energetika ljubljana

skupina Javni holding Ljubljana

2025
ANNUAL REPORT

Ljubljana, April 2026

TABLE OF CONTENTS

Significant data and certain Company performance indicators

	YEAR 2025	YEAR 2024	YEAR 2023	YEAR 2022
DISTRICT HEATING SYSTEM				
Length of the hot-water network with connections in km	280.8	278.2	276.9	275.0
Length of steam pipeline system in km	5.8	5.6	6.0	7.7
Connecting power – hot-water system in MW	1,177.4	1,173.3	1,179.4	1,178.3
Number of connected heat meters	5,178	5,127	5,098	5,016
Number of connected steam meters	15	14	13	17
Heat generation (hot water and steam) in MWh	1,117,391	1,098,763	1,149,897	1,292,696
Sale of heat (hot water and steam) with own consumption in MWh	959,043	930,575	979,213	1,126,778
Heat losses in the hot-water network in %	15.1	16.4	16.6	15.3
GAS SUPPLY SYSTEM				
Length of the gas pipeline network with connections in km	1,250.3	1,243.4	1,235.0	1,218.3
No. of connected gas meters	56,077	56,259	56,693	57,132
Distributed volumes of natural gas in MWh	1,052,296	1,041,814	908,586	810,009
Sale of natural gas – distribution network in MWh	629,136	630,428	627,563	645,575
Sale of natural gas (CNG) in MWh	54,977	56,806	54,446	50,841
ELECTRICITY				
Total generation of electricity in MWh	649,258	288,642	267,184	324,967
Purchase of electricity in MWh	48,414	75,075	74,253	49,834
Total generation and purchase of electricity in MWh	*697,672*	*363,717*	*341,437*	*374,802*
Sale of (baseload) electricity in MWh	535,025	109,410	186,109	145,320
Sale of electricity to end customers and others in MWh	107,008	200,876	98,558	166,111
Own electricity consumption in MWh	55,639	53,431	56,770	63,371
Total sale and own consumption of electricity in MWh	*697,672*	*363,717*	*341,437*	*374,802*
FROM BALANCE SHEET AS AT 31/12 (in €)				
Total assets	500,715,019	442,071,848	436,152,395	406,087,887
IA, PPE and investment property	363,301,233	360,994,807	336,655,930	315,569,729
Investments	2,074,659	2,185,712	1,861,799	3,635,727
Receivables	89,054,214	53,647,475	55,801,517	58,977,052
Inventories, cash and cash equivalents, short-term deferred costs and accrued revenue, assets held for sale	46,284,913	25,243,854	41,833,149	27,905,379
Equity	205,076,915	208,782,179	213,593,632	198,042,616
Provisions and long-term accrued costs and deferred revenue	8,087,817	7,392,596	7,125,342	6,265,148
Liabilities:	219,006,981	208,491,656	195,681,719	190,223,420
- Financial liabilities – banks	*164,269,846*	*156,697,913*	*142,108,331*	*125,040,080*
- Financial liabilities – for the lease of fixed assets	*444,104*	*66,972*	*130,362*	*131,655*
- Other liabilities (operating, miscellaneous)	*54,293,031*	*51,726,771*	*53,443,026*	*65,051,685*
Short-term accrued costs and deferred revenue	68,543,306	17,405,417	19,751,702	11,556,703
FROM THE INCOME STATEMENT FOR THE YEAR (in €)				
Operating revenue	266,446,992	222,162,040	278,204,292	241,602,969
Operating expenses	259,278,664	216,238,358	257,518,103	243,884,950
EBIT	7,168,328	5,923,682	20,686,189	-2,281,981
Depreciation/amortisation	19,540,098	13,499,387	13,954,836	12,912,146
- Amortisation of own fixed assets	*19,395,403*	*13,419,673*	*13,859,935*	*12,869,121*
- Amortisation of leased fixed assets	*144,695*	*79,714*	*94,901*	*43,025*
EBITDA*	*26,563,731*	*19,343,355*	34,546,124	10,587,140
Profit or loss from financial and extraordinary operations	-4,977,878	-1,828,020	-2,796,520	3,317,832
Net profit or loss for the financial year	1,714,367	3,506,282	16,368,370	837,485
LABOUR COSTS FOR THE YEAR				
Labour costs (in €)	33,725,314	30,634,219	29,572,942	25,945,237
Salaries and wages (in €)	23,562,452	21,713,510	20,880,195	18,285,907
Average No. of employees based on hours	555.79	554.85	553.36	558.36
Average gross salary per employee based on hours (in €)	3,532.88	3,261.17	3,144.46	2,729.11
Average level of education**	5.3	5.3	5.3	5.3
REALISED INVESTMENTS IN THE YEAR (in €)	**28,707,021**	**31,661,543**	**37,540,435**	**62,826,036**
PERFORMANCE INDICATORS FOR THE YEAR				
Operating efficiency ratio	1.03	1.03	1.08	0.99
Net return on equity (in %)	1.0	2.0	8.0	0.0
NUMBER OF EMPLOYEES AS AT 31/12	**567**	**538**	**559**	**559**
AVERAGE NO. OF EMPLOYEES DURING THE YEAR	**552.9**	**551.2**	**551.2**	**555.5**
NUMBER OF HIRED EMPLOYEES AS AT 31 DEC	**4**	**13**	**10**	**9**

*Earnings before interest, taxes, depreciation, and amortisation (EBITDA) is earnings before interest and taxes (EBIT) increased by the depreciation/amortisation of own fixed assets.

**In 2025, we updated the methodology to calculate the average level of education. The calculation is now based on education levels from 1 to 8, while the education levels in previous years were applied according to the old schooling system (from 1 to 9). Data for previous years has been recalculated according to the same methodology.

1 INTRODUCTION

1.1 Company profile

Company:	JAVNO PODJETJE ENERGETIKA LJUBLJANA d.o.o. (abbreviated name: ENERGETIKA LJUBLJANA d.o.o.)
Address:	Verovškova ulica 62, 1000 Ljubljana
Phone:	+386 (0)1 588 90 00
Email:	info@energetika.si
Website:	www.energetika.si
Registration No.:	5226406000
VAT ID No.:	SI23034033
Code of activity:	35.300 Steam and air conditioning supply
Share capital:	€57,602,057.00

Registry entry number at the District Court of Ljubljana: 1/01757/00

Energetika Ljubljana has no branches.

- **Establishment and changes to the legal status of the Company**

The Company emerged in 1981 following the merger of two companies, i.e. Plinarna (which had been dealing with gas distribution) and Komunalna Energetika Ljubljana (which had supplied the city by way of a hot-water system). The legal reorganisation into JAVNO PODJETJE ENERGETIKA LJUBLJANA d.o.o. (hereinafter "Energetika Ljubljana") was carried out in 1991.

Since 1994, Energetika Ljubljana has operated as a subsidiary of JAVNI HOLDING Ljubljana d.o.o., which is owned by the City of Ljubljana and 6 neighbouring municipalities (Medvode, Brezovica, Dobrova – Polhov Gradec, Škofljica, Dol pri Ljubljani and Horjul). Through the Founders' Council of the public companies integrated in JAVNI HOLDING Ljubljana d.o.o., local communities exercise their founders' rights in relation to Energetika Ljubljana and coordinate the decisions made by local communities in relation to the provision of services of general interest in the relevant area.

On 31 January 2014, the acquisition of TERMOELEKTRARNA TOPLARNA LJUBLJANA d.o.o. by Energetika Ljubljana was entered in the court register.

With the enforcement of the Act Amending the Companies Act (hereinafter: amended ZGD-1) in February 2021, the Company became a public-interest entity. The amended ZGD-1 lays down that a public-interest entity is required to appoint a supervisory board and the latter is to appoint an audit committee, except in case of subsidiaries that are associated by way of a control agreement, which are exempt from such an obligation. To that end and to ensure efficient decision-making for the best possible business results of all Group companies together and separately, as well as to bring the companies already holding capital ties together into a corporate group, Javni holding drew up a Control Agreement, which was, after receiving a positive opinion from the Supervisory Board and the consent of the General Meeting, concluded on 5 May 2021 between Javni holding as the controlling company and Energetika Ljubljana, VOKA SNAGA and LPP as subsidiaries, and entered into force upon its entry in the court register on 13 May 2021. Thereby, the Company became part of the corporate group. Pursuant to the amended ZGD-1, an audit committee was also appointed by the Supervisory Board of Javni holding which is tasked with auditing, including Energetika Ljubljana as a subsidiary within the corporate group.

- **Company activity**

The mission of Energetika Ljubljana is to provide secure, safe, environmentally friendly and cost efficient supply of heating and cooling produced in an energy efficient manner to the residents and business users of Ljubljana. Furthermore, the Company supplies the residents and business users in Ljubljana and neighbouring municipalities with natural gas, other energy products and electricity from high efficiency co-generation and renewable energy sources.

As its principal activity entered in AJPES, Energetika Ljubljana pursues the activity of steam and air conditioning supply, whereby it also pursues other activities in line with the Memorandum of Association of JAVNO PODJETJE ENERGETIKA LJUBLJANA d.o.o. (notarial deed ref. No. SV 2683/2025 dated 4 December 2025 – consolidated text).

Energetika Ljubljana produces, distributes and supplies heat (hot water, steam and cooling), distributes and supplies natural gas, compressed natural gas (CNG) and liquefied natural gas (LNG), and produces and supplies electricity. The Company provides comprehensive supply of heat and natural gas to the City of Ljubljana (MOL) and also supplies natural gas to municipalities Medvode, Dol pri Ljubljani, Dobrova – Polhov Gradec, Škofljica, Brezovica, Ig, Log – Dragomer and Grosuplje.

Pursuant to municipal ordinances, the Company renders optional services of general economic interest, i.e. heat distribution and supply, and natural gas distribution, where it operates as a distribution system operator (DSO). The Company distributes natural gas to the Log – Dragomer Municipality based on a concession contract that was signed in March 2010, and to the Grosuplje Municipality based on a concession contract that was signed in November 2017.

Within the scope of rendering optional services of general economic interest, Energetika Ljubljana has been given a public mandate to issue Terms of Reference and consents to the works planned in the buffer zones of distribution networks, to build municipal infrastructure and issue consents to connect buildings to the distribution network (hot water, steam and gas pipelines). In addition to the basic energy activity, the Company also renders maintenance services on thermal and steam stations, measuring instruments and other services as ordered.

In its Strategic Plan for 2022–2027, Energetika Ljubljana has set its vision: Pure Energy for Green Future, meaning a decisive transfer to low-carbon and renewable energy sources. The most important strategic goals and policies that the Company pursues include decarbonising generation sources and supplying district heating, decarbonising natural gas distribution, providing high security of the operation of generation sources and distribution networks, mitigating a drop in heat consumption by increasing the utilisation rate of the hot-water network, developing and increasing the utilisation rate of the gas pipeline system in transport, generating and supplying green electricity, providing ancillary services for the power system, and merging products and services into comprehensive energy solutions for customers.

- **Governing bodies**

Company management

The Company has one director who runs and represents the Company and realises its adopted business policy.

Since 2014, the Company Director has been Samo Lozej. At its session held on 14 December 2023, the General Meeting of JAVNI HOLDING Ljubljana d.o.o. again appointed Samo Lozej as the Company Director for a 5-year term of office starting on 2 February 2024.

Company Member

The sole Company Member of Energetika Ljubljana is JAVNI HOLDING Ljubljana d.o.o. (hereinafter also "Javni holding"). The competences of the Company Member are laid down in the Memorandum of Association and cover the adoption of the Company's annual report and proposal for the appropriation of distributable profit, of the business plan and written reports on Company operations at the end of each half-year, whereby all indicated competences under the Memorandum of Association of Javni holding are implemented by the General Meeting of Javni holding, decision-making regarding payments of subscribed contributions, refund of subsequent payments, distribution and termination of shareholdings, measures to review and supervise the work performed by the manager, appointment of a procurator and proxy, and decision-making on other matters prescribed by the law or the Memorandum of Association that are not explicitly conferred to the Founders' Council of the public undertakings integrated in JAVNI HOLDING Ljubljana d.o.o. for decision-making. The General Meeting of the sole Company Member appoints and dismisses the Director.

In 2025, the Company Member, inter alia, adopted the Annual Report of Energetika Ljubljana for 2024 along with the Independent Auditor's Reports, a report on the operations of companies within the Javni holding Group for the period from January to June 2025, the Business Plan of Energetika Ljubljana for 2025, while deciding on the allocation of net profit from previous years for transfer to the Company Member, and adopting a resolution to change the Memorandum of Association of Energetika Ljubljana in order to align the activities with the Standard Classification of Activities (SKD 2025).

Founders' Council

In 2004, the City Council of the City of Ljubljana and the municipal councils of Brezovica, Dobrova – Polhov Gradec, Dol pri Ljubljani, Horjul, Ig, Medvode, Škofljica and Velike Lašče Municipalities adopted a Memorandum of Founders' Rights and Incorporation of the Founders' Council of public undertakings integrated in Holding Ljubljana d.o.o.

With the mentioned Memorandum, the municipal councils established a common body, i.e. the Founders' Council of Public Undertakings integrated in Holding Ljubljana d.o.o., with its registered office in Ljubljana, Mestni trg 1, to execute the founders' rights in the public undertakings integrated in Javni holding and to harmonise decisions related to the provision of obligatory and optional services of general economic interest. In 2008, an amendment was adopted to the Memorandum due to the transfer of a shareholding in Javni holding from Ig and Velike Lašče Municipalities to the City of Ljubljana which renamed the body into the Founders' Council of Public Undertakings Integrated in JAVNI HOLDING Ljubljana d.o.o. (hereinafter "Founders' Council").

The Founders' Council comprises the current mayors of the founding municipalities. Within the scope of exercising the founders' rights, the Founders' Council is competent for making decisions on prices or tariffs for the use of the public goods provided by the Company, for granting consent to the purchase or sale of a shareholding in another company, for granting consent to hire loans and borrow otherwise, and for encumbering real estate for more than 5% of the Company's share capital.

In 2025, the Founders' Council met at two regular sessions and two correspondence sessions. It gave its consent to the proposal for the short-term borrowing of Energetika Ljubljana in 2025 from banks for the purposes of balancing financial liquidity and regular operations, and its consent to the proposal for long-term borrowing in 2025 from banks for the purposes of investment financing or, rather, short-term loan refinancing. It also agreed with the proposal to renew a short-term borrowing of Energetika Ljubljana in January 2026. Last but not least, it was kept informed of notifications regarding the loan terms for the borrowings.

➢ Information about the Javni holding Group

Energetika Ljubljana is fully owned by Javni holding and is included in a group of undertakings owned by the mentioned controlling company.

The Javni holding Group comprises:

- the controlling company JAVNI HOLDING Ljubljana d.o.o.,
- the subsidiary JAVNO PODJETJE VODOVOD KANALIZACIJA SNAGA d.o.o.,
- the subsidiary JAVNO PODJETJE ENERGETIKA LJUBLJANA d.o.o.,
- the subsidiary JAVNO PODJETJE LJUBLJANSKI POTNIŠKI PROMET d.o.o.

The consolidated annual report is available at the registered office of the controlling company JAVNI HOLDING Ljubljana d.o.o., Verovškova 70, Ljubljana, and will be published on the website: www.jhl.si/o-druzbi/poslovanje-1.

1.2 Corporate Governance Statement

Pursuant to the provision of paragraph 6 of Article 70 of the Companies Act (ZGD-1), the management of Energetika Ljubljana hereby declares that the Company was managed in line with the law, Memorandum of Association of Javno podjetje ENERGETIKA LJUBLJANA d.o.o. (hereinafter "Memorandum of Association") and other applicable regulations throughout the 2025 financial year.

The management of Energetika Ljubljana declares pursuant to Article 60.a of the Companies Act that the Annual Report with all of its component parts, including the Corporate Governance Statement, was compiled and published in line with the Companies Act and the Slovenian Accounting Standards.

Pursuant to paragraph 6 of Article 70 of the Companies Act laying down minimum contents of a corporate governance statement, Energetika Ljubljana hereby provides the following explanations:

- Corporate Governance Code

Energetika Ljubljana hereby declares that it operates in line with the applicable legislation and actively works towards responsible management and transparent communication with all stakeholders. In 2017, the Corporate Governance Code of JAVNI HOLDING Ljubljana d.o.o. and its subsidiaries (hereinafter "Code") was adopted and published on www.energetika.si. The Code lays down uniform criteria for attaining high management and control standards for all companies in the Group, while setting up a transparent and comprehensible system of corporate governance.

During its operations, the Company follows the mentioned Code, whereby taking into account the particularities deriving from its Memorandum of Association. These particularities refer primarily to:

- the General Meeting of Company Members and therewith related issues, since the Company as a single-member company (Javni holding, which holds a 100% shareholding) has no General Meeting of Company Members;

- the Supervisory Board and its Members along with therewith related issues, since the Company has no Supervisory Board pursuant to its Memorandum of Association. The latter is not mandatory under the Companies Act (ZGD-1) for public-interest entities that are subsidiaries and related by way of a control agreement.

For the same reason, the Company is also not subject to a mandatory audit committee.

- Description of the main features of the internal control and risk management systems at the Company in relation to the financial reporting procedure

The internal control system is laid down as a system of accounting and other controls, including the organisational structure, methods and procedures established by the management within the scope of its common goals in order to carry out activities economically, efficiently and successfully.

