.	**Intangible Assets and Long-Term Deferred Costs**	**3,050,044**	**72,212**	**3,122,256**
	1. Long-Term Property Rights	2,936,736	65,748	3,002,484
	5. Other Long-Term Deferred Costs	113,308	6,464	119,772
II.	**Property, Plant and Equipment**	**229,189,342**	**2,733,482**	**231,922,824**
	1. Land and Buildings	165,639,007	1,999,625	167,638,632
	a) Land	6,098,149	881,152	6,979,301
	b) Buildings	159,540,858	1,118,473	160,659,331
	2. Production Equipment and Machinery	50,780,494	261,337	51,041,831
	3. Other Equipment	59,138	6,606	65,744
	4. Property, Plant and Equipment Under Construction	12,710,703	465,914	13,176,617
	a) Construction in Progress	12,674,269	465,914	13,140,183
	b) Advances for Acquisition of Property, Plant and Equipment	36,434	0	36,434
III.	**Investment Property**	**0**	**1,755,081**	**1,755,081**
IV.	**Long-Term Financial Investments**	**0**	**13,982,256**	**13,982,256**
	1. Long-Term Financial Investments, Excluding Loans	0	13,839,458	13,839,458
	a) Shares and Interests in Group Companies	0	13,715,303	13,715,303
	b) Shares and Interests in Associates	0	124,155	124,155
	2. Long-Term Loans	0	142,798	142,798
	b) Long-Term Loans to Others	0	142,798	142,798
V.	**Long-Term Trade Receivables**	**155,550**	**0**	**155,550**
	2. Long-Term Trade Receivables from Customers	48,476	0	48,476
	3. Long-Term Trade Receivables from Others	107,074	0	107,074
VI.	**Deferred Tax Assets**	**1,512,106**	**33,748**	**1,545,854**
B.	Short-Term Assets	-3,129,082	17,834,293	14,705,211
II.	**Inventories**	**1,426,330**	**2,631**	**1,428,961**
	1. Materials	1,186,686	2,631	1,189,317
	4. Advances for Inventories	239,644	0	239,644
IV.	**Short-Term Trade Receivables**	**9,900,258**	**468,447**	**10,368,705**
	1. Short-Term Trade Receivables from Group Companies	5,325	26,175	31,500
	2. Short-Term Trade Receivables from Customers	9,527,326	276,638	9,803,964
	3. Income Tax Receivables	54,448	121,020	175,468
	4. Other Short-Term Trade Receivables	313,159	44,614	357,773
V.	**Cash and Cash Equivalents**	**-14,455,670**	**17,363,215**	**2,907,545**
C.	Short-Term Deferred Costs	153,258	24,297	177,555
	TOTAL ASSETS	230,931,218	36,435,369	267,366,587

