



ANNUAL REPORT



Co-financed by the European Union
European Energy Programme for Recovery
Trans-European Energy Network
Connecting Europe Facility

Ljubljana, March 2025

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MANAGEMENT REPORT

ABOUT THE COMPANY



Management Review for 2024

In 2024, the Plinovodi d.o.o. company (hereinafter referred to as: Plinovodi, the Company or Transmission system operator or TSO) continued its stable operation and viability. The Company carried on with reliable and normal transmission for domestic and foreign users and provided for a balanced system.

Our on-going operations, and more importantly our future development are influenced by changes in European and national legislation and regulations where we actively participate within the scope of ENTSOG and also independently with initiatives and proposals. At the European level, the most prominent feature is a new gas package which has been published in the Official Journal of the European Union in July 2024 and under which renewable gases and hydrogen formally play an important role in the European energy policy and legislation; on the basis of this package we are actively participating in procedures to establish ENNOH. We also provided proposals and comments in the public hearing of the new Energy Act. In terms of natural gas, we emphasised the need of fair provision of green transition and in adopting new acts and codes. At competent authorities, we brought forward initiatives for prompt transposition of the European legislation in the Slovenian legal system.

Plinovodi drew up a Sustainability Strategy to meet the changed conditions in the social environment, in particular the provisions of new gas package, Integrated National Energy and Climate Plan and the Corporate sustainability reporting.

The war in Ukraine still presents a risk due to a full stop of already reduced supply of Russian gas to Europe. At regular meetings of ENTSOG we monitor information on the operation of European transmission systems, no particularities in operation were detected.

Compared to 2023, the share of gas from Austria and Croatia to supply Slovenian users increased, while the supply via Italy decreased. In 2024, the expansion of the Ajdovščina compressor station was completed to increase the security of gas supply. Changes on regional gas markets, over which the Company has no influence, caused the rapid change in transit flows and consequently the scope of booking of transmission capacity at interconnection points and the cross-border transmission of gas. Booked capacities at cross-border entry and exit points are lower compared to the previous year, except for the Rogatec entry point where almost full entry capacity was booked. Cross-border gas transmission reduced significantly and reached less than 17 percent of the volume of the previous year.

Gas transmission for domestic users was also conditioned by weather. Compared to the previous year, the transmitted volumes were higher in all months, except for February. The total transmitted volume for domestic users is higher by 7.6 percent compared to the volume in 2023 and by 15.3 percent lower from the planned volume due to a delay of the regular operation of a major user. By using short-term products of transmission capacity and transactions of gas volumes at virtual trading point, system users optimise their needs to book transmission capacity. Two transactions were made on the secondary market of transmission capacity.

Concluding transactions with gas volumes at the virtual point and trading platform is a part of regular activities of system users and transmission system operator. The volume of

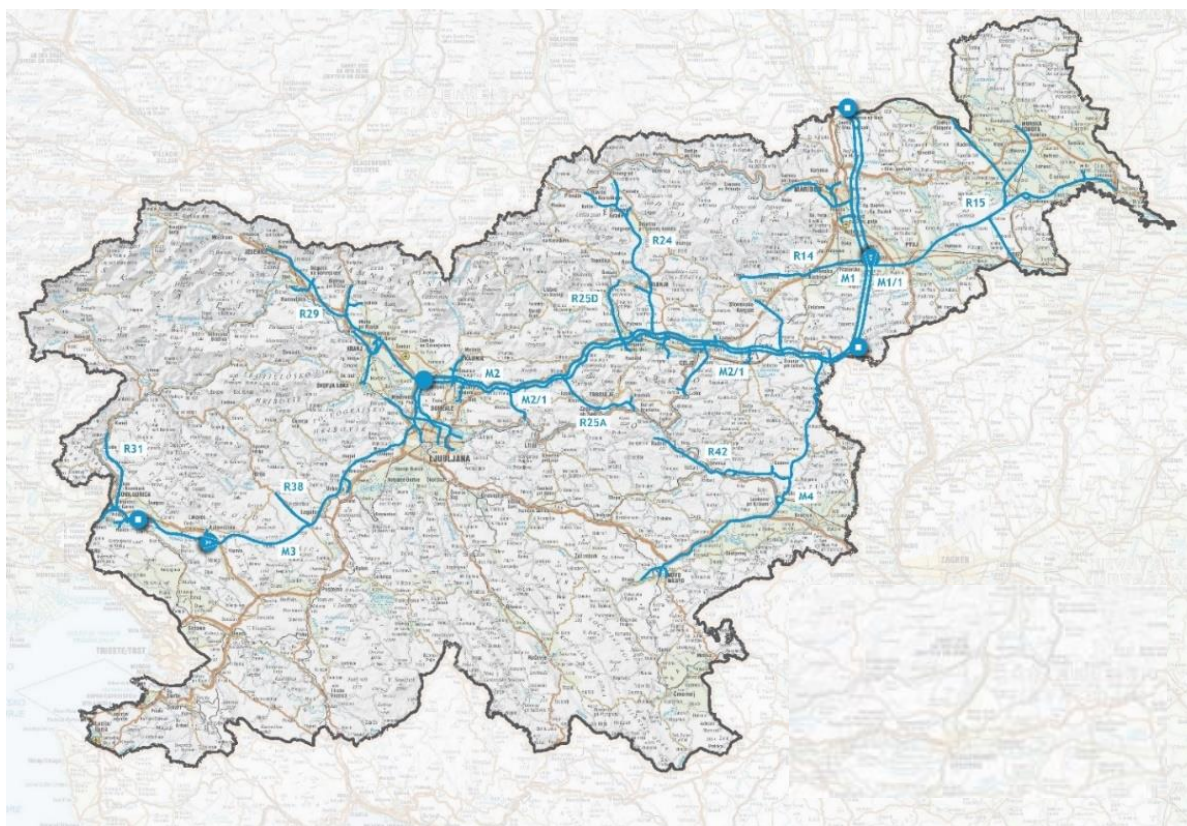
exchanged gas quantities at the virtual point increased by 67 percent compared to the year before, while the number of transactions increased by 34 percent.

In the field of implementing investments, the period was marked by the completion of the additional compressor unit at the Ajdovščina compressor station, the start of construction of a new cross-border Vrtojba metering and regulation station and the activities on the M6 Ajdovščina - Lucija gas pipeline construction. The Company carried out numerous activities in the field of spatial placement, arranging the rights in rem and obtaining building permits. Two photovoltaic power plants started their operation at the Company's head office and the Maribor Maintenance Centre.

In view of providing seamless operation of the transmission system and early identification of deviations, we carry out regular controls of metering and regulation stations and pipeline routes, and also perform regular replacements of hardware and electric equipment and updates of process and information systems.

In order to promote gas and education, the Company actively participated in various expert meetings. In May, we organised a well-attended traditional meeting with users entitled "Gas market in the Republic of Slovenia and beyond".

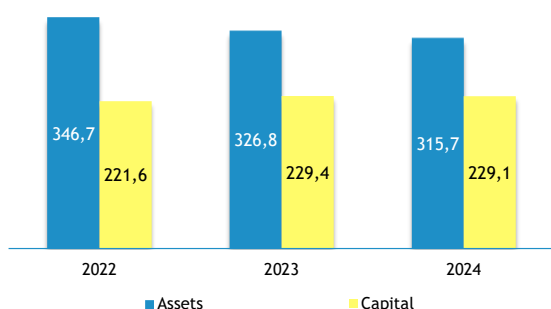
Our stable and successful operation is also reflected in net income that exceeded the projected net income. We responded to the reduction of network revenues for cross-border gas transmission by successfully managing business expenditures. By refinancing a loan from the European Investment Bank that caused an increase in financial expenses in 2024, we significantly reduced their amount in the next ten years. The achieved values of financial covenants indicators constitute a solid base for successful operation in the coming years.



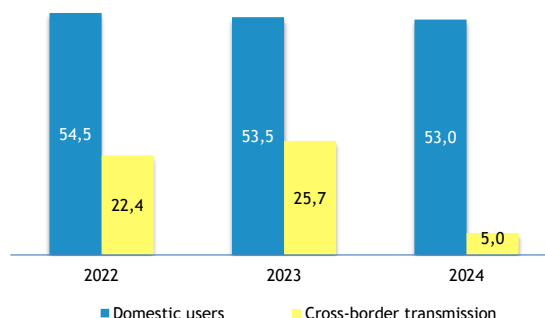
Financial Highlights

| Data / indicator | Unit / criterion | 2022 | 2023 | 2024 |
|------------------------------------------------|------------------|--------|--------|--------|
| Booked entry capacities at cross-border points | MWh/day | 55.625 | 63.028 | 43.966 |
| Booked exit capacities in Slovenia | MWh/day | 54.490 | 53.539 | 53.007 |
| Transmitted quantities to Slovenia | GWh | 8.980 | 8.772 | 9.438 |
| Transmitted quantities from Slovenia | GWh | 5.511 | 3.013 | 509 |
| Net sales revenues | million EUR | 100,0 | 67,7 | 54,6 |
| Gross profit or loss | million EUR | 47,3 | 45,0 | 41,5 |
| Depreciation | million EUR | 16,5 | 17,0 | 17,4 |
| Net profit | million EUR | 5,5 | 9,0 | 2,7 |
| Investments in (in)tangible fixed assets | million EUR | 23,5 | 21,3 | 12,0 |
| Total assests | million EUR | 346,7 | 326,8 | 315,7 |
| Regulatory assets base | million EUR | 240,5 | 237,3 | 238,1 |
| Employees at the end of the period | number | 148 | 149 | 150 |
| Added value per employee | EUR '000 | 242,2 | 268,8 | 242,2 |
| EBIT | million EUR | 9,0 | 12,4 | 7,8 |
| EBITDA | million EUR | 25,8 | 29,5 | 25,3 |
| Net debt/EBITDA | < 4.0 | 1,4 | 1,4 | 1,5 |
| EBITDA/interest | > 3.0 | 10,9 | 13,2 | 5,1 |
| Debt/assets | < 50% | 15,3 | 15,2 | 14,6 |

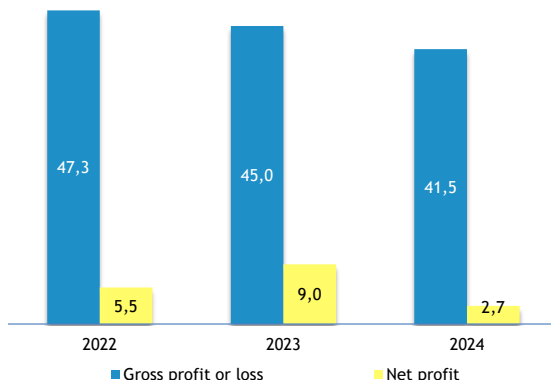
Balance Sheet (in EUR million)



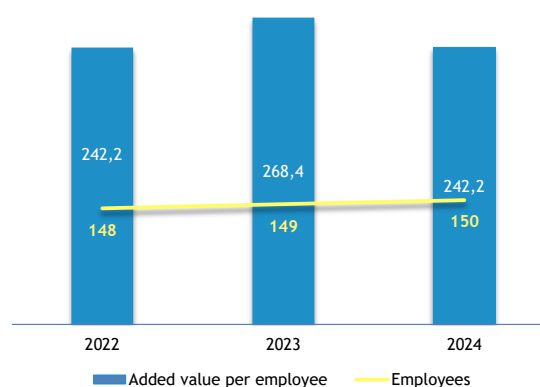
Booking of exit capacities (in GWh/day)



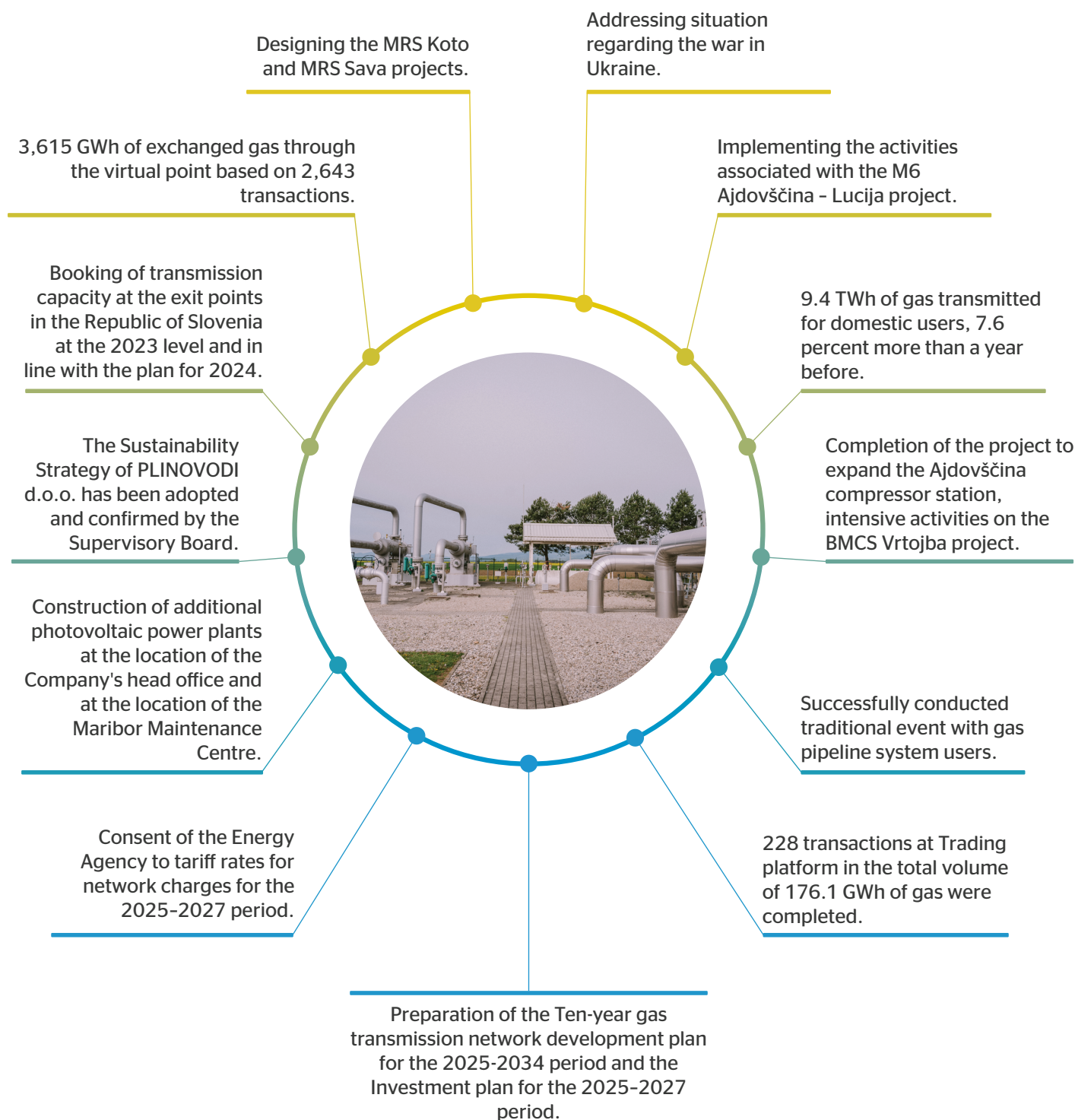
Income statement (in EUR million)



Added value and employees (in EUR '000)



MAJOR DEVELOPMENTS IN 2024



OUR VALUES, MISSION AND VISION



VISION

In 2030, Plinovodi d.o.o. is a reliable gas and hydrogen gas transmission system operator and a reliable development partner in the renewable energy supply chain in Slovenia.



MISSION

Plinovodi d.o.o. provides professional excellence for stable, reliable and safe gas transmission in Slovenia.



VALUES

KNOWLEDGE AND EXPERTISE

We appreciate and develop knowledge and expertise of our employees as two pillars of our activity.

COMMITMENT We work with commitment and efficiency.

CREATIVITY

We take note of inspirations, promote innovation and openly welcome improvements and new features.

RESPONSIBILITY

We are responsible in taking care of reliable operation of our systems, health and safety of people and nature conservation. We take responsibility for our work and actions.

RESPECT

We foster respectful relationships, value diversity and open communication.

TRUST

We build and maintain a high level of mutual trust and gain trust through our actions.

INTEGRITY

We are sincere and impartial.

SENSE OF INITIATIVE

We promote and strengthen sense of initiative, thus contributing to personal development and development of the Company.

Management Declaration

Pursuant to provisions of paragraph 5 of Article 70 of the Companies Act (Official Gazette of the Republic of Slovenia, Nos. 65/09 - official consolidated text, 33/11, 91/11, 100/11 - decision of the Constitutional Court, 32/12, 57/12, 44/13 - decision of the Constitutional Court, 82/13, 55/15, 15/17, 22/19 - Trade Secrets Act (ZPosS), 158/20 - Integrity and Prevention of Corruption Act (ZIntPK-C), 175/20, 18/21, 18/23 - State Administration Act (ZDU-10), 75/23 and 102/24, hereinafter referred to as: ZGD-1), the Plinovodi d.o.o. company, as a part of its Management Report, hereby makes the following

COMPANY MANAGEMENT DECLARATION

The management of Plinovodi d.o.o. complies with the Companies Act (ZGD-1), Slovenian Sovereign Holding Act (hereinafter referred to as: ZSDH-1), Gas Supply Act (hereinafter referred to as: ZOP) and other applicable regulations. The management of Plinovodi d.o.o. is based on legislative and regulatory provisions, Act establishing the limited liability company, certification decision for gas transmission system operator No. 533-100/2011-20/134 of 11 July 2012 issued by the Energy Agency, good business practice, Management Policy of Plinovodi d.o.o. and Code of Conduct of Plinovodi d.o.o. (All available on the Plinovodi d.o.o. website [Plinovodi d.o.o. http://www.plinovodi.si/](http://www.plinovodi.si/)), Slovenian Corporate Governance Code for Listed Companies, Recommendations and expectations of the Slovenian Sovereign Holding (available on the website of the Slovenian Sovereign Holding d.d. <http://www.sdh.si/>), Slovenian corporate integrity guidelines, Diversity Charter and Guiding Principles on Business and Human Rights. As at 01/ 01/ 2020, Plinovodi d.o.o. became a public-interest entity.

Company management and compliance with the Slovenian Corporate Governance Code for Listed Companies, Recommendations and expectations of the Slovenian Sovereign Holding

Plinovodi d.o.o. is a subsidiary of the company with the State capital investment and thus subject to the Slovenian Corporate Code for Listed Companies (hereinafter referred to as: the Code). The Company complies with and partially deviates from the Code only in terms of points provided below. Deviations by points are as follows:

- Point 3.7: Based on the Companies Act (ZGD-1) and the Act establishing the limited liability company Plinovodi d.o.o., discharging the members of management and control body is not foreseen.
- Point 8.7: The Company as a single-shareholder company is not bound to public announce the Financial Calendar. The Supervisory Board and the Shareholder are notified on the prepared Financial Calendar.
- Point 9.3.1: The Company has established a function of internal audit, which is carried out by an external contractor. The Company is governed by a specific legislation in the field of energy, which is monitored and controlled by a national regulatory authority, i.e. the Energy Agency. The Company operations is highly regulated with prescribed clear conditions for development and construction of the transmission system, connection of system users and gas transmission, criteria for establishing eligible costs for the transmission system and the methodology for

calculating and determining network charges for gas transmission system and establishing any surplus or deficit in network charges. Taking into account the already established control mechanism in the Company and the assessment on a required scope of internal audit service and the efficiency of implementing the internal audit function, the Supervisory Board validated a proposal by the Management on the organisation of internal audit with an external provider.

Plinovodi d.o.o. is a subsidiary of the company with the State capital investment, and therefore subject to the Recommendations and expectations of the Slovenian Sovereign Holding¹. The Company complies with said Recommendations and expectations, except in points provided below, where the Company partially deviates from the said recommendations and expectations. The deviations are as follows:

- Point 3.9: Upon concluding transactions, the Company regularly publishes values and types of transactions in line with the Public Information Access Act (ZDIJZ) and Public Procurement Act (ZJN-3).
- Point 3.13: With its intent to strengthen a positive image of the Company in the general public with a view to supporting the preparation and implementation of numerous development projects, the Company also earmarked assets for sponsorships and donations, i.e. 0.2 percent of the Company revenue in the previous year.

On 2 July 2015, Plinovodi d.o.o. acceded to the Slovenian Corporate Integrity Guidelines and thus clearly and publicly expressed its commitment to introducing and respecting the principles of corporate integrity and adopted the Company's principle in its endeavours to establish an efficient system of corporate integrity. On 26 October 2018, the Company signed the Slovenian Diversity Charter and, on 25 May 2019, Guiding Principles on Business and Human Rights, and thus made a responsible decision and included the values of integration and equality and respect of human rights in its basic principles or values. In conducting business, the Company and its employees are bound by honest business practices, high ethical standards and principles, as apparent from the Code of Conduct of Plinovodi d.o.o.

The Management of the Company is leading by example and promotes this conduct in its employees to provide further improvements in the system of corporate integrity. The Company regularly plans, monitors and draws up a report on the fulfilment of guidelines and recommendations of the Slovenian corporate integrity guidelines and the Guiding Principles on Business and Human Rights and makes decisions and adopts measures for system development on this basis.

Descriptions of the main features of internal control systems and risk management

The system of internal controls and risk management is an integral part of the Company corporate management and an integral part of the management and control system established in the Company.

¹ In its Management Declaration for 2024, the Company expresses its views on the Recommendations and Expectations from the December 2023 issue used until the end of 2024. Namely, the Slovenian Sovereign Holding adopted revised Recommendations and expectations in December 2024 that entered into force as of 01/ 01/ 2025.

Based on the methodology which draws on expert bases and good practice, the Company established risk management process. Risks are identified, assessed, managed and monitored. The established control environment is formed by factors, such as: promoting the Company integrity and ethical values, commitment to competencies, mindset of the Management and style of operating, cooperation of persons responsible for management, organisational structure, assigning of competencies and responsibilities, guidelines and procedures.

Risk identification and assessment is a procedure to identify and assess the risks affecting the achievement of objectives. The risk catalogue is a starting point to make decisions on their treatment as well as internal controls and measures to achieve objectives and to provide the compliance of operation.

The Company regularly identifies and assesses risks at all levels within the scope of all organisational units, functions and processes. Control activities and other mechanisms are proactively formed in relation to all key risks. The system of internal controls is checked and risks are managed through timely actions.

Internal control activities are organised and executed at all levels of the Company, namely at the level of internal control system, at the level of compliance and risk management and at the level of internal control function and by implementing internal audit activity.

In the chapter Risks of this Annual Report, the risk management system and the introduced control mechanisms are presented in detail.

The Company has adopted the Code of Conduct, the Compliance Programme and the Rules on establishing an internal channel to report infringements and protection of whistleblowers that also define the reporting of infringements of the Code, the Compliance Programme and other regulations and protection of whistleblowers.

Operation of the General Meeting and its key competencies and description of the rights of the Shareholder and way of their exercise

The General Meeting of the Company is represented by the sole shareholder, Plinhold d.o.o., which has a voting right and decides on:

- the appointment and dismissal of members of Supervisory Board of the Company, representative of the shareholder;
- at the proposal of the Supervisory Board on the increase or decrease of Company's capital, whereby it must comply with the provisions of the Gas Supply Act and the decisions of the Energy Agency associated with the provision of assets to implement investments foreseen in the 10-year system development plan;
- the division, cessation or transfer of business shares;
- the change of Company activities, change of the Articles of Association, and the new shareholders;
- other matters, as laid down by the Articles of Association and the applicable legislation.

In implementing its rights and obligations as per Companies Act (ZGD-1) and in accordance with the Gas Supply Act, the shareholder must not interfere in the autonomy of the Company Management with regard to the decisions made by the Management associated with the Company operation, and in particular it must not interfere in the management of transmission system, and must act according to the activities to prepare and execute the 10-year system development plan. The Compliance officer carries out the control of providing the autonomy of the transmission system operator pursuant to the Gas Supply Act.

The shareholder must record all decision in the document of decisions certified by the notary. Without the record, they have no legal effect. The shareholder usually decides on the basis of the decision proposals submitted by the Management.

Composition and operation of management and control bodies and their committees and powers of the Management members

Plinovodi d.o.o. is led by the Management consisting of two members. These are Managing Director and Deputy Managing Director who jointly represent the Company. The Management represents the Company under its own responsibility.

It manages the business of the Company in accordance with the applicable legislation, Act establishing the limited liability company and Rules of Procedure of the Management of Plinovodi d.o.o.

The Supervisory Board comprises six members. Four members of the Supervisory Board were appointed by the shareholder, while two members are employees' representatives appointed in accordance with the law governing employee participation in Company management. The Audit Committee comprising three members, of which one is an external expert in the field of accounting and auditing, and the Staff Committee consisting of three members operate within the Supervisory Board.

The Supervisory Board, the Audit Committee and the Staff Committee operate in accordance with the applicable energy legislation and the legislation governing companies, the Act establishing the limited liability company and the Rules of Procedure of the Supervisory Board of the Company.

The energy legislation lays down that decisions of the Supervisory Board must not include decisions associated with regular operation and day-to-day activities of the transmission system operator and network management, including the conclusion of legal transactions and making of decisions related to their enforcement. The Supervisory Board must also not make decision that would have an impact on the activities necessary for or associated with drawing up a ten-year network development plan.

In the Company, which operates according to the model of independent gas transmission system operator, the Supervisory Board appointed the Compliance officer pursuant to the energy legislation. The Energy Agency gave its consent to the decision of appointing the Compliance officer. The Compliance officer is responsible for constant supervision of the

fulfilment of requirements of European and national energy legislation related to the provision of independence of the transmission system operator and unbiased treatment of all users of transmission system.

Report on the implementation of the diversity policy and its achieved results in the reporting period

In addition to different age structure and continuity of the work and interdisciplinary knowledge, the composition and efficiency of the operation of the Supervisory Board as a whole takes into account professional diversity of the members, in particular in that all members of the Supervisory Board have collective knowledge and experience in the field of economy, law and various technical fields. Thus, the objective to provide complementarity and diversity of the Supervisory Board is achieved by taking into account different types of knowledge, skills, experience, professional qualifications, age and working methods defined in Diversity Policy of the management and control bodies of Plinovodi d.o.o. Currently, there are no women in the Supervisory Board, but all the above provides for a prudent and close supervision of the Company and thus the realisation of its strategic objectives, successful performance and sustainable operation. The Supervisory Board does not carry out nomination procedure for candidates for new members of the Supervisory Board, since the Company has only one shareholder who appoints a new configuration of the Supervisory Board. Regardless of the above, the professional autonomy of newly appointed members of the Supervisory Board following the appointment is verified by the national regulatory authority pursuant to the provision of the Gas Supply Act.

Company rules on the appointment and replacement of members of management and control bodies and on the changes to the Articles of Association

In addition to conditions laid down in Companies Act (ZGD-1) and conditions on education and experience stipulated by the Articles of Association, each member of the Management must meet the requirements defined by the Energy Agency. Each member of the Management as well as persons directly responsible to the Management for the operation, maintenance and development of the transmission network must also fulfil all conditions laid down in the Gas Supply Act.

Members of the Management are appointed and dismissed by the Supervisory Board of the Company. In appointing and dismissing a member of the Management, the Supervisory Board must comply with the provisions of the Gas Supply Act and decisions made by the Energy Agency. The chairperson of the Supervisory Board of the Company concludes an employment contract with a member of the Management on behalf of the Company for the term of office of five years.

In accordance with the Gas Supply Act, the Supervisory Board must inform the Energy Agency in writing of any appointment, termination of the term of office or other decisions associated with the term of office of the Management member of transmission system operator and persons responsible for executive management, their duration and expiry as well as the reasons for each proposal to terminate the term of office of the said persons. The decision of the Supervisory Board takes effect, if the Energy Agency raises no objections in three weeks after receiving the notification on the decision.