Internal controls in Javni holding play an important role in identifying and preventing irregularities and inadequacies, as well as in protecting the assets and reputation of subsidiaries, one of which is also Energetika Ljubljana. The purpose of internal controls is to provide efficient and successful operations, correct, complete and true financial reports, and compliance with the applicable legislation and other external and internal regulations, which the Company seeks to achieve primarily with the following measures and internal controls:

- development of an efficient and transparent organisational structure,

- development of clear and standardised accounting policies and their consistent application,
- control of data capture completeness that includes checking whether all business events are undisputed, whether they have been approved by an authorised person, and whether all business events have been entered into books in due time, amount and under the right accounts,
- control of the regularity of accounting data, which includes checking monthly turnover and balance consolidations between sub-ledgers, analytical records and the general ledger, the control of annual inventory listing of assets and liabilities, and the consolidation of book balances with the actual balance identified in the listing,
- control of the delineation of duties and responsibilities covering the separation of tasks, e.g. recording business events from managing Company finances (payments),
- control of the responsibility of persons in charge of assets, asset protection against theft, loss and ineffective use,
- control of access restriction – a uniform accounting and business information system at the parent company Javni holding and its subsidiaries provides appropriate restrictions on access to the network, applications and data, and access control, and has integrated control of data capture and processing completeness and consolidation of turnover in analytical records with the general ledger or, rather, the transfer of turnover data is controlled where necessary,
- control is also carried out in a manner verifying the regularity of accounting data within the scope of the reporting function or analysing and examining deviations from the planned or previous turnovers and balances (regular monthly and occasional periodic reports on Company operations).

We believe that the internal control system in all major aspects provides suitable assurances to attain goals in compliance with the law, regulations, adopted Company by-laws and other instructions; in business performance and provision of quality services; in the protection of assets against loss due to negligence, abuse, poor management, errors, embezzlements and other irregularities; in the development and preservation of reliable accounting and other data, and their correct disclosure in the financial statements, and in the use of uniform work methodology, including standard sample forms and documents.

Supervision over the operation of internal controls is conducted by way of managerial supervision, internal audits, external audit of the financial statements and other independent assessments.

To provide transparency, efficiency and responsible business operations, Energetika Ljubljana has put in place a system of internal controls, a quality management system under the SIST EN ISO 9001 standard, an environmental management system under the SIST EN ISO 14001 standard, and has adopted internal Company by-laws with a detailed reporting system by organisational unit. The internal control system is backed by an IT control system, which is also used to provide adequate restrictions and control over the network and detailed, updated and complete data processing.

The Company has also produced a risk and opportunity register, appointed a risk and opportunity register custodian, and adopted a methodology to set up and manage the risk and opportunity register in Javni holding and related public companies, describing in detail procedures to manage risks and opportunities. The main objective of risk management is to manage risks, maintain long-term Company stability and support the management in Company operations and achieving its goals. The main objective of opportunity management is to exploit potential opportunities for growth and development, which contributes to long-term Company performance. Opportunity management supports the management in its strategic decision-making and enables the attainment of the set goals by identifying and exploiting advantages.

The Company uses the internal control system to intentionally and systematically apply procedures and methods that provide the accuracy, reliability and integrity of data and information and correct and honest preparation of financial statements, while preventing and identifying errors in the system and providing compliance with the law and other regulations, acts adopted by management bodies and systemic regulations of the Company.

Continuous and comprehensive verification of regularity and legality, economy and organisation of operations is the concern of the Internal Audit Service of the sole Company Member, i.e. Javni holding. The latter carries out independent and objective auditing within the Javni holding Group.

The added value of internal auditing has been achieved through counselling and in the form of recommendations proposed after audits, the realisation of which is regularly checked. The Internal Audit Service made regular reports on its work to the Company management and other supervisory bodies.

- Data on the operations of the Founders' Council of public undertakings integrated in JAVNI HOLDING Ljubljana d.o.o. (hereinafter Founders' Council) and its key competences

The competences and operations of the Founders' Council are laid down in the Memorandum of Association. The Founders' Council comprises the Mayors of the founding municipalities and holds the following competences:

- making decisions on prices or tariffs for the use of the public goods provided by the Company, unless they are adopted in the form of an ordinance,
- granting consent to the purchase or sale of a shareholding in another company,
- granting consent to raising loans or other borrowing exceeding 5 % of the Company's share capital,
- granting consent to encumbering real estate exceeding 5 % of the Company's share capital.

- Data on the operations and competences of the Company Member

The Company Member's competences are laid down in the Memorandum of Association and comprise:

- adopting the Company's Annual Report and proposal for the allocation of distributable profit, whereby this competence is exercised by the General Assembly of Javni holding pursuant to the Memorandum of Association of Javni holding,
- adopting the Company's Business Plan, whereby this competence is exercised by the General Meeting of Javni holding pursuant to the Memorandum of Association of Javni holding,
- adopting the Company's written reports on Company operations at the end of each half-year, whereby this competence is exercised by the General Meeting of Javni holding pursuant to the Memorandum of Association of Javni holding,
- appointing and dismissing the Labour Manager at the proposal of the Workers' Council,
- making decisions on a request for the payment of subscribed contributions,
- making decisions on the reimbursement of subsequent payments,
- making decisions on the division and termination of shareholdings,
- making decisions on measures to review and supervise the work performed by managers,
- making decisions on the appointment of a procurator and proxy,
- making decisions on the enforcement of Company claims against managers or company members in relation to the reimbursement of damages incurred during establishment or management,

- making decisions on other matters as laid down by the law or Memorandum that are not expressly conferred to the Founders' Council for decision-making pursuant to paragraph 1 of Article 11 of the Memorandum of Association.

The General Meeting of the sole Company Member appoints and dismisses the Director.

- Data on the composition and operations of management bodies

The Company has one manager with the title of the Director. The Director is appointed and dismissed by the sole-member General Meeting for a 5-year term of office and may be reappointed after its expiry.

The Company Director manages the Company affairs, represents it and runs regular transactions deriving from the nature of Company activities, realises the adopted business policy of the Company and, particularly:

- organises and runs the work process, draws up the basic business policies and the Company business plan and puts its forth to the Company Member for adoption,
- compiles the annual report with all financial statements and other components, including a proposal for the distribution of available profit, putting it forth to the Company Member for adoption,
- lays down the internal organisation and job classification at the Company,
- appoints managers and concludes employment contracts with them,
- executes the resolutions adopted by the Company Member and Founders' Council,
- prepares reports on operations at the Company Member's request,
- keeps the Company Member and Founders' Council informed,
- puts forth to the Company Member and the Founders' Council resolutions for adoption,
- performs other tasks pursuant to applicable regulations and Company by-laws.

The Director requires the consent of the Founders' Council for the following types of transactions:

- the purchase or sale of a shareholding in another company,
- raising loans or other borrowing exceeding 5 % of the Company's share capital,
- encumbering real estate exceeding 5 % of the Company's share capital.

- Description of the diversity policy

In relation to point 7 of paragraph 6 of Article 70 of the Companies Act in respect of representation in management and supervisory bodies at a company in terms of gender and other aspects (age, education and experiences), the Company implements no diversity policy, as it has no influence on the appointment of the management body (the latter falls within the competence of the Company Member).

- Sustainability reporting

Pursuant to the European Sustainability Reporting Standards (ESRS) and the Companies Act (ZGD-1), Javni holding reports about sustainability for the Javni holding Group for the 2025 financial year on the basis of fulfilling its commitments regarding sustainability and operations focused on the sustainability of the controlling company and subsidiaries. Since Javni holding as the controlling company together with subsidiaries (VOKA SNAGA, Energetika Ljubljana and LPP) meets the conditions for large enterprises under ZGD-1, its consolidated annual report for 2025 also includes a consolidated sustainability report as an integral part.

Pursuant to the provisions of Articles 70.c and 70.č of ZGD-1, the sustainability report for Energetika Ljubljana will be included in the consolidated report of Javni holding for 2025 and will be published on the website: www.jhl.si/o-druzbi/poslovanje-1.

Subsidiaries within the Javni holding Group are not bound to separate sustainability reporting, as sustainability reports in the Javni holding Group may be considered on consolidated level pursuant to the law.

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Direktor

1.3 Report by the management

Energetika Ljubljana renders its activity continuously, 24/7, all days of the year, which is why the Company's fundamental commitment remains to be the provision of secure, safe and sustainable supply of heat, electricity and gas to users. The year 2025 was characterised by increased fluctuation of energy product prices. The price fluctuations were subject mostly to weather conditions, changes in demand, geopolitical factors and conditions on the European gas market as well as inventories of gas in storage facilities. The Company regularly monitors market developments and adjusts its operations to changes in energy markets.

As regards regulated prices, new network charges became applicable as of 1 January 2025 for the natural gas distribution system for the 2025-2027 regulatory period, while the price of hot water was aligned with the cost fuel and emission allowances pursuant to the heat price methodology as of 1 October 2025. At the request of the Energy Agency, the Company made several supplements in 2025 to its application for the issue of consent to the changed baseline price for hot water due to increased fixed costs related to the construction and integration of the new Gas and Steam Unit (PPE-TOL) in the district heating system. In December 2025, the Company received the consent. The price of electricity for household and protected customers was partially regulated until 28 February 2025, after which the prices were formed on market basis. The prices of natural gas for household customers were formed on market basis in 2025 and were decreased several times during the year. For 2025, the quantities of produced baseload electricity from the new generation source (PPE-TOL) were sold in advance for the first time.

The generation of heat and electricity was reliable in 2025. PPE-TOL, which represents an important development milestone in the transfer to low-carbon energy generation, is stable. In the middle of May 2025, the acceptance of PPE-TOL was completed and full operations commenced. Trial operations of the unit is conducted within the scope of the administrative procedure and has been prolonged until 28 November 2026. After the completion of trial operations, it is planned to obtain an operating permit. In 2025, the Company also received a decision from the Energy Agency regarding compliance with the conditions to obtain operating support for electricity generation from high efficiency co-generation from that unit.

In 2025, we produced 1,117.4 GWh of heat and 649.3 GWh of electricity. We sold 959.0 GWh of heat, 642.0 GWh of electricity and 684.1 GWh of natural gas, 55.0 GWh of which at CNG filling stations, while distributing 1,052.3 GWh of natural gas via the gas pipeline network. Compared to the previous year, the generated and sold energy quantities increased primarily due to increased electricity production at PPE-TOL, which has operated in full scope since May 2025.

Energetika Ljubljana closed 2025 with a net profit of €1,714,367 and EBIT of €7,168,328. Total revenue amounted to €268,055,770 and total expenses amounted to €265,865,320. The positive figure was primarily the result of market activities.

In 2025, investments amounted to €28,707,021. Within that amount, €6,532,005 was earmarked for renovations and replacements, while €22,175,016 was earmarked for development tasks. An important part of the investments is intended for the renovation of the hot-water and gas pipeline networks, where works were often related to concurrent project by other investors and emergency renovations due to the identified technical condition of infrastructure.

At the end of the year, the Company succeeded in obtaining European cohesion funds for the Biomass project, which is aimed at fully replacing coal with woody biomass, thus further reducing emissions, which is an important step towards decarbonising the district heating system. Activities were also conducted in the TEO Ljubljana project, which constitutes the next stage of developing waste to energy.

Important progress was also achieved in renewable energy sources. The commissioning of a solar power plant on the facility in Verovškova ulica represents further strengthening of own electricity production from renewable sources. Together with the City of Ljubljana and partners, the Company has already set up the largest electricity self-supply community in the country that is based on solar power plants on public buildings.

In sustainable mobility, the Company completed the construction of the first hydrogen filling station in Slovenia, i.e. in Stanežiče, and set up infrastructure for filling electric buses. Simultaneously, the Koseze solar power plant is being completed, which will provide green electricity for hydrogen production.

Another important development project is an upgrade to the district heating system within the scope of the Senergy Nets project. By establishing a virtual district heating plant and upgrading thermal power stations, the Company vitally enhanced possibilities for optimising the system and reducing peak loads of the hot-water system. The tests conducted on 47 participating thermal power stations confirmed potential for an over 70% reduction of morning peak loads.

The operations of Energetika Ljubljana was also successful as regards quality and environmental management systems and the operation of accredited laboratories. The satisfaction of users with the Company services in 2025 was assessed with an average grade of 3.60 out of 5.

All mentioned projects follow a common goal, i.e. to provide reliable and sustainable energy supply to Ljubljana. By investing in new generation sources, development of networks and deployment of advanced technologies, Energetika Ljubljana is gradually transforming the energy system of the capital city. In doing so, the key role is placed on the expertise and commitment of employees who provide stable system operations and development of new solutions. With its projects, the Company is importantly contributing to the realisation of Ljubljana’s vision as a green capital, thus supporting the goals of the EU incentive Mission for 100 climate-neutral and smart cities by 2030. Furthermore, Energetika Ljubljana is an active participant in endeavours to make Ljubljana a climate-neutral city by 2030.

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Direktor

2 BUSINESS REPORT

2.1 Company operations

2.1.1 Analysis of business performance

The operations of Energetika Ljubljana is on one hand restricted by the regulations laid down by the Energy Agency and, on the other hand, by the competition faced by the Company on the natural gas and electricity markets. By the end of February 2025, ceiling sales prices for electricity were still set for individual protected customer groups.

Energy sales

The sale of hot water and the supply and distribution of natural gas is heavily affected by ambient temperatures and hence the number of heating days. The heating energy quantities sold amounted to those planned and increased compared to the previous year, primarily due to a larger number of heating days in the heating season. The sale of steam is mostly intended for technology processes, which is why the planned and actual volume of sales depends on customer forecasts.

- **Company's profit or loss**

in €

	YEAR 2025	PLAN 2025	YEAR 2024	Y25/P25 index	Y25/Y24 index
Operating revenue	266,446,992	303,182,243	222,162,040	87.9	119.9
Operating expenses	259,278,664	274,585,761	216,238,358	94.4	119.9
EBIT	**7,168,328**	**28,596,482**	**5,923,682**	**25.1**	**121.0**
Revenue from financing and other revenue	1,608,778	238,852	2,652,560	-	60.7
Expenses for financing and other expenses	6,586,656	9,590,416	4,480,580	68.7	147.0
Profit or loss before tax	**2,190,450**	**19,244,918**	**4,095,662**	**11.4**	**53.5**
Corporate income tax	476,083	2,886,738	589,380	16.5	80.8
Net profit or loss	**1,714,367**	**16,358,180**	**3,506,282**	**10.5**	**48.9**

Notes:
Operating revenue includes items 1, 3 and 4 from the income statement.
Operating expenses include items 5, 6, 7 and 8 from the income statement.
Revenue from financing and other revenue include items 9, 10, 11 and 15 from the income statement.
Expenses for financing and other expenses include items 13, 14 and 16 from the income statement.

The positive outcome of Energetika Ljubljana in 2025 was primarily the result of electricity production activities, since PPE-TOL started fully operating in May 2025, whereby the market activities of gas and electricity supply were also positive.

Increased fixed costs due to the activation of the new generation source (PPE-TOL) in 2025 have not yet been included in the price of heat, since the application for the alignment of the fixed share of the price is pending the acquisition of consent from the Energy Agency.

- **Revenues**

Total revenues amounted to €268,055,770 in 2025.

Operating revenue

Operating revenue includes net sales revenue (sale of energy, network charges and service), revenue from capitalised own products or services, and other operating revenue.

in €

	YEAR 2025	PLAN 2025	YEAR 2024	Y25/P25 index	Y25/Y24 index
Operating revenue	**266,446,992**	**303,182,243**	**222,162,040**	**87.9**	**119.9**
Net sales revenues	262,182,514	300,948,950	212,859,983	87.1	123.2
- sale of hot water	98,098,575	115,547,186	98,401,196	84.9	99.7
- sale of steam	11,713,252	13,059,179	11,628,695	89.7	100.7
- network charge revenue for gas	17,094,875	15,837,518	13,475,411	107.9	126.9
- sale of gas and CNG in the network	33,585,236	32,303,709	38,956,569	104.0	86.2
- sale of baseload electricity (with support)	82,584,021	108,174,084	29,216,795	76.3	282.7
- sale of electricity to customers	12,190,615	10,533,391	14,189,511	115.7	85.9
- sale of services	6,915,940	5,493,883	6,991,806	125.9	98.9
Capitalised own products and services	1,755,852	1,482,000	1,960,656	118.5	89.6
Other operating revenue	2,508,626	751,293	7,341,401	333.9	34.2
- Revenue from state/municipal aid:	1,210,575	702,005	1,507,244	172.4	80.3
- revenue from grants	36,686	36,686	36,686	100.0	100.0
- state aid for covering labour costs	583,301	599,450	512,666	97.3	113.8
- other	590,588	65,869	957,892	-	61.7
- Other operating revenue, incl. operating revenue from revaluation	1,298,051	49,288	5,834,157	-	22.2
- revenue from long-term provision use and reversal	37,240	0	88,579	-	42.0
- other business-related revenue	497,961	0	5,028,926	-	9.9
- other miscellaneous operating revenue	762,850	49,288	716,652	-	106.4

The majority of net sales revenue was realised through the sale of energy, which is subject to the scope of sales and sales prices.

Operating revenue in 2025 was lower than **planned**, which is primarily the result of a delay in the full operation of PPE-TOL, which was not at full capacity until the facility was taken over in May 2025. Revenue from the sale of hot water is lower than planned primarily on account of lower prices, since the planned prices included the coverage of higher fixed costs upon the foreseen start-up of PPE-TOL operation at the beginning of 2025. Revenue from the sale of steam is lower than planned primarily on account of a lower sales volume. Increased revenue from the sale of gas and electricity to end customers is primarily the result of increased volumes sold. Revenue from natural gas network charges was higher than planned, both due to increased distributed volumes as well as due to higher prices set within the scope of the new 2025-2027 regulatory period. Revenue from the sale of services, which includes revenue from engineering services (issue of consents, supervision), maintenance services on the hot-water and gas pipeline network, and the services of interior gas installations for natural gas users, was higher than planned for 2025, mostly due to realised additional investments to supervise district heating and district heating design engineering services.