STATEMENT OF FINANCIAL POSITION BY ACTIVITY AS AT 31 DECEMBER 2024

in €

Item		Distribution Activity (DO)	Other Activities	Elektro Gorenjska Total
LIABILITIES AND EQUITY				
A.	Equity	147,250,501	27,095,287	174,345,788
I.	**Subscribed Capital**	**87,770,535**	**16,366,080**	**104,136,615**
	1. Share Capital	87,770,535	16,366,080	104,136,615
II.	**Capital Reserves**	**41,584,616**	**4,388,863**	**45,973,479**
III.	**Profit Reserves**	**13,235,285**	**9,832,661**	**23,067,946**
	1. Legal Reserves	3,241,218	1,079,193	4,320,411
	5. Other Profit Reserves	9,994,067	8,753,468	18,747,535
V.	**Reserves from Fair Value Revaluation**	**-179,213**	**-34,917**	**-214,130**
VI.	**Retained Earnings**	**4,182,841**	**-4,181,849**	**992**
VII.	**Net Profit for the Financial Year**	**656,437**	**724,449**	**1,380,886**
	1. Unallocated Profit for the Current Year	656,437	724,449	1,380,886
B.	Provisions and Long-Term Accruals and Deferrals	13,369,628	8,699,271	22,068,899
	1. Provisions for Pensions and Similar Obligations	3,068,993	482,534	3,551,527
	2. Other Provisions	0	7,431,385	7,431,385
	3. Long-Term Accrued Expenses and Deferred Income	10,300,635	785,352	11,085,987
C.	Long-Term Liabilities	55,025,663	14,443	55,040,106
I.	**Long-Term Financial Liabilities**	**54,688,957**	**0**	**54,688,957**
	2. Long-Term Financial Liabilities to Banks	54,688,957	0	54,688,957
II.	**Long-Term Trade Payables**	**136,629**	**3,285**	**139,914**
	4. Long-Term Advance Liabilities	136,629	3,285	139,914
III.	**Deferred Tax Liabilities**	**200,077**	**11,158**	**211,235**
Č.	Short-Term Liabilities	13,768,652	460,448	14,229,100
II.	**Short-Term Financial Liabilities**	**7,123,688**	**0**	**7,123,688**
	2. Short-Term Financial Liabilities to Banks	6,944,084	0	6,944,084
	4. Other Short-Term Financial Liabilities	179,604	0	179,604
III.	**Short-Term Trade Payables**	**6,644,964**	**460,448**	**7,105,412**
	1. Short-Term Payables to Group Companies	26,583	24,536	51,119
	2. Short-Term Payables to Suppliers	2,914,331	142,339	3,056,670
	4. Short-Term Advance Liabilities	103,997	26,491	130,488
	6. Other Short-Term Trade Payables	3,600,053	267,082	3,867,135
D.	Short-Term Accrued Expenses and Deferred Income	1,516,774	165,920	1,682,694
	TOTAL LIABILITIES AND EQUITY	230,931,218	36,435,369	267,366,587

16.9.3. Income Statement by Business Segment

INCOME STATEMENT BY BUSINESS SEGMENT OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 in €

Item		Activity DO	Other Activities	Total Elektro Gorenjska
1.	**Net Sales Revenue**	**39,025,395**	**2,674,290**	**41,699,685**
	a. Net Sales Revenue in the Domestic Market	39,025,395	2,666,183	41,691,578
	b. Net Sales Revenue in Foreign Markets	0	8,107	8,107
3.	**Capitalized Own Products and Services**	**0**	**10,024,021**	**10,024,021**
4.	**Other Operating Income (Including Revaluation Income)**	**1,603,342**	**200,315**	**1,803,657**
5.	**Costs of Goods, Materials, and Services**	**6,334,575**	**8,106,250**	**14,440,825**
	a. Cost of Goods Sold and Materials Used	1,052,811	7,551,163	8,603,974
	b. Cost of Services	5,281,764	555,087	5,836,851
6.	**Labour Costs**	**13,286,921**	**4,246,037**	**17,532,958**
	a. Wages and Salaries	9,258,067	3,096,728	12,354,795
	b. Social Security Costs	2,097,757	619,512	2,717,269
	– Of Which Pension Insurance Contributions	1,342,337	370,330	1,712,667
	c. Other Labour Costs	1,931,097	529,797	2,460,894
7.	**Write-Downs**	**13,744,089**	**238,127**	**13,982,216**
	a. Depreciation and Amortisation	13,383,595	237,301	13,620,896
	b. Impairment of Intangible and Tangible Assets	333,975	529	334,504
	c. Impairment of Current Assets	26,519	297	26,816
8.	**Other Operating Expenses**	**256,999**	**36,405**	**293,404**
9.	**Finance Income from Equity Interests**	**0**	**24,894,059**	**24,894,059**
	a. From Equity Interests in Group Companies	0	24,894,059	24,894,059
10.	**Finance Income from Loans Granted**	**0**	**99,686**	**99,686**
	b. From Loans Granted to Others	0	99,686	99,686
11.	**Finance Income from Operating Receivables**	**21,635**	**1,846**	**23,481**
	b. From Trade Receivables Due from Others	21,635	1,846	23,481
13.	**Finance Costs from Financial Liabilities**	**1,631,585**	**0**	**1,631,585**
	b. From Loans Received from Banks	1,631,585	0	1,631,585
14.	**Finance Costs from Operating Liabilities**	**92,326**	**16,286**	**108,612**
	b. From Liabilities to Suppliers and Bills Payable	39	124	163
	c. From Other Operating Liabilities	92,287	16,162	108,449
15.	**Other Income**	**12**	**4**	**16**
16.	**Other Expenses**	**63,218**	**6,249**	**69,467**
17.	**NET PROFIT BEFORE TAX**	**5,240,671**	**25,244,867**	**30,485,538**
18.	**Corporate Income Tax**	**476,869**	**1,012,571**	**1,489,440**
19.	**Deferred Taxes**	**1,347,962**	**11,797**	**1,359,759**
20.	NET PROFIT FOR THE FINANCIAL PERIOD	3,415,840	24,220,499	27,636,339