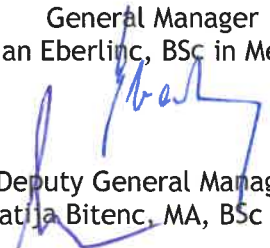
In appointing members of the Supervisory Board, the shareholder must comply with the provisions of the Gas Supply Act and decisions made by the Energy Agency. Provisions of the Gas Supply Act relating to the independence of individual members of the Supervisory Board must be complied with as to provide the independent operation of at least the chairperson, the deputy and two members of the Supervisory Board within the meaning of the provisions of the Gas Supply Act. Members of the Supervisory Board are appointed for the term of office of four years. Members can be reappointed.

The member of the Supervisory Board may be dismissed by the body appointing them, whereby, in appointing and dismissing a member, it must comply with the provisions of the Gas Supply Act and decisions made by the Energy Agency. The membership in the Supervisory Board may cease also before the expiration of the term of office, namely at the wish of the member or due to dismissal. In accordance with the Gas Supply Act, the Supervisory Board must inform the Energy Agency in writing of any appointment, termination of the term of office or other decisions associated with the term of office of the member of the Supervisory Board of transmission system operator, its duration and expiry as well as the reasons for each proposal to terminate the term of office of the said persons meeting the provisions of the or Gas Supply Act regarding the independence of the members. The decision takes effect, if the Energy Agency raises no objections in three weeks after receiving the notification on the decision.

The Compliance officer must meet the requirements laid down in the Gas Supply Act. In appointing and dismissing a compliance officer, the Supervisory Board must comply with the provisions of the Gas Supply Act and decisions made by the Energy Agency. Conditions applicable to the term of office and the employment of the Compliance officer are adopted by the supervisory body with the prior consent of the Energy Agency. The Compliance officer is appointed for the term of office of four years.

In accordance with the Act establishing the limited liability company, the sole shareholder of Plinovodi d.o.o. shall decide on amendments to the Articles of Association.

General Manager
Marjan Eberlinc, BSc in Mech. Eng.



Deputy General Manager
Matija Bitenc, MA, BSc Econ

Presentation

Full Company name: Plinovodi, Družba za upravljanje s prenosnim sistemom, d.o.o.

Short Company name: Plinovodi d.o.o.

Address: Cesta Ljubljanske brigade 11b, p.p. 3720, 1001 Ljubljana, Slovenia

Telephone: +386 (0)1 5820 700

Fax: +386 (0)1 5820 701

E-mail address: info@plinovodi.si

Web-page: www.plinovodi.si
www.linkedin.com/company/plinovodi-d.o.o.

Registration number: 1954288000

VAT ID no. : SI31378285

Date of incorporation: 01/ 01/ 2005

Court register: Ljubljana District Court

Certificate: Certification decision for gas transmission system operator
 No. 533-100/2011-20/134, issued by the Energy Agency

Size of the Company as per Companies Act (ZGD-1): Large company:

Activity code: H 49.500 Transport via pipeline

Management Board: Marjan Eberlinc, General Manager
 Matija Bitenc, Deputy General Manager

Supervisory Board: Dr. Anton Rop, Chairman

Share capital: EUR 98,733,790.00

Shareholder: Plinhold d.o.o., Mala ulica 5, 1000 Ljubljana, Slovenia
 100% share

Bank account number: SI56 0292 3025 4424 156 Nova Ljubljanska banka d.d., Ljubljana
 SI56 0400 0027 7652 741 OTP banka d.d., Ljubljana

Environmental certification: ISO 14001:2015 for environmental management

Accreditation document: No. K-010 and Annex No. 3150-0048/10-008
<http://www.slo-akreditacija.si/accreditation/plinovodi>

Composition of the Supervisory Board and committees in the financial year 2024 to 20/02/2024

| | | | | | | | |
|--------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------------------------------------------|-------------------------------------|--------------------------------------------------------|-------------------------------------|------------------------------------|-----------------------------------------------------------------------------------------|
| Name and surname | Tibor Šimonka | Žarko Furman | Janez Žlak | Hinko Šolinc | Aleš Šuštar | Rok Vozel | Marko Hočevar |
| Function (Chair, Deputy-Chair, Member of SB) | Chair of the Supervisory Board | Deputy Chair of the Supervisory Board | member | member | member | member | |
| First appointment | 02/09/2021 | 02/09/2021 | 01/09/2021 | 11/01/2023 | 08/04/2021 | 08/04/2021 | |
| End of the office/term | 20/02/2024 | 20/02/2024 | 20/02/2024 | | | | |
| Representative of the capital of employees | representative of the capital | representative of the capital | representative of the capital | representative of the capital | Representative of employees | Representative of employees | |
| Participation at the SB meetings according to the total number of SB meetings | 100% | 100% | 100% | 100% | 100% | 100% | |
| Gender | Male | Male | Male | Male | Male | Male | Male |
| Citizenship | Slovenian | Slovenian | Slovenian | Slovenian | Slovenian | Slovenian | Slovenian |
| Year of birth | 1953 | 1979 | 1965 | 1966 | 1982 | 1983 | 1962 |
| Education | BEC | LLB and BEC | PhD, M.S. | MA in Electrical Engineering | LL. EE. | BSc in Mechanical Engineering | PhD in economics |
| Professional profile | SIJ d.d. Management Board member | General Manager of Hmezad trgovina Žalec d.o.o. | | Director-General of the Directorate-General for Energy | Assistant manager of the law office | Project manager II | Full professor at the School of Economics and Business |
| Independence as per Article 23 of the Code (yes/no) | YES | YES | NO (Management member of SDH, d.d.) | YES | YES | YES | |
| Existence of the conflict of interest in the financial year (yes/no) | NO | NO | YES | NO | NO | NO | |
| Membership in the supervisory bodies of other companies | | | Chair of the SB of Petrol d.d. | Member of the SB of Borzen, d.o.o. | | | Member of the SB of the Kontrola zračnega prometa RS, Member of the SB of DUJPP, d.o.o. |
| Membership in committees | HR | HR, Audit | | | Audit | HR | Audit |
| Function in the Committee | President of the HR C from 24.03.2022 | President of the AC from 02.09.2021 Member of the HR C from 24.03.2022 | | | Member of the AC from 02.09.2021 | Member of the HR C from 24.03.2022 | Member of the AC from 02.09.2021 |
| Participation at the meetings | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Composition of the Supervisory Board and committees in the financial year 2024 from 21/02/2024

| | | | | | | | |
|--------------------------------------------------------------------------------------|-----------------------------------------------|---------------------------------------|--------------------------------------------|--------------------------------------------------------|-----------------------------------------------|--------------------------------------------|-----------------------------------------------------------------------------------------|
| Name and surname | Anton Rop | Jožef Klavdij Novak | Jan Bohinec | Hinko Šolinc | Aleš Šuštar | Rok Vozel | Marko Hočevnar |
| Function (Chair, Deputy-Chair, Member of SB) | Chair of the Supervisory Board | Deputy Chair of the Supervisory Board | member | member | member | member | |
| First appointment to the office | 21/02/2024 | 21/02/2024 | 21/02/2024 | 11/01/2023 | 08/04/2021 | 08/04/2021 | |
| End of the office/term | | | | | | | |
| Representative of the capital of employees | representative of the capital | representative of the capital | representative of the capital | representative of the capital | Representative of employees | Representative of employees | |
| Participation at the SB meetings according to the total number of SB meetings | 100% | 100% | 100% | 100% | 100% | 100% | |
| Gender | Male | Male | Male | Male | Male | Male | Male |
| Citizenship | Slovenian | Slovenian | Slovenian | Slovenian | Slovenian | Slovenian | Slovenian |
| Year of birth | 1960 | 1973 | 1989 | 1966 | 1982 | 1983 | 1962 |
| Education | PhD in economics | LL. EE. | MA in Physics | MA in Electrical Engineering | LL. EE. | BSc in Mechanical Engineering | PhD in economics |
| Professional profile | entrepreneur | attorney at law: | Director of Analysis in Trade | Director-General of the Directorate-General for Energy | Assistant manager of the law office | Project manager II | Full professor at the School of Economics and Business |
| Independence as per Article 23 of the Code (yes/no) | YES | YES | YES | YES | YES | YES | |
| Existence of the conflict of interest in the financial year (yes/no) | NO | NO | NO | NO | NO | NO | |
| Membership in the supervisory bodies of other companies | | | | Member of the SB of Borzen, d.o.o. | | | Member of the SB of the Kontrola zračnega prometa RS, Member of the SB of DUJPP, d.o.o. |
| Membership in committees | HR | | HR | Audit | Audit | HR | Audit |
| President/member of the Committee | President of the HR Committee from 24.02.2024 | | Member of the HR Committee from 29.02.2024 | President of the Audit Committee from 29.02.2024 | Member of the Audit Committee from 02.09.2021 | Member of the HR Committee from 24.03.2022 | Member of the Audit Committee from 02.09.2021 |
| Participation at the meetings | 100% | 100% | 100% | 100% | | | |

SUSTAINABLE DEVELOPMENT

Development and sustainability

Plinovodi d.o.o. pursue the vision of becoming a reliable gas and hydrogen transmission system operator and a responsible development partner in the renewable energy supply chain in Slovenia.

The Company's development policies and objectives stem from the core activities, namely:

- Development, construction and management of the transmission system and carrying out gas transmission (including renewable and carbon-neutral gas); and
- Expansion of the system by providing connections and access to the transmission system to all interested users.

In carrying out its activities, the Company pursues a set of strategic objectives which are provided below. Strategic objectives include efforts of the Company in terms of introducing renewable and carbon neutral gases (hydrogen in particular) into the gas transmission system, while focusing also on digitalisation or active introduction of modern information and technology solutions into the Company's operation.

Strategic sets of objectives - guidelines of the Company are as follows:

- Sustainable development;
- Increase in the use of transmission system;
- Expansion and strengthening international connections;
- Integration within the value chain of sectors;
- Introduction of energy solutions of the future.

Sustainable development

In line with national strategic guidance and plans, one of the key national objectives of the Republic of Slovenia is to reduce the use of fossil energy resources by 2030 and dependence on their import, mainly through the transition to renewable gases, by preparing the infrastructure for green hydrogen, and the implementation of pilot projects for the production of renewable gases. The indicative target is a 10 percent share of methane or hydrogen from renewable origin in the transmission and distribution network by 2030. Along the same lines and within the framework of the ISO 14001 environmental standard, the Company has been pursuing environmental goals to reduce carbon footprint for many years. Plinovodi d.o.o. is a very important strategic partner in the Slovenian energy market, and its decarbonisation has a direct impact on decarbonisation of the economy and Slovenian society at large. Strategic guidance of the Company that relate to the development of gas pipeline infrastructure are already written in the Ten-year gas transmission network development plan for the 2024-2033 period, whereby the document is a strategic framework for the upgrade in the field of transition to renewable gases and hydrogen.

At the beginning of November 2024, the Supervisory Board of Plinovodi d.o.o. gave its consent to the Sustainability Strategy of the Company for the 2024-2030 period. It is a strategic document summarising key activities in goals of the Company in its path to decarbonisation and green transition. This is a new direction of Company operation in the future.

In the phase of preparing the strategy, the following **values** of the Company were taken into account and which represent essential building blocks of the Company's culture and guide

the behaviour of employees: **knowledge and expertise, commitment, creativity, trust, responsibility, respect, integrity and sense of initiative.**

The Company mission was defined anew and represents a core identity of the Company and its cornerstone of action and also defines the responsibility of the Company towards its employees, owner, users, the environment, suppliers and society at large, namely:

“Plinovodi d.o.o. provides professional excellence for stable, reliable and safe gas transmission in Slovenia.”

In the participation process of employees there emerged also a new vision of the Company and is also a clear guideline and framework for future development representing a shared vision of the future and the highest goal:

“In 2030, Plinovodi d.o.o. is a reliable gas and hydrogen transmission system operator and a responsible development partner in the renewable energy supply chain in Slovenia.”



[Source: UN - Sustainable Development goals](#)

The Sustainability Strategy sets out the path of development and key strategic projects and also goals pursued by the Company along the way. Until 2030 and beyond, the Company will face complex challenges. The provision of reliable and uninterrupted gas transmission for all existing and new users has to be continued, at the same time the acceptance of renewable gases and hydrogen into the system needs to be adapted and the current system upgraded. To implement the Sustainability Strategy, a strategic framework was designed and is based on 13 strategic goals and 14 key strategic ESG projects from *E - environmental*, *S - social* and *(G - governance)* field which will provide further development of gas transmission system and its green transition as well as supply of renewable gases. In this regard, adequate legislative and regulatory support to the respective guidelines plays an important role. Realisation of activities and projects will not depend only on the Company, but also on the regulatory and supportive environment in Slovenia. Through strategic sustainability projects, the Company will strive to draw co-financing opportunities within the framework of open opportunities for cooperation, incentives for innovation and cross-border RES projects and related mechanisms, and in this way approach the implementation of sustainable projects for decarbonisation achieving the objectives of climate neutrality of EU members. Through development activities, the Company will continue to encourage neighbouring transmission system operators in joint initiatives and planning of the future decarbonisation of the supply from gas transmission systems and cross-sectoral cooperation to maximise the efficient implementation of green transition in the field of gas supply in Slovenia.

The sustainability is therefore a strategic priority of Plinovodi d.o.o. with the focus on employee training and inclusion of all stakeholders into sustainability initiatives to

strengthen inner awareness and cooperation with the view of executing strategic projects and goals set.

Sustainable development of the Company is ensured by providing the access to clean energy. Sustainability is based on ensuring professional qualification and development of employees, corporate integrity and respect for human rights and diversity. Our commitment to sustainable development is also reflected in pursuing the 2030 Agenda of the United Nations, in particular the following objectives: accessible and clean energy; industry, innovations and infrastructure, and quality education. In addition, the Company significantly contributes to the following objectives: partnerships for the goals, health and well-being; responsible consumption and production, and decent jobs and economic growth.

Increase in the use of transmission system

Activities to achieve the respective objective are aimed at optimum use of available transmission system capacity and connecting new users. Our aim is to ensure competitiveness of the activity and socially responsible presence in the region. We strive to gradually include renewable gases and green hydrogen into the transmission system, thereby making it a carrier and reservoir of energy. We operate with probity and promote the role of the transmission system in the transition to environmentally neutral society.

Expansion and strengthening international connections

We plan and build necessary international connections and introduce new technologies in the field of integrating energy sectors. By participating in international organisations and associations, we share knowledge and experience and increase the Company's visibility, influence and reputation.

Integration within the sectors' value chain

We carefully monitor the possibilities and work toward the integration within the sectors' value chain. In this context, it is important to achieve synergies and create higher added value, provide sustainable products and optimise the operation throughout the chain.

Introduction of energy solutions of the future

We introduce the solutions of the future to provide a balanced and gradual transformation of the transmission system. We increase energy efficiency and reduce environmental burden. We will provide transmission of renewable gases and green hydrogen and integration of energy sectors. The objectives set will be achieved through innovation, research and advanced approaches in the field of digitalisation.

Sustainable management of the Company

We operate in a regulated activity, which, as such, limits the scope of the desired participation in sustainable projects in certain segments, but nevertheless we strive to achieve as sustainable operation in business and social environment as possible. We defined three lines of action of our sustainable operation in the Commitments to the Sustainability of Plinovodi d.o.o.:

- Environmental aspect;
- Social aspect;
- Aspect of management;

Environmental aspect

We follow a holistic approach to the environmental impact and risks in pursuing the activity and business processes within Plinovodi d.o.o. as well as in working with external stakeholders and in terms of wider social environment.

In this regard we pursue the following objectives:

- In carrying out activities and business processes within the Company, we strive to find sustainable solutions with an emphasis on the efficient use of energy, water and other sources, and to reduce pollution (reduction of carbon footprint, use of energy efficient lighting, reduction of paper use, reduction of water consumption, waste separation, improvements in the fleet structure, energy-efficient management of business premises where Company activities take place). We prove our responsibility to the environment through the introduced system of environmental management ISO 14001, thereby recognising, managing and monitoring the environmental aspect of the Company.
- In conducting business with external stakeholders, we take into account the direct and indirect impact of business relationships on the environment as well as associated risks, and strive to achieve the adopted environmental goals and realise our environmental commitments at the local and global level. We have a pro-active approach to tackling challenges, such as climate change.
- In a wider sphere, we carry out activities and support the incentives with a view of providing lasting preservation of the natural environment and biodiversity. The Company supports development of knowledge in the field of development of new technologies to reduce negative impacts of economic and social activities on the environment. In placing, building and managing energy infrastructure, we operate according to the principles of sustainable spatial development, identity of the locality, expertise and commitment to technological progress.

We also monitor the carbon footprint of the Company within the scope of the environmental management system. In the recent years, we realised a series of measures to reduce carbon footprint by implementing environmental objectives in the field of operation and maintenance of the transmission system.

We drew up a report for **Scope 1** and **Scope 2** in accordance with the GRI (Global Reporting Initiative) as required in Chapter 305:1-3:

- **Scope 1** addresses direct emissions including combustion in stationary plants, such as gas heating installations in metering and regulation stations and gas turbines in compressor stations. Regarding the gas transmission system, Scope 1 also deals with methane emissions.
- **Scope 2** focuses on indirect emissions from the production of purchased or generated electric energy, heating, cooling and steam used.

In 2022, we set the baseline for greenhouse gas emissions according to the Greenhouse Gas Protocol (GHG) for Plinovodi d.o.o., namely for 2021 and it amounts to 5,810.4 tCo₂e (carbon footprint expressed in metric tonnes of CO₂e equivalent).

Based on the baselines for 2021, direct emissions in Scope 1 and emission in Scope 2 will be addressed as the basic indicators of carbon footprint in the following years. Given the relatively favourable flow and pressure conditions at the connections with neighbouring

systems, lesser operation of compression stations, the carbon footprint of the company was 3,808.8 tCO₂e in 2024 for Scope 1 and Scope 2. As suppliers have not yet published CO₂ emission factors for electricity for 2024, we used the emission factor from the Rules on the Efficient Use of Energy in Buildings (Official Gazette of RS, Nos. 70/22, 161/22, 129/23 and 103/24 - Appendix 1). The calculation of the Company's carbon footprint will be adjusted after the emission factors of electricity supplier for 2024 will be published.

In gas transmission through the pipeline system we also require gas for our own use, i.e. gas to power compressors, and technological gas for heating at metering and regulation stations.

The gas for own use at metering and regulation stations and compressor stations is measured relatively according to the transferred quantity of gas, since the emissions due to gas heating in metering and regulation stations as well as emissions due to operation of compressor stations may depend on the volume of transferred quantities. As an example of such approach, we provide the carbon footprint indicator taking into account the volume of transferred quantities: specific value of carbon footprint per transferred quantity of gas for 2024 (Scope 1 and Scope 2) was 4.52 tCO₂e/mioNm³ (for 2023 it was 4.66 tCO₂e/mioNm³).

On the transmission system, the direct emissions of Scope 1 depend very much on the need for gas compression, which, in addition to the mere gas transmission, is determined also by the flow and pressure conditions in the region and boundary pressure conditions at the connections with neighbouring countries (Austria, Italy, Croatia). Pressure conditions on transmission systems of neighbouring countries are periodically changing according to the volume and direction of transmissions in the region and also depending on the scope of maintenance works. The emergence of war in Ukraine and changes in transmission routes was followed by the change in the flow and pressure conditions in the region, which was gradually already reflected in the Slovenian gas transmission system through the increase in the transmission from the western and southern supply route.

Changes in operating parameters of neighbouring transmission systems thus have an impact mainly on the part of direct emissions in Scope 1 that is generated at the circulator gas turbine in compressor stations. In the next period, we will have to adequately take into account the potential major change in flow and pressure conditions in our comparisons of the carbon footprint indicator with the baseline. In terms of reporting in the following years, we also consider a possibility of formulating an indicator by taking into account the impact of maintenance interventions in the transmission system.

In terms of emissions in Scope 2, we do not expect such significant periodic changes. We also review the data for reporting in Scope 3 that deals with greenhouse gas emissions resulting from the activities of the organisations but nevertheless emerging from sources not owned or under control of the organisation.

In 2024, we set 18 environmental objectives. We continued to modernise boiler rooms at metering and regulation stations and carried out a large-scale modernisation of the heating system at the Kidričevo compressor station. Also, at the Kidričevo, a modernisation of the central cooling system was carried out. The construction of small photovoltaic power plants at the registered office in Ljubljana and in the Maribor Maintenance Centre was completed. We continue with technological modifications with the aim of reducing methane emissions

into atmosphere. An additional gas chromatograph was installed in Podlog to provide measurements on the transmission system for the operation on hydrogen and renewable gases. The replacement of lights with LED lights continued. In the field of emissions into the atmosphere and noise emissions, we carried out all statutory monitoring procedures, and established no deviations from the applicable norms.

Social aspect

We act responsibly in relation to our employees and wider community. In this regard, we pursue the following objectives:

- Our employees are the most important asset of the Company. Through our values (knowledge and expertise, commitment, creativity, responsibility, trust, integrity and sense of initiative) we strive to build work culture and workplace environment that attract and maintain top employees with a view of being one of the best and most reputable employers.
- We aim to achieve a high level of commitment of our employees and their satisfaction through activities and projects. The Company provides equality of all employees, regardless of their gender, race, religion and other personal matters. Through numerous activities we ensure continued growth and development of expert qualifications of our employees and provide them stimulative and safe work environment with an emphasis on health and well-being. In addition, the Company significantly contributes to the following objectives: partnerships for achieving goals, health and well-being; responsible consumption and production, and decent jobs and economic growth.
- In terms of a wider social environment, we carry out a series of preventive actions to reduce environmental risks and support activities in the field of sports, culture, education, health and charity.

Sustainability indicators

| Indicator | Unit / criterion | 2022 | 2023 | 2024 |
|-------------------------------------------|------------------|-------|-------|---------|
| 1. Investment in environmental management | EUR '000 | 428,8 | 685,7 | 1.017,5 |
| 2. Employee turnover | Percentage | 3,9 | 6,9 | 8,5 |
| 3. Training hours per employee | hours | 26,5 | 29,5 | 37,1 |
| 4. Sick leave | Percentage | 4,6 | 3,4 | 3,9 |
| 5. Sponsorships and donations | Percentage | 0,18 | 0,16 | 0,23 |

Key:

1. Value of investments made to reduce environmental pollution and introduce sustainably solutions
2. $(\text{Number of employees left during the year} * 100) / (\text{initial number of employees} + \text{number of new employees in the year})$
3. Hours intended for education/number of employees
4. $\text{Number of sick days} / (\text{average number of employees} * \text{number of all working days})$
5. $(\text{Sponsorship and patronage} + \text{donations; tax deductible} + \text{donations; tax non-deductible}) / \text{Net sales revenues of the previous year}$

Aspect of management

In our operations, we provide a high level of corporate management and act toward the following objectives:

- We strive to achieve the highest level of compliance with legislation, internal rules and adopted commitments, thereby providing fair and legal operation. Our underlying principles include, inter alia, zero tolerance to criminal offences, prevention of money laundering and terrorist financing, prevention of corruption, respect for human rights and fundamental freedoms, management of conflicts of

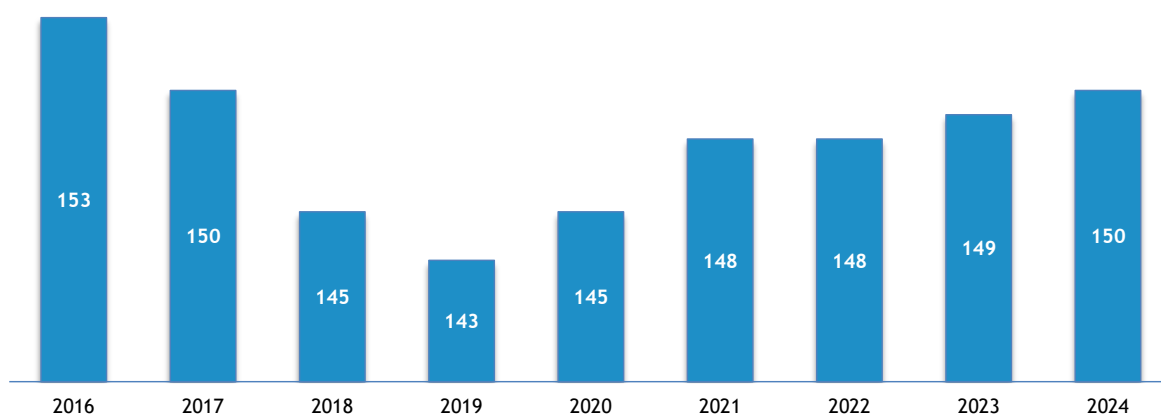
interest, high level of personal data protection, complying with business ethics principles and care for information security. We provide for the quality of external audit of our operation and ensure the development of corporate culture, also through memberships in respective associations and organisations.

- We ensure the high quality of corporate management in the two-tier system of the Company, while taking into account the Slovenian Corporate Governance Code for Listed Companies, Recommendations and expectations of the Slovenian Sovereign Holding, d.d. and consistently follow best practices. The Company has undertaken and develops the fields of corporate integrity, diversity, internal succession and pursues the adopted methodology of awarding the members of Management.

Employees and internal communication

Plinovodi understands that employees are an important building block of the Company success. Thus, we take care of their personal and professional development. We strive to create work environment which combines operating requirements and results with satisfaction, motivation, affiliation, respectable and good interrelations.

Movement of the number of Company employees in the 2016-2024 period

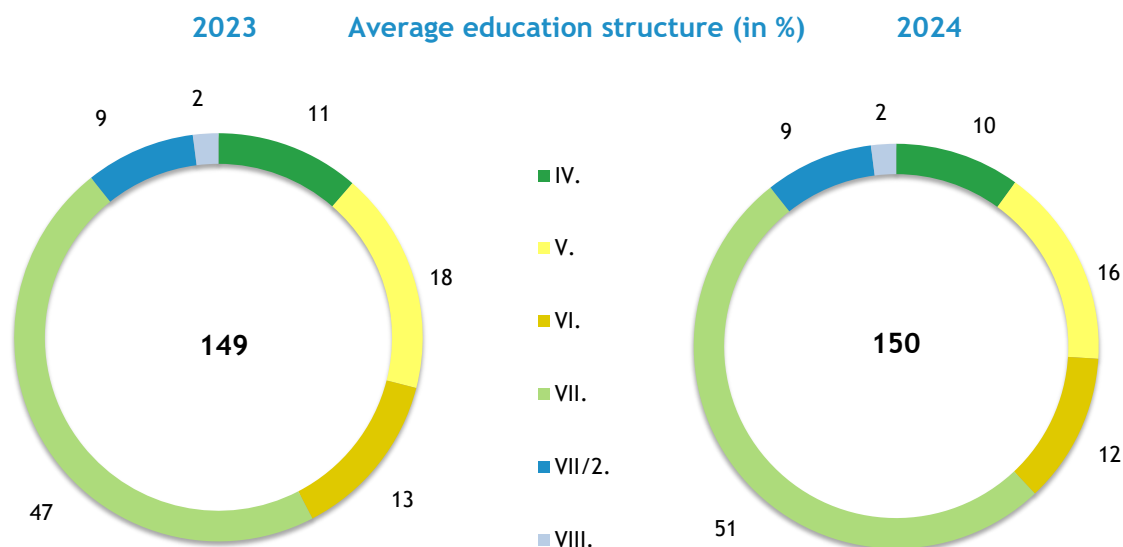


At the end of 2024, the Company employed 150 people, of which 84 percent worked at the registered office in Ljubljana. Other employees worked at three remote units: 19 in the Maintenance Centre in Maribor, three at the Kidričevo compressor station and two at the Ajdovščina compressor station. Due to disability or partial retirement two employees worked only part time, while two employees were employed with short working hours due to parental care, i.e. 30 per week, and two workers were entirely absent due to parental care or maternity leave.

