SLOVENSKÉ
ELEKTRÁRNE

Annual Report

2024

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Foreword by the General Director

Dear Shareholders,

The year 2024 brought not only a change of headquarters for Slovenské elektrárne after fifteen years but also the historically best economic result: EBITDA of 1.784 billion and net profit of 795 million euros. Our performance reflects a wisely chosen sales strategy for several years ahead, relying on the operation of five nuclear units. Thanks to better financial health, we were able to reduce debt to 3.4 billion euros and agree on refinancing of 3.6 billion euros with an international consortium of banks. This step underscores the banks' confidence in our future. A key moment in sustainable business for us was the shutdown of the coal-fired power plant in Vojany at the turn of March and April 2024. Since then, we have been producing every megawatt-hour without direct CO_2 emissions. Just a few weeks later, the economic daily The Financial Times ranked us for the third time in the European ranking of climate leaders – Europe's Climate Leaders 2024.

Most of our revenue is generated from nuclear power plants, so our ambition is to be the most efficient operator of VVER technology, our type of pressurized water reactors. In 2024, we significantly strengthened the nuclear leadership with experts with rich international experience. With the new director of nuclear power plants, we began implementing the Nuclear Professionals Excellence Plan, which will increase our reliability and shorten our outages. All this with an emphasis on zero accidents and conscientious preparation for the operation of six nuclear units – because the Mochovce completion project went as smoothly as never before in 2024. We are on the best path for Unit 4 of Mochovce to be ready for fuel loading in 2025.

Another huge challenge that we are successfully managing is the ongoing generational change. In 2024, we hired 566 new people. With such an influx of new employees, the demands for passing on experience are intensifying. Therefore, all managerial staff completed our educational program, Slovenské elektrárne University, and we set it up so that all non-managerial staff can complete it in 2025. We intensified cooperation with secondary vocational schools and technical universities. We signed memoranda of cooperation with the Faculty of Mechanical Engineering and the Faculty of Electrical Engineering and Information Technology of the Slovak University of Technology in Bratislava. As part of the practical teaching project, we accepted the historically highest number of students from secondary vocational schools. We are on the right track, as confirmed by the Best Employer title "Najzamestnávateľ", which we won for the fifth time in a row in 2024.

We are a company that has Slovakia in its name and is firmly connected with this country – from east to west. From an economic results perspective, we have become the flagship of the country's economy.

Our successes are also successes for Slovakia and its households, which, thanks to our condition, have the opportunity to buy electricity at the second lowest price in the EU. I thank all employees of Slovenské elektrárne and all stakeholders for their efforts that bring results.

Branislav Strýček

Slovenské elektrárne

02

Slovenské elektrárne

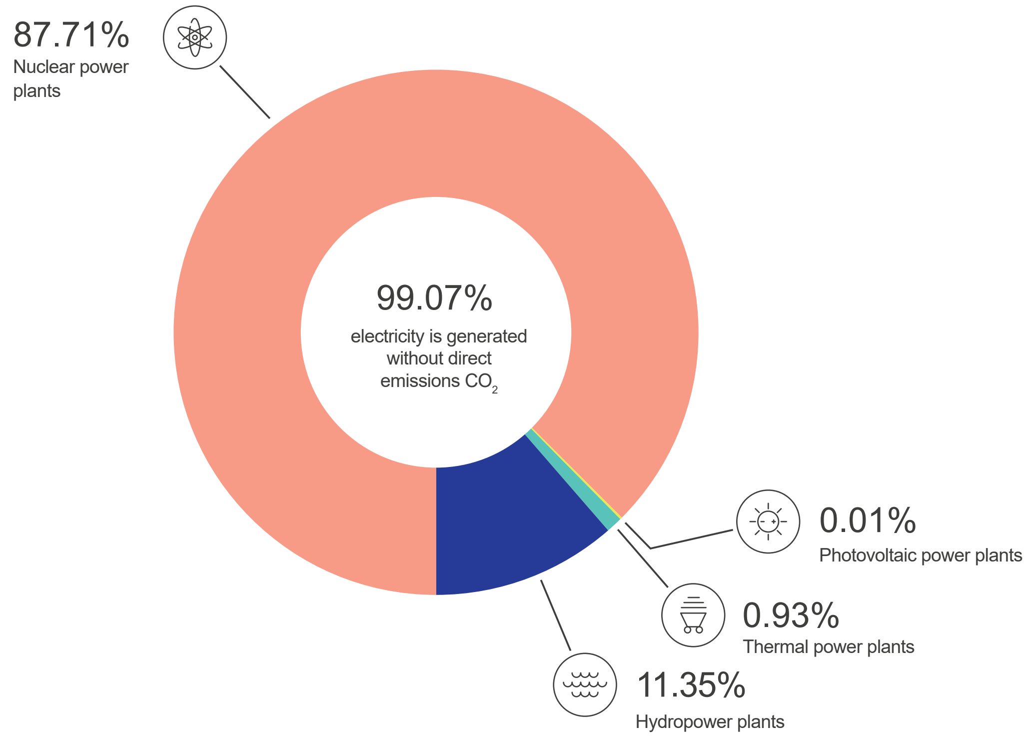
"We, as the largest producer of electricity in Slovakia, operated 31 hydropower, two nuclear and two photovoltaic power plants, with a total installed capacity of 4,128.80 MWe."

The core business of Slovenské elektrárne is the production and sale of electricity. The Company is the largest producer of electricity in Slovakia and one of the largest in Central Europe. SE also generates and sells heat, and provides ancillary services for the power grid.

As at 31 December 2024, Slovenské elektrárne operated 31 hydropower, two nuclear and two photovoltaic power plants, with a total installed capacity of 4,128.80 MWe.

The Company's goal is to safely, reliably, efficiently and competitively produce, sell and trade electricity and heat, to safely handle radioactive waste and spent nuclear fuel, and to permanently reduce the environmental impact of production processes. Thanks to the balanced mix of production sources, the Company supplied in 2024 almost 99% of electricity to the grid free of direct local carbon dioxide emissions.

[1]Hereinafter referred to as "SE" or the "Company", [2]Hereinafter also referred to as "HPP"
[3]Hereinafter also referred to as "NPP", [4]Hereinafter also referred to as "PhPP"



Vision and mission

Vision

To be the safest, most innovative and competitive producer in Central and Eastern Europe, creating value for our customers, shareholders, and employees.

Mission

To produce and supply affordable energy safely and respectfully for the environment for all our customers.

Sustainability

The Company's approach to sustainability is reflected in its major strategic decisions and day-to-day activities. The Company has long taken steps to reduce the environmental impact of its business, promote equal opportunities and social responsibility, and at the same time increase its economic efficiency in an ethical manner - thereby contributing to the overall sustainable development of society and the surrounding environment.

In 2024, the Company published its first and voluntary Sustainability Report, which presented the Company's performance in terms of its impact on relevant sustainability aspects in 2023. The structure of the Sustainability Report is based on the European Sustainability Reporting Standards (ESRS). Prospectively, the Company will, on the basis of Act no. 431/2002 Coll. on Accounting, as amended, prepare a sustainability report for accounting periods beginning after 1 January 2025, with the obligation to integrate it into the annual report.

Structure and governance

Shareholder Structure

The Company had two shareholders as at 31 December 2024. The majority shareholder is Slovak Power Holding B.V. (SPH) owning 66.0000000523% of the registered capital. A 50% stake in the share capital of SPH was owned by EP Slovakia B.V. (a subsidiary of the EPH Group) and the remaining 50% was owned by Enel Produzione SpA (a subsidiary of the Enel Group). The Slovak Republic was a minority shareholder of the company with a 33.9999999477% share in the share capital.