Increased revenue in 2025 **compared to 2024** was mostly the result of revenue from the sale of baseload electricity, mostly due to increased volumes from PPE-TOL sold. In the sale of baseload electricity under contracts, Energetika Ljubljana achieved a lower average contract price for 2025 (€108.13/MWh) than in 2024 (€147.68/MWh). In 2025, the Company generated revenues amounting to €14,834,031 from operating support for the electricity generated from high efficiency co-generation at PPE-TOL and SPTE TOŠ, and revenues amounting to €10,879,019 from the reimbursement of the cost of emission allowances for the electricity generated at PPE-TOL and SPTE TOŠ, which has already been included in the amount of revenue from the sale of baseload electricity. In the sale of hot water, there were larger volumes sold than in the same period of the previous year, which is mostly the result of a higher number of heating days, whereas revenue is lower, since a lower variable sales price was applicable for the most part of 2025 than that in 2024. Revenue from the sale of steam is lower mostly due to lower demand for technological steam by industrial customers. Revenue from natural gas network charges increased both due to increased network charge prices as well as due to increased distributed volumes. In the sale of gas and electricity to end customers, revenue was lower than in the previous year, which is mostly the result of lower sales prices.

Capitalised own products and services are the costs of manhours performed by employees within the scope of individual investment projects, which can be recognised as increased values of assets (in 2025, they were incurred predominantly in activities pertaining to the PPE-TOL investment).

Other operating revenue in 2025 decreased compared to 2024 primarily due to one-off revenues in 2024 deriving from the reversal of accrued excess revenue from the sale of electricity and lower revenue from the revaluation of emission allowances in 2025.

Revenue from state/municipal aid includes revenue deriving from state aid for regular refunds for sick leave and allowances in the amount of €583,301, revenue from grants (€36,686), while other revenue from state aid includes revenue from co-funding energy efficiency measures (€248,200), funds received for the EU Senergy Nets project (€173,297), the allowance received by electricity suppliers due to price caps (€123,661) and emission allowances received from the state (€45,430).

Other operating revenue refers to operating revenue from the revaluation of emission allowances (€497,961), revenue from the reversal of long-term provisions (€37,240), and other miscellaneous operating revenue (€762,850), most of which refers to revenue from received insurance compensations (€497,728) and also includes operating revenue from the revaluation of receivables and the sale of fixed assets, and revenue from donations (in the amount of calculated amortisation).

Sales prices

The pricing of network charges for the natural gas distribution system and heat prices for the hot-water system fall within the competence of the Energy Agency. The price of steam distribution and district heating is set freely and is laid down in a contract between the distributor and end customer.

The variable price of hot water amounting to €75.89/MWh, enforced as of 1 November 2024, applied until 30 September 2025. As of 1 October 2025, the variable share of the heat price for the hot-water system was aligned pursuant to the Act laying down the pricing methodology for heat for district heating, and increased by 14.3%, i.e. to €86.78/MWh. Upon the integration of PPE-TOL as an important technological change, Energetika Ljubljana was in December 2025, based on the application submitted, given consent to change the baseline price to be enforced on 1 January 2026.

As of 1 January 2025, the variable share of the heat price for the TOŠ steam pipeline system was harmonised (in increased by 42.75%).

As of 1 January 2025, new higher prices of the network charge apply, which were set on the basis of the applicable methodology and were approved by the Energy Agency in December

2024. The new prices for the network charge apply for the period of three years, i.e. from 2025 to 2027.

The sales prices for baseload electricity for 2025 are taken into account on the basis of contracts for the purchase of electricity that were concluded in advance. For the electricity produced in high efficiency co-generation at SPTE TOŠ, the Company is eligible to receive operating support for the period from 23 March 2023 to 11 December 2032. In March 2025, the Company received a decision allocating operating support by Borzen, including for the electricity produced in high efficiency co-generation at PPE-TOL, i.e. for the period from 6 January 2025 to 30 November 2034.

The price of electricity for household and protected customers was partially regulated until 28 February 2025 (the regulated prices applied to 90% of consumption, while the market price was applied to the remaining 10%). As of 1 March 2025, the regulation ceased and Energetika Ljubljana lowered the sales prices of electricity for household and common household customers pursuant to the conditions on the market.

The prices of natural gas for household customers were formed on market basis in 2025, since price regulation no longer applies. On 1 January, 23 May and 1 September 2025, the Company reduced natural gas prices for household customers.

Prices for customers who are not subject to regulation and prices for the supply compressed natural gas (CNG) are market based taking into account expected fluctuations of purchase prices.

Revenue from financing and other revenue

in €

	YEAR 2025	PLAN 2025	YEAR 2024	Y25/P25 index	Y25/Y24 index
Revenue from financing and other revenue	**1,608,778**	**238,852**	**2,652,560**	**-**	**60.7**
Revenue from financing	1,542,897	238,852	2,576,725	-	59.9
Other revenue	65,881	0	75,835	-	86.9

The majority of revenue from financing in 2025 is financial revenue from foreign exchange gains that derive from hedging coal prices, while the remaining financial revenue constitutes charged default interest and interest on financial lease.

- **Expenses**

Total expenses in 2025 reached €265,865,320. Due to a delay in the commencement of full operation of PPE-TOL, which was not at full capacity until the facility was taken over in May 2025, there is a major deviation from the figures planned for 2025. The largest share of total expenses is taken by the cost of goods and material, which in 2025 increased compared to the previous year, mostly due to increased cost of fuel at TE-TOL as a result of increased production from PPE-TOL at that unit.

Operating expenses

Operating expenses include the cost of goods, material and services used, labour costs, write-downs and other operating expenses.

The majority of the **cost of goods and material used**, which accounts for 52.8% of operating expenses, refers to the cost of fuel for heat and electricity production and to the purchase of natural gas and electricity for resale. After the start-up of PPE-TOL, the largest cost at TE-TOL was natural gas, followed by coal, chipped wood and extra light heating oil

(ELHO), whereas the main cost at the TOŠ unit was the cost of natural gas and ELHO. The cost of fuel also includes the cost of ash and slag disposal, water treatment levies and chemicals.

in €

	YEAR 2025	PLAN 2025	YEAR 2024	Y25/P25 index	Y25/Y24 index
Cost of goods and material	**136,838,163**	**151,461,411**	**118,312,438**	**90.3**	**115.7**
Cost of fuel for production – TE-TOL unit	82,052,428	94,609,047	54,433,385	86.7	150.7
Cost of fuel for production – TOŠ unit	15,265,012	16,584,569	16,844,375	92.0	90.6
Purchase of natural for gas supply	34,203,782	31,908,391	37,553,841	107.2	91.1
Purchase of electricity	5,007,392	4,574,532	6,453,673	109.5	77.6
Cost of material related to maintenance	2,084,194	2,571,533	1,951,691	81.0	106.8
Cost of material covered by service revenue	779,921	757,500	505,302	103.0	154.3
Inventory differences	-3,219,962	0	-3,077	-	-
Other material costs	665,396	455,839	573,248	146.0	116.1

The cost of natural gas purchase for the purposes of resale was lower compared to the previous year despite comparable sales of gas, whereas the sale was higher than planned. Lower costs in 2025 with respect to 2024 were mostly the result of lower purchase prices for natural gas achieved with gas leases for retail purposes.

The purchase of electricity on the market during the year is made both for the supply of electricity to end customers as well as for the coverage of contractual obligations deriving from annual contracts on the supply of baseload electricity, provided that prices on the electricity market are favourable. In 2025, contractual obligations deriving from annual contracts on the supply of baseload electricity and obligations for the supply of electricity to end customers were covered mostly from own production, while some were also covered with electricity purchases.

Energetika Ljubljana has concluded umbrella agreements for the supply of natural gas with several well-established Slovenian and international natural gas suppliers, through which it procured in 2025 2,224,873 MWh of natural gas for heat and electricity generation and for resale. A framework purchase contract was concluded in June 2023 for the purposes of PPE-TOL. Access to the gas transmission network is provided by the company Plinovodi d.o.o., and the price of network charge is set by the Legal Act determining the network charge for the natural gas transmission network, which may be amended solely with consent of the Energy Agency.

To generate heat and electricity, the TE-TOL unit uses Indonesian coal. The purchase price of coal in US dollars is corrected yearly based on the NEX index trend over a certain period of time, whereby the cost of coal also includes port fees, coal control fees and rail transport costs. In 2025, 98,537 mt of coal was used (114,758 mt of coal in 2024). In combination with coal, unit B3 also used chipped wood. Chipped wood suppliers have been selected on the basis of a public procurement procedure. In June 2024, the Company concluded framework agreements with nine suppliers for the 2024-2025 heating season, and in June 2025 again with nine suppliers or the 2025-2026 and 2026-2027 heating seasons. In total, the Company accepted and used 82,231 tonnes of chipped wood in 2025.

The cost of material related to maintenance is incurred pursuant to the need for the maintenance of the Company assets, and increased compared to the previous year due to increased volume of repairs and increased prices. With respect to the amount planned, the cost decreased, as the year-round full operation of PPE-TOL had been planned for 2025.

The cost of material directly covered with service revenue is the cost related to provision of customer-specific services.

In 2025, the Company identified differences between the book and actually measured inventories during the annual inventory listing of basic raw materials. A major deviation was identified in coal inventory, where an excess of 19,071.3 tonnes was found, which implies a reduced cost of material amounting to €3,206,544. During the inventory listing of ELHO, an excess of €13,177 was identified, while the remaining difference derives from inventory differences identified in the inventory of maintenance material. Identified inventory differences mostly translate into reduced cost of material in the activities of heat and electricity production.

Other cost of material includes the cost of office supplies, small tools, purchase of expert literature and other small tools, which are incurred in line with employees' needs.

The cost of services accounts for 11.6% of operating expenses in 2025 and has increased by 20.3% compared to 2024, which is mostly the result of increased prices.

in €

	YEAR 2025	PLAN 2025	YEAR 2024	Y25/P25 index	Y25/Y24 index
Cost of services	**30,208,983**	**31,310,030**	**25,107,739**	**96.5**	**120.3**
Cost of services covered by service revenue	1,821,692	945,000	2,487,816	192.8	73.2
Cost of postal and telephone services	709,350	738,410	642,070	96.1	110.5
Cost of services related to transport, water and sewer charge	127,428	7,000	50,744	-	251.1
Cost of services related to maintenance	7,683,730	7,557,084	5,680,698	101.7	135.3
- maintenance costs	6,609,064	6,396,414	4,646,937	103.3	142.2
- computer maintenance	1,074,666	1,160,670	1,033,761	92.6	104.0
Cost of rent and licenses	773,473	790,543	586,615	97.8	131.9
Cost of payment transactions	2,481,150	3,517,731	2,454,227	70.5	101.1
- cost of banking services	371,987	307,305	302,274	121.0	123.1
- insurance premiums	2,109,163	3,210,426	2,151,953	65.7	98.0
Cost of intellectual services	9,612,035	9,667,969	7,235,312	99.4	132.8
- expert services	6,769,715	6,611,120	5,948,742	102.4	113.8
- training, business travel, tuition fees	300,731	193,275	200,586	155.6	149.9
- consulting, studies, lawyers' fees and other intellectual services, auditing costs	2,487,894	2,775,324	1,055,221	89.6	235.8
- healthcare services	53,695	88,250	30,763	60.8	174.5
Cost of fairs, advertising and representation	2,724,902	2,953,200	1,948,294	92.3	139.9
Cost of workforce hiring services	397,924	373,020	397,912	106.7	100.0
Cost of services by individuals (work contracts, student and pensioner work)	105,798	178,347	160,174	59.3	66.1
Cost of other services	3,771,501	4,581,726	3,463,877	82.3	108.9
- property protection, fire safety	1,531,666	1,856,850	1,406,034	82.5	108.9
- debt recovery services – managers	976,175	1,600,000	1,064,809	61.0	91.7
- fees, court fees and executor fees	65,138	67,000	66,055	97.2	98.6
- cleaning and utility services	422,880	619,500	424,496	68.3	99.6
- invoice printing and enveloping	111,021	117,997	114,040	94.1	97.4
- media monitoring, research and analyses	72,142	61,005	49,580	118.3	145.5
- other	592,479	259,374	338,863	228.4	174.8

The cost of services directly covered by service revenue is related primarily to the provision of customer-specific services. This item also includes the cost of repairs covered by insurance based on insurance policies. Such costs are incurred due to unforeseeable events and are not planned by the Company. In the relevant year, the were lower than in the previous year, as there were no major projects implemented, unlike in the previous year.

An important share of the cost of services is taken by maintenance costs, which are planned with respect to the need for maintaining Company assets. Due to age and dilapidation of plant and equipment, an important share of such costs is incurred at the location in Moste. In 2025, maintenance costs increased compared to the previous year, mostly as a result of an increased volume of maintenance works. The increased cost was also the result of the cost of servicing, maintenance and technical support to the operation of the PPE-TOL unit, which, however, had already been planned in the plan of Company operations.

The cost of rent and licenses increased in 2025 mostly due to increased cost of licenses for information systems.

The increased consultancy cost in 2025 is predominantly the result of increased consultancy costs related to the Company's major projects.

The cost of advertising and representation increased mostly due to increased costs of promotion, advertising and sponsorship.

By hiring workers through an employment agency, the Company ensures undisturbed work upon prolonged employee absence, such as sick leave or parental leave, and in the event of temporarily increased workload. Due to a gradual transfer of agency or referred workers to full-time employment pursuant to the directions of the Javni holding Group, Energetika Ljubljana had 4 workers employed through an agency as at the end of 2025, which is 9 workers fewer than as at the end of 2024.

The cost of property protection and fire safety increased in 2025 due to increased prices of services and additional security measures.

The Company pays for debt recovery services under contract to housing managers in order to cover their debt recovery costs, while the amount is related to revenue from the sale of energy in multi-household buildings.

Cleaning costs for business premises and utility services are at the level of contract values.

The item "other" covers the cost of maintaining SIQ accreditations, satellite imaging of the heat network, holiday facility maintenance, data transmission to the Slovenian Environment Agency (ARSO) and miscellaneous costs. The increase in the latter cost was mostly the result of the cost of connecting or, rather, changing the connecting power at the Koseze Gas Unit, which is related to the implementation of the Company's energy projects.

Labour costs account for 13.0% of the Company's operating expenses.

in €

	YEAR 2025	PLAN 2025	YEAR 2024	Y25/P25 index	Y25/Y24 index
Labour costs	**33,725,314**	**30,785,796**	**30,634,219**	**109.5**	**110.1**
Cost of salaries and wages	23,562,452	22,613,240	21,713,510	104.2	108.5
Social security costs	5,145,951	4,821,838	4,703,474	106.7	109.4
- pension insurance costs	3,269,282	3,182,378	3,069,981	102.7	106.5
- other social security costs	1,876,669	1,639,460	1,633,493	114.5	114.9
Other labour costs	5,016,911	3,350,718	4,217,235	149.7	119.0
- reimbursement of the cost of transport to and from work	819,126	718,051	764,736	114.1	107.1
- meal allowance	928,882	830,266	916,946	111.9	101.3
- holiday allowance	1,903,650	1,433,100	1,381,882	132.8	137.8
- other employee remuneration	577,358	144,254	755,926	400.2	76.4
- provisions for jubilee benefits and severance pay	787,895	225,047	397,745	350.1	198.1

Salaries, wages and other remuneration are charged pursuant to the applicable collective agreement and regulations applicable to the Company.

In 2025, labour costs increased with respect to 2024, mostly as a result of increased basic salaries (as of 1 January 2025, the latter increased by 4.5%) and therewith related increased contributions, disbursement of the winter allowance, increased holiday allowance and higher average number of employees in 2025 than in 2024. The increase in the number of employees is primarily the result of a gradual transfer of agency or referred workers to full-time employment pursuant to the directions of the Javni holding Group. The cost of workforce hiring services, which were fully disclosed under the cost of services in 2024, was therefore gradually transferred to labour costs in 2025, which is reflected in their increase.

The increase in the cost of salaries and wages in 2025 compared to 2024 is, in addition to the increased basic salary and increased number of employees, also the result of a yearly increase in the disbursement of the length-of-service and seniority increments.

The cost of pension insurance includes, in addition to pension and disability insurance contributions, voluntary supplementary pension insurance premiums that are paid in for employees in the amount of 5.844% of the employee's gross salary, but no more than €187.04 monthly.

Pursuant to the collective agreement, Energetika Ljubljana disbursed a holiday allowance for 2025 in the amount of the last known average monthly gross salary in the Republic of Slovenia or, rather, in the amount of €2,803.97 per employee (in 2024: €2,497.00). Based on new legislation, which in 2025 introduced the workers' right to a winter allowance, the Company also disbursed a winter allowance amounting to €638.86 per employee (a total of €353,288) pursuant to the collective agreement.

Other employee remuneration includes mostly the disbursement of annual bonuses to employees totalling at €422,926 (€761.14 gross per employee), social and solidarity aid (€41,216), and the cost of collective accident insurance for employees (€83,932).

In 2025, the average monthly gross salary per employee based on the hours worked amounted to €3,532.88, compared to €3,261.17 in 2024. The average number of employees based on hours amounted to 555.79 in 2025, compared to 554.85 in 2024.

Write-downs accounted for 7.9 % of operating expenses in 2025.

in €

	YEAR 2025	PLAN 2025	YEAR 2024	Y25/P25 index	Y25/Y24 index
Write-downs	**20,363,001**	**28,199,850**	**14,439,356**	**72.2**	**141.0**
Depreciation/amortisation	19,540,098	27,699,850	13,499,387	70.5	144.7
Operating expenses for the revaluation of IA and PPE	441,644	0	570,795	-	77.4
Operating expenses for the revaluation of current assets	381,259	500,000	369,174	76.3	103.3

The increase in depreciation/amortisation in 2025 was mostly brought on by the start of PPE-TOL amortisation charging, which was put into full service in May 2025. Amortisation is lower than planned, as the plan included year-round amortisation of the PPE-TOL unit.

Operating expenses for the revaluation of intangible assets and property, plant and equipment include write-downs due to obsolescence or replacement with new assets. In 2025, there was no major write-down of fixed assets.