We pursue due diligence of the Company through precise assessment of labour replacement due to retirements. With new colleagues we filled part of vacancies, while part of new employees were employed in the fields with staff shortage.

Gender structure of our employees reflects demonstrated interest of female and male candidates in vacancies through a longer period and specificity of our activities: as at 31 December 2024, we employed 84 percent men and 16 percent women. The highest share of employees falls under the age class of 51-55 years, namely just above 17 percent.

We ensure quality and technically sound operation through good education structure. The share of employees having at least higher level or level VI of education was 74 percent. Despite high educational structure of our employees, we encourage all to participate in constant education and additional training. In 2024, 5,568 realised hours (696 working days) intended for education. In 2024, the number of hours intended for education was increased for the third year in a row. 95 percent of employees (143 people) attended various forms of education. Given the needs and provided content, the main focus was on professional and technical education, followed by business education and education in the IT and computer science field. The education includes the attendance at seminars, conferences, courses, specialised workshops, on-line training and other forms of training.



Due to the nature of the activity associated with risk posed by the presence of gas, the provision of high safety and health at work level is a constant priority of the Company. Risks are periodically assessed and kept at the acceptable level by applying safety measures. External contractors are provided with safety instructions as well.

Work in safe and stimulative environment is one of the building blocks to achieve good results, and for this reason employees are provided appropriate working premises, we provide safe working equipment and understanding of the working procedures and organise regular preventive medical examinations.

We understand that the balance between professional and family life today is becoming a challenge, and for this reason we managed to obtain a basic Family Friendly Enterprise Certificate in 2014, and full Family Friendly Enterprise Certificate in June 2017. In the 2020-2023 period, we carried out the activities to maintain the full certificate. The full certificate is renewed every three years from the date it was obtained. The execution of activities is verified by an auditor every three years, and the condition to maintain the full certificate is a positive assessment of the board of auditors. In September 2023, the Board of Auditors submitted us a Decision on the renewal of the full certificate for a new three-year period, namely the 2023 - 2026 period.

We believe that interlevel communication and quality communication within different departments is important, and for this reason we pay special attention to this field.

Employees are regularly informed on the developments in the Company through Company notifications, e-mail, various formal and informal meetings and internal newsletter, called Plinovodnik.

Plinovodi appreciate and is receptive to diversity policy. We operate in accordance with the Diversity policy of the management and control bodies of Plinovodi d.o.o. Diversity of members of the Management and the Supervisory Board is reflected through the aspects of age, education and experience.

Communication with external audiences

We pay as much attention as possible to the stakeholders within the Company as well as external entities. Through appropriate communication with our suppliers, customers, regulators, national and supranational organisations we wish to maintain correct, mutually respectful and sustainable business relation. In accordance with good business practice and personal data and trade secret protection, we carefully protect personal and commercially sensitive information, while our communication is based on the transparency and impartiality.

We have Plinovodi d.o.o. profile on the LinkedIn social network which helps us to spread the network and increase our visibility on the gas market.

Customers

In line with the trend of computerisation and digitalisation of business processes, there is an ongoing intensive communication with transmission system users through the website www.plinovodi.si, where a (potential) system user may obtain all information on the procedures to conclude contractual relationships, and legal provisions in the gas transmission activity. We ensure that the interested public always has up-to-date information on the volume and structure of bookings of transmission capacity at cross-border interconnection points. All information is publicly available on the website of the transmission system operator, with any explanations provided as well.

In May 2024, we organised the traditional expert workshop entitled “Natural gas market in the Republic of Slovenia”, which was attended by more than 100 people.

All interested parties on the market who registered to receive our e-news on our website are informed in Slovenian and English on important developments in the field of gas and other relevant events on a monthly basis.

Suppliers

Due to the specificity of the activity, in which we operate, a substantial portion of our income is outside our control, and for this reason extensive oversight of the costs is all the more important. Efficient procurement is therefore one of the prerequisites of successful operation. Notwithstanding that we must comply with the legislation in the field of public procurement, we strive to perform contracts in the most quality way. In all phases of procurement, our employees comply with legislation as well as internal regulations. We ensure efficient purchase of material and services, and strive to establish a correct and sustainable business relationship with our suppliers.

Financial, national and supranational institutions

Due to operating in a regulated activity, ownership structure and financing-related commitments given, Plinovodi have undertaken to provide monthly, quarterly and annual reports to financial, national and other institutions. In addition to regular reports in the form of pre-defined and standardised forms, we respond quickly, efficiently and in user-friendly way to any requirements after the submission of data. We are in regular contact with financial institutions, within the scope of which we check their offer and maintain their high willingness for cooperation.

Social environment

Sustainability-oriented operation of the Company calls not only to care for natural, but also social and cultural environment in which we operate. Using limited assets, we wish to respond as much as possible also to calls for financial aid of various humanitarian organisations. For several years, we support different interest and sports associations and cultural events and activities within our possibilities.

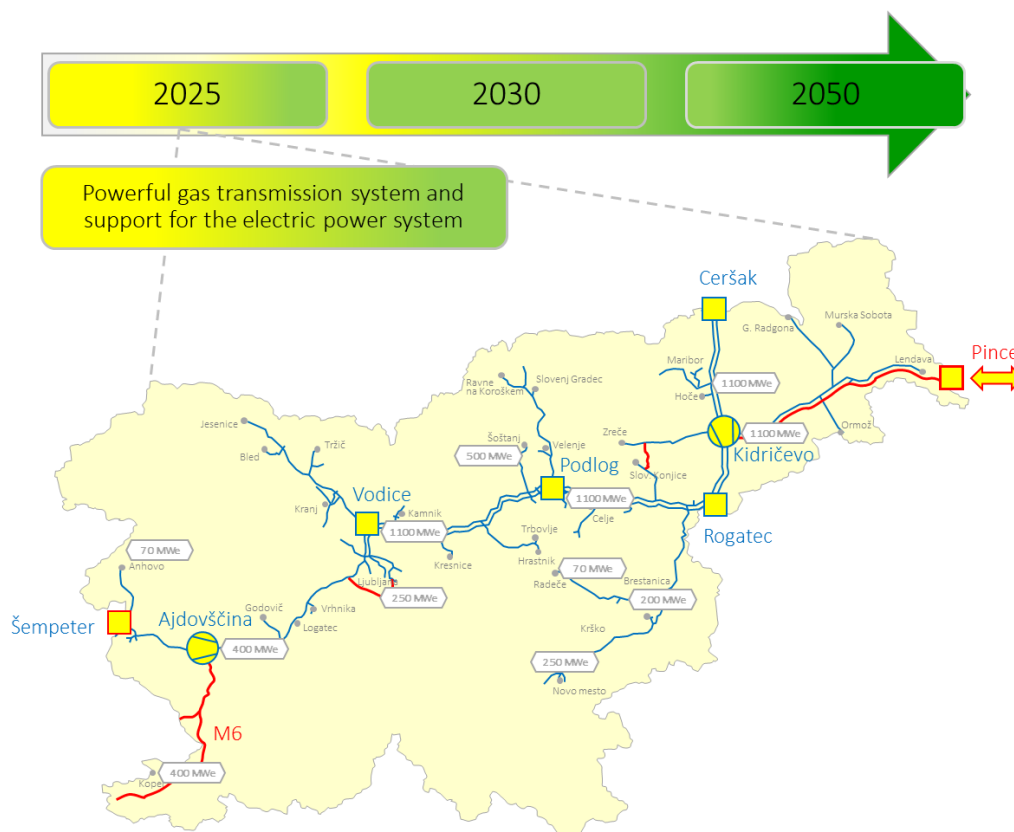
Although the gas transmission through underground pipelines is the most optimal form of energy transport in terms of the use of space, safety, energy efficiency and environmental impact, we pay special attention to laying gas pipes and within the preparation of national spatial plans with prior archaeological research we ensure that all sites are suitably addressed.

Decarbonisation Plan

Defining operational steps to green gas transmission system and achieving goals to reduce the carbon footprint at the level of Plinovodi d.o.o.

Situation in 2024 with the parallel gas backbone and key new buildings

Gas transmission system is operating well, it is safe and reliable, it operates without interruptions and with capacity that enables further development of the existing or new energy locations. Good cross-border connection with gas sources has been established.



Objectives by 2030:

- **Increasing the cross-border connectivity of transmission system to provide reliable gas supply and to prepare for green transition**
Increasing the capacity thresholds from the western supply direction at the interconnection with the Italian system for a greater reliability of supply and dispersion of supply sources and the future green transition. By building a gas connection to Hungary, the cross-border connectivity of the system will be rounded off with the neighbouring transmission systems. The construction of the cross-border connection will enable the transfer of green gas and hydrogen.
- **Providing the gas supply to regions not yet covered and increase the reliability of supply of the existing gas system**
We will establish supply of the Obalno-Kraška region with gas transmission system from Ajdovščina to Lucija and upgrade the reliability of supply (the Ljubljana loop, the Zreče loop, and other investments to increase the operational capacity). Our development plans include also an option to expand the transmission system to Bela Krajina and build a connection between Ljubljana and Novo Mesto.
- **Preparing the transmission system for the injection of green gases and using added green gases for own use**
We will carry out projects to prepare the transmission system for the efficient injection of green gases, such as biomethane, synthetic methane and green hydrogen. We will provide a safe and reliable transmission and transmission system operation to achieve the objectives of introducing green gases in gas distribution networks by 2030. A joint project of the Slovenian P2G initiative with the production of green hydrogen and its injection into the gas transmission system and the operator's own use will be conducted.

- **Implementation of the pilot project to inject hydrogen into the gas transmission pipeline**

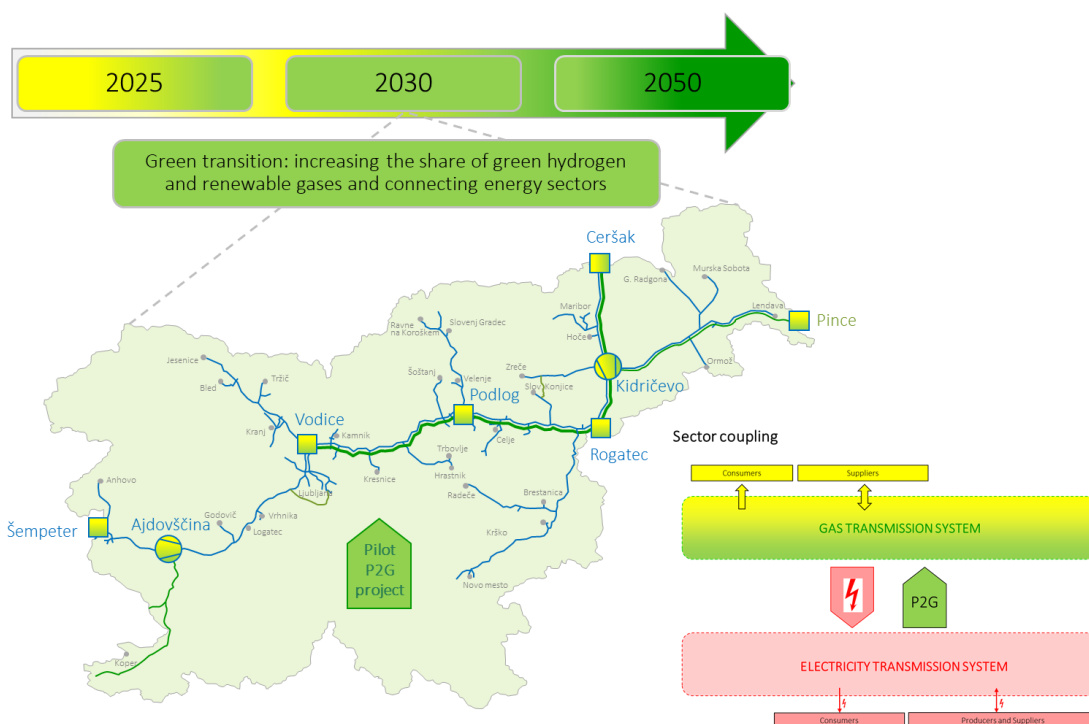
For the transition to RES and making the gas supply system greener by 2030, we will carry out a pilot project of producing and injecting green hydrogen as the first step in introducing green gases and adapting the system and with regard to users.

- **Implementing the change in use of sections of gas transmission system to operate with 100 percent hydrogen to be included in hydrogen corridors and EHB**

Projects are included in the development plan of the transmission system operator, the ENTSOG development plan and are actively integrated in EHB activities and are used to apply for a PCI status. By repurposing a part of transmission system, we will provide the users of the transmission system to start using green gases, including hydrogen. By 2030, we will establish a support for the supply of alternative fuels at the Ceršak-Ljubljana section for the supply of traffic, gradual greening the industry and production of electricity with mixtures of natural gas and green gases. We anticipate the integration of interested hydrogen users and producers into hydrogen incentives.

Constructing new pipelines with elements and materials enabling the operation with 100 percent hydrogen

All new projects will be designed and implemented in a way and using elements and procedures that enable the transmission of hydrogen through the pipeline system by 2030.



- **Sector integration projects to provide higher reliability of the electricity system operation**

The gas supply system enables large energy consumers a transition to gas and thus support the reliable operation of electric and energy system in the process of abandoning coal technologies and introducing RESs. In addition to the existing gas

production facilities in Brestanica, Šoštanj and Ljubljana (TE-TOL), the current transmission system may be connected to additional 1,100 MW gas production units.

- **Maintaining the environmental management system and the ISO 14001 environmental system certificate**

Every year, we increase our objectives according to the ISO 14001 environmental management standard and carry out environmentally sustainable projects and operational business activities to monitor and reduce carbon footprint of the Company and additionally increase the efficiency of the transmission system.

- **Comprehensive management of environmental aspects and decarbonisation in the field of gas transmission**

Using environmental indicators, we monitor and plan environmental and economic efficiency of the transmission system and Company operations. Already since the introduction of certification under the ISO 14001 environmental management system, in terms of annual environmental objectives we regularly determine and implement projects to reduce carbon footprint and thus achieve a good position with regard to fulfilling environmental commitments and commitments relating to green transition.

- **Transition of company fleet to alternative fuels**

We carry out a gradual systemic transition of company fleet to alternative fuels (CNG, electricity) at the annual level and within the vehicle purchase procedure. Vehicles that cannot be electrified will be gradually equipped with the hydrogen or biomethane drive units.

- **Modernising the gas heating systems in metering and regulation stations**

We modernise the gas heating systems in metering and regulation stations by regulating the gas outlet temperature according to the dew point temperature of the ambient air and minimising the energy consumption for gas heating.

- **Introducing gas heating with co-generation of heat and electricity and utilising excessive heat from processes**

By continuing the introduction of co-generation of thermal and electric energy (CHP), we ensure that the generated heat from the CHP unit is used as technological heat, and the generated electricity is partly used to cover our own needs and partly delivered to the power distribution network under the contract on providing support.

- **Optimising the operation of compressor stations and balancing the transmission system**

We provide better energy efficiency in optimising the operation of compressor stations and balancing the transmission system. By remote starting of back-up diesel generators, the system is able to respond to the demand for electricity generation to regulate the frequency in the electricity network.

- **Generating green electricity at transmission system locations**

The locations of transmission system that can be used to place photovoltaic power plants will be used and thus the share of electricity from renewable sources will be increased.

- **Projects to reduce methane emissions in the transmission system operation and maintenance**

We will carry out projects to reduce the methane emissions in the transmission system during regular operation as well as measures to minimise the emissions in carrying out ordinary and extraordinary maintenance on the transmission system.

Objectives by 2050:

- **The Slovenian transmission system is a part of the European Hydrogen Backbone (EHB)**

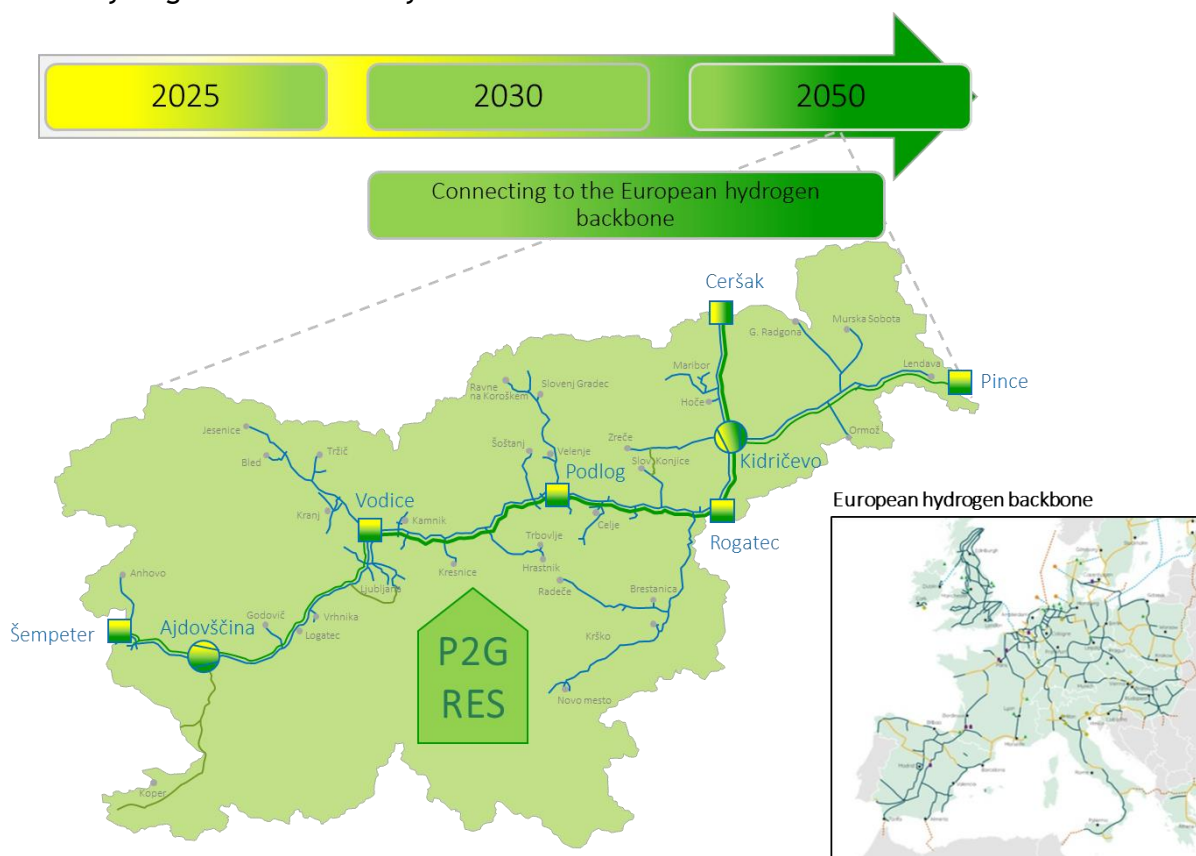
By 2050, the Slovenian gas system will become a part of the European Hydrogen Backbone in the Ceršak - Rogatec - Ljubljana - Šempeter corridor with the Pince - Kidričevo connection. Two interconnected system will operate: a system for hydrogen and system for natural gas that will be gradually replaced by biomethane and synthetic methane.

- **Industrial and big end-costomers and producers connected to the hydrogen transmission system**

By 2050, all big industrial and energy end-users will be connected to the hydrogen transmission system. Also, by 2050, producers of green and low-carbon hydrogen in Slovenia will be connected to the system, thus increasing the share of self-supply with gas fuels.

- **The transmission system acts as a long-term storage of surpluses of renewable electricity sources - combining sectors**

At the common points with the electricity system, the transmission system also provides a possibility to store surpluses of the renewable electricity sources through the production of hydrogen and its injection into the gas transmission system and hydrogen transmission system.



- **Replacing fossil gas fuels for own use with green gas fuels, biomethane and hydrogen**

We will completely transfer to green gases for own use.

OPERATIONS

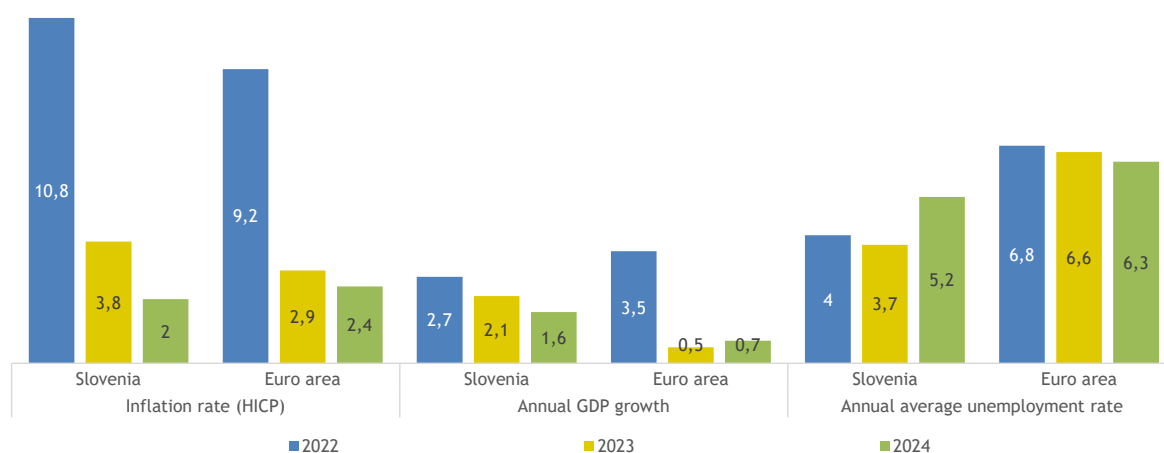
Business environment

According to the projections of the European Central Bank (hereinafter ECB), the global real GDP increased by 3.4 percent in 2024 ([Economic Bulletin, Issue 8/2024](#)). Despite expected slowdown of global economic growth, the PMI indicators (economic indicators arising from monthly studies of private sector companies) in the last quarter of 2024 were at approximately the same levels than in the previous quarter.

According to the Eurostat preliminary estimates ([Euro indicators, 30 January 2025](#)) the growth of GDP in the euro zone in the last quarter remained unchanged, while the growth in the European Union as a whole was 0.1 percent. Based on the first estimates for 2024, Eurostat forecasts 0.7 percent annual growth of GDP for the euro zone and 0.8 percent growth in the European Union as a whole.

According to the initial estimate of the Statistical Office of the RS, the Gross Domestic Product ([Publication as of 14. 2. 2025](#)) in 2024 increased by 1.6 percent, with the positive contributions from the government and household final consumption, while gross investments and foreign exchange had negative impact on the GDP growth. As import increased by 3.9 percent and export by 3.2 percent in 2024, the foreign exchange balance contribution was negative.

Comparison of main economic indicators in %

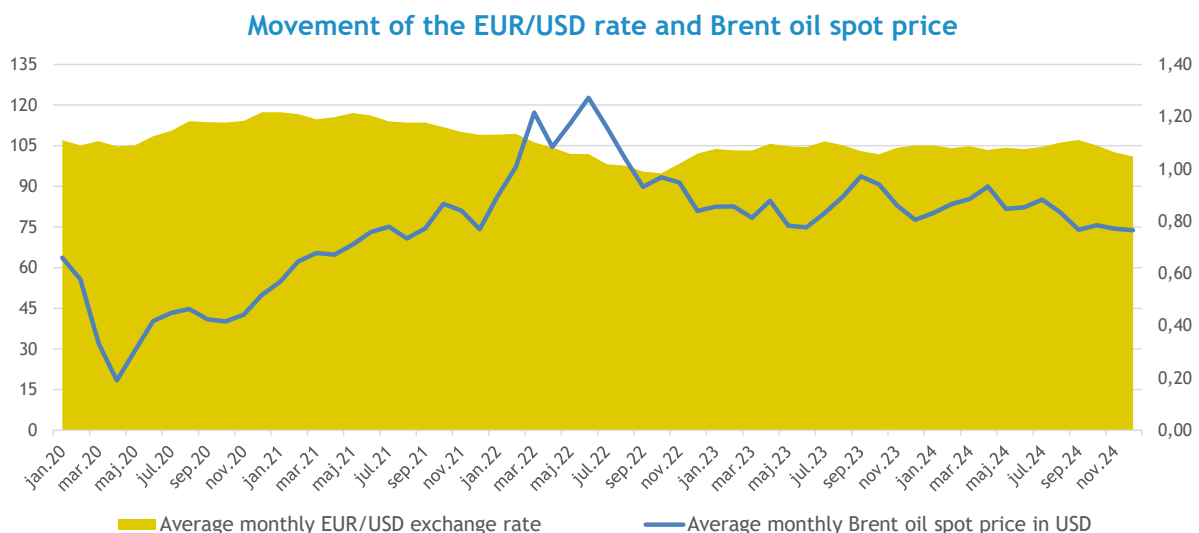


According to the most recent data of Eurostat ([Euro indicators, 30 January 2025](#)) after the coronavirus leap in the 2020-2021 period, the unemployment rate is continuously dropping in the euro area as well as through the European Union. In December 2024, the unemployment rate in the euro zone was 6.3 percent, while throughout the European Union it was 5.9 percent (i.e. 0.1 percent increase compared to November 2024) meaning that the unemployment rates for both areas are lower compared to the “precoronavirus” values. In December 2024, the highest unemployment rates were recorded by Spain (10.6 percent) and Greece (9.4 percent), while Czech Republic (2.6 percent), Malta and Poland (both 3.0 percent) and Germany (3.4 percent) had the lowest. The Eurostat data for Slovenia for December 2024 show a 5.2 percent unemployment rate.

According to the most recent available data of the Statistical Office RS ([provisional data as of 17. 2. 2025](#)), the Slovenian average gross salary was EUR 2,803.97 in December, which

represents a nominal increase by 11.3 percent but real increase by 11.6 percent compared to November 2024. In December, the average salary significantly increased compared to November, namely due to higher exceptional payments (the 13th salary and Christmas bonuses). Compared to 2023, the gross salary was nominally higher by 6.2 percent and recorded real increase by 4.1 percent in 2024.

In December 2024, the annual inflation of the euro area, measured with the harmonised Consumer price index, stood at 2.4 percent ([Euro indicators, 17 January 2025](#)), and at 2.7 percent throughout the European Union, which is an increase compared to November 2024 when the indices were 2.2 percent and 2.5 percent respectively, but at the same time a reduction compared to December 2023 when indices stood at 2.9 and 3.4 percent respectively. The lowest annual price growth was recorded by Ireland (1 percent), Italy (1.4 percent) and Luxembourg, Finland and Sweden (all 1.6 percent) while the highest was in Romania (5.5 percent), Hungary (4.8 percent) and Croatia (4.5 percent). According to the data of the Statistical Office ([final data, 30. 12. 2024](#)), Slovenia had 2 percent price growth in 2024 measured with the harmonised Consumer price index, while the HCPI at the end of December 2023 was 3.8 percent. In one year, the prices of goods increased by 1.1 percent in average, while the prices of services were by 3.6 percent higher in average at an annual level.



Source: Banka Slovenije – Average monthly exchange rate and U.S. Energy Information Administration

After the average monthly spot price of Brent North Sea oil reached the lowest value since 1999 (USD 18/barrel) in April 2020, it started to increase in the second half of the year and continued to increase until June 2022, when it achieved the highest value USD 123/barrel. As at the last day of December 2024, the Brent oil price was almost USD 75/barrel, while the average monthly spot prices in 2024 ranged from USD 74/barrel to USD 90/barrel, while its average price in 2024 was around USD 81/barrel ([U.S. Energy Information Administration - Short-Term Energy Outlook, January 2025](#)).

The EUR/USD exchange rate started the year with a ratio 1.0986, reached the highest value at the end of September, namely 1.1196, and ended the year at 1.0389. ECB ([Economic Bulletin, Issue 8/2024](#)) attributes the weakening of euro compared to American dollar to increased expectations of market participants in terms of movements of interest rate,

monetary policy of US Federal Reserve Bank after the presidential elections and the expectations associated with potential changes in the US trade, regulatory and fiscal policies.