EPH Group

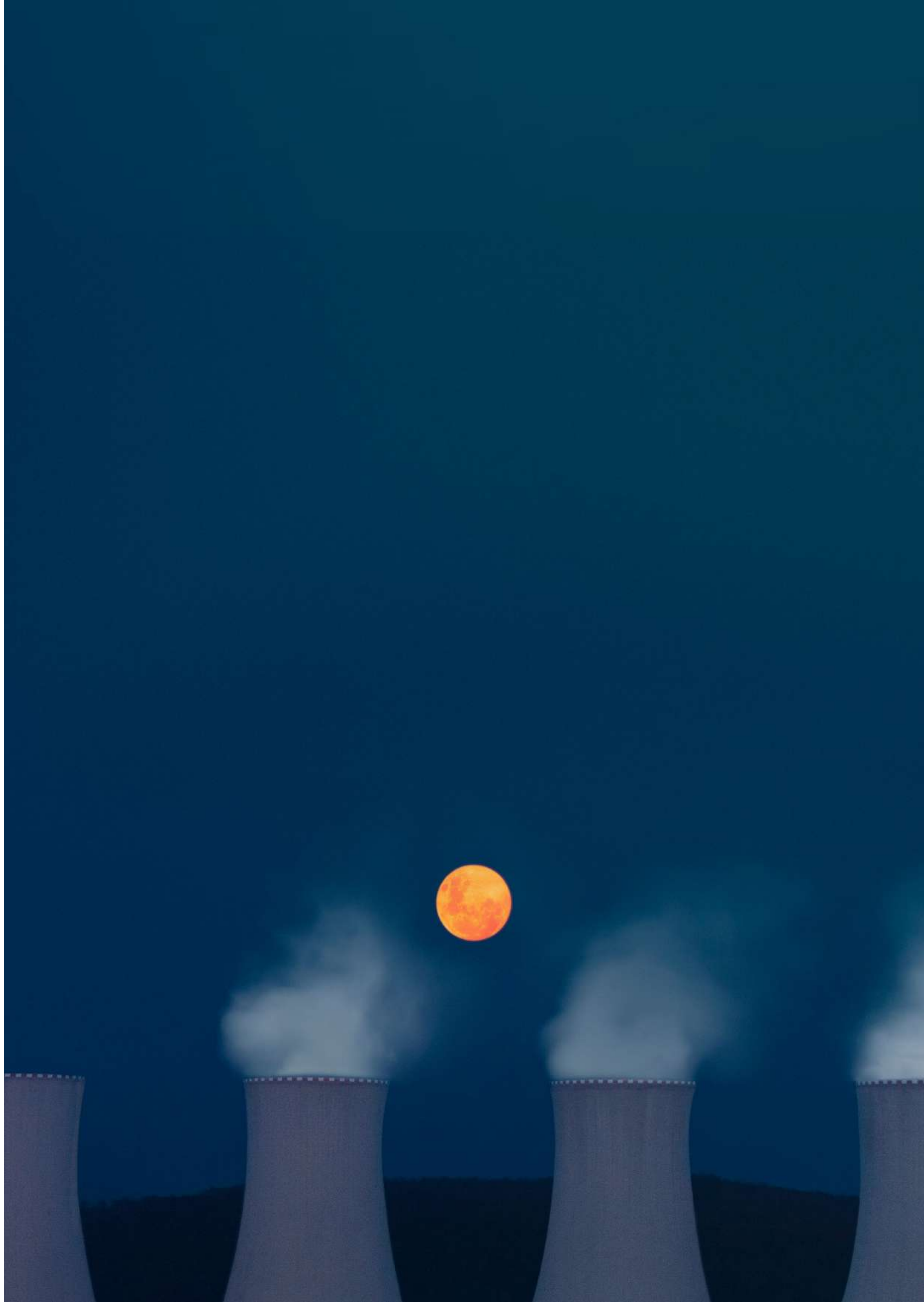
Energetický a průmyslový holding (EPH) is a leading Central European energy group that owns and operates facilities in the Czech Republic, Slovakia, Germany, Italy, Britain, Ireland, France, and the Netherlands. The EPH Group covers the complete energy chain, including power and heat generation, natural gas transportation and storage, distribution and supply of gas, heat, and electricity. EPH is also active in trading and logistics platforms and gas infrastructure management.

Enel Group

Enel is a multinational energy company and a leading integrated player in the global energy and renewable energy market. The Group operates in 28 countries, has approximately 90 GW of installed capacity and an electricity distribution network of approximately 2 million kilometres.

Slovak Republic

The Slovak Republic has the right to appoint three positions on the Board of Directors and two positions on the Supervisory Board with its nominees. The positions of the Chairman and Vice-Chairman of the Supervisory Board are held alternately each year by designated nominees of both shareholders, based on a rotation principle. In accordance with applicable legislation, the Ministry of Economy of the Slovak Republic acts on behalf of the Slovak Republic.



Board of Directors, Supervisory Board

The Company's statutory body is the Board of Directors. The Supervisory Board functions as the Company's supervisory body, performing the activities of the Audit Committee.

Board of Directors

The Company's Board of Directors has nine members. The Board of Directors is headed by the Chairman, who is represented by the First Vice-Chairman in the case of his absence. As of 31 December 2024 the positions of the Chairman, First Vice-Chairman and Second Vice-Chairman and Members of the Board of Directors were held by:

Branislav Stryček
Member and Chairman of the Board of Directors, nominee of shareholder Slovak Power Holding B. V.

Michele Bologna
Member and First Vice-Chairman of the Board of Directors, nominee of shareholder Slovak Power Holding B. V.

Andrej Rubint
Member and Second Vice-Chairman of the Board of Directors, nominee of shareholder the Slovak Republic

Lukáš Maršálek
Member of the Board of Directors, nominee of shareholder Slovak Power Holding B. V.

Milan Molnár
Member of the Board of Directors, nominee of shareholder Slovak Power Holding B. V.

Elisabetta Barberi
Member of the Board of Directors, nominee of shareholder Slovak Power Holding B. V.

Simone Conticelli
Member of the Board of Directors, nominee of shareholder Slovak Power Holding B. V.

Rastislav Fleško
Member of the Board of Directors, nominee of shareholder the Slovak Republic

Zoran Kupkovič
Member of the Board of Directors, nominee of shareholder the Slovak Republic

Supervisory Board

The Supervisory Board has fifteen members. The Supervisory Board is headed by the Chairman, who is represented by the Vice-Chairman in the case of his absence. The positions of Chairman, Vice-Chairman and members of the Supervisory Board as of 31 December 2024 were held by:

Ivan Šramko
Member and Vice-Chairman of the Supervisory Board, nominee of shareholder the Slovak Republic

Jiří Feist
Member of the Vice-Chairman, nominee of shareholder Slovak Power Holding B. V.

Gabriel Beer
Member of the Supervisory Board, nominee of shareholder Slovak Power Holding B. V.

Pavel Janík
Member of the Supervisory Board, nominee of shareholder Slovak Power Holding B. V.

Eduard Veselovský
Member of the Supervisory Board, nominee of shareholder Slovak Power Holding B. V.

Giuseppe Ferrara
Member of the Supervisory Board, nominee of shareholder Slovak Power Holding B. V.

Augusto Patacchiola
Member of the Supervisory Board, nominee of shareholder Slovak Power Holding B. V.

Massimiliano Piccioni
Member of the Supervisory Board, nominee of shareholder Slovak Power Holding B. V.

Stéphane Zweguintzow
Member of the Supervisory Board, nominee of shareholder Slovak Power Holding B. V.