Operating expenses for the revaluation of current assets mostly refer to allowances for trade receivables. As at the end of 2025, receivables accounted for 21.7% of the total invoiced Company turnover, which is slightly more than in the previous year (19.6%). Trade receivables due as at the end of December 2025 amounted to €8.3 million, which accounts for 2.6% of the Company's total invoiced turnover. Compared to the balance as at the end of 2024, receivables due fell by 6.6%. Allowances for receivables as at the end of 2025 increased with respect to the previous year and accounted for 66.8 % of the Company's due receivables (63.2% as at the end of 2024). The Company actively manages receivables and provides for ongoing debt recovery by way of notice letter and lawsuits.

Miscellaneous operating expenses, which account for 14.7% of operating expenses, increased in 2025 compared to 2024, which is mostly the result of a higher purchase cost of the missing emission allowances.

in €

	YEAR 2025	PLAN 2025	YEAR 2024	Y25/P25 index	Y25/Y24 index
Miscellaneous operating expenses	**38,143,203**	**32,828,674**	**27,744,606**	**116.2**	**137.5**
Emission allowances	34,272,545	28,494,382	23,434,616	120.3	146.2
Other operating expenses	3,870,658	4,334,292	4,309,990	89.3	89.8

The purchase amount and cost of emission allowances depend on the production and use of fuel, and on the actual purchase price of missing emission allowances. The cost of emission allowances for 2025 amounting to €34,272,545 includes the purchase value of the missing allowances for 2025 (€34,227,115) and the value of the emission allowances awarded by the government in the amount of €45,430, which are recorded entirely under heat production. The average purchase price for the missing allowances amounted to €85.54 per allowance (€71.26 per allowance in 2024). The amount of the expense in 2025 was higher than in 2024 due to a higher average purchase price for allowances in 2025 and due to higher consumption of emission allowances, which is related to increased electricity production at PPE-TOL. Expenses for emission allowances in 2025 are, despite somewhat lower amount of allowances needed for the operation of PPE-TOL, higher than planned, primarily on account of a higher price of allowances than planned.

Other operating expenses include environmental analyses, surveys and measurements, charge for the use of a building plot, the cost of outdoor arrangements during renovations, water treatment levies, energy efficiency incentives, membership fees, scholarships for secondary and university students, costs for the purposes of employee prevention and miscellaneous operating expenses.

Expenses for financing and other expenses

in €

	YEAR 2025	PLAN 2025	YEAR 2024	Y25/P25 index	Y25/Y24 index
Expenses for financing and other expenses	**6,586,656**	**9,590,416**	**4,480,580**	**68.7**	**147.0**
Financing expenses	6,495,309	9,490,416	4,415,632	68.4	147.1
Other expenses	91,347	100,000	64,948	91.3	140.6

Within the scope of financing expenses, financial expenses for financial liabilities amounted to €6,221,618, the majority of which refers to interest on loans received from banks. Compared to the previous year (€3,743,652), these increased primarily due to interest on a syndicated loan for the PPE-TOL investment, which has been disclosed under financing expenses since its activation in May 2025.

Other financing expenses amounting to €273,691 refer to expenses for operating liabilities, which are mostly expenses for interest under the actuarial calculation.

Miscellaneous expenses include predominantly expenses for donations.

➢ Borrowing

At the end 2025, the Company discloses a borrowing deriving from the loans hired from banks in the total amount of €164,269,846 (including interest charged, but not yet paid), €94,589,066 of which is a long-term borrowing and €69,680,780 is a short-term borrowing.

The Company has entered into six long-term loan agreements for the purposes of financing the following investments:

- In 2019, the Company raised a long-term syndicated loan to finance the PPE-TOL investment in the amount of €120,000,000. The loan was drawn gradually with respect to the progress of the works. The balance of the outstanding loan share with interest charged, but not yet paid, amounted to €78,363,931 as at 31 December 2025. The loan is being repaid on the quarterly basis, whereby the first instalment fell due on 30 June 2023 and the last instalment will fall due on 31 March 2031.
- In December 2021, the Company hired a long-term loan amounting to €3,400,000 to finance the construction of SPTE TOŠ, which was drawn in February 2022. The balance of the outstanding loan share with interest charged, but not yet paid, amounted to €1,701,213 as at 31 December 2025. The loan repayment period is 7 years, with the last instalment due on 30 June 2029.
- In May 2023, the Company hired a long-term loan amounting to €1,000,000 to finance its investments. The balance of the outstanding loan share with interest charged, but not yet paid, amounted to €633,973 as at 31 December 2025. The repayment period is 7 years, with the last instalment due on 31 May 2030.
- In December 2023, the Company hired a long-term loan in the amount of €600,000 to finance the investment in a hydrogen refuelling station for buses and passenger cars within the scope of the Alternative Fuels Infrastructure Facility (GrEn4Tran), which is co-financed from EU funds. The loan was drawn following the approval of the project by the European Commission and conclusion of a financing contract, i.e. partly in July 2024 and partly in August 2024. The balance of the outstanding loan share with interest charged, but not yet paid, amounted to €469,204 as at 31 December 2025. The loan repayment period is 7 years, with the last instalment due on 22 December 2030.
- In December 2024, the Company hired a long-term loan amounting to €13,700,000 to finance its investments. The balance of the outstanding loan share with interest charged, but not yet paid, amounted to €9,134,589 as at 31 December 2025. The loan repayment period is 3 years, with the last instalment due on 31 December 2027.
- In July 2025, the Company hired a long-term loan amounting to €5,000,000 to finance its investments. The balance of the outstanding loan share with interest charged, but not yet paid, amounted to €4,286,156 as at 31 December 2025. The loan repayment period is 29 months, with the last instalment due on 31 December 2027.

In 2025, the Company repaid a total of €21,397,532 of long-term loan principals.

The balance of long-term loans as at the end of 2025 amounted to €94,573,031 excluding interest or €94,589,066 including interest, €22,053,136 of which is the short-term share.

To provide financial liquidity, the Company has as at the end of 2025 short-term loans in the total amount of €74,000,000, €61,000,000 of which are short-term revolving loans. As at the end of the year, the short-term loans used amounted to €69,500,000 (€69,680,780 including interest charged, but not yet paid).

In addition to financial liabilities for loans raised, the Company also discloses long-term and short-term financial liabilities for right-of-use assets in the total amount of €444,104 as at 31 December 2025.

2.1.2 Key performance and financial position indicators of the Company

PERFORMANCE AND FINANCIAL INDICATORS	YEAR 2025	PLAN 2025	YEAR 2024
Basic financing ratios			
Equity financing rate	41.0%	50.1%	47.2%
Long-term financing rate	57.1%	67.7%	64.1%
Net debt to equity	0.80	0.65	0.75
Basic investing ratios			
Fixed assets rate	72.1%	81.8%	81.2%
Long-term assets rate	72.7%	82.4%	81.8%
Basic horizontal financial structure ratios			
Equity to fixed assets ratio	0.57	0.61	0.58
Acid test ratio	0.03	0.02	0.04
Quick ratio	0.64	0.48	0.42
Current ratio	0.84	0.59	0.56
Basic efficiency ratios			
Operating efficiency ratio	1.03	1.10	1.03
Basic profitability ratios			
Net return on equity	1.0%	8.0%	2.0%

Financing ratios are used to assess the composition of liabilities. The equity financing rate fell in 2025 from 47.2% to 41.0%. The drop is the result of increased balance sheet total of the Company (by €58.6 million) and reduced equity due to the disbursement of profit brought forward.

The debt to equity ratio amounted to 80% at the end of 2025 and increased compared to 2024, primarily on account of increased total debt (both long-term as well as short-term financial liabilities to banks) upon simultaneous decrease in equity value.

Investing ratios allow the Company to assess the structure of Company assets, as they disclose the share of fixed and long-term assets in the total assets. The ratios are also affected by the investing volume and any change in the balance of short-term assets. Although the value of fixed assets increased, their share in the Company's total assets decreased in 2025 compared to 2024. The reason lies in a substantial increase in short-term assets, which grew much more than long-term assets.

The equity to fixed assets ratio discloses the share of equity financing of fixed assets. In 2025, it somewhat decreased and amounted to 0.57, since the Company finances a part of its investments by borrowing.

Other horizontal financial structure ratios disclose the Company's solvency. The quick ratio has remained low, while the quick and current ratios have grown substantially. The growth of these two ratios is primarily the result of increased short-term operating receivables and inventories.

The operating efficiency ratio has remained at the 2024 level and shows that operating revenue exceeds operating expenses by 3%.

The Company concluded 2025 with a profit, which was, however, lower than in the previous year, which is why net return on equity decreased and amounted to 1.0%.

2.2 Investment Activity Report

The investment plan of Energetika Ljubljana was in 2025 realised in the amount of €28,707,021, which is 69.5 % more than planned. The realisation of investments in refurbishments and replacements totalled €6,532,005 and in development €22,175,016. The funds needed for investments in 2025 were provided by the Company from its free operating assets and long-term loans to finance investments.

Within the scope of developing energy sources, the Company conducted on 16 May 2025 a provisional takeover of the largest investment in recent years, i.e. the PPE-TOL Gas and Steam Unit, from the main contractor. The investment represents an important milestone in its transition to a low-carbon company. In 2025, another €10,654,526 was realised in that investment (€5,785,412 was planned), which is the result of a time delay in construction works in 2024. At the end of 2025, the construction of a filling station for electric buses was completed along with a hydrogen filling station at P&R Stanežiče.

- Overview of planned and realised investments owned by the Company

	2025 PLAN		2025 YEAR		Y25/P25 index
	Value in €	Struc. in %	Value in €	Struc. in %	
Reconstruction and replacement	7,241,378	42.7	6,532,005	22.8	90.2
Development tasks	9,698,342	57.3	22,175,016	77.2	228.6
TOTAL	**16,939,720**	**100.0**	**28,707,021**	**100.0**	**169.5**

When investing in reconstructions, replacements and development tasks, the Company pursued the goal to ensure secure, safe and environmentally friendly heat and electricity production, district heating and gas supply, and energy services at competitive prices.

In the execution of reconstruction and construction works on the hot-water and gas pipeline systems, the Company is, in addition to its own investments, also involved in concurrent projects with other investors (e.g. agglomerations where construction works on the gas pipeline are carried out alongside the sewage system). The execution of such investments is often aligned with the timelines of other participating investors, which may affect the time schedules of execution.

A detailed overview of the realisation of the reconstruction and replacement plan and of the development of district heating and natural gas supply for the relevant period by item is provided below.

- **Investments in reconstructions and replacements**

The Company spent €6,532,005 (including items from past plans and outside the plan) in the relevant period for the refurbishment and replacement of intangible assets and property, plant and equipment (hereinafter "fixed assets"), which is 9.8% less than planned.

- **Overview of the realisation of the investment plan for reconstructions and replacements by lot**

in €

Seq. No.	Reconstructions and replacements	2025 PLAN	2025 YEAR	Y25/P25 index
1.	Reconstruction of energy sources	3,006,821	1,808,345	60.1
2.	Network reconstruction	2,616,995	3,017,381	115.3
2.1.	District heating – network reconstruction	1,863,571	2,060,811	110.6
2.2.	Gas pipeline system – network and regulating station reconstruction	753,424	956,570	127.0
3.	Total other reconstructions and replacements	1,617,562	1,706,279	105.5
	TOTAL ENERGETIKA LJUBLJANA	**7,241,378**	**6,532,005**	**90.2**

Reconstruction of energy sources

The realisation of investments in the reconstruction of energy sources amounted to €1,808,345 in 2025, which is 39.9% less than planned.

For the TE-TOL unit in Moste, the Company had planned 24 investments in the reconstruction of energy sources in the total value of €2,117,572, whereas a total of €781,676 was spent in 2025. By the end of 2025, ten investments were completed in the total value of €734,226, while one investment is pending. The completed investments of major value are: a general overhaul of feed pump ČNE 1/3, a general overhaul of pump ČTK 1/3, replacement of roofing on the main chipped wood storage facility, replacement of power transformer BFT08, replacement of thyristors on boiler 3, and other investments.

At the TOŠ unit in Šiška, the total investment value planned amounted to €889,249, whereby €59,120 was spent. By the end of 2025, two investments were completed (ventilation of the waterworks and pumping station command premises, and the ventilation of boiler room 2).

In 2025, Detailed Design (PZI) documents were made for the investment "Replacement of switch blocks for the administrative building in Verovškova 70" and a public procurement procedure was carried out. The investment will continue in spring 2026.

A total of €967,549 was spent outside the plan and past plans, while another six investments were completed.

Network reconstructions

The realisation of investments in the reconstruction of the hot-water, steam and gas pipeline networks amounted to €3,017,381 in 2025, which is 15.3% more than planned (€2,616,995). In addition to intervention works relating to leakage, a secure supply and cost reduction caused by the replacement of the lost chemically treated hot water from the network urgently require systematic investments in the reconstruction of the hot-water network. Hence, the large scope of activities results from non-planned reconstruction works on the hot-water and gas pipeline networks in concurrent construction with the City of Ljubljana and other investors. Urgent reconstruction works were also carried out at sections of the distribution network where critical conditions were identified during the year that required immediate action to prevent damage occurring due to the leakage of the network or, rather, failure of the distribution system during the heating season. All reconstruction works other than two in Medvode Municipality were carried out in the area of the City of Ljubljana. The plan for 2025 also foresees the extension of gas pipeline systems S2200, 2280 and 2286 for the supply of the town of Grosuplje, where the Company awaits simultaneous construction with the Slovenian Infrastructure Agency (DRSI).

The Company spent a total of €2,060,811 for reconstruction works on the hot-water system in 2025 (together with items off the plan and past plans), the largest value of which relates to the reconstruction of hot-water pipelines along Verovškova and Drenikova ulica – TOŠ (€742,889 was spent). In 2025, two investments were completed, namely the reconstruction of hot-water pipeline and the extension of the steam pipeline TOŠ – Novartis, and the reconstruction of the network at the crossing across Linhartova cesta (a total of €510,293 was spent on the two investments). The investment to relocate and refurbish hot-water ditches is pending and will continue into 2026, whereby a total of €289,073 was spent for the investment.

A total of €457,736 was spent for investments off the plan and past plans, most of which for the reconstruction of the network along Kumrovškova and Čargova, stage 2, and for the reconstruction of hot-water pipeline T200, N4060 along Čufarjeva, Resljeva and Kotnikova streets, which were completed in 2025 (a total of €447,144 was spent on both investments).

A total of €672,380 was spent on the reconstruction of the gas pipeline network in 2025, which is 13.5% more than planned. Within the scope of the planned investments, three investments were completed, namely the reconstruction of gas pipeline N25160 along Cesta Ceneta Štuparja, section Ulica v Kokošek – Pot v Smrečje, the reconstruction of the network in the area of the Zvezda street, and the relocation of gas pipeline N30300, as well as the construction of a connecting point in the area of the Galjevica residential care institution (a total of €469,620 was spent on the three investments). The investment to relocate gas pipeline S1800 in the area of construction works for the Ljubljana Athletic Centre is pending and will be completed in 2026.

The off-the-plan and off-the-past-plan item also discloses another amount of €283,631 that was spent on investments. In 2025, eight investments were completed, the major ones being the reconstruction of gas pipeline N18000 – section Cesta v Rožno dolino, the relocation of gas pipeline network – Supernova Rudnik, and the construction of a gas pipeline connection for the Svoboda Sports Park balloon.

Other reconstructions and replacements

The total value of other reconstructions and replacements realised in 2025 amounted to €1,706,279, which is slightly more than planned.

A sum of €655,182 was spent on the purchase of computer hardware and software. The purchase of computer hardware (servers, disk systems, back-up location, computers and monitors for employees, printers, overall upgrade of hardware for access control and other) totalled €580,613 (€395,835 was planned). The purchases were realised with respect to the actual needs and a part of the purchases will be realised at the start of 2026.

The computer software upgrade totalled €74,569 (€317,697 was planned). Furthermore, additional modules and functionalities were implemented for PIS-JHL/SAP along with an update of the application for the receipt of shares and/or balances from breakdown providers for the purposes of invoice issuance. The predominant share of purchases will be realised at the start of 2026.

The off-the-plan and off-past-plan item also discloses an expenditure of €880,304. The predominant share of purchases relates to computer equipment (€202,047), company vehicles and equipment (€151,316), the CHNS elemental analyser (€166,001) and other purchases.

Other purchases not included in the plan were of minor values. The item includes purchases, the public procurement procedures for which were conducted in 2025 while deliveries will be made in 2026.

- **Development of district heating and gas supply**

To realise development tasks, a total of €22,175,016 (including items included in past plans and not included in the plan) was spent in 2025, which is 128.6% more than planned.

- **Overview of the realisation of the investment plan for development by lot**

in €

Seq. No.	Investments in development	2025 PLAN	2025 YEAR	Y25/P25 index
1.	Construction of energy sources	7,328,642	13,035,229	177.9
2.	Network construction	2,369,700	9,139,787	385.7
2.1.	*District heating – network constr. and connect. of boiler rooms*	*1,147,200*	*3,862,594*	*336.7*
2.2.	*Gas pipeline system – network construction, substations and connection of plants*	*1,222,500*	*5,277,193*	*431.7*
	TOTAL	**9,698,342**	**22,175,016**	**228.6**

Construction of energy sources

Investments in the construction of energy sources amounted to €13,035,229 or 77.9% more than planned. The largest deviation from the plan has been recorded in the PPE-TOL investment, where a total of €10,654,526 was spent in 2025 (€5,785,412 planned).

For the Biomass project at the TE-TOL unit, tender documents were being prepared in 2025 for an open invitation to tender for co-funding the construction and restructuring of the district heating system and cooling using renewable energy sources (RES), along with an amendment to the preliminary design and tender documents, revision of the investment programme, structural recalculation and production of a 3D model of the existing steel structural frame of boiler 1, along with control and technical legal aid. The planned investment value was €623,390, whereas a total of €227,664 was spent on the investment in 2025. The investment will continue in 2026.