INCOME STATEMENT BY BUSINESS SEGMENT OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 in €

Item		Activity DO	Other Activities	Total Elektro Gorenjska
1.	**Net Sales Revenue**	**35,432,197**	**2,539,997**	**37,972,194**
	a. Net Sales Revenue in the Domestic Market	35,432,197	2,531,264	37,963,461
	b. Net Sales Revenue in Foreign Markets	0	8,733	8,733
3.	**Capitalized Own Products and Services**	**0**	**6,261,655**	**6,261,655**
4.	**Other Operating Income (Including Revaluation Income)**	**1,016,208**	**523,558**	**1,539,766**
5.	**Costs of Goods, Materials, and Services**	**5,913,397**	**5,825,654**	**11,739,051**
	a. Cost of Goods Sold and Materials Used	1,080,847	5,115,839	6,196,686
	b. Cost of Services	4,832,550	709,815	5,542,365
6.	**Labour Costs**	**12,659,956**	**3,515,586**	**16,175,542**
	a. Wages and Salaries	8,920,677	2,626,984	11,547,661
	b. Social Security Costs	1,982,667	501,113	2,483,780
	– Of Which Pension Insurance Contributions	1,302,970	304,967	1,607,937
	c. Other Labour Costs	1,756,612	387,489	2,144,101
7.	**Write-Downs**	**13,016,019**	**231,009**	**13,247,028**
	a. Depreciation and Amortisation	12,756,728	225,408	12,982,136
	b. Impairment of Intangible and Tangible Assets	253,876	1,799	255,675
	c. Impairment of Current Assets	5,415	3,802	9,217
8.	**Other Operating Expenses**	**328,083**	**1,133,984**	**1,462,067**
9.	**Finance Income from Equity Interests**	**0**	**3,500,000**	**3,500,000**
	a. From Equity Interests in Group Companies	0	3,500,000	3,500,000
10.	**Finance Income from Loans Granted**	**0**	**23,139**	**23,139**
	b. From Loans Granted to Others	0	23,139	23,139
11.	**Finance Income from Operating Receivables**	**16,981**	**2,055**	**19,036**
	b. From Trade Receivables Due from Others	16,981	2,055	19,036
13.	**Finance Costs from Financial Liabilities**	**2,167,638**	**2,680**	**2,170,318**
	a. From Loans Received from Group Companies	0	2,680	2,680
	b. From Loans Received from Banks	2,167,638	0	2,167,638
14.	**Finance Costs from Operating Liabilities**	**89,201**	**13,725**	**102,926**
	b. From Liabilities to Suppliers and Bills Payable	143	84	227
	c. From Other Operating Liabilities	89,058	13,641	102,699
15.	**Other Income**	**15**	**3**	**18**
16.	**Other Expenses**	**32,849**	**3,247**	**36,096**
17.	**NET PROFIT BEFORE TAX**	**2,258,258**	**2,124,522**	**4,382,780**
18.	**Corporate Income Tax**	**229,656**	**-93,118**	**136,538**
19.	**Deferred Taxes**	**22,831**	**3,616**	**26,447**
20.	**NET PROFIT FOR THE FINANCIAL PERIOD**	**2,005,771**	**2,214,024**	**4,219,795**

In the Company's income statement, the net approach has been applied for the adjustment of receivables (i.e., values arising from intra-organisational postings have been eliminated). As a result, revenue and expenses were reduced by €8,897.

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