Jozef Tischler
Member of the Supervisory Board, nominee of shareholder the Slovak Republic

Lukáš Bačkády
Member of the Supervisory Board, elected by the Company employees

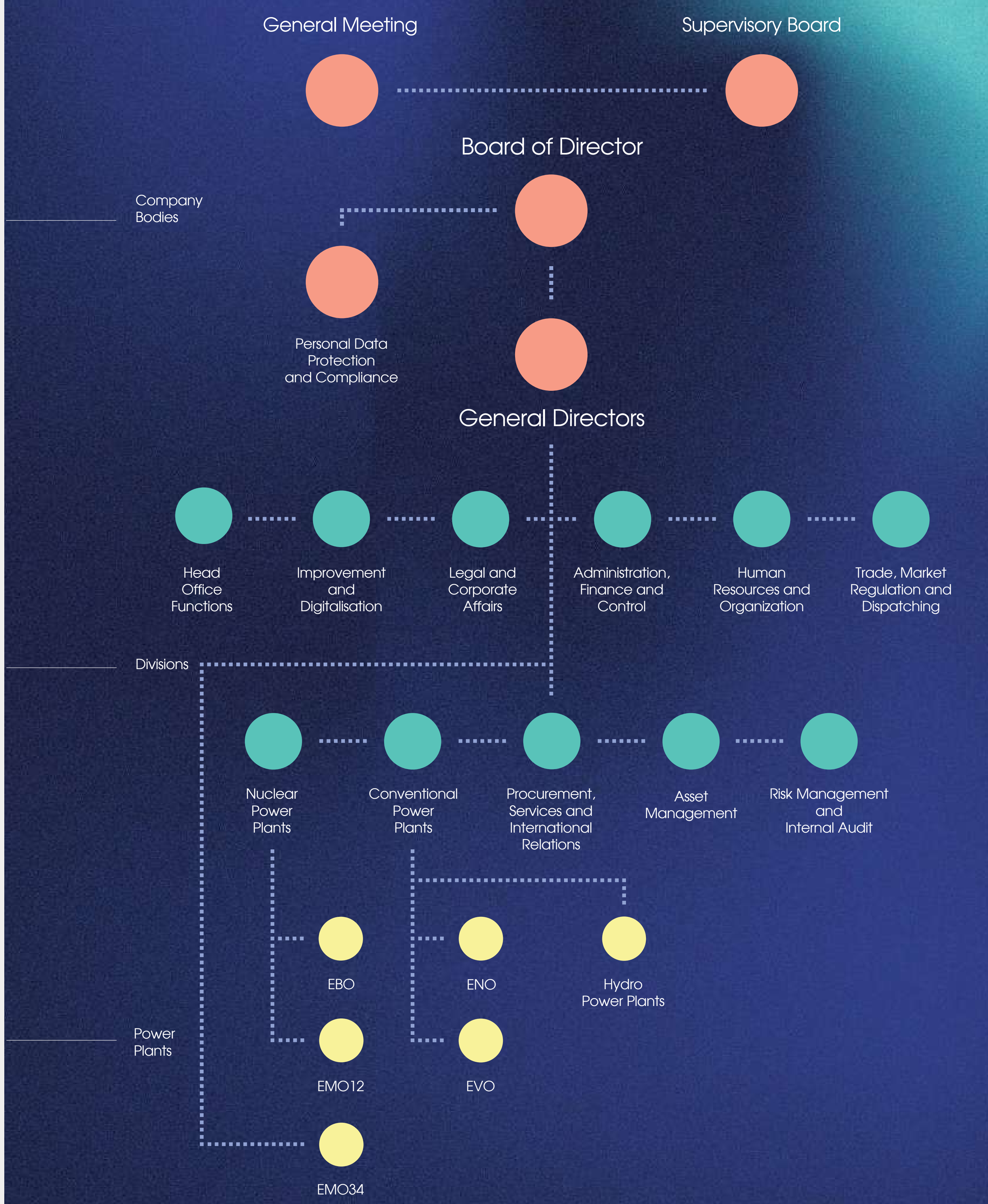
Ondrej Márföldi
Member of the Supervisory Board, elected by the Company employees

Miroslav Kiss
Member of the Supervisory Board, elected by the Company employees

Tomáš Szabo
Member of the Supervisory Board, elected by the Company employees

Zdenek Turian
Member of the Supervisory Board, elected by the Company employees

Organizational structure



Results

03

Main financial information

In 2024, Slovenské elektrárne and its subsidiaries reported an economic result before financial operations, taxation, depreciation, amortisation, and impairment (EBITDA) of €1 784 million. For comparison, the figure for 2023 was €1 131 million. The year-on-year change in EBITDA was positively influenced by the commissioning of Unit 3 of the Mochovce nuclear power plant, which was in operation for the whole of 2024. This resulted in an annual increase in production and supply of 893 GWh, offsetting the loss of generation due to the closure of the Nováky coal power plant (December 2023) and the Vojany coal power plant (March 2024). Other factors impacting the year-on-year change included electricity price developments in previous years, as the Company had secured advantageous forward sales of a significant portion of its production for delivery in 2024. Additional revenues were generated from trading activities capitalising on regional price differences across Europe, as well as from the optimisation of pumped storage power plant operations, especially in the summer period, which allowed the realisation of additional revenues associated with the storage of surplus energy.

“Net profit for 2024 reached €795 million.”

In order to support the Company's profitability, cash optimisation and efficient cash flow management continued to be key initiatives in 2024. Net debt fell by €831 million year-on-year, even despite ongoing investments in the completion of Unit 4 of the Mochovce nuclear power plant.

The Company remains fully committed to the sustainability of its investment plan for 2025 – 2029, with a focus on completing Unit 4 of the Mochovce nuclear power plant. Total investments in 2024 amounted to €317 million (excluding capitalised interest), of which €223 million related to the completion of Unit 4 of the Mochovce nuclear power plant.

In addition, the Company has continued to fully utilise and maximise its ability to operate nuclear and hydropower plants and is exploring potential opportunities for its own development in the renewable and battery storage business. At the same time, it provides innovative services to its end customers.

Events after the reporting date

“On 23 December 2024, the Company signed a Term and Revolving Credit Agreement with a syndicate of banks amounting to €3.580 billion.”

The first and second tranches of the syndicated financing are term loans, each in a value up to €1 665 million. The first tranche falls due on 23 December 2027, while the second tranche falls due on 23 December 2029. The third tranche consists of a revolving credit facility amounting to €250 million.

Following the signing of the agreement, all of the Company's bank and subordinated loans, with the exception of two purpose-specific bank loans, were refinanced to the end of January 2025. The maturity of these two purpose-specific loans, which were not refinanced, was extended in January 2025 until the end of 2030.

The repayment of the loans also resulted in the release of collateral secured through a pledge over a selected portfolio of the Company's assets.

Companies in which a stake is held

SE, which also includes an organizational branch in Poland, holds equity stakes in companies whose business activities are closely related to SE's line of business. These are activities consisting of the supply of electricity, gas and heat, the provision of design and engineering services, the provision of comprehensive energy services focused on increasing energy efficiency, research and development, engineering and, last but not least, also the protection of all the Company's facilities. Membership in reinsurance companies is a condition for insuring the Company's nuclear risks.

In 2023, SE Služby inžinierskych stavieb, s.r.o., fulfilled the purpose of its existence, and the reasons for its continued operation ceased to exist. On 20 December 2023, the Supervisory Board of Slovenské elektrárne, a.s., approved the dissolution of SE Služby inžinierskych stavieb, s.r.o., and its entry into liquidation. The company entered liquidation on 23 April 2024, with the liquidation process expected to be completed in the course of 2025.

To strengthen the positive perception of the Company as an active partner in the field of philanthropy and responsibility and with the intention to be more visible in this area in the domestic region as well as at the societal level, Slovenské elektrárne established the Slovenské elektrárne Foundation[5] on 30 October 2023. In October 2024, the foundation was registered as a tax assignee, and throughout 2024, its activities were focused solely on internal organisational setup and strategic planning for future initiatives.