Economic movements in the world, the EU and Slovenia are monitored with the purpose to evaluate their impact on the Company operation in the current and the next period, thereby determining that the respective movements in the period considered have not negatively affected the Company operation.

Activities associated with the war in Ukraine

In 2024, Plinovodi continued to closely monitor the events and addressed risks associated with the war in Ukraine. As a Slovenian gas transmission system operator, we participated in activities of the ENTSOG Regional Coordination system where we analysed conditions of the full disruption of supply from Russia. The results of these technical and operational analyses confirmed that capacities of transmission systems in the EU countries would provide physical balancing of transmission systems and filling of storage facilities. In the fourth quarter, also a disruption in Russian gas transit through Ukraine with the end in 2024 was addressed within ENTSOG. Despite the favourable situation in EU gas storage facilities (over 72 percent filling level at the end of December) and proportionally small share of Russian gas supply in the total gas source structure for EU (under 10 percent), there is a risk of exposure of some suppliers and a temporary price increase if remaining Russian gas supplies (via Turkish Stream gas pipeline) were to be suspended or any of transfer routes disrupted. On the other hand, the risk of supply disorders in Slovenia is reduced by the fact that in 2024 the largest Slovenian supplier increased the volumes under the contract to supply Algerian gas and concluded a supply contract with an Azerbaijan supplier.

In the January-December 2024 period, the transmission system operated normally in terms of security of supply. In Slovenia, the early warning level under the Regulation on the emergency plan for gas supply is still in place with the aim of informing consumers that supply disruption of all gas supplies from Russia to EU could affect the supply. Regarding the early warning level, Plinovodi continued with regular reports to the Ministry of the Environment, Climate and Energy as a competent authority for providing reliable gas supply.

To increase the long-term security of supply by increasing transmission capacities for the supply from the western supply route, Plinovodi carried on with the implementation of investments to provide for additional transmission capacities to cover the needs of Slovenia during a potential disruption of the eastern supply route. In December 2024, Plinovodi successfully completed a project to install third compressor unit in the Ajdovščina compressor station and after receiving a building permit started with the construction of the cross-border metering and regulation station at Vrtojba. In order to increase the capacity of the southern supply route, it is necessary to eliminate restrictions by the Croatian operator, and for this reason the Croatian operator obtained European funds under the REPowerEU programme. Plinovodi included measures that need to be implemented on the transmission system as a response to the war in Ukraine into the Ten-Year Gas Transmission Network Development Plan and the Investment Plan.

Use of transmission capacity

As a TSO, Plinovodi provides system and other services prescribed by legislation and offers capacity for gas transmission through gas transmission network in the territory of the Republic of Slovenia on the primary market. A completely open gas market in the Republic of Slovenia enables all gas customers to freely choose their supplier as well as independent arrangement of access to transmission system that can be provided directly through the transmission contract conducted with TSO or via an authorisation through gas suppliers or other Balancing group leaders. TSO examines applications and confirms the booking of transmission capacity to interested users in a transparent and impartial manner.

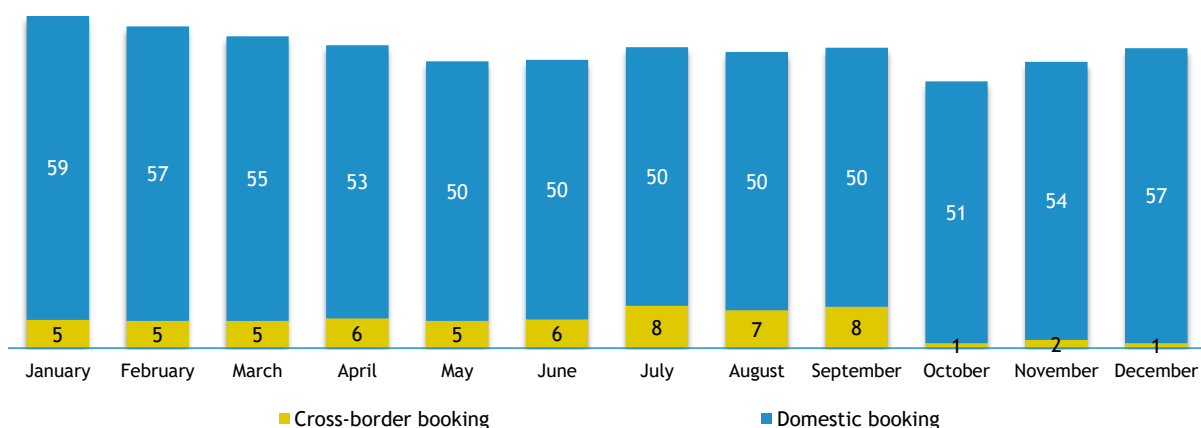
By expanding the gas transmission network based on the carried out investments, foreseen in the development plan, the Company managed to gradually increase the available transmission capacity in recent years. In this way, the marketing of transmission capacity gained on its importance, and, due to the nature of Plinovodi activity, it is largely limited to publishing free capacity for gas transmission and applicable transmission tariffs. It is focused on communication with the existing and potential new users and with other interested public, and also increasingly on the promotion of gas use.

In accordance with the the Network Code for the natural gas transmission system, the Virtual Gas Point enables gas transactions, bulletin board service and trading platform for the operation of balancing market of balancing group leaders.

Booking of transmission capacity

In 2024, we implemented 885 transmission contracts with system users at all cross-border entry points, and 933 transmission contracts of different maturity and different types of services at the exit points in Slovenia. Transmission contracts were concluded also by foreign companies, in particular for the needs of cross-border transmission.

Booking of exit transmission capacities (in GWh/day)



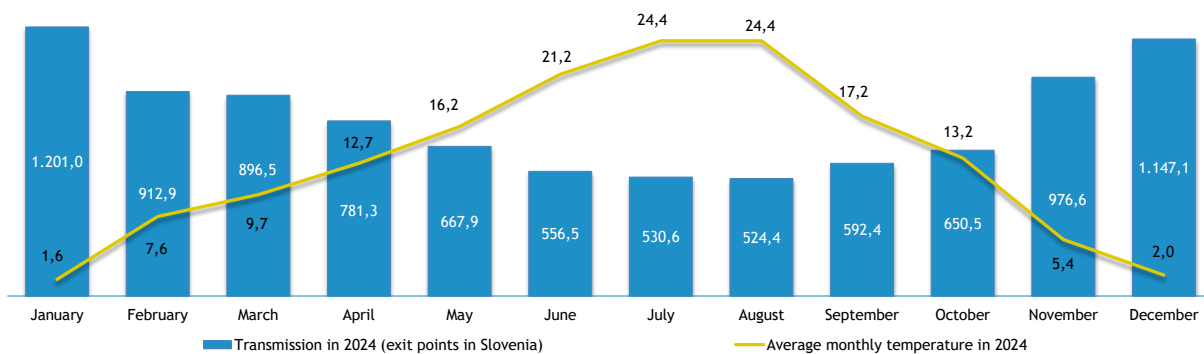
In 2024, total average booking of transmission capacity at cross-border entry points was 43,966 MWh/day.

The total average booking of transmission capacity in 2024 at cross-border entry points did not attain the capacity planned in our yearly Financial plan.

Gas transmission

Transmitted gas volumes reflect the needs of users in Slovenia and contractual partners in cross-border transmission and affect the utilisation of transmission system capacity. Gas transmission was carried out according to plans, without any interruptions in operation or gas supply. At the end of 2024, there were 13 balancing groups active in Slovenia, of which 8 were also suppliers of gas to Slovenian users.

Gas transmission (in GWh) and temperature (in °C)



A total transmitted annual volume of 9,947 GWh did not exceed the level planned for 2024. 9,438 GWh of gas were transmitted to users in Slovenia, i.e. 94.9 percent of all gas transmitted in 2024. In 2024, the transmission for domestic users was by 7.6 percent higher than a year before. In 2024, the cross-border transmission reduced by 83 percent as a result of changed conditions on the gas markets and a liquefied natural gas terminal in Croatia. The total realisation of the cross-border transmission was 509 GWh in 2022.

Transmission system operation

By adjusting the volume of gas in the transmission system, Plinovodi constantly provides for balancing of the transmission system by following daily plans of transmission and purchases or sells appropriate volumes of gas according to the needs of providing optimum operational statuses of the system at the daily level.

Balancing of the transmission system

The Virtual Point enables daily gas transactions among the Virtual Gas Point members. Transactions are carried out on a free market, where participants to transaction may be all registered Virtual Gas Point members, and on the balancing market, where participant to transaction can only be balancing group leaders and the TSO. Transactions on free and balancing market are carried out through the Virtual Gas Point on-line application. On the Trading platform, daily trading with gas volumes is conducted in a transparent and impartial manner, where, in addition to balancing group leader that are members of the Virtual Gas Point, also TSO participates through purchase and/or sale of gas volumes for the needs of balancing.

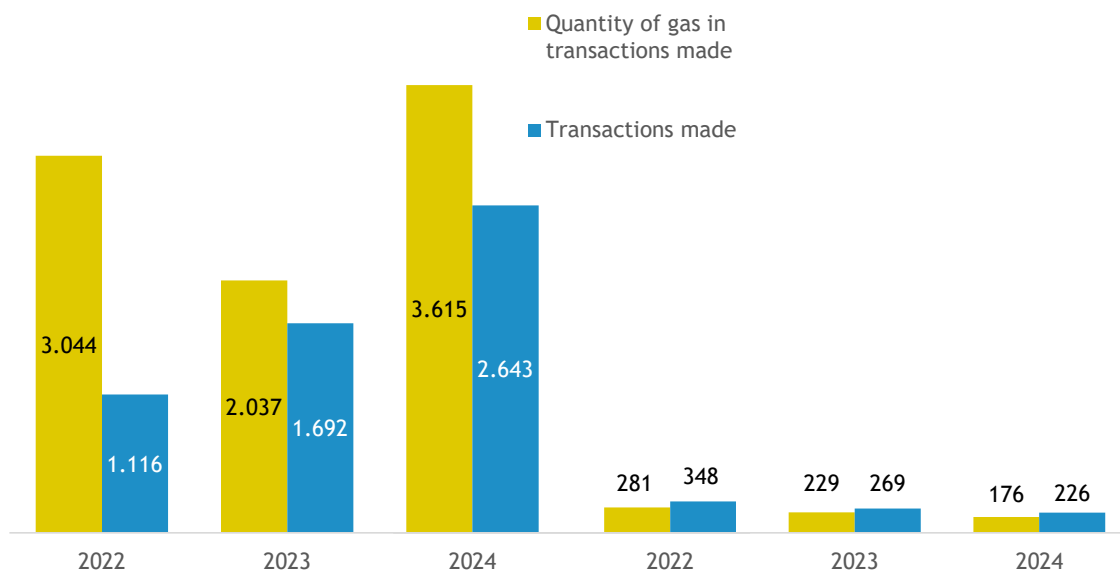
The first transaction between Virtual Gas Point members was conducted in January 2016. In 2,643 transactions performed in 2024, 3,615 GWh of gas were exchanged, i.e. 571 GWh more than in 2022 and 1,578 GWh more than in 2023.

In 2024, as a TSO we purchased or sold 176 GWh of gas for balancing of the transmission system. The data comparison of both years shows that balancing group leaders in 2024 performed balancing of their balancing groups more successfully, and thus reduced the scope of needs for balancing of the transmission system, which we implement as a TSO.

Review of transactions and exchanged gas quantities (in GWh) at VP and TP

Virtual point

Trade platform



Maintenance of the transmission system

To provide safe and reliable operation of gas pipelines, buildings and equipment, preventive maintenance activities are key since they provide constant availability and high operational capacity of gas pipeline infrastructure. In 2024, we carried out 2,884 MRS controls and 1,773 route controls. Within the framework of periodical activities, we carried out 2,662 inspections of electrical installations, 220 inspections of Ex-equipment and 308 controls of cathodic protection. Maintenance interventions require use and operation of complex technical equipment and inertisations of individual sections of gas pipeline system with nitrogen for safe execution of maintenance works and connections of newly build gas pipeline buildings. Professional maintenance teams of the Company carry out works independently and cooperate also with external contractors, if required. Maintenance service contracts with external contractors and required procurement of material and assets were carried out in accordance with the public procurement legislation and Company procurement rules.

Information system

Maintenance and support to information systems does not only mean providing operation for internal users of Plinovodi, but, recently, also increasing support to external users as well. That is why we pay great attention to maintenance of information systems, since non-operation of certain information systems may cause financial loss to the Company as well as

external users of our information solutions. This also increased the need of availability of information systems of the Company, while the importance of providing comprehensive and quality maintenance of all components of computer and information systems at all Company locations was identified as well.

Within the scope of providing optimum operation of internal development systems, in 2024, we approached the process to draw up a comprehensive analysis of the existing database operation used for internal development systems. Based on the analysis results, we carried out a purchase of a new database that will provide faster response time of inquiries and consequently more optimum operation of connected information systems.

Plinovodi is a liable entity in accordance with the Information Security Act. As part of requirements of the respective act and with the aim of improving the robustness of cyber resilience of the Company, we continue with a complex project to improve the robustness of the Company as a whole as well as activities associated with all segments of ICT network and Company's process environment.

Information security is extremely important for the Company and so one of the focuses of our attention. Through different upgrades and configurations of information systems we reduce potential vulnerabilities and thus also risks identified during the security inspection of the Company. The Company constantly follows the most recent guidelines and technologies to provide information security. The Company implements the Modern concept of cyber security project, which includes a comprehensive review of cyber security using the globally established methodology with a view to drawing up a strategy of specific improvements with their implementation in the next three years. We also put considerable emphasis on additional configuration of the internal firewall (between business and process IT environment), all aiming to reduce cyber risks.

Transmission system development

Research and development

Recently, the energy supply is affected by a flow of changes that are indicative of increased environmental care along with more prominent climate change and a consequence of geopolitical events. Plinovodi d.o.o. is aware of changes that affect the operation of the gas pipeline infrastructure, maintenance of existing and construction of new transmission capacity, including investments, and planning and implementing strategic activities. With adequate adjustments, research and development, Plinovodi manage the changes in the field of sustainable transition, materials, measurement techniques, information technologies and risk analyses. Plinovodi cooperates with external, in particular domestic research organisations. It incorporates development activities in ten-year development plans, investment plans and annual financial plans.

In 2024, the our in-house Innovation Board addressed innovation contributions of our employees and monitored the effects of the implemented innovation contributions. Contributions provide further development of the Company, the use of advanced approaches in different field of gas transmission system operation, reduction of identified risks and the increased care for the environment. In 2024, seven innovation contributions were addressed. Three of those will deal with concrete challenges associated with our operation, two eliminate the identified risks, while others are related to reducing environmental impacts.

Plinovodi pays special attention to the field of innovation, because it is aware that the previous 36 innovation contributions had positive impact on the Company operation from several different angles, i.e. the mere operation of the transmission system and the Company employees and environment.

Investments in (in)tangible assets

Investment activity in 2024 comprised construction of transmission pipelines and MRSs to connect new users, and drawing up documentation for implementing the projects in the years to come.

In the field of transmission system development in 2024, we would like to point out the following activities and events:

- Conclusion of construction, engineering and electrical works, equipment installation, performing cool and hot starts, carrying out measurements of operational monitoring in the new Ajdovščina compressor station,
- Public procurement procedure to select a contractor for constructing transmission pipeline at the section from the Ajdovščina compressor station to MRS Sežana, and the procedure to issue a building permit for the transmission pipeline for the Sežana - Dekani section under the M6 project,
- Completed public procurement procedure to select a contractor for constructing the BMCS Vrtojba and the issue of final building permit upon the start of construction,
- Obtained building permit for the R21AZ Konjiška vas - Oplotnica transmission pipeline route and the public procurement procedure to select a contractor for constructing transmission pipeline,
- Designing and arranging matters in rem for the R25A/1 Trojane - Hrastnik project, phase: Trbovlje - Hrastnik, lodged application for the issue of building permit, partial building permit obtained,
- Designing and arranging matters in rem on the MRS Koto and MRS Sava projects,
- Preparation of the Ten-year gas transmission network development plan for the 2025-2034 period and the Investment plan for the 2025-2027 period.

Easements

The gas transmission system comprises some 1,200 km of gas pipelines and over 300 buildings connected with the operation of gas network and gas transmission. For construction, management and maintenance of gas pipeline infrastructure we obtain adequate rights in rem and entitlements, namely by concluding contracts to establish easements, acquisition or lease of land, and creation of the right to build for the existing and new buildings of gas pipeline infrastructure, as well as agreements for compensation for interventions in the buffer zone of the gas pipeline infrastructure. In 2024, there were 126 such instruments, and the obtained rights in rem were lodged to be entered in the Land Register.

Financing investment

A large part of our investments is financed through own means and we successfully obtain grants with the European Commission. In the 2010-2012 period, we used EEPR grants in the total amount of EUR 37 million for realised investments of essential transmission system infrastructures by the end of 2014. The European Commission has so far awarded us a total of EUR 3.9 million of grants with the purpose to stimulate investments approved on the PCI

lists, within TEN-E and CEF-E. We allocate the respective assets for up to 50 percent co-financing of previous works on co-financed projects that are in the planning phase.

According to the investment cycle in the 2009 - 2014 period and large level of investments implemented, we obtained a long-term EIB investment loan in the amount of EUR 100 million. Through successful operation and by optimising dynamics of implementing investments, we managed to achieve only 70 percent of awarded funds to be absorbed and for utilising the available loan.

Due to favourable situation on financial markets, the Company carried out refinancing of the remaining part of the long-term EIB loan with a syndicated loan by Slovenian banks.

All investments in 2024 were financed with our assets.

Business analysis

Operational results

Financial results of 2024 demonstrate stable operation. Net sales revenues in the total amount of EUR 54.6 million deviate by 19 percent compared to 2023. The net profit for 2024 is demonstrated in the amount of EUR 2.7 million, which is 5.0 percent of the net sales revenues. It is fully generated from operation. At the end of 2024, all indicators of financial covenants, including the level of indebtedness, comply with the criteria and are more favourable than projected values for 2024.

The balance sheet total was EUR 315.7 million at the end of December 2024, and is by EUR 11 million lower than at the start of the year. The structure of assets and equity and liabilities did not change significantly.

Below are essential highlights from the Plinovodi operation in 2024, while more detailed data are indicated in the Financial report of the Annual Report.

Operating income

Review of operating income

EUR '000

| Item | 2022 | 2023 | 2024 | Index 2024/2023 |
|---------------------------------------------------|---------|--------|--------|--------------------|
| Revenues on the domestic market | 90.152 | 55.887 | 51.846 | 93 |
| Network charges | 38.708 | 40.478 | 40.089 | 99 |
| Gas sale for balancing and leveling of deviations | 51.132 | 15.067 | 11.468 | 76 |
| Sale of material, services and other | 313 | 342 | 288 | 84 |
| Revenues on the foreign market | 9.855 | 11.854 | 2.739 | 23 |
| Network charges | 7.986 | 3.944 | 1.052 | 27 |
| Gas sale for balancing and leveling of deviations | 1.773 | 7.829 | 1.572 | 20 |
| Sale of material, services and other | 96 | 81 | 115 | 142 |
| Net sales revenues in total | 100.007 | 67.740 | 54.584 | 81 |
| Purchase value of natural gas sold | 52.704 | 22.783 | 13.108 | 58 |
| Other operating income | 1.783 | 1.958 | 1.739 | 89 |

The main portion of the net sales revenues of EUR 54.6 million is realised through a charged access to transmission system, access to transmission system for cross-border transmission

and through the gas sale for levelling of daily deviations and balancing the transmission system. Around 2 percent of total net sales revenues were network charges charged to users of the transmission system with their registered office outside Slovenia.

Net sales revenues amounted to 93 percent achieved in 2023. The most important reduction in 2024 are network revenues on the non-domestic market, i.e. they decreased by almost 75 percent due to changes in regional gas markets. The gas purchase/acquisition value is represented by the value of gas sold due to levelling of daily deviations in volume and balancing the transmission system. Compared to the previous year, the purchase/acquisition value of gas volume sold, is by 42 percent lower. Gross selling profit or loss is thus disclosed in the amount of EUR 41.5 million and exceeds the projected gross selling profit and loss by 2.7 percent.

Operating expenses and expenditure

Operating expenses and expenditure without the purchase value of the gas sold amounted to EUR 35.4 million in 2024. They are costs of material, services and labour, other costs and expenditure and depreciation expense. Individually, the largest share in operating expenditure is depreciation with 49 percent.

Review of operating expenses and expenditure

EUR '000

| Item | 2022 | 2023 | 2024 | Index 2024/2023 |
|--------------------------------|--------|--------|--------|--------------------|
| Costs of material and services | 12.160 | 5.725 | 5.250 | 92 |
| Labour costs | 9.210 | 9.805 | 10.681 | 109 |
| Depreciation | 16.511 | 17.031 | 17.443 | 102 |
| Expenses from revaluation | 268 | 9 | 39 | 421 |
| Other operating expenses | 1.899 | 1.923 | 2.005 | 104 |
| Total | 40.048 | 34.493 | 35.419 | 103 |

Costs of material and services reach 93 percent of the planned costs for 2024, and are lower by 8 percent from the costs achieved in 2023. Operating expenses from revaluation are formed for trade receivables from clients in judicial proceedings or insolvency proceedings. According to the legislation, other operating expenses comprise contributions and membership fees.

Financial revenues and finance expenses

Financial revenues include revenue from loans granted which represent the received interest on deposits with banks and revenue from commercial receivables. Finance expenses were at the level of those planned for 2024 and are a result of long-term dedicated indebtedness for the investments implemented in previous years.

Due to the costs of early repayment of the long-term EIB loan, finance expenses in 2024 are higher by EUR 2.7 million compared to the previous year. Due to shorter maturity and lower interest rate of the syndicated loan, the future savings will exceed the costs of the early repayment.

Profit and loss

In 2024, the Company achieved a total of EUR 3.0 million of earnings before taxes. Corporate income tax that charged to profit and loss of 2024 in the amount of EUR 283 thousand is

calculated according to the tax rate of 22 percent from the profit and loss and takes into account tax relief, non-deductible costs and deferred taxes.

The net profit for 2024 is disclosed in the amount of EUR 2.7 million. It is fully generated from operation and exceeds the projected amount by 85 percent.

Assets

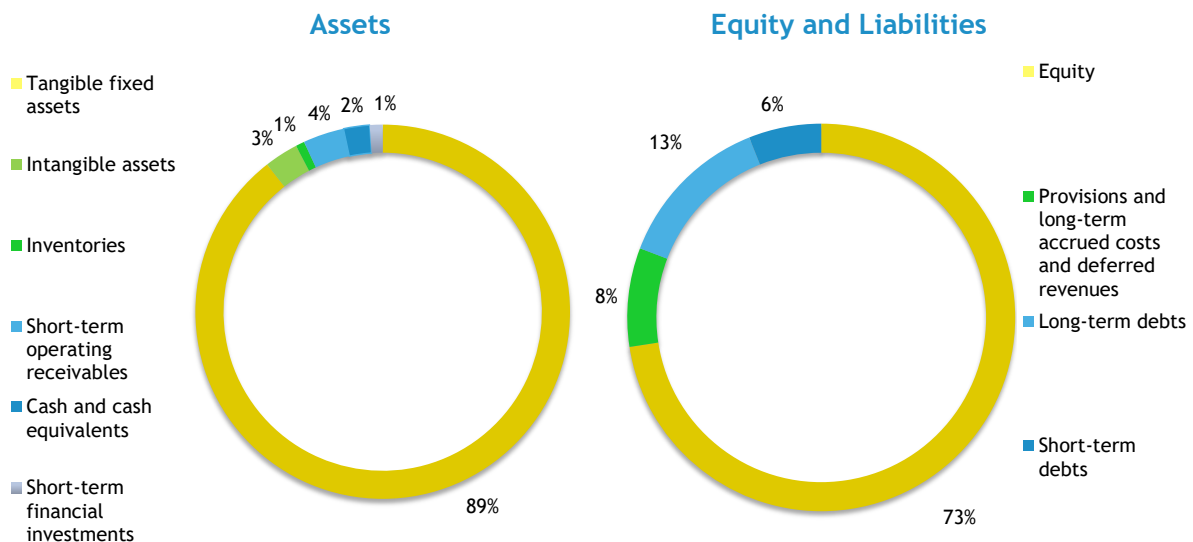
Long-term assets, which are almost entirely long-term tangible fixed assets, decreased by 2 percent in 2024 due to the delay in investment activities.

Asset review

EUR '000

| Assets | Balance as at 1/1/2023 | Balance as at 1/1/2024 | Balance as at 31/12/2024 | Index 31.12.24/1.1.24 |
|------------------------------------------------------------------------|---------------------------|---------------------------|-----------------------------|--------------------------|
| ASSETS | 346.727 | 326.756 | 315.707 | 97 |
| A. LONG-TERM ASSETS | 292.696 | 296.929 | 291.492 | 98 |
| I. Intangible assets and long-term deferred costs and accrued revenues | 9.812 | 9.434 | 9.244 | 98 |
| II. Tangible fixed assets | 282.630 | 287.324 | 282.084 | 98 |
| IV. Long-term financial investments | 43 | 43 | 43 | 100 |
| VI. Deferred tax assets | 212 | 128 | 121 | 95 |
| B. CURRENT ASSETS | 53.937 | 29.722 | 24.138 | 81 |
| II. Inventories | 4.109 | 2.622 | 2.376 | 91 |
| III. Short-term financial investments | 0 | 5.000 | 3.500 | 70 |
| IV. Short-term operating receivables | 13.347 | 9.454 | 11.149 | 118 |
| V. Cash and cash equivalents | 36.481 | 12.646 | 7.113 | 56 |
| C. SHORT-TERM DEFERRED COSTS AND ACCRUED REVENUES | 94 | 104 | 77 | 74 |

Current assets reduced due to reduction in cash and cash equivalents, where also deposits on a special account intended for security for auction capacity and balancing agreements are shown. The lower value of inventories results from the low gas price.



Equity and liabilities

The amount of equity did not change from the start of the year. It is affected by the net profit of the current year and the decision of the Supervisory Board on the distribution of part of profits of 2023 to the sole shareholder.

Long-term financial debts decreased by 10 percent from the start of the year due to payment of instalments of the long-term EIB loan. In short-term financial debts, instalments of long-term syndicated loan, due for payment in one year are disclosed and are higher than in 2023 due to shorter loan maturity. At the end of 2024, Plinovodi carried out refinancing of the long-term EIB loan with a more favourable syndicated loan from Slovenian banks.

In short-term operating debts, short-term operating debts to suppliers, state, employees and others are disclosed. Their status was by 34 percent lower at the end of 2024 compared to the start of the year due to the reduction in debts to suppliers and debts based on sureties.