As regards investments in renewable sources, one major investment is the construction of a 2.0MW ground-mounted photovoltaic power plant on the land of the Koseze Gas Unit, which will be intended for the supply of the hydrogen production installation. The investment is under construction and a total of €1,728,485 was spent in 2025 (€480,000 was planned).

At the TOŠ Unit, the construction of a photovoltaic 0.4MW power plant on the warehouse roof next to the Energetika Ljubljana office building in Verovškova 70 was completed in 2025, which will cover own consumption of buildings at that location, whereby a total of €333,890 was spent (€112,000 was planned).

The companies VOKA SNAGA and Energetika Ljubljana collaborate as partners in a joint project to set up the waste-to-energy plant TEO Ljubljana ("heat and electricity from waste"). The project has been included in the circular economy and sustainable development concepts of the City of Ljubljana.

Construction of the PPE-TOL gas and steam unit

Within the scope of developing energy sources, the Company conducted on 16 May 2025 a provisional takeover of the largest investment in recent years, i.e. the PPE-TOL Gas and Steam Unit, from the main contractor, the company Metlen Energy & Metals S.A. The investment represents an important milestone in the Company's transition to a low-carbon undertaking. On the same day, the Taking Over Certificate (TOC) was issued by the contracting authority and the investment was activated in the amount of €154,817,541.

On 21 March 2025, the Company received a decision from the Energy Agency finding the PPE-TOL generation unit compliant with the conditions to obtain operating support for the produced electricity from high-efficiency co-generation. Since 19 May 2025, the unit has been operating in line with the needs for heat and electricity co-generation, while the contractor is gradually eliminating the remaining errors and deficiencies. Upon the activation of the unit, a 3-year warranty period for the equipment from LOT1 (gas turbine with heat recovery steam generators) also commenced.

On 23 May 2025, an application was submitted for the trial operation of PPE-TOL, whereupon a 9-month trial operation under the administrative procedure commenced. The latter was prolonged in 2026 for an additional nine months until 28 November 2026. The Company must submit an application for an operating permit by that time and eliminate all deficiencies identified during the technical inspection.

In 2025, a sum of €10,654,526 was spent on the PPE-TOL investment, which is within the scope of the contract value. A deviation from the planned value for 2025 (€5,785,412) is primarily the result of delay in the realisation of individual contract milestones in the project that had originally been planned for 2024.

- **Other investments in energy sources**

For the project to construct TEO Ljubljana, a supplemented preliminary study was prepared in 2025 for technological solutions concerning waste-to-energy utilisation at the TE-TOL and RCERO – Barje sites. Supplementations covered the preparation of conceptual solution for the erection of a separate incineration line for sludge from water treatment plants, and amendments due to the amended Decree on the provision of obligatory public utility service of incinerating municipal waste, which among other things restricts the annual volume of municipal waste for TEO Ljubljana to no more than 130,000 tonnes a year.

Based on the technological solutions presented in the preliminary study, an incentive was prepared for an amendment of the strategic and operational part of the municipal spatial plan (MSP) at RCERO – Barje, which was also submitted to the Spatial Planning Department of the City of Ljubljana (OUP MOL) at the beginning of December 2025.

In autumn 2025, a contractor was selected at an open invitation to tender for the preparation of spatial planning documents to locate TEO Ljubljana and adopt a detail municipal spatial plan (OPPN) in order to expand the Barje dumping ground for non-hazardous waste.

Investments in network construction

Investments in the construction of the hot-water and gas networks amounted to €9,139,787, which is 285.7% more than planned. The construction of the new network mainly starts after the conclusion of the spring heating season and often runs in parallel with the construction of municipal and road infrastructure. For 2025, 18 investments were planned, where Energetika Ljubljana participated in parallel construction and agglomerations. The realisation of investments is also subject to the costs incurred in 2024 that are related to the completion of investments in the previous year.

In 2025, activities were continued to enhance consumption and replace inadequate heat stations in the existing hot-water network, and to connect buildings in the area of the existing gas network. The adoption of the new Network Code for the Natural Gas Distribution System in 2020 has enabled Energetika Ljubljana to finance connections. The total number of connections built by Energetika Ljubljana solely within the scope of increasing consumption in the existing gas network reached 119 in 2025. The consumption increase without investments in network expansion is based on the new Network Code, which provides for the construction of connections as the Company’s investment based on a signed contract on connection, which ensures immediate offtake of natural gas.

An additional incentive to use natural gas is the provision of services to set up gas boilers with internal gas installations, which is pursued by the Company to facilitate the connection of new gas customers in areas where a gas network has already been constructed and at the same to reduce environmental impacts by way of replacement with more energy-acceptable and efficient devices. Users can pay for the service by way of finance lease. In 2025, a total of €275,690 (€45,000 was planned) was spent (investment marked 30I-71-00000), of which by municipalities: City of Ljubljana €229,000, Grosuplje €14,564, Medvode €12,883, Brezovica €9,173, Log – Dragomer €5,373, Dobrova – Polhov Gradec €4,621, and Škofljica €76.

Increased consumption compared to that planned has been recorded within the scope of the investment in assets to renew and construct the gas network in existing built areas, for renovation works and for connection to the natural gas supply system (investment marked 30II-144-000), where funds have been foreseen for connection to the gas pipeline system. This includes investment projects to set up connections under the Network Code and unplanned expansions of the gas network as a result of identified interest on the part of building owners following their connection and use of natural gas, as well as involvement in concurrent construction works. A total of €402,422 (€12,000 was planned) was spent, of which by municipalities: City of Ljubljana €313,980, Brezovica €28,700, Medvode €19,621, Škofljica €14,527, Grosuplje €10,038, Dobrova – Polhov Gradec €6,096, Ig €5,954, and Log – Dragomer €3,506.

- **Investments in the construction of the hot-water network in the City of Ljubljana**

Investments in the construction of the hot-water network in 2025 amounted to €3,862,594.

A major deviation of the realised value from that planned (€1,591,932 was realised, while €288,000 was planned) was noted in the investment to construct a filling station for electric buses at P&R Stanežiče, where construction works are in the closing stage. The operating permit is expected along with the durability test.

In the second half of 2025, reconstruction works were made on hot-water pipeline T1810 and construction works on the system link along Štembalova ulica, which were completed in 2025. A total of €684,921 (€81,600 was planned) was spent on the investment in 2025. Also completed were construction works on ditches on the T2500 and T2501 alignments alongside Linhartova street and on the hot-water connection for Resljeva 48 (a total of €260,954 was spent for both investments).

Within the scope of investments not included in the plan or past plans, another €711,691 was spent on the territory of the City of Ljubljana, most of which for the refurbishment of the T21 steam pipeline and the T1700 hot-water pipeline along Vodovodna street, which was carried out and completed in 2025 (€491,941).

The expansion of the district heating system is currently restricted to furnishing new areas and enhancing consumption in the existing distribution network, where the intensity of investments depends on investors in new buildings and owners of existing buildings.

- **Investments in the construction of the gas network in the City of Ljubljana**

Investments in the construction of the gas network in all municipalities totalled €5,277,193 in 2025 (including investments not included in the plan or past plans), €4,865,478 of which was spent in the City of Ljubljana. The values include funds for connection to the gas pipeline system in the existing built areas and funds for the construction and renovation of indoor gas installations for existing residential and other buildings (investments marked 30I-71-00000 and 30II-144-000).

In the City of Ljubljana, two investments were completed by the end of 2025. The majority of funds in 2025 was spent on the construction of a hydrogen filling station at P&R Stanežiče, which will be intended mostly for LPP buses. Construction works are in the closing stage and an operating permit is expected along with the start of durability testing. A total of €2,554,109 (€750,000 was planned) was spent on the investment in the relevant period.

Within the scope of investments not included in the plan or past plans, a total of €1,669,406 was spent in the City of Ljubljana, whereby 4 investments were completed. Major values relate to the construction of the Rakova jelša gas pipeline system, parts 2 and 3 (a total of €803,858 was spent), the construction of the Sibirija gas pipeline network (€390,354) and to the completion of the investment in the CNG filling station capacity increase at P&R Dolgi most (€126,304 was spent).

The length of the gas network in the City of Ljubljana increased by 6,248 m.

- **Execution of investments planned in other municipalities**

The expansion of the gas network is also conducted in other municipalities, where the Company carries out the activities of a distribution system operator pursuant to ordinances and the concession contract. In 2025, a total of €411,715 was spent in those municipalities, along with investments not included in the plan or past plans (costs relating to the completion of investments from previous periods). The values also take into account funds for connection to the gas pipeline system in the existing distribution network (investments marked 30I-71-00000 and 30II-144-000). The length of the gas network extended in 2025 by 2,148 m.

Use of funds by municipality:

in Brezovica Municipality	€182,137,
in Medvode Municipality	€102,475,
in Grosuplje Municipality	€82,311,
in Škofljica Municipality	€14,603,
in Log-Dragomer Municipality	€13,518,
in Dobrova-Polhov Gradec Municipality	€10,717,
in Ig Municipality	€5,954.

In Brezovica Municipality, there were no investments planned in 2025. Most funds were spent on the construction of the Notranje Gorice-Podpeč S2800 gas pipeline, which was completed in 2025. Construction works on the gas network in the area of Žabnica and Brezovica West – Drobtinška, and Podpeška are in the closing stage. Transitions from LNG to natural gas are pending. In the relevant period, a total of €182,137 was spent on investments in Brezovica Municipality. The length of the gas network in Brezovica Municipality extended in 2025 by 272 m.

In Medvode Municipality, construction works were completed in 2025 on the gas pipeline Vaše 6-6D and S3312 in Goričane. Simultaneously with Medvode Municipality, four investments will be carried out in 2026 and 2027, i.e. the construction of a gas network in the areas of Valburga, Zbilje East, Zbilje 59-61H and Smlednik. In the relevant period, a total of €102,475 was spent on investments in Medvode Municipality. The length of the gas network extended in 2025 by 294 metres.

In Grosuplje Municipality, construction works on the gas pipeline along Industrijska cesta continued and were partly executed concurrently with road reconstruction. The investment is in the closing stage, while transitions from LNG to natural gas are pending. To construct a gas network for the supply of the Grosuplje South economic zone, the Company is awaiting concurrent construction with Grosuplje Municipality. In the relevant period, a total of €82,311 was spent on investments in Grosuplje Municipality. The length of the gas network extended in 2025 by 994 metres.

In Škofljica Municipality, the construction of a gas pipeline along the Klanec street will take place simultaneously with the construction of the sewage system in 2026 and 2027. A total of €14,603 was spent in 2025 and related to assets for connection to the gas pipeline system in the existing distribution network. The length of the gas network extended in 2025 by 98 m.

In the Log-Dragomer Municipality, the construction of a gas pipeline in the area of Jordanov kot, Kačja vas, is in the closing stage, while transitions from LNG to natural gas are pending. In the relevant period, a total of €13,518 was spent on investments, including funds for connection to the gas pipeline system in the existing distribution network. The length of the gas network extended in 2025 by 42 m.

In Dobrova-Polhov Gradec Municipality, there were no investments planned in 2025. A total of €10,717 was spent in 2025 and related to assets for connection to the gas pipeline system in the existing distribution network. The length of the gas network extended in 2025 by 27 m.

In Ig Municipality, the sum of €5,954 spent in 2025 related to funds for connection to the gas pipeline system in the existing distribution network. The length of the gas network extended in 2025 by 421 m.

Volatile conditions on the natural gas market caused a great deal of distrust among building owners in respect of natural gas supply. Consequently, interest in areas foreseen for the expansion of the natural gas distribution system decreased after natural gas was connected and used. Since the guaranteed volume of natural gas distribution is the key element in the calculation of the economic viability of investments in the expansion of the gas network, the scope of planned and executed expansions of the gas network has reduced to the extent that investments are partly or fully closed without the implementation stage.

2.3 Research and development

The Company's development activities are related to the optimisation of natural gas and heat supply system operations and to the introduction of new services. To rationalise system operations and reduce operating costs, the Company has been seeking new technical solutions to connect new buildings, and producing analyses of the gas and hot-water systems.

Energy novelties and development policies are also included in major projects within the scope of collaboration with municipalities, national authorities and other interested parties. An important milestone is the completed construction of PPE-TOL, which has already provided for substantially reduced use of coal and contributed greatly to the decarbonisation of heat and electricity production. Simultaneously, activities are taking place to increase the use of renewable energy sources, primarily woody biomass, while activities continue to use the Ljubljanica river for energy with the construction of a small-scale hydro power plant and to develop the strategic TEO Ljubljana project for heat and electricity production from non-recyclable municipal waste. The mentioned investments represent the foundation for a long-term transformation of the Company's power system and provide a response to the key demands of the modern energy environment.

In 2025, the EU project Senergy Nets continued, in which Ljubljana as one of the four sample cities (along with Milan, Paris, Cordoba and Västeras) in which new concepts are being tested to integrate power grids and heat systems, with stress placed on synergies and enhancement of their resilience to green technologies. In Ljubljana, stress is placed on the so-called virtual district heating plant, where the concept of direct heat consumption control by customers is being tested.

Energetika Ljubljana is a member of the Energy Industry Chamber of Slovenia, the Economic Interest Grouping for Natural Gas Distribution (GIZ DZP), the Slovenian Energy Association and the international Euroheat & Power association, CIGRE and COGEN[1]. Employees actively participate with their papers to the topic of district heating and natural gas supply at conferences held in Slovenia and abroad.

The Company has obtained the SIST EN ISO 9001:2015 and SIST EN ISO 14001:2015 certificates for the management system and quality management system, as well as accreditations and appointments in the field of compliance and certification of criteria for heat meters, water meters, gas meters and fuel laboratory (SIST EN ISO/IEC 17020:2012, type C, and SIST EN ISO/IEC 17025:2005). Annual internal and external controls are carried out to

[1] CIGRE – Conseil International Des Grands Reseaux Electriques, COGEN – The European Association for the Promotion of Cogeneration

maintain the certificates and accreditations, which helps to improve the quality of Company operations.

2.4 Environment protection

Energetika Ljubljana has adopted an environmental policy and environmental objectives, and prepared programmes for efficient mitigation of environmental impacts. With a comprehensive and systematic approach, the Company sustainably provides the adaptation of its production to ever stricter environmental demands and requirements for efficient energy use. To achieve high environmental standards, including decarbonising heat and electricity supply, it is vital to invest in new or reconstructed generation sources within the scope of the so-called green transition, and to invest in increased security in terms of managing disasters.

The environmental performance of both production sites, Moste (TE-TOL unit) and Šiška (TOP Unit), is further managed with the environmental management system under the SIST EN ISO 14001:2015 standard, which is integrated with the SIST EN ISO 9001:2015 quality management system.

- **Environmental permit – IED installations**

Both production sites of Energetika Ljubljana fall within the so-called IED plants which may cause large-scale pollution, which is why it is necessary to obtain an environmental permit for their operation.

In line with legal requirements and prescribed deadlines, yearly activities relate to operational monitoring, environmental taxes and reporting to the competent authorities and other institutions.

In 2025, the new Rules on initial measurements and operational monitoring of emissions of substances into the atmosphere from stationary sources of pollution entered into force. Based on the Rules, the Company has been obligated to send to the Slovenian Environment Agency (ARSO) and the City of Ljubljana (MOL) reports on continuous measurements of emissions of substances into the atmosphere since August 2025 along with reports deriving from occasional monitoring.

In January 2026, the Company sent the requested documents, i.e. the description of the content, form and accessibility of the values measured by existing automatic measuring systems (AMS) and continuous measurement data acquisition and handling systems (DAHS) for both production sites, where continuous measurements are carried out: TE-TOL Unit (GPO, PPE1, PPE2, NTK or VK) and TOŠ Unit (VK1, VK2 and VKLM5). In 2026, it will be necessary to set up telemetric transmission of at least minute data from automatic measuring systems to ARSO.

In March 2025, the TE-TOL unit received a request to align its application containing BAT conclusions for large-scale combustion plants, primarily in terms of waters, particularly waters from the coal depot.

In July 2025, a decision was received on the amendment to the environmental permit for the operation of a large-scale combustion plant with rated thermal input of 50 MW. The amendments in the decision include alignment with BAT conclusions, the integration of two gas turbines (PPE1 and PPE2) with rated thermal input of 275 MW upon simultaneous operation, new storm water infiltration fields, drainage of storm water at V3 and amendments to municipal waste water outlets V2, V3 and V4.

Within the scope of alignment with BAT conclusions at the TOŠ unit, supplements to the application for an amended IED permit were prepared in July 2025, including a request for a change regarding waste waters. Within the scope of the supplements, the Emission Monitoring Programme and the Rules of procedure for the operation and maintenance of devices to prevent pollution and drain waste water at the V62 outlet were revised. The decision was received in December 2025.

Within the scope of the request to establish a new monitoring borehole for groundwater due to PPE-TOL (new diesel generators), revised documents were prepared for the baseline report. In February 2025, a proposal was sent to the Ministry of the Environment and Spatial Planning for the operational monitoring of soil condition and a report on technical measures.

Due to the takeover of two new gas turbines at PPE-TOL in May 2025, the Company requested for a prolonged period in the procedure to approve a partial baseline report, which was extended by the end of June 2025. In August 2025, a supplemented application was submitted and the Ministry set a deadline for the baseline report to be submitted within nine months of the finality of the decision.

For the TOŠ unit, the Company submitted a supplemented application to amend the IED permit in July 2025 and in October 2025 the Ministry set a deadline for the baseline report to be submitted within nine months of the finality of the decision.

The preparation of the final baseline report for both units (TOŠ and TE-TOL) calls for repeated soil and groundwater monitoring, including the monitoring of geological characteristics of groundwater. The works must be carried out by authorised contractors, whereby the costs are high. Due to the scope and time complexity of the activities, the Company already started preparing the final baseline report at the end of 2025.