[5]Hereinafter also referred to as "Foundation"

Detailed overview of companies in which Slovenské elektrárne held an equity stake as at 31 December 2024.

Company	Year of incorporation (entry)	SE share in %	Line of business
SE Služby inžinierskych stavieb, s.r.o. v likvidácii	2015	100,00	As one of the suppliers to Slovenské elektrárne, a.s., in the MO34 completion project, the company provided services in the fields of engineering, construction management, and project management.
Slovenské elektrárne – energetické služby, s.r.o.	2008	100,00	The core business activity is the provision of comprehensive energy services to end customers, including the sale of electricity, gas and heat, and energy efficiency solutions in the SR.
Slovenské elektrárne Česká republika, s.r.o.	2015	100,00	The company trades in electricity and natural gas. Its customers are large and small companies, cooperatives as well as natural persons – individuals in the Czech Republic.
Centrum pre vedu a výskum, s.r.o.	2011	100,00	The core business activity of the company is the integration of Slovenské elektrárne's projects, which by their focus fall into the field of science and research, with the aim of their comprehensive, systematic solution. The company cooperates with academic and research institutions and uses the current existing research infrastructure in Slovakia.
Ochrana a bezpečnosť SE, s.r.o.	2004	100,00	The core activity of the company is to provide customers with reliable and effective protection of property and persons in accordance with applicable legislation. Due to the company's standing, the main customers of its products and services are Slovenské elektrárne and its subsidiaries.
REAKTORTEST, s.r.o.	1991	49,00	The company's activities are focused mainly on performing visual tests, tests using ultrasound, eddy currents on nuclear power installations, as well as qualification and certification activities.
ÚJV Řež, a.s.	1998	27,80	The company's activities are focused on supporting the safe and efficient operation of energy sources, on services in the area of the fuel cycle of nuclear power plants, on comprehensive servicing in the management of radioactive and other waste, and on design, and related engineering activities. In the field of nuclear medicine, the company manufactures and distributes radiopharmaceuticals for the positron emission tomography imaging method.
Energotel, a.s.	2001	20,00	The company focuses on the provision of wholesale telecommunications circuit rental and Internet access services and, more recently, on the provision of cyber and Internet security services.
BlueRe, m.a.	2011	4,17	The subject of BlueRe's activities is the provision of reinsurance services in the area of nuclear liability risks.
ELINI	2002	4,13	ELINI is a mutual insurance association that provides liability risk insurance services to its members in the nuclear industry.
EMANI	1978	2,22	EMANI is a mutual insurance association that provides asset risk insurance services to its members in the nuclear industry.
NIRA	2008	0,51	The subject of NIRA's activities is the provision of services for insuring nuclear and, in part, non-nuclear risks in the energy industry, whether they are of asset or liability nature.
Nadácia Slovenských elektrární	2023	100,00	The foundation was established with the community-benefit purpose of promoting the development and protection of spiritual and cultural values, the realisation and protection of human rights or other humanitarian objectives for the preservation of natural values and other community-benefit purposes, the protection and creation of the environment, the preservation of natural values, the protection of health, the protection of the rights of children and young people, the development of science, education, physical education, the fulfilment of individually determined humanitarian aid for an individual or a group of persons in danger of their lives or in need of urgent assistance when affected by a natural disaster.
CYPRO	2023	1,33	CYPRO is a mutual insurance and reinsurance association that, once licensed, will provide both cyber and property risk insurance services to its energy sector members.

Trading in electricity, heat and ancillary services

Electricity Trading

The Company conducts the sale of production through trades concluded under market conditions, usually through brokerage platforms or Energy Exchange Europe (EEX), which are considered to be the most transparent and reliable means of electricity trading in the region. This strategy has long been favourably received by the Company's trading partners.

SE sells the majority of its production on a forward basis with the time horizon of three years in advance of the electricity supply, in accordance with its long-term business strategy. This strategy is an effective way of securing sale prices and planned production volumes.

The remaining open position is traded on the Slovak spot market, or on the surrounding markets, either on organised trading venues, bilaterally, or through brokerage platforms. This volume represents a small part of the total annual output and is necessary for maintaining the Company's balanced position, respecting in particular the unpredictability of water resources and possible outages of other sources in the Company's production portfolio. Given the effective functioning of the implicit market-coupling method of allocating cross-border transmission capacities, the size of the Slovak spot market is sufficient for SE's needs.

Development of Electricity Prices

The downward trend in electricity prices observed in 2023 continued into the early months of 2024. A mild winter, combined with high production from renewables and hydropower across Europe, led to frequent occurrences of negative prices on the spot market. This, along with the high levels of gas storage capacity, further drove down prices for products with later delivery dates. A long-term factor contributing to this trend was the persistently subdued demand for electricity and gas, particularly from the industrial sector.

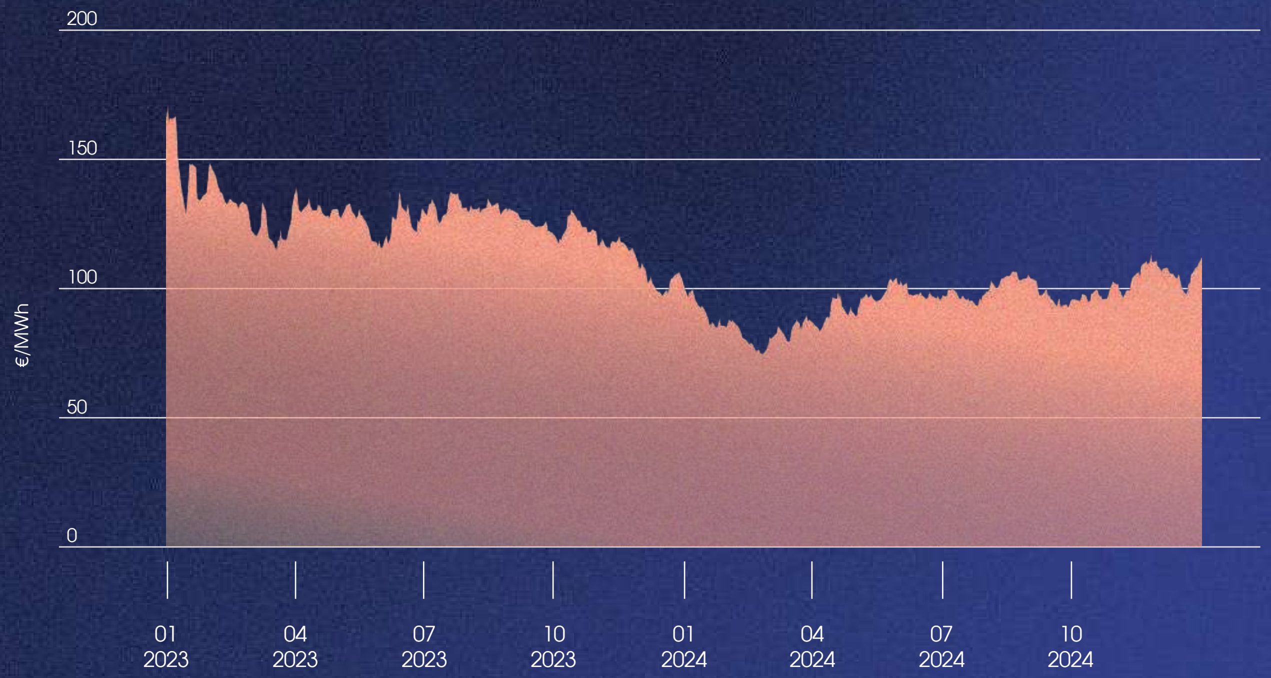
However, the trend reversed in the spring of 2024. The main reasons for the renewed price increase included:

- Escalation of conflicts in the Middle East (threat to liquefied natural gas supplies)
- Russian attacks on energy infrastructure in Ukraine
- Problems at Freeport LNG terminal in the United States
- Heatwaves during the summer, highlighting structural weaknesses in the EU's energy transition – specifically, the lack of flexible generation sources during periods of low renewables output and high consumption.