Review of equity and liabilities

EUR '000

| Equity and liabilities | Balance as at 1/1/2023 | Balance as at 1/1/2024 | Balance as at 31/12/2024 | Index 31.12.24/1.1.24 |
|-----------------------------------------------------------------------|---------------------------|---------------------------|-----------------------------|--------------------------|
| EQUITY IN LIABILITIES | 346.727 | 326.756 | 315.707 | 97 |
| A. EQUITY | 221.585 | 229.402 | 229.093 | 100 |
| I. Called-up capital | 98.734 | 98.734 | 98.734 | 100 |
| II. Capital reserves | 8.152 | 8.152 | 8.152 | 100 |
| III. Reserves from profit | 109.060 | 113.449 | 119.459 | 105 |
| V. Fair value reserves | 101 | 58 | 26 | 45 |
| VI. Retained net profit or loss | 0 | 9.010 | -3 | 0 |
| VII. Net profit or loss for the financial year | 5.538 | 0 | 2.726 | |
| B. PROVISIONS AND LONG-TERM ACCRUED COST AND DEFERRED REVENUES | 28.395 | 27.316 | 26.013 | 95 |
| 1. Provisions | 1.449 | 1.658 | 1.745 | 105 |
| 2. Long-term accrued costs and deferred revenues | 26.946 | 25.658 | 24.268 | 95 |
| C. LONG-TERM DEBTS | 49.577 | 46.108 | 41.497 | 90 |
| I. Long-term financial debts | 49.577 | 46.108 | 41.497 | 90 |
| D. SHORT-TERM DEBTS | 44.875 | 21.769 | 16.767 | 77 |
| II. Short-term financial debts | 3.469 | 3.469 | 4.611 | 133 |
| III. Short-term operating debts | 41.406 | 18.300 | 12.156 | 66 |
| D. SHORT-TERM ACCRUED COSTS AND DEFERRED REVENUES | 2.295 | 2.161 | 2.337 | 108 |

Cash flows

Review of cash flow

EUR '000

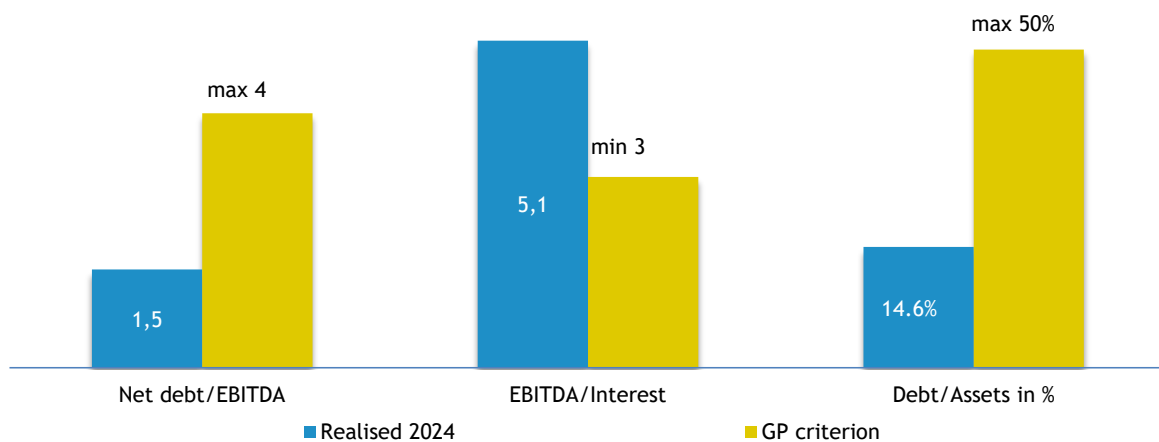
| Type of cash flow | 2022 | 2023 | 2024 |
|-----------------------------------------------------|---------------|---------------|--------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | |
| a. Items of income statement | 24.610 | 27.796 | 24.950 |
| b. Change in net current assets | 13.116 | -10.171 | -8.451 |
| c. Net operating receipts (+)/expenditures (-) a+b | 37.725 | 17.625 | 16.499 |
| B. CASH FLOWS FROM INVESTMENT ACTIVITIES | | | |
| a. Investing receipts | 8.510 | 3.131 | 9.877 |
| b. Investment expenditure | -22.842 | -37.697 | -20.399 |
| c. Net investment receipts (+)/expenditures (-) a+b | -14.332 | -34.566 | -10.521 |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| a. Cash receipts from financing activities | 0 | 14 | 0 |
| b. Cash disbursements from financing activities | -5.942 | -6.907 | -11.511 |
| c. Net financing receipts (+)/expenditures (-) a+b | -5.942 | -6.893 | -11.511 |
| D. CLOSING BALANCE OF CASH | 36.481 | 12.646 | 7.113 |
| x. Cash flow for the period | 17.452 | -23.835 | -5.533 |
| y. Opening balance of cash | 19.030 | 36.481 | 12.646 |

Cash flow statement shows the change in cash in hand and on the bank accounts with the breakdown of cash flows in operation, investment and financing.

In 2024, the cash flow from operating activities was positive, amounting to EUR 16.5 million, mostly due to successful operation in this period. The impact of changes in net current capital is negative and amounts to EUR 8.5 million. The positive result of cash flow from operating activities was earmarked to cover investment expenditure, pay interest and pay the instalments of long-term loans. Cash flow from investment activities is negative and amounts to EUR 10.5 million. The investment expenditure decreased by EUR 20.4 million in 2023.

Indicators of financial covenants are in line with the requirements from Guarantee Facility Agreement or the contract on syndicated loan, and are at the end of the year improved compared to projections.

Financial covenants



Management Declaration in accordance with Article 545 of Companies Act (ZGD-1)

In the 2024 financial year, Plinovodi d.o.o. was a subsidiary of Plinhold d.o.o.

Plinovodi d.o.o. concluded no transactions with Plinhold d.o.o. in 2024.

In 2024, Plinovodi d.o.o. concluded no legal transaction with the controlling undertaking or its related company or at the initiative or in the interest of the respective companies that would mean disadvantage to the Company also did not receive any disadvantage compensations.

In 2024, Plinovodi d.o.o. also conducted or omitted no action at the initiative or in the interest of the controlling undertaking or its related companies that would mean disadvantage to the Company. In this regard, the Company also did not receive any disadvantage compensations.

Risks

A risk is an uncertain event that may endanger or even prevent the planned objectives to be achieved. Strategically focused investments eliminate, minimise or even take advantage of risks. Each operation is faced with risks, and this is no different in the case of our Company,

therefore a comprehensive risk management system is an integral and indispensable part of the Company management system.

Risk management is important to fulfil the mission and the business performance of the Company. One of the answers to understanding economic uncertainties and changing nature of the operation conditions is to strengthen the control of understanding and develop risk management as an integral part of the business strategy that contributes to stability of operation and achieving goals. Risk management means that risk and opportunities in an increasingly complex economic and social environment are responded to in a timely and correct manner. The established organisation, process and methodology of risk management ensure us to be aware of risks and opportunities at all times, know and understand them and to be committed to constant monitoring of changes in the risk structure and the appropriateness of measures.

The established risk management system (ERM) is an integral part of corporate management that also focuses on identifying opportunities. We have established a solid and reliable ERM system which is intelligible and proportional to the characteristics, scope and complexity of transactions we perform as a company. The established process and organisation of risk management, in particular their development, are integral parts of the Company business strategy. We approach risk management in a systematic way through appropriate organisation and clear definition of competencies and responsibilities, definition of policies and risk catalogue. In this respect, we also adapt to changed circumstances. It is the rapidly changing circumstances in recent years that requires agile adaptation systems, including the prompt detection of risks as well as timely adoption of risk management measures.

Risk management falls under the responsibility of the Company Management Board for strategic risk, while all other risks are managed by directors of sectors and heads of organisational units or functions. Risk Management Group (hereinafter referred to as: Group) is in charge of the risk management system which comprises managers and owners of the risks identified. The Group's task is to develop guidelines and a model for risk management in a manner that it develops according to the needs and objectives of the Company, prepare reviews of recognised risks or a catalogue of the most important risks with established controls and measures for risk management, define the reporting process and address the reports on the progress in terms of risk management, and monitor the ERM operation and development. The Group regularly reports to the Company Management Board.

The process is periodically checked in terms of methodological approach, appropriateness of the identified risks, identification of new risks and opportunities, adequacy of the risk evaluation system, while taking into account the operation goals set within the scope of current and foreseen operating conditions. Changes in the structure and significance of risks are closely related to the type of activity, changes in the way of Company operation, regulatory and legislative changes, expansion of gas pipeline system in the country and in connection to neighbouring countries. The aim is to assume the right amount of appropriate risks and thus enable the Company to follow its strategic goals.

An important part of risk management system are internal controls that draw attention to the possibility of materialisation of risks, as well as measures to strengthen the controls, identify new risks or changes in the intensity of already identified risks, minimise risks and protect the Company against the risks or only monitor them constantly. The internal controls

are provided through constant adaptation of work processes and internal acts to individual types of risks and legislative changes, appointment of expert commissions and groups (groups managing individual projects, public procurement commission, liquidity commission, team for the environment and work groups operating in their specific fields), detailed analysis of the selected types of risks, monitoring the risk indicators and efficiency of implementing measures and searching new solutions. Through timely provision of relevant information for the needs of Management Board, the decision-making efficiency is increased, thereby enhancing the contribution to quality risks management. The risk management procedure is based on monthly reviews of most significant risks and activities of the Company related to them. If necessary, the list is promptly supplemented with newly emerged risks and evaluation of the existing risks is regularly updated.

The Compliance Officer carries out tasks laid down in the Gas Supply Act and is authorised in the field of business and integrity compliance, and promotes efficient implementation of measures to achieve objectives defined in the Compliance Programme that reduce regulatory risk and provide actual independence of the transmission system operator.

In addition to strategic risks, which are to some extent environmental risks and have certain consequences on the achievement of strategic objectives and core activity of the Company as well as business operation and results of the Company, the risk management also comprises operational risk. Strategic risks with their diversity and limited possibility of impact remain a significant risk.

The main focus is constantly on the risk of core activity, for which we have made special action scenarios due to the specificity and potential consequences that provide safety and reliable operation of the system, also in the event of emergency. The reliability of the gas transmission system operation and gas supply is provided through an adequate and doubled control system and regular maintenance and upgrade of buildings and devices. The quality of our services is a result of consistent systematic implementation of prescribed control procedures in all fields, monitoring the development of gas technologies and rehabilitation and protection activities. Risks associated with the environmental protection are managed by technical provision of safety and implementing the system of environmental management in accordance with the requirements of the ISO 14001 standard, in particular through waste separation, monitoring and improving environmental indicators and controlling the emissions and waste. We have concluded relevant insurance contracts to reduce risks arising from the TSO activity and assets and which include in particular the insurance of third-party liability, professional indemnity and insurance of property (fire insurance incl. floods, earthquake insurance, machinery break-down insurance, computer insurance and motor insurance).

Risks associated with siting and permits for siting and construction, risks associated with drawing up projects and selection procedures of contractors and timeliness of the conclusion of execution prevail in the field of project risks. In order to manage risks arising from the public procurement procedures, where required, we included additional legal experts in the implementation of the procedure. With new development plans, project risks will increase. By providing compliance of development plans within the scope of the country and region, timely spatial placement of projects and acquisition of permits and consents, detailed preparation of the timeline of the planned projects, selection of the most suitable contractor, close monitoring of project implementation and timely responses in the event of any deviates, we manage these risks at the acceptable level.

We put considerable emphasis on regulatory and legislative risks, risks associated with political and economic environment with a focus on the importance of gas and development of gas market as well as transmission capacity. We closely monitor all changes in European and national energy policy and regulations and codes, participate in their preparations and adopt them in our procedures and operation.

In the last three years, the importance of being active in risk management has been more than evident: a well-established system of risk management - designed according to the top-to-bottom principle in accordance with the activity and needs of the Company and with a strong support of the Management Board - is a prerequisite enabling the Company to efficiently and successfully face new situations also in a fast-changing environment. Therefore, Plinovodi is committed to perform constant upgrades of the system of risk management and strengthen its use in the process of strategic planning as well as making current business decisions. In the following years, we will continue to upgrade the culture of risk management in the Company. In 2024, an internal audit activity with an external contractor was introduced strengthening independent supervision of the operation of internal controls and internal supervision.

At the end of 2024, the Risk Catalogue of Plinovodi d.o.o. was updated (hereinafter: Risk Catalogue). In updating the Risk Catalogue, takers of individual risks addressed the existing and presented newly identified risks. They reviewed risk content and re-evaluated the items to assess the probability and consequences of an individual risk. In evaluating risks, the risk takers first assessed the process-inherent risks, provided controls and measures introduced and finally assessed residual risks as detected given the measures taken. Also, more detailed treatment of risks in the field of information security was included in the Risk Catalogue, where the assessments are drawn up in accordance with the Information Security Act. The Group reviewed the assessments made by risk takers, verified the arguments in individual fields and established that the risks are adequately defined given the relationships between individual fields.

In accordance with findings and proposal of the Group, we will also pay special attention to an ever faster changing environment or business-related circumstances, and thus focus on the range of identified risks which in turn influences the appropriate behaviour and efficient actions of the Company. We will continue to perform close monitoring and management of risks associated with gas price fluctuations on the futures market, regulations, information security risks, changes for decarbonisation of the environment and geopolitical developments. With the aim of becoming a flexible company that is able to timely and adequately respond to challenges and related risks of tomorrow, we will continue to review and upgrade the risk catalogue and management.

We will continue to develop the importance of management and security culture, thereby providing that employees understand the risks and operate in the range of reasonable risks and point out any deviations. By upgrading the component “Information, communication and reporting”, we will ensure quick identification of risks, early detection of changes in the environment and thus draw up proper measures and responses to risks. Due to detected change in intensity related to personnel-related risks, we will focus on the personnel development with an emphasis on preserving and replacing key personnel and reducing their workload.

Material risks and uncertainties in the Company at the end of 2024 are defined below.

The **“Staffing structure”** risk is one of the most important risks of the Company as retirements and potential deficiency in suitable personnel in the labour market may cause a delayed replacement of key technical and qualified staff to ensure the adequate level of preventive, corrective and investment maintenance. With a purpose of managing the respective risk, the measures to respond to it are as follows: verifying the baselines of personnel planning, analyses and reports - periodic and single, recognising deviations, incentives to act, analysing the success/non-successes of vacancy notices and establishing the causes for unsuccessful vacancy notices, selecting potential candidates for new employment also outside the periods of vacancy notices and contract extension with retired colleagues having part-time jobs for retirees.

The **“Fluctuations in operating results”** risk is classified as high due to extraordinary circumstances (such as: epidemics, war in Ukraine, EU measures, price changes etc.), which may bring the changes in system users, i.e. reduced scope of bookings or increased operating costs of the Company. In order to manage the respective risk, measures in on-going operation should be adopted, a need of drawing up a rebalancing scheme of the Financial plan has to be assessed, and changes in new financial plans must be included. Objective communication is required on the actual situation and careful contact with users as transmission contracts cannot be changed. In the fourth quarter, gas price fluctuations in European stock exchanges somewhat increased, the gas price temporarily even exceeded 50 EUR/MWh given the expected suspension of Russian gas transit through Ukraine and relatively cool winter period in the last days of December. At the EU level, political discussions took place on a potential faster discontinuation of Russian gas; currently expected by the end of 2027.

The **“Geopolitical change”** is a consequence of altered decisions on supply sources and routes in the region, causing a potential reduced gas supply to the region and lower gas consumption due to the non-competitiveness of the EU economy. With the purpose of managing the respective risk, the cooperation with the Energy Agency is required and also competitiveness of tariff rates and conservative approach to planning need to be provided.

“IT risks” include non-operation of ICT, loss of data, severing of communications, viruses, cyber-attacks. The consequences depend on the type of event and may affect the correct and prompt drawing up of calculation, preparation of data, analyses, reports and decisions. With the purpose of managing the respective risk, it is necessary to update the implemented modern cybersecurity systems and include new ones, properly segment and separate networks and provide data backups.

The **“Delay in implementing and activating investments”** risk is classified as high because all investments are not implemented in line with the plans and are not realised by the planned deadlines. As a result, there is a delay in activating the investments to be ready for use. In order to manage the respective risk, constant monitoring and reporting is required regarding the implementation of the Financial Plan and long-term projections of operation need to be drawn up.

The **“Unpredicted decisions by legislators, impact on the missed opportunities”** risk is classified as high due to unpredicted decisions by the legislator and the Energy Agency that affect the legal certainty (unpredictability of the operating environment), stability and

planning of the implementation of Company activities. Untimely legislative bases also mean a delay in developing hydrogen-related activities. In order to manage the respective risk, it is required to communicate with stakeholders, create framework of operation in the field of gas and hydrogen and to present a solution proposal and response in the acts.

The **“All communication failure”** risk is specifically addressed as one of the most important IT risks that means failure of all communications at the primary and secondary location due to a defect of active equipment or physical damage. The measure to manage the risk includes the provision of redundant connections by physically separated routes and components of active equipment.

Due to strict provisions of the new Energy Act (EZ-2) in part relating to prohibitions and restrictions for awarding new and extending the existing concessions for gas supply, there is also a high risk of **“Streamlining and long-term reduction of gas consumption in distribution”**. Measures to manage the respective risk are providing gas use, encouraging biomethane production and ensuring new connections.

The **“Non-competitive nature of gas”** risk is a result of more attractive competitive energy products and their availability. There are no incentives foreseen for gas at the national level. The measure to manage the respective risk entails the promotion of natural gas use, encouraging biomethane production, also with proposals to provide incentives for renewable gas producers and consumers.

The **“Exposure to regulatory decisions”** risk is highlighted due to a failure of Energy Agency to consider comments in public hearing and its unwillingness to address open issues. In the adopted inadequate acts, an assessment of a potential use of legal remedies is required. The measure to manage the risk includes cooperation with the Energy Agency and monitoring the regulatory field.

The **“Untimely response to new facts, changes (in the environment and the Company)”** risk is recognised as one of the most important risks due to pre-defined activities (preparation, addressing, adoption, consent) in the procedure to plan Development, Investment and Financial Plan, which also limits flexibility. In unpredictable times for gas and hydrogen, the quick response to identified activities in the environment is crucial. Measures to manage the risk include monitoring and analysing the conditions, actions, legislative proposals and acts, active participation and proposals of solutions for the legislator and regulatory body, and the preparation and addressing the projects in project documentation, which enables a quick decision if needed.

The **“Errors due to the ignorance of the whole picture, late response and resulting failure to coordinate the activities in the Company, losses”** risk is classified among more important risks since planning of activities is more complex and decision-making riskier during market transformation (gas, renewable gases, hydrogen) and unpredictable market development. Measures to manage the risk include efficient communication and active participation during transformation of existing and creation of new markets, and monitoring and analysing the conditions or tracking the activities.

The **“Cyber-attack against the Company's information infrastructure”** risk is specially managed as one of the most important IT risks due to a potential partial or complete blockage of the Company's information system and its resulting complicated management

of the transmission system and partial or complete failure of Company business operation processes. The measures to manage the risk are regular updating the information equipment infrastructure, including the protection of end-points, provision of adequate segmentation of the network and access control, regular monitoring of the security information systems status and planning of the suitable level of assets to update the existing or introduce new security information systems.

The **“Information security systems”** is classified on the list of the most important risks because the smooth operation of the information security systems is crucial in preventing cyber incidents and their early detection or limitation. Measures to manage the risk consist of regular updating the information security systems and planning an adequate level of assets to introduce new information security systems.

According to the adopted Sustainability Strategy of the Company for the 2024-2030 period that stipulates activities and goals of the Company on its path towards decarbonisation and green transition to renewable gases and hydrogen, the Company cooperation in the procedure to establish ENNOH is very important. In this respect also the **“Delay in full membership in ENNOH”** risk is recognised as partial membership in ENNOH does not grant voting rights, representatives in the organisation bodies, participation in drawing up proposals to change regulations and development of hydrogen network. Measures to manage the risk entail the analysis of European legal bases, review of necessary activities and communication with stakeholders.

Although the risk management system of the Company is established and operating, the Group will continue to adopt guidelines for risk management in line with the development of experts and good practice, and develop a risk management model in a way which best responds to needs and goals of the Company.

Events after the Balance Sheet date

Between the Balance Sheet date and the date of approval of financial statements there were no events that would require the correction of financial statements to the Balance Sheet date or specific disclosure in the financial statements.



FINANCIAL REPORT

STATEMENT BY THE MANAGEMENT BOARD

The Management adopts and confirms the Annual Report of Plinovodi d.o.o. for 2024 which consists of Business Report and Financial Report.

The Management confirms that relevant accounting policies were consistently used in drawing up financial reports, that accounting estimates were prepared according to the precautionary principle and the principle of good governance, and that financial statements present a true and fair financial situation and results of operation in 2024.

The Management is responsible also for the proper management of accounting, adopting adequate measures for protecting property and other assets, and preventing and detecting abuse and other misconduct. The Management also confirms that financial statements together with respective notes were drawn up on the basis of the assumptions of further operation of the Company and in accordance with the applicable legislation and Slovenian Accounting Standards (2024).

Ljubljana, 11. 03. 2025

General Manager
Marjan Eberlinc, BSc in Mech. Eng.



Deputy General Manager
Matija Bitenc, MA, BSc Econ

Balance Sheet as at 31. December

in EUR

| Item | Note | Balance | Balance |
|-------------------------------------------------------------------------------|--------------|--------------------|--------------------|
| | | 31. 12. 2024 | 31. 12. 2023 |
| ASSETS | | 315,707,004 | 326,755,664 |
| A. Long-term assets | | 291,491,765 | 296,929,406 |
| I. Intangible assets and long-term deferred costs and accrued revenues | 2.1.1 | 9,243,592 | 9,434,443 |
| 1. Long-term property rights | | 9,181,923 | 9,361,666 |
| 5. Other long-term deferred costs and accrued revenues | | 61,669 | 72,777 |
| II. Tangible fixed assets | 2.1.2 | 282,084,170 | 287,323,989 |
| 1. Land and buildings | | 220,108,395 | 224,623,736 |
| a) Land | | 23,504,581 | 24,017,825 |
| b) Buildings | | 196,603,814 | 200,605,911 |
| 3. Other devices and equipment | | 43,135,413 | 34,815,243 |
| 4. Tangible fixed assets in obtaining | | 18,840,362 | 27,885,010 |
| a) Tangible fixed assets under construction or in production | | 18,839,710 | 27,885,010 |
| b) Advances on the acquisition of fixed assets | | 652 | 0 |
| IV. Long-term financial investments | 2.1.3 | 42,949 | 42,949 |
| 1. Long-term financial investments, excluding loans | | 42,949 | 42,949 |
| VI. Deferred tax assets | 2.1.4 | 121,054 | 128,025 |
| B. Current assets | | 24,138,288 | 29,721,956 |
| II. Inventories | 2.1.5 | 2,376,405 | 2,622,213 |
| 1. Materials | | 1,833,488 | 2,142,599 |
| 3. Goods and merchandise | | 542,917 | 479,614 |
| III. Short-term financial investments | 2.1.6 | 3,500,000 | 5,000,000 |
| 2. Short-term loans | | 3,500,000 | 5,000,000 |
| IV. Short-term operating receivables | 2.1.7 | 11,149,135 | 9,453,563 |
| 2. Short-term trade receivables | | 9,218,967 | 8,452,569 |
| 3. Short-term operating receivables from others | | 1,930,168 | 1,000,994 |
| V. Cash and cash equivalents | 2.1.8 | 7,112,748 | 12,646,180 |
| C. Deferred costs and accrued revenues | 2.1.9 | 76,951 | 104,302 |

Explanatory notes are an integral part of the financial statements and should be read in conjunction with them.

Balance Sheet as at 31. December

in EUR

| Item | | Note | Balance 31. 12. 2024 | Balance 31. 12. 2023 |
|------------------------|--------------------------------------------------------------|--------|-------------------------|-------------------------|
| EQUITY AND LIABILITIES | | | 315,707,004 | 326,755,664 |
| A. | Equity | 2.1.10 | 229,093,017 | 229,401,931 |
| I. | Called-up capital | | 98,733,790 | 98,733,790 |
| 1. | Share capital | | 98,733,790 | 98,733,790 |
| II. | Capital reserves | | 8,151,515 | 8,151,515 |
| III. | Reserves from profit | | 119,458,981 | 113,448,856 |
| 1. | Legal reserves | | 1,933,169 | 1,933,169 |
| 5. | Other reserves from profit | | 117,525,812 | 111,515,687 |
| V. | Fair value reserves | | 26,022 | 57,645 |
| VI. | Retained net profit or loss | | -3,237 | 13,619 |
| VII. | Net profit or loss for the financial year | | 2,725,946 | 8,996,506 |
| B. | Provisions and long-term accrued costs and deferred revenues | 2.1.11 | 26,013,159 | 27,315,876 |
| 1. | Provisions for severance payment and anniversary bonuses | | 775,127 | 736,552 |
| 2. | Other provisions | | 970,163 | 921,680 |
| 3. | Long-term accrued costs and deferred revenues | | 24,267,869 | 25,657,644 |
| C. | Long-term debts | 2.1.12 | 41,497,222 | 46,108,025 |
| I. | Long-term financial debts | | 41,497,222 | 46,108,025 |
| 2. | Long-term financial liabilities to banks | | 41,497,222 | 46,108,025 |
| Č. | Short-term debts | | 16,767,030 | 21,768,767 |
| II. | Short-term financial debts | 2.1.13 | 4,610,802 | 3,469,136 |
| 2. | Short-term financial liabilities to banks | | 4,610,802 | 3,469,136 |
| III. | Short-term operating debts | 2.1.14 | 12,156,228 | 18,299,631 |
| 2. | Short-term operating liabilities to suppliers | | 7,021,749 | 8,022,547 |
| 4. | Short-term operating liabilities from advance payables | | 5,393 | 35,250 |
| 5. | Other short-term operating liabilities | | 5,129,086 | 10,241,834 |
| D. | Short-term accrued costs and deferred revenues | 2.1.15 | 2,336,576 | 2,161,065 |

Explanatory notes are an integral part of the financial statements and should be read in conjunction with them.

The income statement is drawn up in accordance with the Companies Act and SAS 21 - Version I. Individual items of the income statement are explained in breakdowns and notes to financial statements.

Income statement for 2024

| in EUR | | | |
|---------------------------------------------------------------------------------------|-------|-------------|-------------|
| Item | Notes | 2024 | 2023 |
| 1. Net sales revenues | 2.2.1 | 54,584,116 | 67,740,457 |
| 4. Other operating income (with operating revenue from revaluation) | 2.2.2 | 1,738,673 | 1,958,081 |
| 5. Costs of goods, material and services | 2.2.3 | -18,357,959 | -28,508,610 |
| a) Purchase/acquisition value of goods and material sold and costs of material used | | -14,320,863 | -24,311,492 |
| b) Cost of services | | -4,037,096 | -4,197,118 |
| 6. Labour costs | 2.2.4 | -10,681,409 | -9,804,674 |
| a) Wages and salaries | | -7,904,288 | -7,204,596 |
| b) Social security costs | | -1,511,734 | -1,378,247 |
| c) Other labour costs | | -1,265,387 | -1,221,831 |
| 7. Write-offs | 2.2.5 | -17,482,165 | -17,040,017 |
| a) Depreciation | | -17,443,252 | -17,030,767 |
| b) Operating expenses from revaluation in intangible assets and tangible fixed assets | | -33,289 | -7,791 |
| c) Operating expenses from revaluation of current operating assets | | -5,624 | -1,459 |
| 8. Other operating expenses | 2.2.6 | -2,005,382 | -1,922,882 |
| 9. Financial revenues from stakes | | 0 | 0 |
| 10. Financial revenue from loans granted | | 175,101 | 83,507 |
| b) Financial revenue from loans granted | | 175,101 | 83,507 |
| 11. Financial revenues from operating receivables | | 13,525 | 35,327 |
| b) Financial revenues from operating receivables from others | | 13,525 | 35,327 |
| 12. Financial expenses from impairment and financial investment write-offs | | 0 | 0 |
| 13. Finance expenses from financial liabilities | 2.2.8 | -4,919,672 | -2,228,555 |
| b) Finance expenses from bank loans | | -4,919,672 | -2,228,555 |
| d) Finance expenses from other financial liabilities | | 0 | 0 |
| 14. Finance expenses from operating liabilities | 2.2.9 | -25,731 | -24,094 |
| b) Finance expenses from liabilities to suppliers and notes payables | | -2,307 | -1,392 |
| c) Finance expenses from other operating liabilities | | -23,424 | -22,702 |
| 15. Other income | | 22,310 | 64,190 |
| 16. Other expenses | | -45,801 | -95,600 |
| 17. Income tax | | -282,689 | -1,176,975 |
| 18. Deferred taxes | 2.1.4 | -6,971 | -83,649 |
| 19. NET PROFIT OR LOSS FOR THE PERIOD | | 2,725,946 | 8,996,505 |

Explanatory notes are an integral part of the financial statements and should be read in conjunction with them.