- **Environmental permit – SEVESO[2] plant**

The SEVESO permit defines the use of dangerous substances with the aim to prevent disasters and reduce their consequences.

The application to amend the SEVESO permit was submitted in September 2023 due to the construction of new tanks within the scope of the LOT 3 project (seasonal tanks) and the introduction of natural gas at the TE-TOL unit. In February 2024, the Ministry issued a request for a supplementation to the application, thereby requesting the involvement of an external consultant for the HAZOP (Hazard and Operability Study) and HAZID (Hazard Identification) analyses. The supplements were submitted at the start of December 2024. In the procedure to amend the SEVESO permit, the TE-TOL unit received several additional requests. Since it was impossible to provide all requested information until the expiry of the deadline, including due to a delay in the takeover of PPE-TOL, an application was submitted in April 2025 asking for a deadline extension, which was rejected by the Ministry. In November 2025, a new application was submitted for an amended SEVESO permit.

Based on the valid SEVESO permit, two inspections were conducted in 2025, i.e. one at the TE-TOL unit in November 2025 and one at the TOŠ unit in December 2025. Within the scope of the inspection at the TOŠ unit, no non-compliance with the valid permit was found. At the TE-TOL unit, however, a decision was issued in December 2025 establishing non-compliant operation with respect to the valid permit, namely due to excess quantity of stored gas oil – diesel (ELHO) in seasonal tanks.

The decisions lays down that the necessary quantities of ELHO must be adjusted to the permitted values within six months of decision issuance, which means that seasonal tanks

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[2] The word SEVESO relates to a Directive; the main goals of the SEVESO Directive have two purposes: to prevent large-scale accidents involving dangerous substances, and to manage and reduce the consequences of large-scale accidents for people and the environment.

must be emptied. As it were, the valid SEVESO permit from 2015 does not include the quantities of ELHO stored in seasonal tanks. The total amount of ELHO at the site, taking into account those tanks, amounts to 848.73 tonnes, while the permit permits the maximum amount of 101.40 tonnes. If the revised permit from 2015 cannot be obtained in due time on account of insufficient information and additional documents related to PPE-TOL as well as the longevity of administrative procedures, the seasonal tanks will have to be emptied within the prescribed period.

- **Permit for GHG emissions and CO_2 tax**

Energetika Ljubljana with its TE-TOL (plant marked SI-5) and TOŠ (plant marked SI-1) units is included in the European greenhouse gas emission trading scheme (EU ETS). The monitoring of greenhouse gas emissions is conducted yearly in line with the requirements of the approved GHG emissions monitoring plan, while the verification of emissions is conducted by an external accredited verifier.

In 2025, 445,530 tonnes of CO_2 were emitted, which accounts for a 22.4% increase with respect to the previous year. Increased CO_2 emissions were largely the result of commenced operation of PPE-TOL. Upon the start-up of PPE-TOL operation, the total amount of CO_2 emissions at the site increased and at the same time decreased with respect to the energy unit generated, since PPE-TOL enables the production of a large amount of electricity upon higher efficiency.

Since 2023, a requirement has been in force regarding the use of sustainable biomass pursuant to the Renewable Energy Sources Directive. If a plant does not use sustainable biomass exclusively, CO_2 emissions deriving from that cannot be considered CO_2 neutral. If the relevant supporting documents are not provided for sustainable biomass, the CO_2 emissions incurred as a result of biomass use are considered as fossil fuel emissions.

In order to maintain zero CO_2 emissions in the use of chipped wood, the Company started activities in 2025 to obtain a certificate proving that the chipped wood used meets the sustainable criteria under the RES Directive (RED III). In addition to biomass sustainability, the Directive also introduces the emission savings criterion, which has not yet been regulated in the Slovenian law.

For the 2021-2025 trading period, Energetika Ljubljana obtained in 2021 decisions awarding free-of-charge emission allowances for both production units, which were amended several times in subsequent years. For 2025, there were fewer allowances awarded than set in the 2024 decisions. For the TOŠ unit (SI-1), 13,877 free-of-charge emission allowances were awarded based on the decision dated 9 April 2024; however, this amount reduced to 13,151 emission allowances based on the notice sent by the Ministry of the Environment and Spatial Planning. For the TE-TOL unit (SI-5), 32,279 free-of-charge emission allowances were awarded for 2025 instead of 51,992, as deriving from the decision dated 9 April 2024.

For both production sites, the Ministry sent a link on 23 January 2026 to the new EU ETS reporting portal, where emission monitoring plans have to be entered. The new plans call for more extensive data and proof compared to the current monitoring plan (before the Climate Act was amended). After the requested data is entered, the Company will receive approval for the monitoring plans for both plants, thereby meeting the condition for 2025 emission reporting to the new EU application, which has replaced the current REMIS application.

By the end of June 2025, positions on recommendations and identified non-conformities provided by the auditor within the scope of GHG emissions audit were also submitted for both production plants.

➢ CO_2 tax

For the heat produced, Energetika Ljubljana is required to pay a CO_2 tax in the form of the minimum level of taxation. For that purpose, the Company has acquired decisions for both production sites that apply until the end of 2026.

To maintain the validity of the decisions or, rather, enforce eligibility to the minimum level of taxation, the Company is required to submit the requested proof every year.

The Financial Administration of the Republic of Slovenia (FURS) has asked Energetika Ljubljana to use data on the calorific value of natural gas set on the basis of the Decree on natural gas market operation for the purposes of calculating excise duty as an environmental tax in the recalculation of the amount of natural gas from Nm^3 into kWh. At the end of September 2024, FURS provided an explanation that it considered Energetika Ljubljana as an end user, which is why the Company should take into account net calorific values as indicated by the natural gas supplier. At the beginning of October 2024, the Company provided an explanation that the production units marked SI-1 and SI-5 are not end customers pursuant to the Energy Act, as they purchase no energy for end use, but rather fall within the energy conversion sector, which is expressly excluded from the definition of an end customer. As a result, the Decree on the natural gas market operation does not apply to them, the same as the method to determine the calorific value of natural gas as laid down in Article 25 of the mentioned Decree is not applicable to them. FURS did not respond to the explanations provided by Energetika Ljubljana; however, it did initiate a comprehensive inspection procedure at the end of October in relation to CO_2 tax reporting for the 2021-2023 period. Within the scope of the inspection, various legally prescribed reports are being examined, including excise duty, CO_2 tax (which includes the sale of natural gas to end users in addition to the minimum level of taxation), fuel consumption, and the application of higher and lower calorific values for natural gas. The inspection procedure was not yet completed by the end of 2025.

Within the scope of enforcing exemption from environmental tax due to carbon dioxide emissions, the Company is also required to report the minimum level of taxation. In 2025, the sum paid for the minimum level of taxation was €169,351 higher than in 2024, while the total amount of the paid minimum level of taxation in 2025 reached €519,366. The difference between the minimum level of taxation and fully paid environmental tax is the state aid. The increased amount of paid minimum level of taxation in 2025 is largely the result of PPE-TOL start-up and therewith related increased fuel consumption for heat production from co-generation, which is subject to the minimum level of taxation.

➢ Water permit

The water permits for both production sites and the water permit for the Verovškova 70 location are very important to the Company because they permit the use of water. Based on partial water permits, the use of water from the public water distribution system is allowed at two offtake points at the Šiška location, while the partial water permit at the Moste location enables water offtake from the Ljubljanica river and two wells, V-1 and V-2. At the Verovškova 70 location, the water permit provides for the use of water from the public water distribution system at a single offtake point.

By the end of January every year, the Company submits a water refund declaration and the prescribed groundwater monitoring data, including offtake diagrams and surface level diagrams.

Ensuring an ecologically acceptable water flow, as deriving from the requirements of the water permit for the TE-TOL unit, constitutes an operational risk during prolonged dry periods.

Water offtake from the Ljubljanica river in 2025 increased by more than twice compared to 2024, which will directly increase the cost of water treatment levies. In 2024, water consumption from the Ljubljanica river amounted to 13,079,359 m³, which accounted for the cost of €103,065. In 2025, water consumption from the Ljubljanica river amounted to 29,041,774 m³, which is estimated to account for the cost of €228,849. The mentioned amounts do not include offtake from the wells and drinking water consumption for industrial purposes. The final difference will be evident from the decision that will be received by the Company in the middle of 2026, based on which advance payments will be settled.

As of 2026, costs will additionally increase due to the introduction of permit charges deriving from the amended Decree on payment for water rights, as obtained on the basis of the water permit, and water treatment levy. In addition to water treatment levies, the basis for which is actual data on water consumption, the Company will also be required to pay a permit charge as of 2026 that is based on maximum volumes of water as specified in (partial) water permits. The estimated annual cost of the permit charge amounts to around €129,665.

2.5 Corporate social responsibility

Due to its role in the provision of energy supply, the Company sees corporate social responsibility as an important part of its operations and development.

Namely, it is the foundation for the Company's relations with all stakeholders, where the Company is unable to pursue its benefits only due to a high level of information provision to various audiences. Corporate social responsibility is based on long-term relations with stakeholders that can only be built with actual results and actions to the benefit of the community, locally or wider.

Energetika Ljubljana realises corporate social responsibility in all areas of its operations and in relation to all of its stakeholders.

Corporate social responsibility to co-workers

The Company provides sound working conditions, equipment and assets enabling a safe pursuit of activities. Despite being a large enterprise, the Company has set up an efficient system for rapid and systematic provision of information to associates on current affairs that are of interest to employees, and on matters of expertise that they need for their work. Responsible treatment of co-workers also includes the promotion of measures facilitating the coordination of career and family life (e.g. a non-working day upon a child's first day at school) and activities strengthening ties between co-workers (various common events).

Corporate social responsibility to owners

As a company that is part of the Javni holding Group, the Company is involved in several joint projects. It participates in a fair and transparent manner, always putting at the forefront successful realisation of projects that are important in terms of a wider social interest and users' needs (construction of infrastructure, implementation of measures or improvements based on incentives put forth by residents, organisation of joint demonstrations of activities at various events).

Corporate social responsibility to users

The Company's primary goal is to provide the production and distribution of energy products in a safe and secure manner, while being economically affordable and acceptable for users. Additionally, the Company encourages users to use energy efficiently and informs them of ways to contribute to the efficient use of the available network. Digital possibilities to submit inquiries and e-invoices provide a modern and simple way of doing business for users. Those who are not in favour of such methods can choose from other options, as the call centre offers support and information as a one-stop shop.

Corporate social responsibility to the community

The Company collaborates with many humanitarian, cultural and sports organisations in several ways throughout the year, most often in the form of financial support provided as donations or through participation in projects and other sponsorship activities. The Company also continues its practice to connect with the local community in a manner allowing organisations and societies to carry out activities promoting a sports-like lifestyle and cultural participation. Thereby, it pursues its slogan "Energy in a Heartbeat" and connects with residents in ways allowing them to feel the beat of their community through quality leisure time, thus encouraging them to participate in various activities.

Corporate social responsibility to the environment

Concern for the environment is an equally important goal of the Company as the concern for stakeholders. The environment is not only the space of Company operations, but also a starting point for the search of energy solutions preserving or even improving the condition of the environment while enabling future generations to live without harmful consequences.

In the environment in which it operates, the Company looks for energy solutions preserving or even improving the condition of the environment while enabling future generations a life without harmful consequences.

The Company importantly contributes to improved air quality in Ljubljana, including by actively withdrawing coal from heat and electricity production, and by developing towards increased use of renewable energy sources. It also actively contributes to the development of sustainable forms of mobility, including by constructing a refuelling park for hydrogen-powered vehicles.

2.6 Development policies

Energetika Ljubljana's development activities pursue its commitments to fulfil its mission, the environmental and energy legislation, guidelines and commitments, both in respect of reducing greenhouse gas emissions as well as in respect of sustainability. The main strategic goals of the Company are related to decarbonising production sources, district heat supply and the natural gas distribution system, and to ensuring high operational security of production sources and district heating and natural gas distribution networks. An important goal of the Company remains to be the development and expansion of the hot-water and gas networks by expanding their use in transport, and the production and supply of green electricity.

As regards decarbonisation of production sources and district heating supply, the PPE-TOL project has been completed. Within the scope of gradual abandonment of coal use, Energetika Ljubljana will implement the Biomass project for increased use of chipped wood. One of the more important projects contributing to increased energy self-sufficiency is the construction of TEO Ljubljana, where Energetika Ljubljana collaborates with VOKA SNAGA. The Company's strategic development towards sustainability also entails projects to obtain a large-scale heat pump and a battery storage facility.

In respect of network development and expansion, the Company will continue to pursue the goals set. Energetika Ljubljana will continue to connect newly built or existing buildings not yet connected in the area of the existing hot-water network to the district heating supply in the City of Ljubljana. Network expansion will be foreseen only in cases of major new builds on the outskirts of the City of Ljubljana, where so permitted by the already built primary hot-water network. To optimise the operation of the system and reduce heat losses, the Company will also expand the low-temperature section of the district heating system and promote a more active role of customers. In areas of the City of Ljubljana, the gas network will be gradually substituted with the hot-water network, where rational and economically viable. A possible expansion of the gas pipeline network is foreseen only in areas with the relevant consumption guaranteed in advance.

An important part of the Company’s development activities also includes the establishment of infrastructure for alternative fuels in traffic. Based on the decision to introduce hydrogen as fuel for the buses of urban public transport, Energetika Ljubljana has been setting up a hydrogen filling station at P&R Stanežiče along with green hydrogen production. To that end, a photovoltaic power plant has been erected at the Koseze Gas Unit, which will be supplemented with a battery storage facility. Such a system will enable the production, storage and use of hydrogen in traffic, thus contributing to the development of sustainable mobility.

Energetika Ljubljana also continues the development of projects to produce and inject biomethane in the natural gas distribution network.

In future, the Company will also contribute to energy production from renewable sources by constructing small-scale hydro power plants on the Ljubljanica river. In the segment of household and small corporate users, the Company intends to actively participate on the energy flexibility market through the self-supply system and integration of dispersed energy sources (storage facilities, biogas co-generation and other) and users (e-charging stations, compressors, etc.).

3 FINANCIAL REPORT

3.1 Financial statements

3.1.1 Balance Sheet

in €

		Notes	31/12/2025	31/12/2024	25/24 index
	ASSETS		**500,715,019**	**442,071,848**	**113.3**
A.	**LONG-TERM ASSETS**		**363,983,064**	**361,749,200**	**100.6**
I.	**Intangible assets and long-term deferred costs and accrued revenue**	3.2.2.1	**6,339,509**	**10,402,014**	**61.0**
1.	Long-term property rights		6,339,509	10,402,014	61.0
II.	**Property, plant and equipment**	3.2.2.2	**354,747,286**	**348,777,005**	**101.7**
1.	Land and buildings		176,537,428	140,706,202	125.5
a)	Land		15,595,906	15,857,793	98.4
b)	Buildings		160,941,522	124,848,409	128.9
2.	Plant and machinery		142,348,514	43,209,954	329.4
3.	Other plant and equipment		17,365,507	6,864,056	253.0
4.	Property, plant and equipment being acquired		18,495,837	157,996,793	11.7
a)	Property, plant and equipment under construction and in production		18,495,837	157,940,793	11.7
b)	Advances for the acquisition of property, plant and equipment		0	56,000	0.0
III.	**Investment property**	3.2.2.3	**2,214,438**	**1,815,788**	**122.0**
IV.	**Long-term investments**	3.2.2.4	**675,004**	**751,443**	**89.8**
1.	Long-term investments other than loans		16,838	16,838	100.0
c)	Other shares and interests		16,838	16,838	100.0
2.	Long-term loans		658,166	734,605	89.6
b)	Long-term loans to others		658,166	734,605	89.6
V.	**Long-term operating receivables**		**6,827**	**2,950**	**231.4**
3.	Long-term operating receivables from others		6,827	2,950	231.4
VI.	**Deferred tax assets**		**0**	**0**	**-**
B.	**SHORT-TERM ASSETS**		**123,362,669**	**78,583,250**	**157.0**
I.	**Assets (of disposal group) held for sale**		**0**	**0**	**-**
II.	**Inventories**	3.2.2.5	**28,061,164**	**17,222,030**	**162.9**
1.	Material		28,057,530	17,222,030	162.9
4.	Advances for inventories		3,634	0	-
III.	**Short-term investments**	3.2.2.6	**1,399,655**	**1,434,269**	**97.6**
2.	Short-term loans		1,399,655	1,434,269	97.6
b)	Short-term loans to others		1,399,655	1,434,269	97.6
IV.	**Short-term operating receivables**		**89,047,387**	**53,644,525**	**166.0**
1.	Current operating receivables from Group companies	3.2.2.7	545,474	703,049	77.6
2.	Current trade receivables	3.2.2.7	62,201,543	46,261,986	134.5
3.	Current operating receivables from others	3.2.2.8	26,300,370	6,679,490	393.8
V.	**Cash and cash equivalents**	3.2.2.9	**4,854,463**	**6,282,426**	**77.3**
C.	**SHORT-TERM DEFERRED COSTS AND ACCRUED REVENUE**	3.2.2.10	**13,369,286**	**1,739,398**	**768.6**

in €

		Notes	31/12/2025	31/12/2024	25/24 index
	LIABILITIES		**500,715,019**	**442,071,848**	**113.3**
A.	**EQUITY**	3.2.2.11	**205,076,915**	**208,782,179**	**98.2**
I.	**Called-up capital**		**57,602,057**	**57,602,057**	**100.0**
1.	Share capital		57,602,057	57,602,057	100.0
II.	**Capital surplus**		**81,601,109**	**81,601,109**	**100.0**
III.	**Profit reserves**		**58,136,309**	**58,089,229**	**100.1**
1.	Legal reserves		5,760,205	5,713,125	100.8
5.	Other profit reserves		52,376,104	52,376,104	100.0
V.	**Fair value reserves**		**-1,762,950**	**-1,378,811**	**127.9**
VI.	**Retained earnings**		**7,833,103**	**9,537,627**	**82.1**
VII.	**Net profit or loss for the financial year**		**1,667,287**	**3,330,968**	**50.1**
B.	**PROVISIONS AND LONG-TERM ACCRUED COSTS AND DEFERRED REVENUE**	3.2.2.12	**8,087,817**	**7,392,596**	**109.4**
1.	Provisions for pensions and similar liabilities		6,776,244	6,001,337	112.9
3.	Long-term accrued costs and deferred revenue		1,311,573	1,391,259	94.3
C.	**LONG-TERM LIABILITIES**		**72,869,573**	**67,402,617**	**108.1**
I.	**Long-term financial liabilities**	3.2.2.13	**72,860,234**	**67,402,617**	**108.1**
2.	Long-term financial liabilities to banks		72,535,930	67,365,075	107.7
4.	Other long-term financial liabilities		324,304	37,542	863.8
II.	**Long-term operating liabilities**		**9,339**	**0**	**-**
III.	**Deferred tax liabilities**		**0**	**0**	**-**
D.	**SHORT-TERM LIABILITIES**		**146,137,408**	**141,089,039**	**103.6**
II.	**Short-term financial liabilities**	3.2.2.14	**92,035,373**	**89,362,268**	**103.0**
2.	Short-term financial liabilities to banks		91,733,916	89,332,838	102.7
4.	Other short-term financial liabilities		301,457	29,430	-
III.	**Short-term operating liabilities**		**54,102,035**	**51,726,771**	**104.6**
1.	Short-term operating liabilities to Group companies	3.2.2.15	307,683	345,791	89.0
2.	Short-term trade liabilities	3.2.2.15	40,733,416	33,268,629	122.4
4.	Short-term operating liabilities for advances		298,744	246,374	121.3
5.	Other short-term operating liabilities	3.2.2.16	12,762,192	17,865,977	71.4
E.	**SHORT-TERM ACCRUED COSTS AND DEFERRED REVENUE**	3.2.2.17	**68,543,306**	**17,405,417**	**393.8**

The financial statements should be read together with notes to the financial statements.