During the rest of the year the situation was stable (compared to recent years).

Electricity price development in the SR (€/MWh)

Wholesale price of the baseload product for delivery in 2026 in Slovakia



Trading in Electricity and Heat in the Slovak Market

The Slovak electricity market is fully liberalised, open to all market participants and has sufficient transmission capacities. There are no obstacles to the free exchange of electricity either within the system or between the surrounding countries. Market prices on the domestic market are in line with the market prices of the surrounding markets, transparently created by supply and demand. The market price is determined fairly and transparently by market participants, who have the same information. This is evidenced by the steady functioning of the daily organised electricity market, which evaluates and publishes hourly prices for supplies for the day ahead.

The Company is aware of its standing as the largest trader on the domestic electricity market, and therefore by means of trading platforms it seeks to improve the liquidity and transparency of the Slovak market. As a result, the Slovak market reflects real market conditions and is becoming even more attractive for all its participants. One of the key factors contributing to this is Slovakia's strategic location for electricity trade and transmission towards Hungary and further into the Balkans – a region with higher price levels.

The aforementioned spot (day-ahead) market operates under the Flow-Based Market Coupling (FBMC) mechanism. The basis of the FBMC is the transition from the calculation of cross-border capacities in the form of ATC to the flow-based method, which seeks to approximate the volumes of commercial electricity flows towards real physical flows, while setting the price as optimally as possible taking into account the benefits of all market participants.

Domestic Sales Policy

As the dominant electricity producer on the Slovak market and as an integral part of this environment, SE cannot overlook the impact of market forces. The Company keeps its prices competitive at the regional level, despite the difficult conditions on the electricity market.

The Company's business strategy is to sell and purchase electricity in a transparent and non-discriminatory way. The Company confirms this trend with all business transactions that it always concludes under market conditions, mainly via trading platforms. They are accessible to the majority of wholesale market participants, which ensures the transparency of each concluded trade and the consistency of the concluded price with the current market value.

An integral part of the business strategy is also to focus on the segment of end customers to whom the Company, besides selling electricity, also offers, via its subsidiaries, energy services, and thereby further stabilises its position in the domestic energy market.

Strategy in the Region

The Company's main strategic priorities include exploiting opportunities in the surrounding markets of the Czech Republic, Poland and Hungary taking into account the parallel development of these liberalised markets, and the sufficient level of building transmission links between them. Thanks to active trading on these markets, the Company maintains its position as a major player in the Central European electricity market.

The German electricity market plays a specific strategic role in SE's hedging operations related to the sales of its production volumes. Thanks to its size and liquidity, the German electricity market has become a reference market, setting the base price in the region.

Trading in Ancillary Services and Regulation Electricity

In order to provide for system services in 2024, the transmission system operator, Slovenská elektrizačná prenosová sústava, a.s. (SEPS) purchased ancillary services in compliance with the Operational Rules of the transmission system operator from certified providers, complying with the technical requirements for providing ancillary services defined in the Technical Conditions for Access and Connection and in transmission system operation rules. SEPS purchased the service of primary (referred to as FCR), secondary (referred to as aFRR and aFRR-) and tertiary (referred to as mFRR , mFRR-, TRV3MIN and TRV3MIN-) active power regulations, secondary voltage regulation and black start. Compared to 2023, the volume of requested primary frequency control decreased, while the volumes of other ancillary services remained unchanged.

The maximum prices of ancillary services procured by the transmission system operator, as well as the price limits for balancing electricity, were set by the Regulatory Office for Network Industries (ÚRSO) under Decision no. 0089/2023/E of 18 September 2023 and no. 118/2023/E of 15 December 2023. The unit prices of active power regulation ancillary services decreased compared to 2023. Until the integration into international balancing energy exchange platforms, the price limits for aFRR+/-, mFRR+/- and mFRR3+/- balancing electricity were linked to the development of the day-ahead and intraday electricity markets. After SEPS connected to the aFRR balancing energy exchange platform ("Picasso") on 5 November 2024 and to the mFRR balancing energy exchange platform ("Mari") on 3 December 2024, a technical price cap of €15 000/MWh for positive balancing electricity and -€15 000/MWh for negative balancing electricity was applied to these services.

Revenues from ancillary services corresponded to the volume of ancillary services provided. The Company provided ancillary services in the scope of valid contracted volumes from of annual, monthly and daily tender selection procedures, contracts taken over on behalf of other providers, in which own sources were utilised.

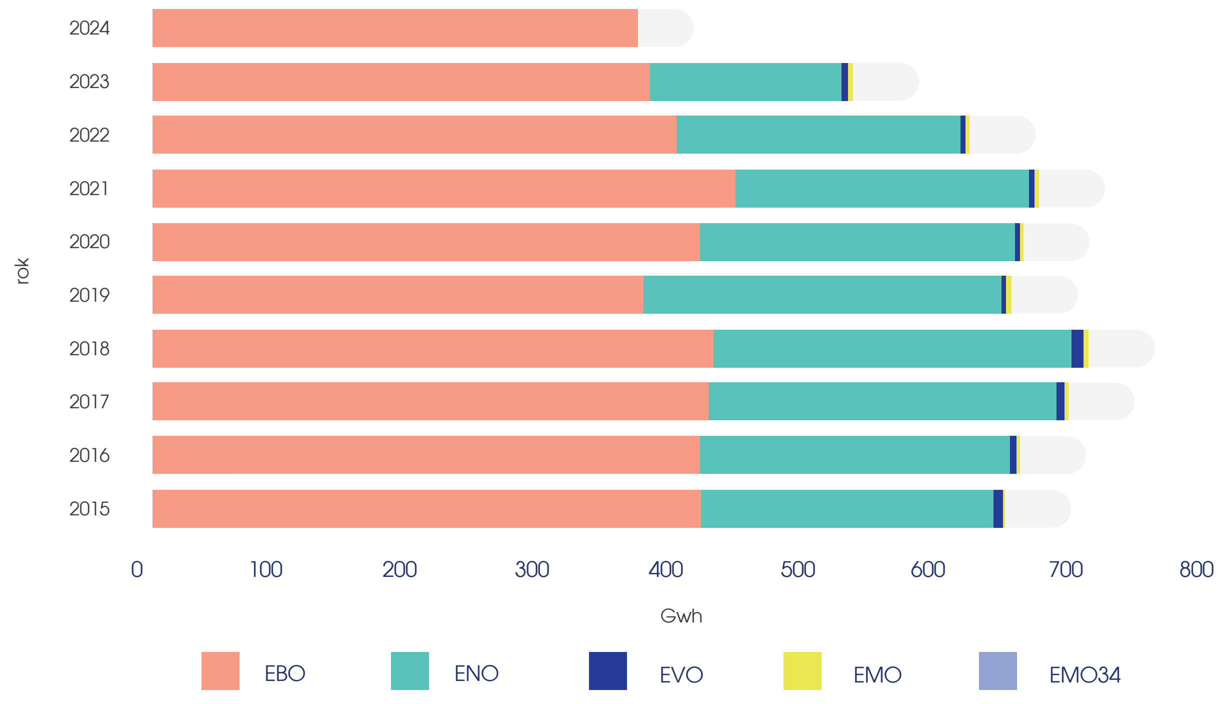
As part of the activation of active power regulation ancillary services, the Company supplied balancing electricity to SEPS and, after integration into international balancing energy exchange platforms, also to foreign transmission system operators. The financial settlement of balancing electricity, as well as the financial settlement of imbalances, was carried out by OKTE, a.s., the short-term electricity market operator.