Other comprehensive income statement for 2024

| in EUR | | | |
|--------------------------------------------------------------------------------|--|-----------|-----------|
| Item | | 2024 | 2023 |
| 19. Net profit or loss for the period | | 2,725,946 | 8,996,506 |
| 23. Actuarial profit/loss | | -31,623 | -42,945 |
| 24. Other components of comprehensive income statement of the reporting period | | -3,237 | 13,619 |
| 25. Total comprehensive income for the period | | 2,691,086 | 8,967,180 |

The cash flow statement is drawn up in accordance with the Companies Act and SAS 22 - Version II.

Cash flow statement for 2024

| | | in EUR | |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| | Item | 2024 | 2023 |
| A. | CASH FLOW FROM OPERATING ACTIVITIES | | |
| a) | Items of income statement | 24,948,784 | 27,795,863 |
| | Operating income (except for from revaluation) and financial revenues from operating receivables | 56,286,343 | 69,310,770 |
| | Operating expenses excl. depreciation (except for from revaluation) and financial expenses from operating liabilities | -31,047,899 | -40,254,283 |
| | Income taxes and other taxes not included in operating expenses | -289,660 | -1,260,624 |
| | Changes in net current capital (and deferred costs and accrued revenues and deferred tax assets and liabilities) operating items of Balance Sheet | -8,450,097 | -10,171,238 |
| | Opening less closing operating receivables | -1,680,095 | 4,327,017 |
| | Opening less closing short-term deferred costs and accrued revenues | 38,459 | -16,629 |
| | Opening less closing deferred tax assets | 6,971 | 83,649 |
| | Opening less closing inventories | 245,808 | 1,487,113 |
| | Closing less opening operating liabilities | -5,859,236 | -14,727,556 |
| | Closing less opening accrued costs and deferred revenues and provisions | -1,202,004 | -1,324,832 |
| c) | Positive or negative cash flow from operating activities (a+b) | 16,498,687 | 17,624,625 |
| B. | CASH FLOWS FROM INVESTMENT ACTIVITIES | | |
| a) | Investing receipts | 9,877,321 | 3,130,954 |
| | Cash receipts from interest and profit share of others associated with investment | 154,928 | 49,387 |
| | Cash receipts from disposal of tangible fixed assets | 22,393 | 81,567 |
| | Cash receipts from financial investment | 9,700,000 | 3,000,000 |
| b) | Investment expenditure | -20,398,542 | -37,697,438 |
| | Expenditure on the acquisition of intangible assets | -852,897 | -576,951 |
| | Expenditure on the acquisition of tangible assets | -11,345,645 | -29,120,487 |
| | Expenditure on the acquisition of short-term financial investments | -8,200,000 | -8,000,000 |
| c) | Positive or negative cash flow in investments (a+b) | -10,521,221 | -34,566,484 |
| C. | CASH FLOWS FROM FINANCING ACTIVITIES | | |
| a) | Cash receipts from financing activities | 0 | 13,619 |
| | Cash receipts from paid-in capital | 0 | 13,619 |
| b) | Cash disbursements from financing activities | -11,510,898 | -6,906,556 |
| | Interest paid on financing activities | -5,038,525 | -2,287,421 |
| | Expenditure on capital repayments | -3,237 | 0 |
| | Expenditures from repayment of financial liabilities | -3,469,136 | -3,469,135 |
| | Expenditures from payment of profit shares | -3,000,000 | -1,150,000 |
| c) | Positive or negative cash flow from financing activities (a+b) | -11,510,898 | -6,892,937 |
| Č. | CLOSING BALANCE OF CASH (x+y) | 7,112,748 | 12,646,180 |
| x) | Cash flow for the period (Ac+Bc+Cc) | -5,533,432 | -23,834,796 |
| y) | Opening balance of cash | 12,646,180 | 36,480,976 |

Statement of changes in equity for 2024

in EUR

| Item | Called-up capital | Share capital | Capital reserves | Reserves from profit | Legal reserves | Other reserves from profit | Fair value reserves | Net profit or loss from previous period | Net profit or loss for the financial year | Equity in total |
|---------------------------------------------------------------------------------------------------|-------------------|-------------------|------------------|----------------------|------------------|----------------------------|---------------------|-----------------------------------------|-------------------------------------------|--------------------|
| | I | I/1 | II | III | III/1 | III/5 | V | VI | VII | VIII |
| A.1. Balance as at 31.12.2023 | 98,733,790 | 98,733,790 | 8,151,515 | 113,448,856 | 1,933,169 | 111,515,687 | 57,645 | 13,619 | 8,996,506 | 229,401,931 |
| A.2. Balance as at 1.1.2024 | 98,733,790 | 98,733,790 | 8,151,515 | 113,448,856 | 1,933,169 | 111,515,687 | 57,645 | 9,010,125 | 0 | 229,401,930 |
| B.1. Changes in equity - transactions with owners | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -3,000,000 | 0 | -3,000,000 |
| g) Payment of the profit share | | | | | | | | -3,000,000 | | -3,000,000 |
| B.2. Total comprehensive income of the financial year | 0 | 0 | 0 | 0 | 0 | 0 | -31,623 | -3,237 | 2,725,946 | 2,691,086 |
| a) Entry of the yearly results | | | | | | | | | 2,725,946 | 2,725,946 |
| d) Other components of comprehensive income statement of the reporting period | | | | | | | -31,623 | -3,237 | | -34,860 |
| B.3. Changes in equity | 0 | 0 | 0 | 0 | 0 | 6,010,125 | 0 | -6,010,125 | 0 | 0 |
| a) Allocation of the part of net profit of comparable reporting period to other equity components | | | | | | 6,010,125 | | -6,010,125 | | 0 |
| d) Settlement of loss as deducted equity component | | | | | | | | | | |
| C. Balance as at 31.12.2024 | 98,733,790 | 98,733,790 | 8,151,515 | 119,458,981 | 1,933,169 | 117,525,812 | 26,022 | -3,237 | 2,725,946 | 229,093,017 |

Statement of changes in equity for 2023

in EUR

| Item | Called-up capital | Share capital | Capital reserves | Reserves from profit | Legal reserves | Other reserves from profit | Fair value reserves | Net profit or loss from previous period | Net profit or loss for the financial year | Equity in total |
|---------------------------------------------------------------------------------------------------|-------------------|-------------------|------------------|----------------------|------------------|----------------------------|---------------------|-----------------------------------------|-------------------------------------------|--------------------|
| | I | I/1 | II | III | III/1 | III/5 | V | VI | VII | VIII |
| A.1. Balance as at 31.12.2022 | 98,733,790 | 98,733,790 | 8,151,515 | 109,060,351 | 1,933,169 | 107,127,182 | 100,590 | 335 | 5,538,170 | 221,584,751 |
| A.2. Balance as at 1.1.2023 | 98,733,790 | 98,733,790 | 8,151,515 | 109,060,351 | 1,933,169 | 107,127,182 | 100,590 | 5,538,505 | 0 | 221,584,750 |
| B.1. Changes in equity - transactions with owners | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -1,150,000 | 0 | -1,150,000 |
| g) Payment of the profit share | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -1,150,000 | 0 | -1,150,000 |
| B.2. Total comprehensive income of the financial year | 0 | 0 | 0 | 0 | 0 | 0 | -42,945 | 13,619 | 8,996,506 | 8,967,180 |
| a) Entry of the yearly results | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,996,506 | 8,996,506 |
| d) Other components of comprehensive income statement of the reporting period | 0 | 0 | 0 | 0 | 0 | 0 | -42,945 | 13,619 | 0 | -29,326 |
| B.3. Changes in equity | 0 | 0 | 0 | 4,388,505 | 0 | 4,388,505 | 0 | -4,388,505 | 0 | 0 |
| a) Allocation of the part of net profit of comparable reporting period to other equity components | 0 | 0 | 0 | 4,388,505 | 0 | 4,388,505 | 0 | -4,388,505 | 0 | 0 |
| d) Settlement of loss as deducted equity component | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Balance as at 31.12.2023 | 98,733,790 | 98,733,790 | 8,151,515 | 113,448,856 | 1,933,169 | 111,515,687 | 57,645 | 13,619 | 8,996,506 | 229,401,931 |

Balance sheet profit as at 31. December 2024

| Item | in EUR | |
|----------------------------------------------|------------------|------------------|
| | 2024 | 2023 |
| a) Net profit or loss for the financial year | 2,725,946 | 8,996,506 |
| b) Net profit/loss brought forward | -3,237 | 13,619 |
| g) BALANCE SHEET PROFIT | 2,722,709 | 9,010,125 |

1. Summary of relevant accounting policies

Basis for drawing up financial statements

Financial statements are presented in euros. Rounding may result in minor differences during addition.

Financial statements in this report are drawn up on the basis of the Slovenian Accounting Standards (SAS) applicable as of 1. 01/ 2024 and issued by the Slovenian Institute of Auditors, and comply with the Companies Act.

The balance sheet is adjusted to indication as per SAS 20.4., and Income statement as per SAS 21.6. - Version I, cash flow statement as per SAS 22.9. - Version II, and statement of changes in equity as per SAS 23.2. Only items are indicated, the value of which is more than zero in the current and previous year.

Pursuant to Article 109 of the Gas Supply Act, the Company, as the transmission system operator, must disclose in notes to financial statements any deviation from the regulatory framework for the financial year reflected in the surplus or deficit in network charges.

Financial statements for the year ended on 31. December 2024 were confirmed by the Management at the 12th Management meeting of 11. 03. 2025.

Rate and the method of conversion to domestic currency

Assets and liabilities expressed in foreign currency are recalculated in domestic currency using ECB reference rate as at the last day of the accounting period.

Information on the controlling undertaking

As at 31 December 2024, the controlling undertaking is Plinhold d.o.o., which is the sole shareholder of Plinovodi d.o.o. Plinovodi d.o.o. is in the indirect State's majority ownership, namely 77.08 percent (the percentage indicated represents a direct share of the shareholder (the Republic of Slovenia) in Plinhold d.o.o.).

Financial statements of Plinovodi d.o.o. are included in the consolidated financial statements of Plinhold and published on the website www.ajpes.si. Consolidated financial statements of the Plinhold Group at the day of confirming the Plinovodi d.o.o. Annual Report have not been drawn up.

Important information on accounting policies

Intangible assets and long-term deferred costs and accrued revenues

The assets include intangible assets that are investments in other property rights (computer software, investment in network development planning, project and spatial documentation, studies and analyses that usually relate to several gas pipelines and the use of which is longer than a year, etc.). Intangible assets in obtaining are disclosed separately:

At the initial recognition, the intangible asset is evaluated at purchase/acquisition price and has the defined final useful life. The purchase/acquisition value also includes import duties

and non-refundable purchase taxes after deducting discounts, and all directly recognisable costs of preparing the assets for their designated use.

Rights related to immovable property and other rights are recognised and measured in accounting records as intangible assets, while in the balance sheet they are disclosed as Land and Buildings items.

Intangible assets in obtaining are impaired in part of investments in network planning on projects where the activities for completion are temporary at the standstill and it is highly unlikely that they will continue. The adjustment is calculated to the debit of operating expenses from revaluation.

The Company separately discloses also long-term deferred costs and accrued revenues. Long-term deferred costs and accrued revenues include long-term deferred initial costs for obtaining a long-term loan and initial costs of obtaining guarantees.

Tangible fixed assets

Tangible fixed assets of the Company are land, easement and building rights, gas pipelines, buildings and other facilities, equipment, items of artistic value, replacement parts of high value and property, plant and equipment under construction or in production.

Tangible fixed assets also comprise all types of small tools with the useful life longer than a year and the individual value of which exceeds EUR 500 according to the supplier's invoice. Regardless of the limit set, it applies that equal assets (assets of the same type or similar purpose) are treated equally.

After the initial recognition, the tangible fixed asset is evaluated according to the purchase/acquisition value. It consists of its purchase price and all costs that may be ascribed directly to its acquisition and qualification for the intended use.

The tangible fixed asset obtained free-of-charge is disclosed at purchase/acquisition value of the assets of same type, and if this is not known, the fair value is used.

The difference between the net sales value and carrying amount of the disposed tangible fixed asset is carried over to operating revenue from revaluation, if the first is higher than the second, or in operating expenses from revaluation, if the second is higher than the first.

Costs incurred subsequently related to property, plant and equipment

Costs incurred subsequently related to tangible fixed asset may be disclosed as:

- Maintenance costs; or
- Increase in purchase/acquisition value of the asset, if conditions from SAS 1.6 are met.

Criteria used by the Company to define the costs incurred later in relation to the tangible fixed assets:

- As maintenance costs, the costs are disclosed which are needed for maintaining fixed assets in the useful life (value of works performed only to re-establish the existing situation or replace already existing parts);

- As increase in purchase/acquisition value of the tangible fixed asset, the costs are disclosed which increase future benefits of the assets compared to those assessed upon the purchase: easier management of the asset (electronic management, etc.) and thus reducing the costs of management and control; in the case of investments in buildings, those investment are disclosed as increase in purchase/acquisition value, which are used to be built on (completed, produced etc.), which has not been possible before the start of works and increase the utility value of the building or gas pipeline.

Depreciation

Net carrying amount of the tangible fixed asset and intangible asset are reduced through depreciation. The tangible fixed asset and intangible asset begin to be depreciated on the first day of the next month after the fixed asset is available for use.

Intangible and tangible assets are depreciated in the useful life according to the method of straight line depreciation. Depreciation is calculated separately.

Depreciation rate of intangible assets ranges from 2.5 percent to 33 percent for typing of buildings or to 50 percent for specific software and licences. For investing in network development planning, the depreciation rate is associated with the duration of concession relationship for pursuing the public service of natural gas transmission system operator, i.e. 35 years.

Main depreciation rates of the tangible assets are as follows: from 2 percent to 5 percent for buildings, 2.86 percent for gas pipelines, 6.67 percent for metering devices; 10 percent for furniture; 20 percent for passenger vehicles and 33 percent or 50 percent for computers and computer equipment, respectively.

Depreciation rates remained unchanged in 2024.

Financial investments

In the Balance Sheet, financial investments are disclosed as long-term and short-term financial investments. Long-term financial investments are investments that the Company possesses in the period longer than one year and are not possessed for trading.

Shares together with the controlled company, placements of financial assets in deposits with banks, and other financial investments are disclosed under financial investments. Deposits over 31 days, but not longer than 1 year, are deemed short-term financial investments.

Capital investment in joint venture is evaluated at purchase/acquisition value in financial statements, reduced by any loss due to impairment. Remitted share in profit increases financial revenue. If there exist objective evidence that the respective asset is impaired in long term, the impairment is recognised in the income statement as financial expenditure.

Financial investment in capital, equity securities of other companies or debt securities of other companies or the state are evaluated at purchase/acquisition value upon the initial recognition, which equals the account of cash paid.

Financial investments relating to loans granted are evaluated at the measured amortised costs, whereby they are indicated as the principal of loans after the paid amount upon the initial recognition.

Inventories

Inventories of material, replacement parts and small tools, inventories of gas for system differences, inventories of gas for own use, inventories of gas in the transmission system for balancing and stocks of gas in the transmission system intended for managing the differences between the measured energy and energy intended for transmission by systems users at different sides of the cross-border point of the transmission system (OBA), if it is carried out in cash, are disclosed as inventories.

Gas in the transmission system for balancing is gas intended for balancing daily deviations between the takeover and delivery of natural gas, balancing the system and gas for losses and does not include gas for basic filling.

The stock unit of quantity is valued at purchase price comprising purchase price, import duties and direct costs of purchase. The purchase price is reduced by approved discounts.

In evaluating the utilisation of inventories, the Company uses the method of weighted average prices.

Receivables

The Company discloses regular operating receivables, receivables related to revenues from financing and deferred tax assets. According to their maturity, it divides them into long-term and short-term receivables.

Upon initial recognition, the receivables are disclosed with amounts that stem from the relevant accounting documents on the assumption they will be paid.

All receivables under the litigation proceedings, trade receivables for which compulsory settlement proceedings or bankruptcy proceedings is brought forward, and trade receivables in poor financial state and for which it is reasonably foreseen that they will not be settled in full or establish the inability to pay confirmed by the Management of the Company are transferred to doubtful and disputed receivables. At the same time, the adjustments of the value of receivables to the debit of operating expenses from revaluation are made in the same amounts.

Trade receivable value adjustments are made for individual receivables after the assessment of recoverability of individual receivables.

Cash and cash equivalents

Cash in hand, cash in bank, short-term deposits or deposits redeemable and cash on special accounts for special purposes are disclosed as cash.

Upon initial recognition, cash is disclosed in the amount stemming from the respective document.

Revaluation of cash expressed in a foreign currency is carried out on the day of Balance Sheet. The reference ECB rate on the last day of the period is used for conversion. Conversion of cash is disclosed as financial revenue or expense.

Short-term deferred costs and accrued revenues

Short-term deferred costs and accrued revenues comprise short-term deferred costs (expenses), accrued revenues and VAT from the advances received. Prepaid insurance premiums, subscriptions, membership fees and other accrued and deferred items are disclosed under deferred costs and accrued revenues.

Accrued costs, accrued expenses and deferred revenues comprise part of deferred revenues from disproportionate costs of connections and obtained grants that will be carried over to the revenues in the period of one year from the balance sheet date, accrued salaries from the operation performance of the current year and accrued compensation of employee salaries from the untaken leave and VAT from advances provided.

Equity

The total equity of the Company consists of called-up capital, capital reserves, reserves from profit, fair value reserves (related to disclosing actuarial profits/losses from actuarial calculations of provisions for retirement allowances rendered), retained net profit or loss and net profit or loss for the financial year.

Payment of the profit share is disclosed in financial statements in the period when the decision of the shareholder on the payment has been adopted.

Long-term provisions and long-term accrued costs and deferred revenues

Provisions for accrued costs for severance payment and anniversary bonuses, provisions for easements to the public benefit within the procedure to restrict the on right property (enforced easements), and provision for any other purposes in accordance with SAS provisions are disclosed under long-term provisions.

Provisions are formed in the amount of estimated future payments for severance payment and anniversary bonuses, at the expense of long-term accrued costs or expenses, discounted at the day of Balance Sheet. The method of book reserve method based on actuarial calculation or assessment is used.

Deferred revenues from covering disproportionate costs of connections by users and grants obtained are disclosed under long-term accrued costs and deferred revenues. They are intended to cover depreciation costs of these assets and used by transferring to revenues at the prevailing depreciation rate of the tangible fixed assets and intangible assets of energy infrastructure.

Debts

The Company discloses operating and financial debts. According to their maturity, it divides them into long-term and short-term debts.

Debts are initially disclosed in actual amounts arising from respective accounting documents. The interest rate is applied in accordance with conditions agreed in contracts with creditors.

Long-term debts relate to long-term loans received from banks and other legal persons. After the initial recognition, they are measured according to the amortised cost using the applicable interest rate method. The interest is demonstrated in the amount calculated in the same accounting period. Accrued interest from financial debts are finance expenses from financial liabilities, or in terms of financial debts they are financial expenses from financial liabilities.

Under short-term debts are disclosed liabilities to suppliers, received advances and sureties, liabilities from operating on behalf of others, liabilities to employees, liabilities to state and other authorities, other short-term operating liabilities, short-term financial liabilities and that part of long-term liabilities that is due for payment no later than a year from the balance sheet date are disclosed under short-term debts.

Short-term debts are written off to the revenue of the Company after the expiry of limitation period, if the creditor waives them.

Recognition of revenues

The revenues are recognised if the increase of economic benefits in the period is related to the increase of the asset or the reduction of the debt, and this increase/reduction can be reliably measured.

The revenues are recognised when they are legitimately expected that they will lead to earning, if these were not realised at the time of occurrence.

The Company recognises the sales from revenue when it meets (or is meeting) contractual obligation. The contractual obligation is a performance obligation of the Company to deliver or perform contractual agreed goods or services. Performance obligation is fulfilled (or being fulfilled) by the Company through a transfer of contractually agreed goods or services to the customer.

The Company breaks down the income to operating, finance and other income.

Operating income includes sales revenues and other operating income associated with business effects. Sales revenues are those resulting from the agreements with buyers on sale of goods and services. Operating income includes revenue from the charged use of the transmission system from domestic and foreign users, gas sales income for balancing daily deviations in volume and balancing of the transmission system, revenue accruing from system differences, revenue accruing from annual registration at the virtual point, revenue accruing from transactions at the virtual point, revenue accruing from connection charges, sales revenue of material and electricity and revenue accruing from selling other services associated with the performance of the activity.

Revenue accruing from services rendered, except for the services rendered that lead to finance income, are measures at selling prices of completed services reduced by any approved discounts.

Revenue accruing from grants received and contractual penalties and operating income from revaluation are disclosed under other operating revenue associated with business effects.

Under the operating revenue from revaluation, the Company discloses revenues accruing from disposal of tangible fixed assets and intangible long-term assets and elimination of the impairment of assets and receivables.

Financial revenues are revenues from financial investments, revenues from operating receivables, revenues from the reversal of impairment of investments and other financial revenues.

Financial revenues are recognised if there is no doubt concerning their size and payability.

Financial revenues from revaluation occur in the following cases: upon the increase of fair value of financial assets measured at fair value through the profit and loss, upon the disposal of financial investments when their selling prices exceeds the carrying amount or in the case of financial investments available for sale measured at fair value, from the excess of their sales value over the carrying amount adjusted for the reserve due to evaluation at fair value arising from the respective assets, upon the elimination of impairments of financial investments, if the said elimination is allowed.

Other revenues comprise extraordinary items and other revenues that reduce profit and loss in the respective period.

Recognition of expenses

The expenses are recognised if the reduction of economic benefits in the period is related to the reduction of the asset or the increase of the debt, and this reduction or increase can be reliably measured. They have impact on the capital size through profit and loss.

The Company breaks down the expenses to operating, finance and other expenses.

Operating expenses are divided into purchase/acquisition value to the gas sold, operating expenses from revaluation and other operating expenses.

Operating expenses from revaluation occur in relation to tangible fixed assets, intangible long-term assets and current assets due to their revaluation to a lower value.

Finance expenses are expenses from financing and expenses from investments.

Default interest for late payments to suppliers, recognised financial discounts of deliveries and other finance expenses related to liabilities to suppliers are disclosed under finance expenses. Interest-rate costs from loans received, other expenses related to financial investments and debts, and finance expenses from revaluation that represent an impairment of financial investments, sale or any other disposal or elimination of the recognition of financial investments or selling accounts receivable are disclosed under investment expenses. They are a negative difference between the sales value and the carrying amount.

Finance expenses are recognised after the calculation, regardless of the payment related to them.

Other expenses comprise items and other expenses that reduce profit and loss in the respective period.

Tax liabilities

The Company charges and remits value added tax, corporate income tax and duties linked to natural gas (contribution for ECO Fund).

The Company charges and pays all taxes and other duties in accordance with the applicable legislation.

Deferred taxes

Balance of receivables or liabilities between deferred tax assets and deferred tax liabilities from corporate income tax is disclosed under long-term assets or long-term debts.

Only those liabilities are recognised under deferred tax assets or liabilities that arise from temporary differences. They are recognised only where there is a possibility that taxable profit will be available in the future, against which differed tax assets can be settled.

Deferred tax liabilities or assets are measured on the basis of tax rates, which are expected to be used when asset will be realised on liability paid.

Deferred tax is recognised as directly debited or credited equity, if it refers to items recognised as directly debited or credited equity.

Cash flow statement

The cash flow statement was drawn up using the indirect method by taking into account the data from the income statement for the January - December 2024 period, data from the balance sheet as of 31. December 2024 and 31. December 2023 or 1. January 2024, and other relevant data.

2. Breakdowns and explanations

2.1 Balance Sheet

2.1.1 Intangible assets and long-term deferred costs and accrued revenues

Table of movements of intangible assets and long-term deferred expenses and accrued revenues

in EUR

| Item | Long-term property rights | Other intangible assets | Deferred costs and accrued revenues (DCAR) | Intangible assets in obtaining | Total |
|-------------------------------------|---------------------------|-------------------------|--------------------------------------------|--------------------------------|------------|
| Cost of purchase/acquisition | | | | | |
| Balance as at 31. 12. 2023 | 9,410,269 | 11,114,245 | 72,777 | 6,294,904 | 26,892,196 |
| Acquisitions | 0 | 0 | 69,162 | 852,898 | 922,060 |
| Transfer to use | 783,225 | 44,632 | 0 | -827,857 | 0 |
| Transfer to short-term DCAR | 0 | 0 | -80,270 | 0 | -80,270 |
| Write-offs | 0 | -75,200 | 0 | 0 | -75,200 |
| Balance as at 31. 12. 2024 | 10,193,494 | 11,083,677 | 61,669 | 6,319,945 | 27,658,786 |
| Value adjustment | | | | | |
| Balance as at 31. 12. 2023 | 8,439,312 | 4,782,074 | 0 | 4,236,366 | 17,457,753 |
| Write-offs | 0 | -75,200 | 0 | 0 | -75,200 |
| Depreciation | 558,724 | 473,917 | 0 | 0 | 1,032,641 |
| Balance as at 31. 12. 2024 | 8,998,036 | 5,180,791 | 0 | 4,236,366 | 18,415,194 |
| Net carrying amount | | | | | |
| Balance as at 31. 12. 2023 | 970,957 | 6,332,171 | 72,777 | 2,058,538 | 9,434,443 |
| Balance as at 31. 12. 2024 | 1,195,458 | 5,902,886 | 61,669 | 2,083,579 | 9,243,592 |

Computer programs and licences, rights-of-use of transport capacity and other projects are disclosed under long-term property rights.

Major investments in computer equipment or licences in 2024 are investments in Microsoft Dynamics 365 BC system, Enterprise asset management (EAM) system, Business intelligence & data warehousing (BIDW), EPUS platform, upgrade of the document management system, and safety management of information system in the total amount of EUR 587,340.

Deferred initial costs for the NLB loan in the total amount of EUR 61,669 are disclosed under long-term deferred expenses.

Intangible assets in obtaining are disclosed in the amount of EUR 2,083,579 and mainly refer to investments in the network development planning.

As at 31. December 2024, the Company has financial liabilities of EUR 1,287,369 to obtain intangible assets from contractual obligations concluded.