3.1.2 Income Statement

in €

		Notes	2025	2024	25/24 index
1.	**Net sales revenues**	3.2.3.1	**262,182,514**	**212,859,983**	**123.2**
a)	Net sales revenues on domestic market with Group entities through the provision of a service of general economic interest		830,068	580,859	142.9
b)	Net sales revenues on domestic market with Group entities through the provision of a service of general economic interest		31,282,507	28,796,610	108.6
c)	Net sales revenues on domestic market with Group entities through the provision of other services		6,714,944	7,472,723	89.9
d)	Net sales revenues on domestic market with others through the provision of other services		201,257,323	165,986,938	121.3
e)	Net sales revenues on foreign markets		22,097,672	10,022,853	220.5
3.	**Capitalised own products and services**		**1,755,852**	**1,960,656**	**89.6**
4.	**Other operating revenue (with revaluation operating revenue)**		**2,508,626**	**7,341,401**	**34.2**
4.1.	Revenue from state/municipal aid		1,210,575	1,507,244	80.3
a)	Revenue from grants for fixed asset acquisition from the municipality		36,686	36,686	100.0
b)	Other revenue from state/municipal aid		1,173,889	1,470,558	79.8
4.2.	Other operating revenue (with revaluation operating revenue)		1,298,051	5,834,157	22.3
5.	**Cost of goods, material and services**		**167,047,146**	**143,420,177**	**116.5**
a.1)	Cost of goods and material sold and material used incurred with Group entities	3.2.3.2	298,227	231,837	128.6
a.2)	Cost of goods and material sold and material used incurred with others	3.2.3.2	136,539,936	118,080,601	115.6
b.1)	Cost of services incurred with Group entities	3.2.3.3	6,939,402	6,108,868	113.6
b.2)	Cost of services incurred with others	3.2.3.3	23,269,581	18,998,871	122.5
6.	**Labour costs**	3.2.3.4	**33,725,314**	**30,634,219**	**110.1**
a)	Cost of salaries and wages		23,562,452	21,713,510	108.5
b)	Social security costs		5,145,951	4,703,474	109.4
b.1)	Pension insurance costs		3,269,282	3,069,981	106.5
b.2)	Other social security costs		1,876,669	1,633,493	114.9
c)	Other labour costs		5,016,911	4,217,235	119.0
7.	**Write-downs**		**20,363,001**	**14,439,356**	**141.0**
a)	Depreciation/amortisation	3.2.3.5	19,540,098	13,499,387	144.8
b)	Operating expenses for the revaluation of intangible assets and property, plant and equipment	3.2.3.5	441,644	570,795	77.4
c)	Operating expenses for the revaluation of current assets		381,259	369,174	103.3
8.	**Other operating expenses**		**38,143,203**	**27,744,606**	**137.5**
a)	Other operating expenses generated with Group entities		12,547	3,202	391.9
b)	Other operating expenses generated with others	3.2.3.6	38,130,656	27,741,404	137.5
9.	**Financial revenue from shares**		**0**	**2,141,678**	**0.0**
c)	Financial revenue from shares in other entities		0	1,993,410	0.0
d)	Financial revenue from other investments		0	148,268	0.0
10.	**Financial revenue from loans given**		**29,541**	**24,327**	**121.4**
b.1)	Financial revenue from loans to others related to the service of general economic interest		13,295	11,340	117.2
b.2)	Financial revenue from loans to others related to other services		16,246	12,987	125.1
11.	**Financial revenue from operating receivables**		**1,513,356**	**410,720**	**368.5**
a)	Financial revenue from operating receivables due from Group companies		36,893	110,481	33.4
b)	Financial revenue from operating receivables due from others		1,476,463	300,239	491.8
13.	**Financial expenses for financial liabilities**	3.2.3.7	**6,221,618**	**3,743,652**	**166.2**
b)	Financial expenses for loans received from banks		5,247,197	3,738,999	140.3
d)	Financial expenses for other financial liabilities		974,421	4,653	-
14.	**Financial expenses for operating liabilities**		**273,691**	**671,980**	**40.7**
a)	Financial expenses for operating liabilities to Group companies		5,095	29,633	17.2
b)	Financial expenses for trade liabilities and bills payable		14,749	436,099	3.4
c)	Financial expenses for other operating liabilities		253,847	206,248	123.1
15.	**Other revenue**		**65,881**	**75,835**	**86.9**
16.	**Other expenses**		**91,347**	**64,948**	**140.7**
17.	**Corporate income tax**	3.2.3.8	**476,083**	**589,380**	**80.8**
19.	**NET PROFIT OR LOSS FOR THE ACCOUNTING PERIOD (1+3+4-5-6-7-8+9+10+11-13-14+15-16-17)**		**1,714,367**	**3,506,282**	**48.9**

The financial statements should be read together with notes to the financial statements.

3.1.3 Statement of Other Comprehensive Income

in €

		2025	2024	25/24 index
19.	**Net profit or loss for the accounting period**	**1,714,367**	**3,506,282**	**48.9**
23.	**Other components of comprehensive income**	**-419,631**	**-317,735**	**132.1**
24.	**Total comprehensive income for the accounting period (19+21+23)**	**1,294,736**	**3,188,547**	**40.6**

The financial statements should be read together with notes to the financial statements.

3.1.4 Cash flow statement

in €

		2025	2024
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
a)	**Income statement items**	**51,932,291**	**33,712,107**
	Operating revenue (other than from revaluation) and financial revenue from operating receivables	254,823,969	214,936,541
	Operating expenses excluding amortisation/depreciation (other than for revaluation) and financial expenses for operating liabilities	-203,376,745	-178,270,258
	Corporate income tax and other tax not included in operating expenses	485,067	-2,954,176
b)	**Changes in net current assets (and deferred and accrued items, provisions, and deferred tax assets and liabilities) of balance sheet operating items**	**-4,117,292**	**20,510,946**
	Opening less closing operating receivables	-760,801	3,877,343
	Opening less closing deferred costs and accrued revenue	-416,640	-1,415,761
	Opening less closing assets (of disposal group) held for sale	0	1,440,000
	Opening less closing inventories	-10,876,234	21,287,302
	Closing less opening operating debts	8,620,334	-4,432,895
	Closing less opening accrued costs and deferred revenue and provisions	-683,951	-245,043
c)	**Positive or negative cash flow from operating activities (a + b)**	**47,814,999**	**54,223,053**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
a)	**Cash receipts from investing activities**	**442,012**	**2,686,670**
	Cash receipts from interest and profit participation relating to investing activities	3	2,077,094
	Cash receipts from disposal of property, plant and equipment	6,330	978
	Cash receipts from disposal of financial assets	435,679	608,598
b)	**Cash disbursements for investing activities**	**-46,812,586**	**-54,952,188**
	Cash payments to acquire intangible assets	-18,574,758	-29,054,788
	Cash payments to acquire property, plant and equipment	-27,929,683	-24,989,213
	Cash payments to acquire investment property	-13,057	0
	Cash payments to acquire financial assets	-295,088	-908,187
c)	**Positive or negative cash flow from investing activities (a + b)**	**-46,370,574**	**-52,265,518**
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**		
a)	**Receipts from financing activities**	**169,693,833**	**146,790,000**
	Cash receipts from increase in financial liabilities	169,693,833	146,790,000
b)	**Cash disbursements for financing activities**	**-172,566,221**	**-143,973,780**
	Interest paid on financing activities	-5,362,405	-3,732,816
	Cash disbursements for the repayment of financial liabilities	-162,203,816	-132,240,964
	Payments for dividends and other profit distributions	-5,000,000	-8,000,000
c)	**Positive or negative cash flow from financing activities (a + b)**	**-2,872,388**	**2,816,220**
D.	**CLOSING BALANCE OF CASH AND CASH EQUIVALENTS**	**4,854,463**	**6,282,426**
x)	Net cash flow for the period (sum total of Aa, Bb and Cc)	-1,427,963	4,773,755
+			
y)	Opening balance of cash and cash equivalents	6,282,426	1,508,671

The financial statements should be read together with notes to the financial statements.

3.1.5 Statement of Changes in Equity

➢ Statement of Changes in Equity for 2025

in €

		Called-up capital	Capital surplus	Profit reserves		Fair value reserves	Retained earnings	Net profit or loss for the financial year		Total
		Share capital		Legal reserves	Other profit reserves		Retained earnings	Net profit for the financial year	Net loss for the financial year	
A.1.	**Balance as at the end of the previous reporting period**	**57,602,057**	**81,601,109**	**5,713,125**	**52,376,104**	**-1,378,811**	**9,537,627**	**3,330,968**	**0**	**208,782,179**
A.2.	**Opening balance of the reporting period**	**57,602,057**	**81,601,109**	**5,713,125**	**52,376,104**	**-1,378,811**	**9,537,627**	**3,330,968**	**0**	**208,782,179**
B.1.	**Changes in equity – transactions with owners**	**0**	**0**	**0**	**0**	**0**	**-5,000,000**	**0**	**0**	**-5,000,000**
g)	Disbursement based on shareholding	0	0	0	0	0	-5,000,000	0	0	-5,000,000
B.2.	**Total comprehensive income for the reporting period**	**0**	**0**	**0**	**0**	**-384,139**	**-35,492**	**1,714,367**	**0**	**1,294,736**
a)	Entry of net profit or loss for the reporting period	0	0	0	0	0	0	1,714,367	0	1,714,367
d)	Other elements of comprehensive income for the reporting period	0	0	0	0	-384,139	-35,492	0	0	-419,631
B.3.	**Changes in equity**	**0**	**0**	**47,080**	**0**	**0**	**3,330,968**	**-3,378,048**	**0**	**0**
a)	Allocation of the remaining portion of net profit YOY to other equity components	0	0	0	0	0	3,330,968	-3,330,968	0	0
c)	Allocation of a portion of net profit for the period to other equity components under a governing body decision	0	0	47,080	0	0	0	-47,080	0	0
C.	**Closing balance of the reporting period**	**57,602,057**	**81,601,109**	**5,760,205**	**52,376,104**	**-1,762,950**	**7,833,103**	**1,667,287**	**0**	**205,076,915**

➢ Statement of Changes in Equity for 2024

in €

		Called-up capital	Capital surplus	Profit reserves		Fair value reserves	Retained earnings	Net profit or loss for the financial year		Total
		Share capital		Legal reserves	Other profit reserves		Retained earnings	Net profit for the period	Net loss for the financial year	
A.1.	**Balance as at the end of the previous reporting period**	**57,602,057**	**81,601,109**	**5,537,811**	**26,826,153**	**-1,240,799**	**27,717,350**	**15,549,951**	**0**	**213,593,632**
A.2.	**Opening balance of the reporting period**	**57,602,057**	**81,601,109**	**5,537,811**	**26,826,153**	**-1,240,799**	**27,717,350**	**15,549,951**	**0**	**213,593,632**
B.1.	**Changes in equity – transactions with owners**	**0**	**0**	**0**	**0**	**0**	**-8,000,000**	**0**	**0**	**-8,000,000**
g)	Disbursement based on shareholding	0	0	0	0	0	-8,000,000	0	0	-8,000,000
B.2.	**Total comprehensive income for the reporting period**	**0**	**0**	**0**	**0**	**-138,012**	**-179,723**	**3,506,282**	**0**	**3,188,547**
a)	Entry of net profit or loss for the reporting period	0	0	0	0	0	0	3,506,282	0	3,506,282
d)	Other elements of comprehensive income for the reporting period	0	0	0	0	-138,012	-179,723	0	0	-317,735
B.3.	**Changes in equity**	**0**	**0**	**175,314**	**25,549,951**	**0**	**-10,000,000**	**-15,725,265**	**0**	**0**
a)	Allocation of the remaining portion of net profit YOY to other equity components	0	0	0	0	0	15,549,951	-15,549,951	0	0
c)	Allocation of a portion of net profit for the period to other equity components under a governing body decision	0	0	175,314	0	0	0	-175,314	0	0
f)	Other changes in equity	0	0	0	25,549,951	0	-25,549,951	0	0	0
C.	**Closing balance of the reporting period**	**57,602,057**	**81,601,109**	**5,713,125**	**52,376,104**	**-1,378,811**	**9,537,627**	**3,330,968**	**0**	**208,782,179**

In the statement, the term dividend is replaced with shareholding pursuant to the Company by-laws.
The financial statements should be read together with notes to the financial statements.

3.1.6 Profit and Loss for Appropriation Account

in €

			2025
a)		Net profit or loss for the financial year	1,714,367
b)	+	Retained earnings	7,833,103
d)	-	Increase in profit reserves pursuant to the decision of the Management Board	47,080
		Legal reserves	47,080
g)	=	Profit or loss for appropriation (a+b-d)	9,500,390

The financial statements should be read together with notes to the financial statements.

The 2025 available profit for appropriation at JAVNO PODJETJE ENERGETIKA LJUBLJANA d.o.o. amounting to €9,500,389.62 comprises retained earnings amounting to €7,833,102.80, and net profit for the 2025 financial year amounting to €1,716,366.79, which is decreased by legal reserves amounting to €47,079.97.

3.1.7 Proposal for the distribution of available profit

Available profit as at 31 December 2025 of JAVNO PODJETJE ENERGETIKA LJUBLJANA d.o.o. in the amount of €9,500,389.62 is to be distributed according the resolution adopted by the General Meeting on 10 March 2026 for transfer to the Company Member in the amount of €5,000,000.00, while the remaining available profit amounting to €4,500,389.62 is to remain undistributed.