Heat Trading

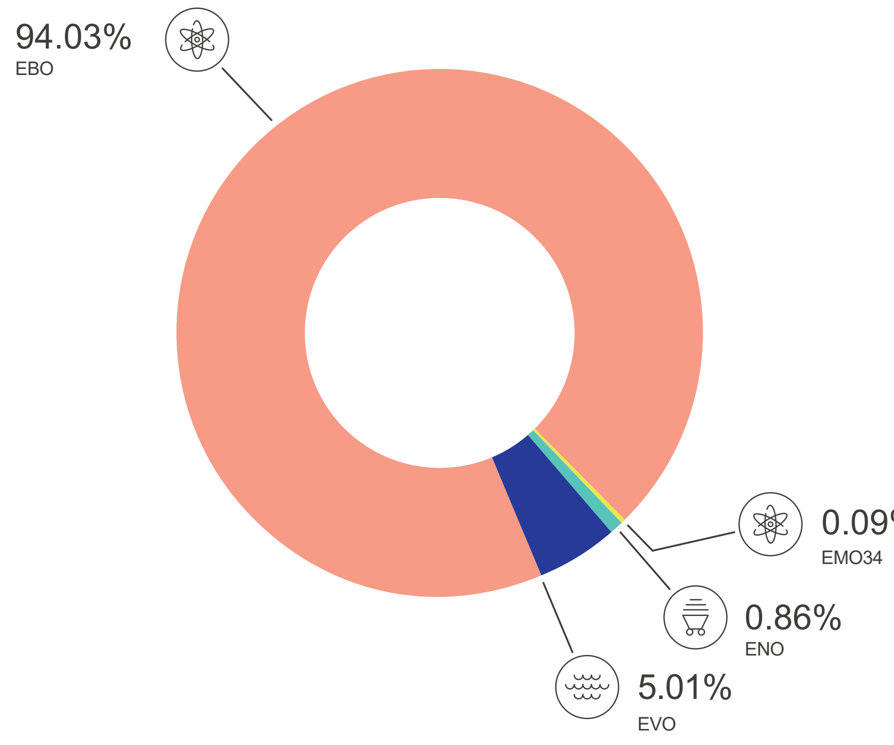
The Company is one of the largest heat suppliers in Slovakia. In 2024, it produced 505 GWh of utility heat and sold 397 GWh of heat, achieving revenues of €6.7 million.

The largest of the district heating systems in the SE portfolio is a system located at the site of the Jaslovské Bohunice Nuclear Power Plant (EBO). This nuclear installation supplies heat to the towns of Trnava, Hlohovec, Leopoldov and the municipality of Jaslovské Bohunice. Heat for customers both in production and non-production sectors was delivered smoothly and reliably, based on their needs, and in line with the quality standards of heat supply.

Share of plants in heat sales at Slovenské elektrárne (GWh)



Plants' shares in revenues from heat sales in 2024



The year 2024 continues the five-year regulatory period 2023 – 2027. Price regulation in the thermal energy industry in the regulatory period is governed by Decree no. 312/2022 Coll. The entire regulatory period focuses on stabilising both variable and fixed costs. The variable heat price is regulated by the Regulatory Office for Network Industries by means of introducing correction coefficients for calculating maximum fuel prices. Fixed costs may be increased on a year-on-year basis only due to new investments in increasing the efficiency of production or distribution of heat, or due to inflation. However, the fixed component of the heat price is affected by regulatory input, which is based on real heat supply in the year preceding the submission of a price proposal. In the new regulatory period, the regulatory input calculated on the basis of the actual heat supply in 2021 is valid for the entire regulatory period. The heat prices determined by the decision of the regulatory authority are, following the end of the regulatory year, subject to clearing for actual heat offtake and economically eligible costs actually incurred. The difference between variable and fixed costs is settled in the form of credit note at the end of the regulatory year by 31 March of the following calendar year.

The aim of the regulatory pricing policy is to stabilise heat prices for the relevant regulatory period 2023 – 2027. Prices for the regulatory period 2023 – 2027 are based on the approved fixed costs in the previous regulatory period and on the planned variable costs for the following year.

Commodity Supplier

The Company's long-term strategy for supplying commodities to end customers via its subsidiaries is to focus on segments that show stable consumption, a reasonable sales margin and, at the same time, the potential of selling energy services that bring added value to customers over the long term. Total electricity supply for 2024 grew only slightly and represents a volume of 2.62 TWh; gas supply was at the level of 0.18 TWh; and the volume of supplied heat represents 0.37 TWh.

In 2024, the subsidiary Slovenské elektrárne – energetické služby, s.r.o., (SE-ES) – supplied electricity, gas, heat as well as energy services to more than 5 000 customers. This confirms the Company's stable position in the market and the role of a major player in providing comprehensive energy services.

The Company is represented on the Czech market of supplies to end customers through its subsidiary Slovenské elektrárne Česká republika, s.r.o. (SEČR). SEČR focuses mainly on the supply of electricity and gas. Its customers include major Czech and international companies, making SEČR one of the stable and renowned suppliers of commodities on the Czech energy market.

In Poland the sale of electricity is carried out via a branch of the Company in Warsaw.

Electricity Pricing and Structuring for the End Consumer

The structure of the electricity price for the end consumer in Slovakia consists of three main components: commodity, transmission and distribution fees and system fees. The price of electricity as a commodity is determined in two ways: through the market without any form of regulation for industrial consumers and by regulatory decisions of the Regulatory Office for Network Industries (ÚRSO) for the regulated segment, which includes households and small business consumers. Regulated charges for transmission and distribution are based on the costs of operating the transmission and distribution networks. As part of system charges, the tariff for system operation primarily supports the use of renewable energy sources and the operation of the short-term electricity market organiser (OKTE, a.s.). A tariff for system services is used for the procurement of ancillary services.

The electricity price also includes a levy to the National Nuclear Fund, the amount of which is determined by a regulation of the Slovak Government. In addition to these fees, end customers, other than households, are also charged excise duty. All customers are also subject to value-added tax (VAT), pursuant to applicable laws.

Based on a Memorandum of Understanding signed with the Ministry of Economy and the Ministry of Finance, the Company signed an implementation contract, based on which in 2024 it supplied electricity to households in the baseload product at a price of 61.20 EUR/MWh, which applied also in 2022 and 2023. Based on government regulations issued in December 2023, aimed at stabilising electricity prices for end customers, regulated charges in the final electricity price were set at the 2022 level.

Regulatory framework

Legislative Changes Associated with the Energy Crisis

The Energy Act introduced the Excess Revenue Levy in 2023. The Company did not reach the amount of the ceiling defined in the legislation in 2024 and therefore the levy for 2024 was set at €0. This year was also the last year of payment of the Excess Earnings Levy.

Payments for Access to the Electricity Grid for Slovak Electricity Producers ("G-component")

In 2024, both distribution and transmission system operators continued to charge electricity producers for access to the distribution and transmission system (the so-called G-component). An electricity producer connected to the regional distribution system was charged a G-component of 15% of the maximum reserved capacity value. The payment for access to the transmission system to the transmission system operator is paid by the electricity producer at an average rate of 0.5 €/MWh. The payment does not apply to any electricity producers whose electricity producing facilities serve solely for providing ancillary services or exclusively for supplying regulation electricity, neither does it apply to any electricity producers operating a facility for electricity production from hydro energy with a total installed capacity of less than 5 MW.