2.1.2 Tangible fixed assets

Table of movement of tangible fixed assets

in EUR

| Item | Land | Building and easement rights | Buildings | Gas pipelines | Equipment | Replacement parts | Tangible fixed assets in obtaining | Advances for fixed assets | Total |
|-------------------------------------|-----------|------------------------------------|------------|---------------|-------------|----------------------|------------------------------------------|---------------------------------|-------------|
| Cost of purchase/acquisition | | | | | | | | | |
| Balance as at 31. 12. 2023 | 7,621,219 | 26,846,289 | 57,527,631 | 555,821,149 | 143,940,471 | 700,519 | 28,108,619 | 0 | 820,565,897 |
| Acquisition | 0 | 0 | 0 | 0 | 0 | 0 | 11,216,055 | 652 | 11,216,707 |
| Transfer to use | 201,310 | 12,913 | 1,149,994 | 4,129,931 | 14,767,207 | 0 | -20,261,355 | 0 | 0 |
| Transfer to tangible fixed assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Write-offs | 0 | -1,438 | -38,721 | -59,296 | -1,000,235 | 0 | 0 | 0 | -1,099,690 |
| Balance as at 31. 12. 2024 | 7,822,529 | 26,857,764 | 58,638,904 | 559,891,784 | 157,707,443 | 700,519 | 19,063,319 | 652 | 830,682,914 |
| Value adjustment | | | | | | | | | |
| Balance as at 31. 12. 2023 | 0 | 10,449,683 | 30,333,160 | 382,409,709 | 109,485,393 | 340,354 | 223,609 | 0 | 533,241,908 |
| Write-offs | 0 | -779 | -27,215 | -42,972 | -989,292 | 0 | 0 | 0 | -1,053,775 |
| Depreciation | 0 | 726,808 | 1,361,625 | 7,892,568 | 6,410,273 | 19,337 | 0 | 0 | 16,410,611 |
| Balance as at 31. 12. 2024 | 0 | 11,175,712 | 31,667,570 | 390,259,305 | 114,912,857 | 359,691 | 223,609 | 0 | 548,598,744 |
| Net carrying amount | | | | | | | | | |
| Balance as at 31. 12. 2023 | 7,621,219 | 16,396,606 | 27,194,471 | 173,411,440 | 34,455,078 | 360,165 | 27,885,010 | 0 | 287,323,989 |
| Balance as at 31. 12. 2024 | 7,822,529 | 15,682,052 | 26,971,334 | 169,632,479 | 42,794,586 | 340,828 | 18,839,710 | 652 | 282,084,170 |

In 2024, land plots were purchased for BMCS Vrtojba, MRS Dekani, MRS Koto, MS Intes, MRS Velika Polana, MRS Slovin, MRS Bela and the R25A/1 Trbovlje-Hrastnik pipeline projects.

Major capitalisations of gas pipelines and buildings by individual investments: external arrangement of Plinovodi complex, reviews and strengthening to provide safe and reliable operation, which includes inspection of individual parts of the transmission system and elimination of identified inadequacies, expansion of the Ajdovščina compressor unit and data transmission network in a total amount of EUR 3,982,126.

Major capitalisations of equipment: the Ajdovščina compressor unit, replacements and upgrades of machinery, electric and IT equipment at metering and control stations, purchase of eight vehicles and a forklift truck, and purchase of computer equipment in the total amount of EUR 12,121,330.

The following fixed assets in obtaining are disclosed the most:

- Costs of the M6 Ajdovščina - Lucija project, which represents costs of gasification of the Obalno-kraška region in a total amount of EUR 13,001,561;
- Costs of the group of project of Ljubljana energy loop: R51a Jarše - Sneberje, R51b TE-TOL - Fužine/Vevče and R51c Kozarje - Vevče in the total amount of EUR 2,278,629;
- Costs of the project of Slovenia-Hungary R15/1 Pince - Lendava - Kidričevo connecting pipeline in a total amount of EUR 1,494,815;
- Costs of the project of the first stage of the Zanka project to Zreče to provide reliable supply to industrial users and distribution system in the municipalities Zreče and Slovenska Bistrica amounting to EUR 639,498;
- Costs of the MRS Sava and pipeline project in a total amount of EUR 541,987;
- Costs of the project of the parallel pipeline R25A/1 Trojane - Hrastnik, which is currently divided to two stages: Stage one R25A/1 Trojane - Trbovlje, and Stage two Trojane - Hrastnik The costs of stage two are disclosed in a total amount of EUR 455,528.

None of the tangible fixed assets was not pledged as security for liabilities.

As at 31. December 2024, the Company has financial liabilities of EUR 29,556,927 to obtain tangible fixed assets from contractual obligations concluded.

2.1.3 Long-term financial investments

Long-term financial investments, excluding loans

| | in EUR | |
|------------------------------------------------------------------|---------------|---------------|
| Item | 31. 12. 2024 | 31. 12. 2023 |
| Investment in joint venture Južni tok Slovenija | 28,681 | 28,681 |
| Investment in PRISMA European Capacity Platform GmbH | 14,268 | 14,268 |
| Long-term financial investments, excluding loans in total | 42,949 | 42,949 |

In accordance with SAS 3, the Company conducted the verification of investment impairment indicators and established that they do not exist in the investment in joint venture Južni tok Slovenija and in PRISMA European Platform GmbH as at 31. December 2024.

| Company | Capital Share of the Company | Activity of the Company | Amount of the Company capital as at 31 December 2024 in EUR | Profit and loss of 2024 in EUR |
|------------------------------------------------------------------------------------------|------------------------------|------------------------------------|-------------------------------------------------------------|--------------------------------|
| Južni tok Slovenija d.o.o. Cesta Ljubljanske brigade 11b, 1000 Ljubljana, Slovenia | 50% | Transport via pipeline H 49 500 | 1,123,203 | -1,490 |

In 2012, together with Gazprom from the Russian Federation, the Company established a jointly controlled entity Južni tok Slovenija d.o.o. in accordance with the intergovernmental agreement, where each company has a 50 percent share. The established company was entered in the Commercial register with the Decision Srg 2012/34248 of 5 September 2012. The company is dormant since 2015 and fulfilled only statutory activities with minimum operating costs in 2024. Južni tok Slovenija d.o.o. has no impact on the Company operation. By the time of adopting the Annual Report, the Company has not received any official position on changing the project status from Gazprom.

| Company | Capital Share of the Company | Activity of the Company |
|--------------------------------------------------------------------------------------|------------------------------|--------------------------------------------------------------------------|
| PRISMA European Capacity Platform GmbH Schillerstraße 4 04109 Leipzig, Germany | 5.45% | J 62 090 Other information technology and computer service activities |

PRISMA European Capacity Platform GmbH was established on 1. January 2013 by European gas transmission system operators with the aim of establishing an on-line booking platform to allocate transmission capacity through auctions. The Company entered the PRISMA European Capacity Platform GmbH with its capital in 2015.

2.1.4 Deferred tax assets

in EUR

| Item | |
|-------------------------------------------------|---------|
| Deferred tax assets in total as at 31. 12. 2023 | 128,025 |
| Changes in deferred tax assets | -6,971 |
| Deferred tax assets in total as at 31. 12. 2024 | 121,054 |

in EUR

| Breakdown | 31. 12. 2023 | Inrease | Decrease | 31. 12. 2024 |
|--------------------------------------|----------------|--------------|--------------|----------------|
| Operating receivables | 65,335 | 20 | 550 | 64,805 |
| Provisions for jubilee benefits | 16,478 | 0 | 3,122 | 13,356 |
| Provisions for retirement allowances | 39,559 | 0 | 5,247 | 34,312 |
| Tangible fixed assets | 6,653 | 2,817 | 889 | 8,581 |
| Total | 128,025 | 2,837 | 9,808 | 121,054 |

Deferred tax assets are disclosed under long-term assets, namely income tax for non-deductible expenses and accrued income of the accounting year in the amount of EUR

121,054. The tax rate applied to calculate deferred taxes is 19 percent, because the Company estimates that there will be no major absorption of funds in the next five years.

The Company records deferred tax assets calculated on the basis of temporary differences in the amount, for which it assesses that they will be eliminated in the near future while taking into account foreseeable future tax bases.

2.1.5 Inventories

Registered gas inventories as a trade commodity in the gas pipeline system are owned by the Company. The movement of gas quantities in the transmission system depends mainly on daily needs for balancing the system and quantity variations of individual system users.

The material -, gas represents gas inventories, to cover system differences and gas inventories for own use.

| in EUR | | |
|--------------------------------------|------------------|------------------|
| Item | 31. 12. 2024 | 31. 12. 2023 |
| Material - gas | 405,918 | 821,509 |
| Other material and replacement parts | 1,371,275 | 1,285,558 |
| Small tools | 56,295 | 35,532 |
| Merchandise - gas | 542,917 | 479,614 |
| Inventories in total | 2,376,405 | 2,622,213 |

The lower value of inventories results from the low gas price. The inventories in no part represents security for liabilities. At the balance cut-off date, the Company verified the value of inventories and established that the carrying amount of inventories did not exceed the net realisable value, and for this reason it did not impair inventories in this regard in 2024.

The annual inventory of gas, other material, replacement parts and small tools did not establish any inventory differences.

No inventories is pledged as security for liabilities.

2.1.6 Short-term financial investments

| in EUR | | |
|--------------------------------------------------|------------------|------------------|
| Item | 31. 12. 2024 | 31. 12. 2023 |
| Short-term bank deposits | 3,500,000 | 5,000,000 |
| Short-term financial investments in total | 3,500,000 | 5,000,000 |

In short-term financial investments, short-term deposits redeemable at notice over 31 days and up to 12 months in the national currency with Slovenian banks are disclosed in the total carrying amount of EUR 3,500,000 not exceeding their fair value.

2.1.7 Short-term operating receivables

in EUR

| Item | 31. 12. 2024 | 31. 12. 2023 |
|-----------------------------------------------------|-------------------|------------------|
| Short-term trade receivables | 9,218,967 | 8,452,569 |
| Short-term trade receivables domestic | 8,982,403 | 7,790,222 |
| - receivables from the joint venture | 122 | 122 |
| - receivables from network charges | 8,904,890 | 7,673,431 |
| - receivables from services performed | 77,391 | 116,669 |
| - doubtful and disputed receivables | 346,704 | 343,975 |
| - trade receivables allowance | -346,704 | -343,975 |
| Short-term trade receivables foreign | 236,564 | 662,347 |
| Short-term operating receivables from others | 1,930,168 | 1,000,994 |
| Advances provided short-term | 9,839 | 9,760 |
| Sureties provided short-term | 882,041 | 905,468 |
| Short-term receivables from interest | 54,293 | 34,120 |
| Receivables from input VAT | 11,782 | 31,599 |
| Tax on income receivables | 966,556 | 0 |
| Receivables other taxes/social institutions | 4,354 | 19,218 |
| Other short-term receivables | 1,303 | 829 |
| Short-term operating receivables in total | 11,149,135 | 9,453,563 |

in EUR

| Item | 31/12/2023 | Increase | Payments received | Elimination | 31/12/2024 |
|---------------------------------------|-----------------|---------------|-------------------|--------------|-----------------|
| Adjustment of receivables | -343,975 | -5,624 | 496 | 2,399 | -346,704 |
| Net receivables from customers | -343,975 | -5,624 | 496 | 2,399 | -346,704 |

Trade receivables from booking auction capacities at cross-border points are covered by financial guarantees, namely with funds deposited on a special account (Note 2.1.8 and Note 2.1.14) or guarantees (Note 2.1.16) in the prescribed amount.

Receivables from short-term sureties granted comprise sureties for enforced easements on the routes of transmission system.

As at 31. December 2024, the Company does not disclose claims towards members of the Management, members of the Supervisory Board and owners.

Short-term trade receivables due as at 31. December 2024

in EUR

| Item | Not past due | Past due up to 30 days | Past due from 30 to 90 days | Past due over 90 days | Total |
|------------------------------|------------------|------------------------|-----------------------------|-----------------------|------------------|
| Gross trade receivables | 8,242,036 | 975,700 | 30 | 347,905 | 9,565,671 |
| Trade receivables allowance | 0 | 0 | 0 | 346,704 | 346,704 |
| Net trade receivables | 8,242,036 | 975,700 | 30 | 1,201 | 9,218,967 |

2.1.8 Cash and cash equivalents

| in EUR | | |
|--------------------------------------------------------------------------|------------------|-------------------|
| Item | 31. 12. 2024 | 31. 12. 2023 |
| Cash in hand | 168 | 18 |
| Cash in bank | 330,438 | 3,978,872 |
| Deposits redeemable at notice of 31 days | 3,250,000 | 0 |
| Credit balance on the special account for special purposes (Note 2.1.14) | 3,532,142 | 8,667,290 |
| Cash and cash equivalents in total | 7,112,748 | 12,646,180 |

Net credit on a special account is net credit from sureties for auction capacities and balancing agreements.

In cash and cash equivalents, also deposits redeemable at notice of 31 days in the national currency with Slovenian banks are disclosed.

2.1.9 Deferred costs and accrued revenues

| in EUR | | |
|-----------------------------------------------------|---------------|----------------|
| Item | 31. 12. 2024 | 31. 12. 2023 |
| Prepaid expenditure | 50,880 | 65,311 |
| VAT from advances received | 825 | 2,750 |
| Other long-term deferred costs and accrued revenues | 25,247 | 36,241 |
| Deferred costs and accrued revenues in total | 76,952 | 104,302 |

| in EUR | | | | |
|-----------------------------------------------------|-------------------------|----------------|----------------|-------------------------|
| Item | Balance 31. 12. 2023 | Adition | Expense | Balance 31. 12. 2024 |
| Prepaid expenditure | 65,311 | 835,439 | 849,870 | 50,880 |
| VAT from advances received | 2,750 | 10,477 | 12,402 | 825 |
| Other long-term deferred costs and accrued revenues | 36,241 | 83,270 | 94,264 | 25,247 |
| Total | 104,302 | 929,186 | 956,536 | 76,952 |

2.1.10 Equity

The Company's share capital is EUR 98,733,790.

Of the balance sheet profit of EUR 9,010,125 in 2023, EUR 3,000,000 were used in profit share in accordance with the decision of the Supervisory Board, while EUR 6,010,125 were allocated in other reserves from profit.

The Management proposes to the Supervisory Board to allocate the balance sheet profit of 2024 in the amount of EUR 2,722,709 to other reserves from profit.

As at 31. December 2024, the Company discloses capital reserves in the amount of EUR 8,151,515, legal reserves in the amount of EUR 1,933,169 and other reserves from profit in the amount of EUR 117,525,812. Capital reserves are share premium accounts. They were generated on 1. January 2005 by means of cash payment of the sole shareholder at that time - the parent company - upon transferring system operator activity from the parent company to the subsidiary.

Fair value reserves in the amount of EUR 26,022 are actuarial surplus or changes of the current value of liabilities to employees from severance payment due to changes in the actuarial assumptions and on the basis of experience adjustments.

2.1.11 Provisions and long-term accrued costs and deferred revenues

in EUR

| Item | Balance as at 31. 12. 2023 | Addition | Expense | Elimination | Transfer to short- term ACDR | Balance as at 31. 12. 2024 |
|------------------------------------------------------------------|-------------------------------|----------------|---------------|----------------|---------------------------------|-------------------------------|
| Provisions for severance payments and anniversary bonuses | 736,552 | 126,668 | 62,884 | 25,209 | 0 | 775,127 |
| - anniversary bonuses | 236,232 | 40,851 | 25,399 | 7,467 | 0 | 244,217 |
| - severance payment | 500,320 | 85,817 | 37,485 | 17,742 | 0 | 530,910 |
| Other provisions | 921,680 | 216,897 | 0 | 168,414 | 0 | 970,163 |
| - enforced easements | 921,680 | 216,897 | 0 | 168,414 | 0 | 970,163 |
| Government grants received | 23,851,063 | 0 | 0 | 0 | 1,264,499 | 22,586,564 |
| - grants | 23,851,063 | 0 | 0 | 0 | 1,264,499 | 22,586,564 |
| Other long-term accrued costs and deferred revenues | 1,806,581 | 3,110 | 0 | 276 | 128,110 | 1,681,305 |
| - connection charges paid | 1,738,607 | 0 | 0 | 0 | 116,118 | 1,622,489 |
| - GSM devices paid | 1,363 | 3,110 | 0 | 276 | 3,397 | 800 |
| - grants | 66,611 | 0 | 0 | 0 | 8,595 | 58,016 |
| Total | 27,315,876 | 346,675 | 62,884 | 193,899 | 1,392,609 | 26,013,159 |

The grants received are mainly European Commission grants within the EEPR, TEN-E and CEF-E programmes.

Provisions for enforced easements are formed in amounts according to appraising records in the amount of EUR 970,163.

Long-term accrued and deferred items from connection charges are formed in the amount of partial payment of costs for connection construction to the network by end users.

Provisions for severance payment and anniversary bonuses were formed on the basis of actuarial calculation. A discount rate of 3.52 percent and long-term salary growth of 1 percent were used in calculation, while employee fluctuation rate was taken into account according to age intervals and ranges from 0 percent to 3 percent.

in EUR

| Item | Assumption | Deviation | Provisions in total | Severance payment | Anniversary bonuses |
|---------------------------------------|-------------------------|---------------|------------------------|----------------------|---------------------|
| Statement of liabilities (DBO) | Central scenario | 0,00 % | 775,1270 | 531,910 | 244,217 |
| Statement of liabilities (DBO) | Discount interest rate | -0,50 % | 808,673 | 555,205 | 253,468 |
| Statement of liabilities (DBO) | Discount interest rate | 0,50 % | 744,036 | 508,485 | 235,551 |
| Statement of liabilities (DBO) | Salary growth | -0,50 % | 743,336 | 507,901 | 235,435 |
| Statement of liabilities (DBO) | Salary growth | 0,50 % | 809,143 | 555,636 | 253,507 |
| Duration (DBO) | | | 8.6 | 9.1 | 7.6 |

2.1.12 Long-term financial debts

in EUR

| Item | 31. 12. 2024 | 31. 12. 2023 |
|-----------------------------------------------------|-------------------|-------------------|
| Long-term financial liabilities to banks | 41,497,222 | 46,108,025 |
| Long-term loans granted, received with banks abroad | 0 | 49,577,161 |
| Long-term loans received from banks in the country | 46,108,024 | 0 |
| Transfer to short-term part | -4,610,802 | -3,469,136 |
| Long-term financial liabilities in total | 41,497,222 | 46,108,025 |

At the end of 2024, the Company refinanced its long-term loan received from EIB with a long-term loan granted by NLB.

in EUR

| Maturity of loans granted as at 31. 12. 2024 | |
|----------------------------------------------|-------------------|
| - due to 1 year | 4,610,802 |
| - due from 1 year to 2 years | 4,610,802 |
| - due from 2 years to 5 years | 13,832,407 |
| - due over 5 years | 23,054,013 |
| Total | 46,108,024 |

| Lender | Insurance | Repayment deadline |
|--------|------------------|--------------------|
| NLB | bill of exchange | 2034 |

The interest rate for the loan received is fixed, i.e. 2.81 percent per year.

2.1.13 Short-term financial debts

in EUR

| Item | 31. 12. 2024 | 31. 12. 2023 |
|--------------------------------------------------------------|------------------|------------------|
| Short-term part of long-term loans granted with banks abroad | 4,610,802 | 3,469,136 |
| Short-term financial liabilities in total | 4,610,802 | 3,469,136 |

As at 31. December 2024, the Company does not disclose liabilities towards members of the Management, members of the Supervisory Board and owners.

2.1.14 Short-term operating debts

in EUR

| Item | 31. 12. 2024 | 31. 12. 2023 |
|----------------------------------------------------------------------|-------------------|-------------------|
| Short-term operating liabilities to suppliers | 7,021,749 | 8,022,547 |
| Short-term operating liabilities to domestic suppliers | 5,621,246 | 7,203,620 |
| Short-term operating liabilities to suppliers abroad | 1,400,167 | 798,072 |
| Short-term operating liabilities to suppliers for goods not invoiced | 336 | 20,855 |
| Short-term operating liabilities from advance payables | 5,393 | 35,250 |
| Other short-term operating liabilities | 5,129,086 | 10,241,834 |
| Sureties received short-term | 2,858,217 | 7,992,842 |
| Other short-term liabilities from operating on behalf of others | 296,008 | 414,682 |
| Short-term liabilities to employees | 1,015,837 | 764,405 |
| Short-term liabilities for VAT charged | 900,848 | 573,388 |
| Short-term liabilities for corporate income tax | 0 | 305,707 |
| Other liabilities to state and other institutions | 3,467 | 7,261 |
| Other short-term operating liabilities | 54,709 | 183,549 |
| Short-term operating liabilities in total | 12,156,228 | 18,299,631 |

Short-term operating liabilities to suppliers are liabilities to suppliers for fixed assets, working capital and for off-setting and balancing. Their balance at the end of 2024 was lower than at the end of 2023, in particular due to reduction in liabilities to suppliers for operating capital that depend on the supplied material and services rendered, and liabilities to suppliers for off-setting and balancing that are completely dependent on gas prices formed on the market.

Short-term received sureties are deposits from booking auction capacities and balancing agreements (Note 2.1.8). That were on 31. December 2024 lower compared to the balance of the previous year, mainly due to a reduced volume of booking in terms of transit.

Short-term liabilities to employees are liabilities for gross salaries written for the month of December 2024 that were paid in January 2025, and liabilities for bonuses of previous years with the deferred maturity according to the decisions of the Supervisory Board.

Other short-term operating liabilities are mainly liabilities from interest from the long-term credit.

2.1.15 Short-term accrued costs and deferred revenues

| | | | in EUR |
|-------------------------------------------------------------------------|------------------|------------------|--------|
| Item | 31. 12. 2024 | 31. 12. 2023 | |
| Accrued costs of services | 15,573 | 10,642 | |
| Accrued labour costs arising from untaken leave | 241,386 | 281,399 | |
| Accrued labour costs arising from the performance in the current year | 580,000 | 377,500 | |
| Deferred revenues from grants, salaries Network charges and GSM devices | 1,391,826 | 1,402,014 | |
| Deferred revenues from virtual point services | 106,031 | 87,750 | |
| VAT refund | 0 | 0 | |
| VAT on received advances | 1,760 | 1,760 | |
| Accrued costs and deferred revenues in total | 2,336,576 | 2,161,065 | |

| | | | | | | in EUR |
|-------------------------------------------------------------------------|----------------------------|------------------|------------------|---------------|----------------------------|--------|
| Item | Balance as at 31. 12. 2023 | Addition | Expense | Elimination | Balance as at 31. 12. 2024 | |
| Accrued costs of services | 10,642 | 23,027 | 18,096 | 0 | 15,573 | |
| Accrued labour costs arising from untaken leave | 281,399 | 241,386 | 265,509 | 15,890 | 241,386 | |
| Accrued labour costs arising from the performance in the current year | 377,500 | 580,000 | 375,669 | 1,831 | 580,000 | |
| Deferred revenues from grants, salaries Network charges and GSM devices | 1,402,014 | 1,392,609 | 1,402,562 | 235 | 1,391,826 | |
| Deferred revenues from virtual point services | 87,750 | 148,812 | 130,531 | 0 | 106,031 | |
| VAT refund | 0 | 0 | 0 | 0 | 0 | |
| VAT on received advances | 1,760 | 8,000 | 8,000 | 0 | 1,760 | |
| Total | 2,161,065 | 2,393,834 | 2,200,367 | 17,956 | 2,336,576 | |

Deferred revenues from grants and connection charges paid as well as GSM devices are a part of long-term accrued costs and deferred revenues from connection charges or European Commission grants received, which are transferred to other operating income in one year after the Balance Sheet date. A part of accrued costs and deferred revenues was transferred to the income in a proportional amount of depreciation of tangible fixed assets and intangible assets that were financed through European Commission grants within the EEPT and TEN-E, connection charges and through employees. Accrued labour costs from the performance of the current year are included in accordance with the Rules on wages and salaries, namely on the basis on the achieved operating results of the Company.

2.1.16 Off-balance sheet assets/liabilities

| | in EUR | |
|-------------------------------------------------------------------|-------------------|-------------------|
| Item | 31.12.2024 | 31.12.2023 |
| Guarantees received for good and timely performance of work | 1,557,462 | 524,615 |
| Guarantees received for elimination of faults in guarantee period | 4,948,442 | 5,653,595 |
| Guarantees received for payment insurance | 0 | 1,408,000 |
| Guarantees received for repayment of advance | 0 | 0 |
| Guarantees received for auction capacities (Note 2.1.8) | 7,445,000 | 7,230,000 |
| Guarantees received for balancing agreements (Note 2.1.8) | 4,210,000 | 3,258,000 |
| Bills of exchange received | 0 | 0 |
| Unused limit | 5,049,886 | 5,050,000 |
| Operating balancing accounts at the border | 1,131 | -3,055 |
| Off-balance sheet assets/liabilities in total | 23,211,921 | 23,121,155 |

2.2. Income statement

2.1.1 Revenues from costumer contracts

| | in EUR | |
|---------------------------------------------------------|-------------------|-------------------|
| Item | 2024 | 2023 |
| Revenues on the domestic market | 51,845,506 | 55,886,666 |
| - revenues from transmission services - network charges | 40,089,325 | 40,477,562 |
| - gas sale revenues for stabilisation and compensations | 11,468,312 | 15,066,696 |
| - service sale revenues from joint venture | 600 | 600 |
| - accrued revenues from connection charges received | 126,660 | 125,513 |
| - revenues from the sale of material and services | 155,264 | 211,040 |
| - revenues from rents | 5,345 | 5,255 |
| Revenues on the foreign market | 2,738,610 | 11,853,791 |
| - revenues from transmission services - network charges | 1,051,921 | 3,944,097 |
| - gas sale revenues for stabilisation and compensations | 1,571,552 | 7,828,705 |
| - revenues from the sale of services | 115,137 | 80,989 |
| Net sales revenues in total | 54,584,116 | 67,740,457 |

The decrease of revenue from costumer contracts in 2024 compared to 2023 is mainly a result of the reduction in gas sales revenues for stabilisation and compensations that completely depend on gas prices formed on the market. These were significantly lower in 2024 compared to 2023. Gas prices on the market also affected the purchase value of a sold commodity, i.e. gas, thereby decreasing the costs of goods, material and services (Disclosure 2.2.3).