3.2 Balance Sheet as at 31 December 2025

in €

		Heat distribution and supply	DSO	Heat production	Electricity production	Gas supply	Electricity supply	Other activities
	ASSETS	**63,353,178**	**84,084,592**	**194,622,208**	**138,551,143**	**12,405,730**	**3,899,258**	**3,798,910**
A.	**LONG-TERM ASSETS**	**57,695,847**	**78,757,426**	**131,874,485**	**91,565,287**	**2,367,649**	**21,310**	**1,701,060**
I.	Intangible assets and long-term deferred costs and accrued revenue	455,595	388,453	3,058,138	2,245,042	64,697	11,798	115,786
II.	Property, plant and equipment	56,942,202	76,153,321	128,808,893	89,313,328	2,300,872	9,195	1,219,475
III.	Investment property	0	2,214,438	0	0	0	0	0
IV.	Long-term investments	297,690	737	4,913	4,751	1,184	0	365,729
V.	Long-term operating receivables	360	477	2,541	2,166	896	317	70
B.	**SHORT-TERM ASSETS**	**5,526,094**	**5,153,345**	**61,820,846**	**35,316,925**	**9,711,109**	**3,762,151**	**2,072,199**
II.	Inventories	586,478	740,815	19,451,999	5,904,069	19,643	277,806	1,080,354
III.	Short-term investments	173,245	73,367	391,219	333,409	138,009	48,876	241,530
IV.	Short-term operating receivables	4,510,541	4,000,321	40,170,797	27,539,611	8,916,066	3,209,736	700,315
V.	Cash and cash equivalents	255,830	338,842	1,806,831	1,539,836	637,391	225,733	50,000
C.	**SHORT-TERM DEFERRED COSTS AND ACCRUED REVENUE**	**131,237**	**173,821**	**926,877**	**11,668,931**	**326,972**	**115,797**	**25,651**
	LIABILITIES	**63,353,178**	**84,084,592**	**194,622,208**	**138,551,143**	**12,405,730**	**3,899,258**	**3,798,910**
A.	**EQUITY**	**52,621,238**	**72,145,290**	**71,853,290**	**15,944,640**	**-8,503,280**	**-1,300,742**	**2,316,479**
I.	Called-up capital	10,107,731	18,413,549	19,867,239	7,073,080	472,590	0	1,667,868
II.	Capital surplus	6,188,390	25,142,586	32,421,502	12,830,148	2,429,480	0	2,589,003
III.	Profit reserves	32,801,042	30,038,662	33,288,399	-22,383,201	-12,380,970	-2,571,673	-655,950
V.	Fair value reserves	-322,796	-389,436	-551,627	-385,381	-22,037	-5,641	-86,032
VI.	Retained earnings	4,180,205	2,741,861	1,973,153	766,957	-541,825	-510,106	-777,142
VII.	Net profit or loss for the financial year	-333,334	-3,801,932	-15,145,376	18,043,037	1,539,482	1,786,678	-421,268
B.	**PROVISIONS AND LONG-TERM ACCRUED COSTS AND DEFERRED REVENUE**	**1,318,154**	**2,313,839**	**2,121,219**	**1,481,287**	**500,953**	**21,684**	**330,681**
C.	**LONG-TERM LIABILITIES**	**2,210,272**	**2,078,520**	**30,592,232**	**37,375,939**	**558,920**	**50,387**	**3,303**
I.	Long-term financial liabilities	2,209,941	2,078,028	30,588,566	37,373,455	557,164	49,869	3,211
II.	Long-term operating liabilities	331	492	3,666	2,484	1,756	518	92
D.	**SHORT-TERM LIABILITIES**	**6,841,558**	**7,062,699**	**53,469,866**	**53,912,204**	**18,940,974**	**4,860,345**	**1,049,762**
II.	Short-term financial liabilities	3,502,823	4,740,950	36,848,613	29,013,164	13,264,124	3,884,435	781,264
III.	Short-term operating liabilities	3,338,735	2,321,749	16,621,253	24,899,040	5,676,850	975,910	268,498
E.	**SHORT-TERM ACCRUED COSTS AND DEFERRED REVENUE**	**361,956**	**484,244**	**36,585,601**	**29,837,073**	**908,163**	**267,584**	**98,685**

➢ Income Statement by activity for 2025

in €

			Heat distribution and supply	DSO	Heat production	Electricity production	Gas supply	Electricity supply	Other activities
			Service of general economic interest		Other activities				
1.	**+**	**Net sales revenues**	**13,808,427**	**18,304,147**	**97,592,997**	**83,170,301**	**31,945,354**	**12,203,391**	**2,676,917**
3.	**+**	**Capitalised own products and services**	**887,140**	**1,157,877**	**461,391**	**12,525,352**	**2,638,017**	**0**	**704,995**
4.	**+**	**Other operating revenue (with revaluation operating revenue)**	**392,907**	**358,810**	**837,281**	**537,903**	**123,206**	**140,549**	**117,970**
5.	**-**	**Cost of goods, material and services**	**6,505,769**	**9,678,652**	**72,095,734**	**48,854,410**	**32,045,378**	**10,196,147**	**1,808,996**
a.		Cost of goods and material sold and material used	691,221	3,862,649	61,507,753	41,702,181	31,616,253	10,097,372	797,461
b.		Cost of services	5,814,548	5,816,003	10,587,981	7,152,229	429,125	98,775	1,011,535
6.	**-**	**Labour costs**	**6,040,967**	**7,368,427**	**10,763,445**	**7,278,558**	**457,834**	**111,955**	**1,704,128**
a.		Cost of salaries and wages	4,191,528	5,111,620	7,550,027	5,094,664	327,312	78,184	1,209,117
b.1		Pension insurance costs	597,336	717,936	1,036,744	701,596	42,407	10,985	162,278
b.2		Other social security costs	337,869	408,319	599,930	406,147	24,398	6,318	93,688
c.		Other labour costs	914,234	1,130,552	1,576,744	1,076,151	63,717	16,468	239,045
7.	**-**	**Write-downs**	**2,474,554**	**3,669,490**	**7,912,824**	**5,470,557**	**360,784**	**120,946**	**353,846**
a.		Depreciation/amortisation	2,436,020	3,298,107	7,742,023	5,459,513	299,735	5,421	299,279
b.		Operating expenses for the revaluation of intangible assets and property, plant and equipment	9,668	342,113	27,171	12,132	193	6	50,361
c.		Operating expenses for the revaluation of current assets	28,866	29,270	143,630	-1,088	60,856	115,519	4,206
8.	**-**	**Other operating expenses**	**204,906**	**2,630,096**	**20,736,054**	**14,393,634**	**68,615**	**89,906**	**19,992**
9.	**+**	**Financial revenue from shares**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
10.	**+**	**Financial revenue from loans given**	**13,254**	**40**	**9**	**7**	**2**	**0**	**16,229**
11.	**+**	**Financial revenue from operating receivables**	**39,112**	**8,310**	**691,631**	**570,181**	**83,247**	**116,412**	**4,463**
12.	**-**	**Financial expenses for investment impairment and write-down**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
13.	**-**	**Financial expenses for financial liabilities**	**259,535**	**264,555**	**3,080,754**	**2,225,697**	**237,218**	**106,877**	**46,982**
14.	**-**	**Financial expenses for operating liabilities**	**12,000**	**16,165**	**111,894**	**80,511**	**46,878**	**2,884**	**3,359**
15.	**+**	**Other revenue**	**28,780**	**2,427**	**2,015**	**1,474**	**29,900**	**1,232**	**53**
16.	**-**	**Other expenses**	**5,223**	**6,158**	**29,995**	**31,340**	**9,110**	**4,929**	**4,592**
17.		**Corporate income tax**	**0**	**0**	**0**	**387,722**	**51,036**	**37,325**	**0**
19.		**NET PROFIT OR LOSS FOR THE ACCOUNTING PERIOD (1+3+4-5-6-7-8+9+10+11-12-13-14+15-16-17)**	**-333,334**	**-3,801,932**	**-15,145,376**	**18,082,789**	**1,542,873**	**1,790,615**	**-421,268**

The income statement by activity discloses internal revenue and expenses due to the services rendered within the scope of individual activities for other activities at the Company.

3.3 Statement by the management

The Company management hereby confirms that the relevant accounting policies were used consistently in the compilation of financial statements ended on 31 December 2025 and that the financial statements are in line with the Companies Act and the Slovenian Accounting Standards (2024), including all notes and positions of the Slovenian Institute of Auditors.

The management of Energetika Ljubljana hereby declares that it has approved the Annual Report for 2025 in full and hence the Business Report for 2025, the financial statements shown in this Annual Report, and the pertaining notes on pages 68 to 116.

Ljubljana, 21 April 2026

energetika ljubljana
Energetika Ljubljana, d.o.o.
Verovškova 62, 1001 Ljubljana 2/5
Samo Lozej
Direktor

3.4 Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the shareholder of ENERGETIKA LJUBLJANA, d.o.o.

REPORT ON THE AUDIT OF THE FINACIAL STATEMENTS

Opinion

We have audited the financial statements of **ENERGETIKA LJUBLJANA, d.o.o. (the Company)**, which comprise the balance sheet as at December 31, 2025 and the profit and loss statement, statement of other comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025, and its financial performance for the year ended in accordance with the Slovenian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA) and Regulation (EU) No 537/2014 of the European Parliament and of the Council, dated 16 April 2014, on specific requirements regarding statutory audit of public-interest entities ("Regulation (EU) No 537/2014 of the European Parliament and of the Council"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the IESBA Code) and other ethical requirements that are relevant to our audit of the financial statements in Slovenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of ENERGETIKA LJUBLJANA, d.o.o. for the year ended 31 December 2024 were audited by another auditor, who expressed an unmodified opinion on those financial statements on 22 April 2025.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current 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 opinion on these matters.

We have considered the following matters as key audit matters:

Key Audit Matters	Audit Approach in relation to the matter
Recognition of sales revenue	
As disclosed in Note 3.2.3.1 "Sales Revenue", sales revenue for the financial year 2025 amounts to EUR 262,183 thousand, compared to EUR 212,860 thousand in 2024. As described in Note 3.2.1 "Significant Accounting Policies", point (k), of the accounting section of the Company's annual	In the course of our audit procedures, we assessed the appropriateness of the Company's accounting policies relating to the recognition of sales revenue and their compliance with SRS, and performed the following audit procedures: • assessed the appropriateness of the Company's accounting policies related to the recognition of sales revenue and their consistency with adopted policies

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report, revenue is recognised in accordance with SRS 15 when control of the underlying good or service is transferred to the customer. The Company assesses all active contracts with customers based on the five-step model prescribed by the standard. Depending on when the performance obligation is satisfied, revenue is recognised either at a point in time or over time.

Sales revenue represents one of the key indicators of the Company's operating performance. Due to the significance of this financial statement line item, the high volume of transactions processed, the diversity of revenue streams across different types of services, and the risk associated with the appropriateness of revenue recognition, we have identified revenue from sales as a key audit matter.

in accordance with SRS requirements;

- evaluated the design and implementation of internal controls related to revenue recognition, with a focus on key controls;
- tested the operating effectiveness of key internal controls relevant to revenue recognition, particularly with regard to the risk of errors, fraud prevention, and the timing of revenue recognition;
- on a sample basis performed detailed testing of the accuracy of recorded sales revenue (tests of details);
- based on a sample tested sales transactions before and after the reporting date, as well as credit notes issued after the reporting date, and assessed whether revenue was recognised in the appropriate period;
- for a sample of outstanding sales revenue balances at the reporting date, examined the appropriateness of amounts recognised as trade receivables;
- performed analytical procedures on the underlying data.

We reviewed the completeness and appropriateness of the disclosures in the Company's annual report and their compliance with Slovenian Accounting Standards.

Other short-term trade receivables and accrued income arising from contractual penalties and dispute resolution procedures related to the PPE-TOL project

As disclosed in Notes 3.2.2.8 "Other Trade Receivables" and 3.2.2.17 "Short-term Accruals and Deferrals", in 2025 the Company, based on decisions issued by the Dispute Adjudication Board (DAB) in the context of dispute resolution proceedings related to the PPE-TOL project, recognised a receivable from the contractor in the amount of EUR 28 million, increased by statutory default interest of EUR 6.5 million. Both DAB decisions required the contractor to pay contractual penalties due to delays in the performance of contractual obligations. Part of the receivable was settled through set-offs against invoices received from the contractor in the total amount of EUR 14.7 million, while the remaining balance remains outstanding.

The contractor disputes the DAB decisions and has initiated arbitration proceedings before the Permanent Arbitration at the Chamber of Commerce and Industry of Slovenia, challenging the validity of the obligations and asserting counterclaims, including those related to the alleged invalidity of the performed set-offs, claims for extensions of time, and additional costs. Although the DAB decisions are legally binding and enforceable at this stage of the proceedings, there remains a possibility that

In assessing the appropriateness of the accounting treatment of the receivable in accordance with SRS, we performed a number of interrelated procedures focused on understanding the legal basis of the receivable and its appropriate recognition in the financial statements. Together with the auditor's expert, an external law firm, we first performed a detailed review of the decisions issued by the Dispute Adjudication Board (DAB) and assessed their enforceability and significance as supporting documentation providing an appropriate basis for recognition of the receivable under SRS. In doing so, we also evaluated the risks associated with the fact that the final arbitration decision has not yet been rendered and the potential impact on the future measurement of the receivable.

Furthermore, we obtained and analysed a legal opinion from the Company's external legal counsel with respect to the legal substantiation of the receivable and the set-offs performed. Based on this, we assessed whether the Company's decisions and actions are substantively consistent with SRS principles, in particular the prudence principle and the accrual basis of accounting, where conditions for reliable measurement are met. We paid particular attention to whether the recognised receivable meets the requirements of SRS 11 for recognition as collectible and reliably measurable,

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their effect may change in the subsequent arbitration phase.

Based on a legal opinion obtained from external legal counsel confirming the enforceability of the DAB decisions, the Company recognised the receivable and, due to the uncertainty regarding the final outcome, also recognised deferred income in the amount of EUR 34.5 million. The final arbitration decision will also affect the subsequent accounting treatment of these amounts, including their potential impact on the cost of the PPE-TOL assets.

Due to the legal complexity of the proceedings, the inherent uncertainty, and the significant impact on the statement of financial position, the assessment of the existence and enforceability of the receivable, the understanding of risks related to ongoing arbitration proceedings, the presentation of set-offs, and the adequacy of disclosures in accordance with SRS, became a significant area of audit focus and required extensive professional judgment.

and whether the recognition of deferred income appropriately reflects the uncertainty arising from the ongoing arbitration proceedings.

Together with the auditor's expert, we also considered the accounting treatment of the set-offs performed and assessed whether they are appropriately presented in line with the underlying transactions, the DAB decisions, and the substance over form principle under SRS. In addition, we reviewed the disclosures in the financial statements and assessed whether they adequately describe the nature of the dispute, the level of uncertainty, and the potential financial effects that may impact the Company's financial position.

Based on the procedures performed, we concluded that management's key judgments relating to the recognition of the receivable, the recognition of deferred income, and the related disclosures are reasonable and consistent with the requirements of SRS and with the information available to the Company as at the reporting date.

Other Information

Management is responsible for the other information. The other information comprises the management report, which is an integral part of the company's annual report, but excludes the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance 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, legal requirements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Based on the procedures performed, to the extent we are able to assess it, we report that:

- the other information describing the facts that are also presented in the financial statements is, in all materials respects, consistent with the financial statements;
- the other information is prepared in compliance with applicable law or regulation; and
- based on the knowledge and understanding of the Company and its environment obtained in the audit, we have not identified any material misstatement.

Responsibilities of Management and Those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 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 of the Company, management is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with relevant auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of the financial statements.

As part of an audit in accordance with relevant auditing standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for the opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Companys ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and 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 those charged with governance, we determine those matters, that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Confirmation to the Audit Committee

We confirm that the audit opinion expressed in this auditor's report is consistent with the additional report to the audit committee.

Prohibited Services

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We declare that we did not provide any of the services referred to in Article 5(1) of Regulation (EU) No 537/2014 to the Company and that the audit firm remained independent in conducting the audit.

Other Services of the Audit Firm

FORVIS MAZARS d.o.o. did not provide any services to the Company in addition to the audit of the financial statements, other than those disclosed in the annual report.

Appointment of the Audit Firm and responsible Certified Auditor

FORVIS MAZARS d.o.o. was appointed at the General Meeting of the Company on 5 May 2025. The Chairman of the Supervisory Board signed the contract for the audit of the financial statements on 26 May 2025. The contract was executed for a period of 3 years.

We have performed the statutory audit of the financial statements of ENERGETIKA LJUBLJANA, d.o.o. and the Group for the first year.

Engagement partners responsible for the audit on behalf of FORVIS MAZARS d.o.o. are Andrej Markelj, Certified Auditor and M. Sc. Teja Burja, Certified Auditor, Partner.

Reasonable Assurance Report on the Appropriateness of the Allocation keys for the Statement of Financial Position and Income Statement by Activities and Their Application

We have undertaken a reasonable assurance engagement on whether the Criteria used for allocating economic categories among different activities (the "allocation keys"), as disclosed in Section 3.2.6.6 "Additional disclosures in accordance with applicable legislation and SRS 32", including the statement of financial position and the income statement by activities, are appropriately designed and have been applied consistently for the separate recording of individual activities of ENERGETIKA LJUBLJANA, d.o.o. (the "Company") for the year ended 31 December 2025, in accordance with the requirements of the Act on Transparency of Financial Relations and Separate Recording of Different Activities (ZPFOLERD-1), the Heat Supply from Distribution Systems Act (ZOTDS), the Gas Supply Act (ZOP), and the Electricity Supply Act (ZOEE) (together: the "Applicable Criteria").

Criteria

The criteria applied in assessing the subject matter are the requirements of ZPFOLERD-1, ZOTDS, ZOP, and ZOEE. In assessing the appropriateness of the allocation keys, we considered whether they reflect the underlying drivers of the economic categories to which they are applied. Where such drivers could not be reliably measured, we evaluated whether the allocation keys were determined based on the proportion of direct costs.

In assessing the application of the allocation keys, we considered whether they were applied consistently to the relevant economic categories and in accordance with the methodology defined by the Company.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and proper application of the allocation keys in accordance with ZPFOLERD-1, ZOTDS, ZOP, and ZOEE, as well as for such internal control as management determines is necessary to enable their preparation and use in a manner that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for the adoption of the allocation keys and for overseeing their application in accordance with the requirements of ZPFOLERD-1, ZOTDS, ZOP and ZOEE.

Auditor's Responsibility

Our responsibility is to perform a reasonable assurance engagement and express a conclusion as to whether the allocation keys have been prepared in accordance with the requirements of ZPFOLERD-1, ZOTDS, ZOP, and ZOEE and are correctly applied. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform the engagement in such a way as to obtain reasonable assurance for the purpose of expressing a conclusion.

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We have complied with independence and ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards), issued by the International Ethics Standards Board for Accountants. The Code is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. Our firm applies International Standard on Quality Management (ISQM 1) and accordingly maintains a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Summary of Work Performed

Within the scope of our work, we performed the following audit-type procedures:

- we identified and assessed the risk of material misstatement regarding the appropriateness of the allocation keys and the correctness of their application in accordance with ZPFOLERD-1, ZOTDS, ZOP and ZOEE;
- we obtained an understanding of internal control relevant to the reasonable assurance engagement 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 allocation keys used are appropriate;
- we obtained reasonable assurance that the allocation keys are appropriate;
- we obtained reasonable assurance that the allocation keys are applied correctly in accordance with the adopted methodology.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion

Conclusion

Based on the procedures performed and the evidence obtained, in our opinion, the allocation keys for the statement of financial position and the income statement by activities for the financial year ended 31 December 2025 are, in all material respects, appropriate in accordance with ZPFOLERD-1, ZOTDS, ZOP, and ZOEE and have been applied correctly.

Ljubljana, April 21, 2026

FORVIS MAZARS, družba za revizijo, d.o.o.

Andrej Markelj
Certified Auditor

M. Sc. Teja Burja
Partner, Certified Auditor

For signature please refer to the original Slovenian version.

TRANSLATION ONLY – SLOVENIAN ORIGINAL PREVAILS

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