Transposition of the Winter Energy Package

Building on activities from previous periods, Slovenské elektrárne continued its activities in 2024 and submitted comments on the transposition of the Winter Energy Package, especially in the framework of the interdepartmental comment procedure. Within this procedure, SE made a number of comments regarding mainly the storage facilities and ancillary services, most of which were accepted by the Ministry of Economy of the Slovak Republic. The law transposing the EU's winter energy package was approved by the National Assembly and entered into force in its entirety in 2024.

Building Act

The Company commented on the new Building Act from the Ministry of Transport of the Slovak Republic, including participation in and advocacy of proposals in several controversial proceedings within the framework of the ordinary comment procedure. The law, set to take effect on 1 April 2025, is expected to introduce several significant changes in construction and building procedures in the Slovak Republic. Overall, the new law aims to simplify and streamline construction proceedings, reduce the administrative burden on developers, and enhance the professionalism of the state construction administration.

Integrated National Energy and Climate Plan

The Ministry of Economy of the Slovak Republic published a draft update to the Integrated National Energy & Climate Plan (NECP) for 2021-2030 in October 2024. Slovenské elektrárne actively participated in the commenting process, as it is a key document contributing to the definition of the energy policy of the Slovak Republic. The Company sees the NECP as a strategic document setting priorities and visions for the development of the energy sector in the SR going into the future, and therefore has an interest in its proper configuration. The NECP is a key document for the Company, as it provides a framework for electricity generation from sources that Slovenské elektrárne has in its portfolio, such as nuclear power, hydropower, and other renewable energy sources. The Slovak government is expected to adopt the NECP in 2025.

European Parliament Elections

A key milestone in international developments in 2024 was the European Parliament elections and the subsequent appointment of the new European Commission for the 2024 – 2029 term. European institutions play a fundamental role in shaping the legislative and regulatory framework, directly impacting both Slovakia's energy policies and the operations of Slovenské elektrárne. As the Company is one of the key energy players, these developments have been intensively monitored and evaluated. The new political leadership of the European Union has set a number of priorities for the upcoming programming period. In view of the developments in recent years, particularly in the energy sector, Slovenské elektrárne has been pursuing areas focused mainly on:

- implementing the European Green Deal to achieve the 2030 and 2050 climate targets
- increasing energy safety and security of supply,
- support for competitiveness

Business risk

Slovenské elektrárne, as a company with international operations, is exposed to multiple types of risks. Efficient risk management means increasing the Company's value by optimal exploitation of business opportunities, while minimising market risks arising from such activities. Risk management is part of the Company's financial and operational management and fully identifies, quantifies, regularly monitors and controls the degree of risk to prevent potential negative impact on the Company's financial performance.

The commodity risks, which a company producing and selling electricity on a daily basis inevitably faces, related to changes in electricity prices on international markets. Fluctuations in electricity prices on commodity exchanges depend primarily on price movements of commodities entering the electricity production process, such as coal, gas and emission allowances. As a result of addressing these risks, sophisticated approaches are employed to measure the market risk to which the Company is exposed over time. In order to mitigate the aforementioned threats in commodity markets, the Company uses one of the most efficient tools for protecting itself against risks, namely hedging. Hedging operations aimed at minimising or completely eliminating risks have been used in several of the Company's commercial activities.

Risk management also deals with the issue of protecting the Company from the insolvency of its business partners. Credit risks mainly concern the monitoring, evaluation and management of counterparty credit exposures in accordance with established individual credit limits. The credit line is assigned to the counterparty by taking into account qualitative and quantitative indicators, and is regularly monitored with an emphasis on the change in creditworthiness and payment discipline of the counterparty. Credit risk is minimised through third-party guarantees, bank guarantees, cash collateral and possibly other instruments. Risk management at SE is also very effective in terms of international comparison, as evidenced by the 0% share of counterparty failure in the overall portfolio of SE's customers.

Electricity and heat production

Installed Capacity

The SE's production base is balanced and consists of two nuclear (NPP), thirty-one hydro (HPP) and two photovoltaic (PhPP) power plants. Two thermal power plants (TPPs) were decommissioned in 2024. TPP Nováky was decommissioned from 1.1.2024 and TPP Vojany was decommissioned from 29.5.2024. The Company's installed capacity therefore decreased by 486 MW year-on-year.

Installed capacity (MW)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
SE	4300,92	4175,92	4080,92	4080,92	4080,92	4112,36	4143,80	4143,80	4614,80	4128,80
HPP-G	0[6]	0	0	0	0	0	0	0	0	0
TOTAL	4300,92	4175,92	4080,92	4080,92	4080,92	4112,36	4143,80	4143,80	4614,80	4128,8

Terminal electricity production (GWh)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
SE	19 259	18 981	19 444	18 638	18 865	18 773	19 113	18 888	21 660	20 787
HPP-G	448[6]	0	0	0	0	0	0	0	0	0
TOTAL	19 707	18 981	19 444	18 638	18 865	18773	19 113	18 888	21 660	20 787

Nuclear power plants

Power plant	installed capacity (MW)	year of commissioning
Bohunice Nuclear Power Plant (EBO)	2 x 500	1984, 1985
Nuclear power plant Mochovce (EMO	2 x 501,44 1 x 471,00	1998, 2000 2023
TOTAL	2 473,88	

Thermal power plants (EVO1 was decommissioned as of 29.5.2024)

Power plant	fuel type	installed capacity (MW)	year of commissioning
Vojany power plant (EVO 1)	black coal	220	2001
TOTAL		220	

Photovoltaic power plants

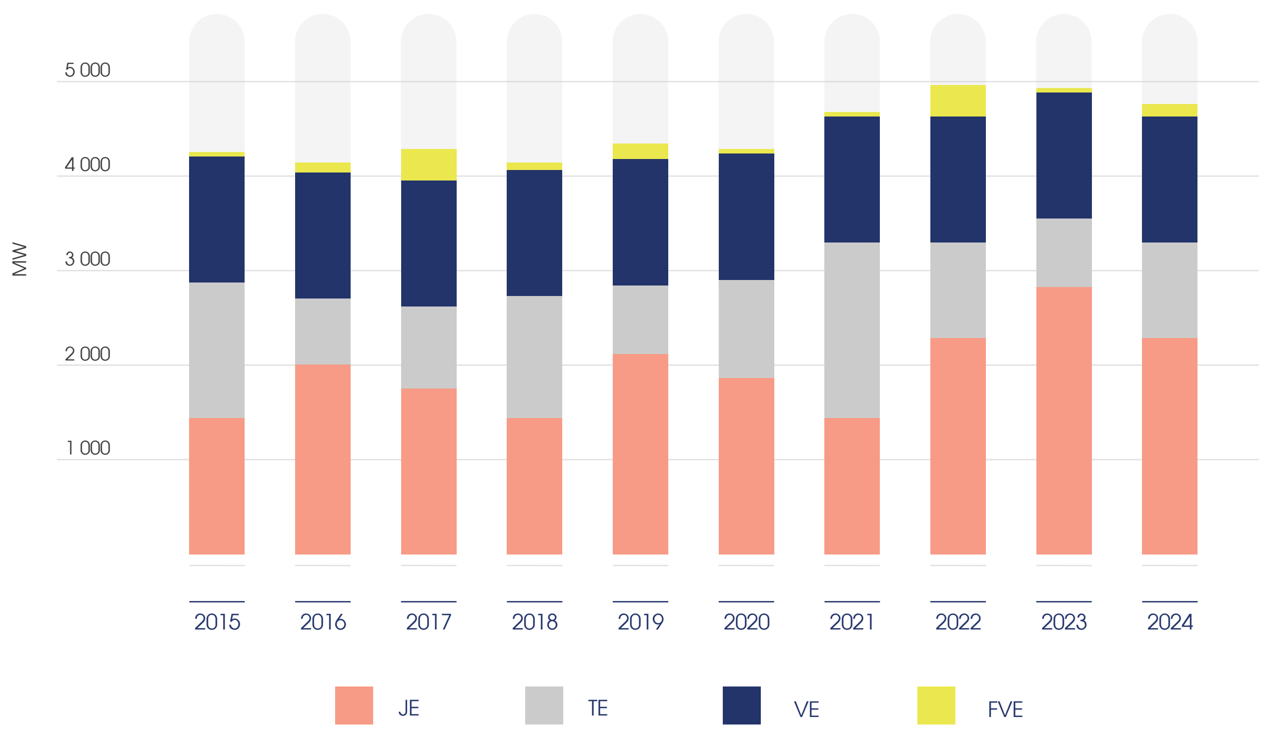
Power plant	Installed capacity (MW)	Year of commissioning into operation
Mochovce photovoltaic power plant	0,95	2011
Vojany photovoltaic power plant	0,95	2011
TOTAL	1,90	