2.2.2 Other operating income (with operating income from revaluation)

| in EUR | | |
|---------------------------------------------------------------------------------|------------------|------------------|
| Item | 2024 | 2023 |
| Revenues from reversal of provisions | 42.930 | 50.756 |
| - reversal of accrued costs and deferred revenues | 17.721 | 17.972 |
| - reversal of provisions | 25.209 | 32.784 |
| Other revenues associated with business effects | 1.648.671 | 1.452.824 |
| - accrued revenues from EEPT grants received | 1.157.262 | 1.157.262 |
| - accrued revenues from TEN-E grants received | 42.505 | 42.505 |
| - revenues from insurance company transfers | 109.722 | 78.583 |
| - revenues from contractual penalties | 62.161 | 39.071 |
| - revenues from free acquisitions | 203.257 | 73.327 |
| - other revenues associated with business effects | 73.764 | 62.076 |
| Operating income from revaluation | 47.072 | 454.501 |
| - receivables impairment reversal | 928 | 401.216 |
| - profit from selling fixed assets | 46.144 | 53.285 |
| Other operating income in total (with operating income from revaluation) | 1.738.673 | 1.958.081 |

2.2.3 Costs of goods, material and services

| in EUR | | |
|-------------------------------------------------------|-------------------|-------------------|
| Item | 2024 | 2023 |
| Purchase value of goods sold - gas | 13,108,442 | 22,783,154 |
| Costs of material | 1,212,421 | 1,528,338 |
| Costs of services | 4,037,096 | 4,197,118 |
| Costs of goods, material and services in total | 18,357,959 | 28,508,610 |

| in EUR | | |
|-----------------------------------------------------------------------------------|------------------|------------------|
| Item | 2024 | 2023 |
| Costs of services related to maintenance | 1,986,581 | 2,123,743 |
| Rental costs | 119,117 | 172,116 |
| Reimbursement of work-related costs | 178,613 | 148,969 |
| Costs of payment transaction services, bank services, business, insurance premium | 678,115 | 615,405 |
| Costs of intellectual and personal services | 240,027 | 174,107 |
| Costs of fairs, advertisements and representation | 225,608 | 180,216 |
| Costs of services rendered by natural persons not pursuing the activity | 173,607 | 153,998 |
| Costs of other services | 435,428 | 628,564 |
| Cost of services in total | 4,037,096 | 4,197,118 |

2.2.4 Labour costs

| in EUR | | |
|------------------------------------------------------------------|-------------------|------------------|
| Item | 2024 | 2023 |
| Wages and salaries | 7,662,902 | 6,923,197 |
| Pension insurance costs | 881,393 | 819,890 |
| - incl. voluntary additional pension scheme | 230,944 | 224,777 |
| Social security costs | 630,341 | 558,357 |
| Provisions for anniversary bonuses and severance payment | 68,383 | 101,577 |
| Provisions for untaken leave | 241,386 | 281,399 |
| Other labour costs | 1,197,005 | 1,120,254 |
| Labour costs in total | 10,681,410 | 9,804,674 |
| Average number of employees according to calculated hours worked | 148.44 | 146.28 |

2.2.5 Write-offs

| in EUR | | |
|-----------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Item | 2024 | 2023 |
| Depreciation | 17,443,252 | 17,030,767 |
| Depreciation of intangible assets | 1,032,641 | 960,331 |
| Depreciation of tangible fixed assets | 16,410,611 | 16,070,436 |
| Operating expenses from revaluation | 38,913 | 9,250 |
| Operating expenses from revaluation of intangible assets and tangible fixed assets (Note 2.1.1 and 2.1.2) | 33,289 | 7,791 |
| Operating expenses from revaluation of current assets | 5,624 | 1,459 |
| Write-offs in total | 17,482,165 | 17,040,017 |

2.2.6 Other operating expenses

| in EUR | | |
|----------------------------------------------------------------------|------------------|------------------|
| Item | 2024 | 2023 |
| Duties independent of labour costs and other types of costs | 1,933,147 | 1,845,063 |
| - building land tax | 55,791 | 33,996 |
| - Energy Agency fee | 1,262,381 | 1,262,381 |
| - Contribution of EU regulation | 256,342 | 244,577 |
| - on-line booking platform fee | 318,240 | 296,400 |
| - ECO Fund fee | 8,924 | 6,999 |
| - other duties | 31,469 | 710 |
| Environmental protection expenditure | 19,068 | 13,285 |
| Scholarships and awards for secondary and university students | 714 | 150 |
| Other costs | 52,453 | 64,384 |
| Other operating expenses in total | 2,005,382 | 1,922,882 |

2.2.7 Costs by functional groups

| in EUR | | |
|----------------------------------------------------------------|-------------------|-------------------|
| Item | 2024 | 2023 |
| Purchase value of goods sold - gas | 13,108,442 | 22,783,154 |
| Costs of the main activity of the transmission system operator | 27,630,542 | 30,942,089 |
| Costs of selling and general activity | 7,787,931 | 3,550,940 |
| Costs by functional groups in total | 48,526,915 | 57,276,183 |

2.2.8 Finance expenses from financial liabilities

| in EUR | | |
|-------------------------------------------------------------|------------------|------------------|
| Item | 2024 | 2023 |
| Interest and expenses from bank loans | 4,919,672 | 2,228,555 |
| Interest and expenses from other financial liabilities | 0 | 0 |
| Finance expenses from financial liabilities in total | 4,919,672 | 2,228,555 |

In interest and expenses from bank loans, the Company discloses also expenses from refinancing the long-term loan received from EIB amounting to EUR 2,720,527.

2.2.9 Finance expenses from operating liabilities

| in EUR | | |
|-------------------------------------------------------------|---------------|---------------|
| Item | 2024 | 2023 |
| Interest from actuarial calculation | 23,424 | 22,702 |
| Other finance expenses from operating liabilities in total | 2,307 | 1,392 |
| Finance expenses from operating liabilities in total | 25,731 | 24,094 |

3. Other disclosures

3.1 Information on groups of persons

Structure and amount of emoluments of the Management in the 2024 financial year

in EUR

| Name and surname | Function | Fixed emoluments - gross (1) | Variable emoluments - gross on the basis of quality criteria (2) | Deferred remuneration (3) | Recourse and Christmas bonus (4) | Benefits (5) | Gross total (1+2+3+4+5) | Net total |
|------------------|----------------------------------------|---------------------------------|---------------------------------------------------------------------|------------------------------|-------------------------------------|-----------------|----------------------------|-----------|
| Marjan Eberlinc | General Manager | 195,125 | 14,067 | 13,321 | 3,818 | 5,798 | 232,130 | 103,399 |
| Matija Bitenc | Deputy General Manager (od 1. 8. 2024) | 59,102 | 0 | 0 | 1,500 | 2,880 | 63,483 | 29,595 |

Structure and amount of emoluments of supervisory bodies in the 2024 financial year

in EUR

| Name and surname | Function | Fixed emoluments - gross (1) | Variable emoluments - gross on the basis of quality criteria (2) | Deferred remuneration (3) | Recourse and Christmas bonus (4) | Benefits (5) | Gross total (1+2+3+4+5) | Net total |
|------------------|--------------------|---------------------------------|---------------------------------------------------------------------|------------------------------|-------------------------------------|-----------------|----------------------------|-----------|
| Dejan Koletnik | Compliance Officer | 113,546 | 0 | 0 | 3,818 | 4,929 | 122,292 | 60,737 |

Structure and amount of emoluments of members of the Supervisory Board in the 2024 financial year

in EUR

| Name and surname | Function | Payment for the performance of function (1) | Supervisory Board meeting allowances (2) | Benefits (3) | Travel expenses (4) | Gross total (1+2+3+4) | Net total |
|---------------------|-----------------------------------------------------------|------------------------------------------------|---------------------------------------------|-----------------|------------------------|--------------------------|-----------|
| Tibor Šimonka | Chair of the Supervisory Board (until 20. 2. 2024) | 3,799 | 275 | 73.43 | 6.5 | 4,154 | 2,959 |
| Furman Žarko | Deputy Chair of the Supervisory Board (until 20. 2. 2024) | 2,786 | 275 | 73.43 | 130.07 | 3,265 | 2,309 |
| Žlak Janez | Member of the Supervisory Board (until 20. 2. 2024) | 2,533 | 0 | 73.43 | 0 | 2,606 | 1,830 |
| Šolinc Hinko | Member of the Supervisory Board | 11,300 | 2,750 | 73.43 | 139.21 | 14,263 | 10,364 |
| Aleš Šuštar | Member of the Supervisory Board | 11,300 | 2,750 | 73.43 | 0 | 14,123 | 10,260 |
| Rok Vozel | Member of the Supervisory Board | 11,300 | 2,750 | 73.43 | 0 | 14,123 | 10,260 |
| Anton Rop | Chair of the Supervisory Board (since 21. 2. 2024) | 13,021 | 2,475 | 0 | 185.57 | 15,682 | 11,480 |
| Jožef Klavdij Novak | Deputy Chair of the Supervisory Board (since 21. 2. 2024) | 9,618 | 2,475 | 0 | 241.4 | 12,334 | 9,030 |
| Jan Bohinec | Member of the Supervisory Board (since 21. 2. 2024) | 8,767 | 2,475 | 0 | 177.46 | 11,420 | 8,360 |

Structure and amount of emoluments of members of the Audit Committee of the Supervisory Board in the 2024 financial year

in EUR

| Name and surname | Function | Payment for the performance of function (1) | Supervisory Board meeting allowances (2) | Benefits (3) | Travel expenses (4) | Gross total (1+2+3+4) | Net total |
|------------------|--------------------------------------------------|------------------------------------------------|---------------------------------------------|-----------------|------------------------|--------------------------|-----------|
| Žarko Furman | Chair of the Audit Committee (until 28. 2. 2024) | 950 | 220 | 0 | 0 | 1,170 | 856 |
| Aleš Šuštar | Member of the Audit Committee | 2,825 | 1,760 | 0 | 0 | 4,585 | 3,356 |
| Marko Hočevár | Audit Committee, external member | 11,300 | 2,475 | 0 | 141.47 | 13,916 | 10,183 |
| Hinko Šolinc | Chair of the Audit Committee (since 29. 2. 2024) | 3,190 | 1,540 | 0 | 36.96 | 4,767 | 3,490 |

Structure and amount of emoluments of members of the Staff Committee in the 2024 financial year

in EUR

| Name and surname | Function | Payment for the performance of function (1) | Staff Committee meeting allowances (2) | Benefits (3) | Travel expenses (4) | Gross total (1+2+3+4) | Net total |
|------------------|---------------------------------------------------|------------------------------------------------|-------------------------------------------|-----------------|------------------------|--------------------------|-----------|
| Tibor Šimonka | Chair of the Staff Committee (until 28. 2. 2024) | 950 | 0 | 0 | 0 | 950 | 695 |
| Žarko Furman | Member of the Staff Committee (until 28. 2. 2024) | 633 | 0 | 0 | 0 | 633 | 464 |
| Rok Vozel | Member of the Staff Committee | 2,825 | 220 | 0 | 122.76 | 3,168 | 2,319 |
| Anton Rop | Chair of the Staff Committee (since 29. 2. 2024) | 3,190 | 220 | 0 | 9.98 | 3,420 | 2,504 |
| Jan Bohinec | Member of the Staff Committee (since 29. 2. 2024) | 2,127 | 220 | 0 | 9.04 | 2,356 | 1,725 |

In 2024, the Company did not approve any advances, loans or guarantees to these groups of persons. Remuneration from the employment relationship of the members of Supervisory Board and a member of the Audit Committee, and a member Staff Committee, employees' representatives amounted to EUR 167,944 in 2024, including meeting allowances and remuneration for the performance of function.

Since 21. February 2024, the Supervisory Board comprises members Anton Rop, Jožef Klavdij Novak and Jan Bohinec who replaced Tibor Šimonka, Žarko Furman and Janez Žlak.

3.2 Contractual amounts for auditors

| | in EUR | |
|-------------------------------------|---------------|---------------|
| Item | 2024 | 2023 |
| Auditing the Annual Report | 19,400 | 13,585 |
| Other assurance services | 3,600 | 2,185 |
| Total Company auditing costs | 23,000 | 15,770 |

3.3 Disclosure of items relating to related companies in the financial statements for 2024

| | in EUR | |
|------------------------------------------------------------------------------|------------------|----------------------------|
| Item | Plinhold d.o.o. | Južni tok Slovenija d.o.o. |
| Net sales revenues | 0 | 600 |
| Net revenue from the sale of services | 0 | 600 |
| Statement of receivables and liabilities at the end of financial year | 0 | 122 |
| Receivables to related companies for goods and services | 0 | 122 |
| Profit distribution | 3,000,000 | 0 |

3.4 Transactions with companies indirectly or directly owned by the Republic of Slovenia

The scope of transactions and balances arising from these transactions of Plinovodi d.o.o. with companies having more than 20 percent share in Plinhold d.o.o., as a sole shareholder of Plinovodi d.o.o., and companies majority owned by these owners of Plinhold d.o.o. is shown by activities.

in EUR

| Partner | Share in % | Outstanding receivables as at 31. 12. 2024 | Receivables turnover in 2024 | Outstanding liabilities as at 31. 12. 2024 | Liabilities turnover in 2024 |
|------------------------------------------------------------------------------------------------------------------|-------------|--------------------------------------------|------------------------------|--------------------------------------------|------------------------------|
| C 10.110 - Meat production, excluding poultry | | | | | |
| Partner 1 | at least 70 | 19,878 | 156,113 | 0 | 0 |
| C 20.120 - Production of dyes and pigments | | | | | |
| Partner 2 | at least 44 | 40,540 | 449,278 | 0 | 0 |
| C 21.200 - Manufacture of pharmaceutical preparations | | | | | |
| Partner 3 | at least 28 | 71,940 | 679,635 | 0 | 0 |
| C 24.100 - Manufacture of basic iron and steel and of ferro-alloys | | | | | |
| Partner 4 | 25 | 116,624 | 1,475,714 | 0 | 0 |
| Partner 5 | 25 | 103,377 | 1,321,066 | 0 | 0 |
| C 25.400 - Forging, pressing, stamping and roll-forming of metal, powder metallurgy | | | | | |
| Partner 6 | at least 47 | 16,100 | 173,538 | 0 | 0 |
| C 25.620 - Mechanical metal processing | | | | | |
| Partner 7 | 100 | 11,038 | 70,984 | 0 | 0 |
| D 35.110 - Production of electricity from non-renewable sources | | | | | |
| Partner 8 | 100 | 431,828 | 5,109,204 | 0 | 0 |
| Partner 9 | 100 | 176,689 | 930,667 | 0 | 0 |
| D 35.140 - Trade of electricity | | | | | |
| Partner 10 | 100 | 183 | 8,240 | -17 | 209,707 |
| Partner 11 | 100 | 371,254 | 1,628,823 | 88,527 | 809,463 |
| Partner 12 | 100 | 143,582 | 1,268,696 | 46,814 | 609,144 |
| F 43.990 - Other specialised construction activities | | | | | |
| Partner 13 | at least 72 | 0 | 349 | 41,914 | 928,233 |
| G 46.810 - Wholesale of solid, liquid and gaseous fuels and related products | | | | | |
| Partner 14 | at least 31 | 1,265,911 | 10,483,351 | 1,415,398 | 9,930,606 |
| G 47.301 - Retail sale of own automotive fuel in specialised stores | | | | | |
| Partner 15 | at least 31 | 330,595 | 3,439,313 | 17,205 | 105,698 |
| H 52.210 - Accompanying service activities in land transport | | | | | |
| Partner 16 | 100 | 1,685 | 8,934 | 0 | 162,775 |
| I 55.100 - Hotels and similar accommodation | | | | | |
| Partner 17 | 100 | 6,267 | 73,059 | 0 | 0 |
| Partner 18 | at least 88 | 6,307 | 64,874 | 0 | 500 |
| J 61.100 - Telecommunication activities via cables, wireless, and satellite telecommunications activities | | | | | |
| Partner 19 | at least 72 | 0 | 0 | 23,448 | 248,440 |
| K 64.190 - Other monetary intermediation | | | | | |
| Partner 20 | 25 | 0 | 0 | 0 | 73,362 |
| Partner 21 | 99 | 0 | 0 | 36,693 | 449,286 |
| K 65.120 - Insurance activities, excluding life insurance | | | | | |
| Partner 22 | at least 62 | 0 | 0 | 44,130 | 624,790 |
| O 84.110 - General activity of the civil service | | | | | |
| Partner 22 | 100 | 0 | 0 | 481,961 | 3,394,020 |
| O 84.130 - Regulation of and contribution to more efficient operation of businesses | | | | | |
| Partner 23 | 100 | 0 | 0 | 105,198 | 1,262,381 |
| Q 86.100 - Hospital activities | | | | | |
| Partner 24 | 100 | 6,779 | 52,720 | 78 | 78 |
| Partner 25 | 100 | 20,495 | 239,067 | 0 | 0 |

Transactions were conducted in the same way as with other unrelated parties.

3.5 Disclosures under Energy legislation

The Legal Act determining tariff rates for network charges enables that the Company adequately reimburses its past higher costs (negative settlements) by increasing the future tariff rates, or returns past over-registered income (positive settlements) by reducing tariff rates in the future.

Based on available data and in a fair and realistic way, the Company identified deviations from the regulatory frame work for the period from 01. January 2024 to 31. December 2024, which are reflected in the deficit in network charges. The established deficit in network charges amounts to EUR 6,461,512 and is not reported in the financial statements. The deficit in network charges will be taken into account in determining regulatory framework in the next years.

3.6 Events after the Balance Sheet date

Between the Balance Sheet date and the date of approval of financial statements there were no events that would require the correction of financial statements to the Balance Sheet date or specific disclosure in the financial statements.

SIGNING THE ANNUAL REPORT FOR 2024 AND ITS INTEGRAL PARTS

The Management of Plinovodi d.o.o. is informed of the content of integral parts of the Annual Report for 2024 and thereby with the whole report of the Company. He hereby confirms the report with his signature.

General Manager
Marjan Eberlinc, BSc in Mech. Eng.

Deputy General Manager
Matija Bitenc, MA, BSc Econ

INDEPENDENT AUDITOR'S REPORT



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INDEPENDENT AUDITOR'S REPORT to the owner of PLINOVODI d.o.o.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the company PLINOVODI d.o.o. (hereinafter 'the Company'), which comprise the statement of financial position as at 31 December 2024, and the profit or loss statement, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Slovene Accounting Standards (hereinafter 'SAS').

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing and Regulation (EU) 537/2014 of the European Parliament and of the Council, dated 16 April 2014, on specific requirements regarding statutory audit of public-interest entities (EU Regulation). Our responsibilities under those rules are further described in *the Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code) and other ethical requirements that are relevant to our audit of the financial statements in Slovenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters



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Deloitte revizija d.o.o. - The company is registered with the Ljubljana District Court, registration no. 1547105 - VAT ID SI62560085 - Nominal capital EUR 74,214.30.
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Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the year ended 31 December 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of fixed assets

| Key audit matter | How our audit addressed the key audit matter |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>In order to ensuring efficient, safe and reliable operation, the company invests in fixed assets, which are primarily represented by gas pipelines, land, real estate and equipment. The company recognize intangible and tangible fixed assets that meet the conditions for recognition at their initial recognition at purchase cost. As stated in disclosure 2.1.1 Intangible fixed assets and 2.1.2. tangible fixed assets, the company purchased fixed assets in 2024 for EUR 12,069 thousand.</p> <p>The allocation of costs and the transfer of assets from fixed assets in acquisition to use depends on taking into account the nature of the costs and other conditions for recognition and transfer, in accordance with SAS 1, which is subject to significant judgement and estimates.</p> <p>Due to the judgments and estimates present in the process and the importance of the item in the financial statements, we have identified this area as a key audit matter.</p> | <p>As part of the audit procedures, we assessed the adequacy of the company's accounting policies regarding the recognition of gas pipelines, buildings and equipment connected to gas pipelines and their compliance with SAS.</p> <p>We reviewed the design and implementation of internal controls related to recognition.</p> <p>Based on a selected sample of new purchases in 2024, we checked the adequacy of capitalization and checked;</p> <ul style="list-style-type: none"> - adequacy of the methodology used by management for recognition; - the accuracy of the input data, which is the basis for the recognition of fixed assets; - compliance of fixed asset recognition with SAS. <p>We also reviewed the information in the financial statements to assess whether the disclosures related to property, plant and equipment and intangible assets are adequate.</p> |

Other information

Management is responsible for the other information. The other information comprises the information included in Annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we express no assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, assess 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 our work performed we conclude that other information include material misstatement we need to report such circumstances. In relation to this and based on our procedures performed, we report that:



- Other information is, in all material respects, consistent with the audited financial statements;
- Other information is prepared in compliance with applicable law or regulation; and
- Based on our knowledge and understanding of the Company and its environment obtained in the audit, we did not identify any material misstatement of fact related to the other information.

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

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

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

Auditor's Responsibilities for the Audit of the 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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



- Evaluate the overall presentation, structure and content of the 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

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

Report on other legal and regulatory requirements

Report on the requirements of the Regulation (EU) No 537/2014 of the European Parliament and of the Council (Regulation EU 537/2014)

Confirmation to the Audit Committee

We confirm that our audit opinion on the financial statements expressed herein is consistent with the additional report to the Audit Committee in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

Prohibited Services

We confirm that no services referred to in the Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided and that the audit company fulfilled independence requirements.

Other services performed by the audit company

There are no services, in addition to the statutory audit, which the audit company provided to the Company, and which have not been disclosed in the Annual Report.



Appointment of the Auditor and responsible certified auditor

Deloitte revizija d.o.o. was appointed as the statutory auditor of the Company on General Shareholders' Meeting held on 5 September 2024, while the president of the Supervisory Board signed the audit contract on 13 September 2024. The audit contract was signed for X years. Our total uninterrupted engagement as statutory auditors has lasted since 30 August 2021.

Engagement partner responsible for the audit on behalf of Deloitte revizija d.o.o. is Yuri Sidorovich.

DELOITTE REVIZIJA d.o.o.
Dunajska cesta 165
1000 Ljubljana

Yuri Sidorovich
Certified auditor

*For signature please refer to
the original Slovenian version.*

Deloitte.
DELOITTE REVIZIJA D.O.O.
Ljubljana, Slovenija **3**

Ljubljana, 11. March 2025

TRANSLATION ONLY, SLOVENE ORIGINAL PREVAILS



MISCELLANEOUS

Legislative framework

Strategic and programme documents

- Updated Comprehensive National Energy and Climate Plan of the Republic of Slovenia 2024, December 2024
- Comprehensive National Energy and Climate Plan of the Republic of Slovenia, February 2020
- Resolution on the Slovenian climate long-term strategy 2050
- Resolution on the National Energy Programme

European Union Law

- Regulation (EU) 2024/1787 of the European Parliament and of the Council of 13 June 2024 on the reduction of methane emissions in the energy sector and amending the Regulation (EU) 2019/942.
- Directive (EU) 2024/1788 of the European Parliament and of the Council of 13 June 2024 on common rules for the internal markets in renewable and natural gases and in hydrogen, amending the Directive (EU) 2023/1791 and repealing Directive 2009/73/EC (recasting)
- Regulation (EU) 2024/1789 of the European Parliament and of the Council of 13 June 2024 on the internal market for gas from renewable energy sources, natural gas and hydrogen, amending regulations (EU) No 1227/2011, (EU) 2017/1938, (EU) 2019/942 and (EU) 2022/869 and Decision (EU) 2017/684 and repealing Regulation (EC) No 715/2009 (recasting)
- Regulation (EU) 2024/1106 of the European Parliament and of the Council of 11 April 2024 amending Regulations (EU) No. 1227/2011 and (EU) 2019/942 as regards improving the Union's protection against market manipulation on the wholesale energy market
- Council Recommendation of 25 March 2024 on coordinated demand reduction measures for gas
- Council Regulation (EU) 2022/2578 of 22 December 2022 establishing a market correction mechanism to protect Union citizens and the economy against excessively high prices
- COUNCIL REGULATION (EU) 2022/2576 of 19 December 2022 enhancing solidarity through better coordination of gas purchases, reliable price benchmarks and exchanges of gas across borders
- Regulation (EU) 2022/1032 of the European Parliament and of the Council of 29 June 2022 amending Regulations (EU) 2017/1938 and (EC) No. 715/2009 with regard to gas storage
- Corrigendum to Regulation (EU) 2022/1032 of the European Parliament and of the Council of 29 June 2022 amending Regulations (EU) 2017/1938 and (EC) No. 715/2009 with regard to gas storage
- Regulation (EU) of the European Parliament and of the Council of 30 May 2022 on guidelines for trans-European energy infrastructure, amending Regulations (EC) No. 715/2009, (EU) 2019/942 and (EU) 2019/943 and Directives 2009/73/EC and (EU) 2019/944, and repealing Regulation (EU) No. 347/2013
- Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending the Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities
- Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard security of gas supply and repealing the Regulation (EU) 994/2010
- The Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems and repealing Regulation (EU) No 984/2013

- Commission Regulation (EU) No 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas
- Commission Regulation (EU) No 2015/703 of 30 April 2015 establishing a network code on interoperability and data exchange rules
- Commission Regulation (EU) No 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks
- Commission Decision of 24 August 2012 amending Annex I to Regulation (EC) No 715/2009 of the European Parliament and of the Council on conditions for access to the natural gas transmission networks
- Regulation (EC) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency
- Commission Decision of 10 November 2010 amending Chapter 3 of Annex I to Regulation (EC) No 715/2009 of the European Parliament and of the Council on conditions for access to the natural gas transmission networks
- Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005

Acts

- Gas Supply Act (ZOP)
- Energy Act (EZ-2)
- Act on Measures for Management of Crisis Conditions in the Field of Energy Supply

By-laws

- Decree on the operation of the natural gas market
- Decree on the concession of a gas TSO service of general economic interest
- Decree on the method of provision of a gas TSO service of general economic interest
- Energy Infrastructure Regulation
- Rules on specifications for the construction, operation and maintenance of pipelines of operating pressure up to and including 16 bar
- Rules on specifications for the construction, operation and maintenance of pipelines of operating pressure over 16 bar and on conditions for spatial intervention in their protected zones

Acts of the Energy Agency and system operator

- Legal Act on the mandatory content of the network code for the natural gas distribution system
- System operating instructions for the natural gas transmission system
- Legal Act on the methodology for drawing up development plans of the gas transmission system
- Legal Act on the methodology for the preparation and assessment of the investment plan of the gas transmission system operator
- Legal Act on the methodology for determining the regulatory framework of the natural gas transmission system operator - it applies as of 01/ 01/ 2025
- Legal Act on the methodology for determining the regulatory framework of the gas transmission system operator - applies as of 06/ 04/ 2024, it is used to determine regulatory framework and to establish deviations from regulatory framework for regulatory periods starting from 01 01/ 2025 on

- Legal Act determining tariff rates for network charges for the natural gas transmission system - it applies for regulatory period from 01/ 01/ 2022 to 31/ December 2024
- Legal Act determining tariff rates for network charges for the gas transmission system - it applies for the regulatory period from 01/ 01/ 2025 to 31/ December 2027
- Legal Act on the methodology for determining network charges for the natural gas transmission system - Act amending the Legal Act on the methodology for determining network charges for the natural gas transmission system (Official Gazette of the Republic of Slovenia, No. 103/23), applicable as from 01/ 01/ 2024
- Legal Act on the method for the submission of data and documents by providers of energy sector activities
- Legal Act on the rules for monitoring the quality of natural gas supply
- Rules on terms and conditions for capacity allocation mechanisms at interconnection points of the transmission system through auction, congestion management procedure and capacity trading on the secondary market
- Rules on the procedure for the allocation of capacity on the transmission system for the entry and exit points in the Republic of Slovenia
- Order on the emergency plan for gas supply
- Order on the preventive measures plan for gas supply
- Legal Act on the methodology for the calculating compensation in the event of involuntary reduction or interruption of gas consumption
- Legal Act on the methodology for the calculating price in the event of involuntary reduction or interruption of gas consumption

List of abbreviations

| | |
|----------|-----------------------------------------------------------------|
| ACER | Agency for the Cooperation of Energy Regulators |
| DCAR | Deferred costs and accrued revenues |
| GDP | Gross domestic product |
| BRP | Balance responsible party |
| CEF-E | Connecting Europe Facility - Energy |
| DBO | Defined Benefit Obligation |
| VAT | Value Added Tax |
| DEBT | Sum of long-term and short-term financial liabilities |
| FU | Family-friendly undertaking |
| EBIT | Earnings before interest and taxes |
| EBITDA | Earnings before interest, taxes, depreciation, and amortization |
| ECB | European Central Bank |
| EEPR | European Energy Programme for Recovery |
| EFQM | European Foundation for Quality Management |
| EHB | European Hydrogen Backbone |
| EIB | European Investment Bank |
| EIS | Uniform Information system |
| ENTSOG | European Network of Transmission System Operators for Gas |
| ENNOH | European Network of Network Operators for Hydrogen |
| ERM | Enterprise risk management |
| ERP | Enterprise resource planning |
| ESG | Environmental, Social, Governance |
| EU | European Union |
| EURIBOR | Euro InterBank Offered Rate |
| EZ-1 | Energy Act |
| BP | Building permit |
| GHG | Greenhouse Gases |
| GRI | Global Reporting Initiative |
| LNG | Liquefied Natural Gas |
| MS | Metering station |
| MRS | Metering and regulation station |
| NET DEBT | Debt reduced by short-term financial investments and cash |
| NS | Supervisory Board |
| OBA | Operating Balancing Account |
| INTEREST | Interest and other costs of financing |
| OS | Fixed assets |
| DSO | Distribution system operator |
| TSO | Transmission system operator |
| OS | Fixed assets |
| RES | Renewable Energy Sources |
| PCI | Project of Common Interest |
| RS | Regulation station |
| RS | Republic of Slovenia |
| SDH | Slovenian Sovereign Holding |
| SAS | Slovenian Accounting Standards |
| TEN-E | Trans-European Networks - Energy |
| TP | Trading platform |
| VC | Maintenance Centre |
| VTP | Virtual Gas Point |
| ZDIJZ | Public Information Access Act |
| ZGD-1 | Companies Act |
| ZJN | Public Procurement Act |
| ZOP | Gas Supply Act |
| ZSDH-1 | Slovenian Sovereign Holding Act |

Who's who



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Matija Bitenc

General Manager
Marjan Eberlinc

COMPLIANCE OFFICER

Dejan Koletnik

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