[6] Gabčíkovo hydropower structure (HPP Gabčíkovo, HPP Malé Gabčíkovo, HPP Čuňovo, HPP Mošoň), operation in the balance group of Slovenské elektrárne up to 9.3.2015 23:59.

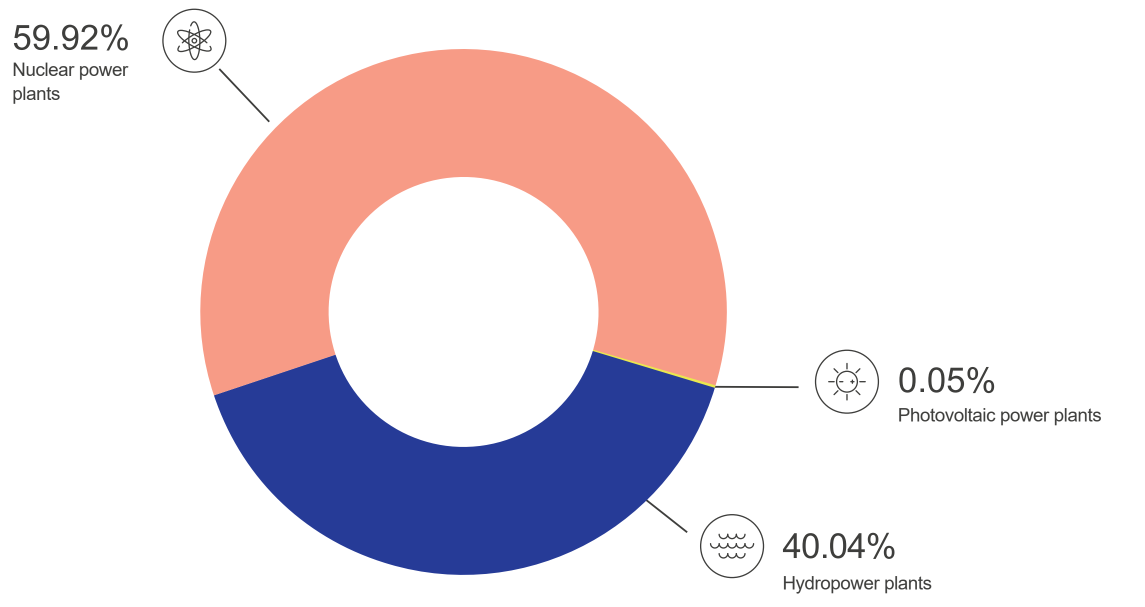
Hydropower plants

Power plant	Installed capacity (MW)	Year of commissioning into operation
PUMPED-STORAGE HPP		
Čierny Váh	6 x 122,40	1982
Liptovská Mara	2 x 49,00	1976
Ružín	2 x 30,00	1972
Dobšiná	2 x 12,00	1953, 1954
RUN-OF-THE-RIVER HPP		
Orava	10,87 + 10,88	1953, 1954
Liptovská Mara	2 x 50,00	1975
Krpeľany	3 x 8,25	1957
Sučany	3 x 12,80	1958
Lipovec	3 x 12,80	1961
Hričov	3 x 10,50	1962, 1964
Mikšová 1	3 x 31,20	1963, 1965
Považská Bystrica	3 x 18,40	1963, 1964
Nosice	3 x 22,50	1957, 1958
Ladce	2 x 9,45	1936
Ilava	2 x 7,50	1946
Dubnica	2 x 8,25	1949
Trenčín	2 x 8,05	1956
Kostolná	2 x 12,75	1952, 1953
Nové Mesto n./V.	2 x 12,75	1953, 1954
Horná Streda	2 x 12,75	1954, 1955
Madunice	3 x 14,40	1960, 1961
Kráľová	2 x 22,53	1985
SMALL HPPS		
Čierny Váh prietok	0,76	1982
Tvrdošín	2 x 2,80 + 1 x 0,50	1979
Bešeňová	2 x 2,32	1976
Domaša	2 x 6,20	1966
V. Kozmálovce	2 x 2,40 + 1 x 0,52	1988
Ružín II	1,80	1974
Dobšiná II	2,00	1994
Dobšiná III	0,32	2014
Rakovec	2 x 0,25	1913
Krompachy	0,33	1932
Švedlár	0,09	1924
TOTAL	**1 653,02**	

Installed capacity of Slovenské elektrárne (MW)



Share of power plant types in installed capacity



Electricity Production

In 2024, Slovenské elektrárne produced 20 787 GWh of electricity with a year-on-year index of 0.96. Besides the production of electricity, the sources also provided ancillary services, which significantly contributed to the stability of the Slovak electricity grid.

Following the closure of the two thermal power plants, the Company achieved a high share of electricity generated free of greenhouse gas emissions. In 2024, SE supplied to the power grid electricity in the amount of 18 703 GWh. As much as 99% of electricity supplied was free of direct greenhouse gas emissions.

Nuclear Power Plants

Nuclear power plant generation decreased by 112 GWh year-on-year from 18 344 to 18 232 GWh, mainly due to lower availability of generation facilities. EBO and EMO Unit 3 had long outages in 2024. Electricity supply to the grid fell by 76 GWh. Bohunice Nuclear Power Plant (EBO) supplied 6 542 GWh of electricity to the grid in 2024. The Mochovce Nuclear Power Plants (EMO) supplied 10 350 GWh, the most in their history. The nuclear units also reliably provided year-round ancillary services of negative tertiary capacity regulation, as well as secondary voltage regulation. The EBO and EMO boilers also provided negative auxiliary services at the sites of both nuclear power plants.

Hydropower Plants

Hydropower plants are directly dependent on the weather and the hydrological situation. Rainfall in the first half 2024 was above average. At the beginning of the year, the fill levels of the upper reservoirs were above average. The gradual melting of snow in the high mountains, together with the spring rains, contributed to their complete replenishment and to an increase in production above the plan. Conversely, the second half of 2024 was below average in terms of precipitation, which had an adverse effect on both the filling of production from the flow and also on the gradual significant emptying of the Orava and Liptovská Mara reservoirs. In 2024, Slovenské elektrárne produced at its 31 hydro power plants in total 2 360 GWh of electricity.

From its run-of-the-river power plants, Slovenské elektrárne supplied 1 832 GWh. The pumped storage power plants several times highlighted in the course of 2024 their irreplaceable role in producing peak electricity and providing ancillary services, in particular fast tertiary capacity regulation. Significant price differentials from hour to hour during a day in some periods meant they were used to a greater extent. In total, they generated 498 GWh, while their overall own consumption for pumped-storage generation reached 672 GWh.

Thermal Power Plants

Nováky Power Plant was decommissioned from 1.1.2024

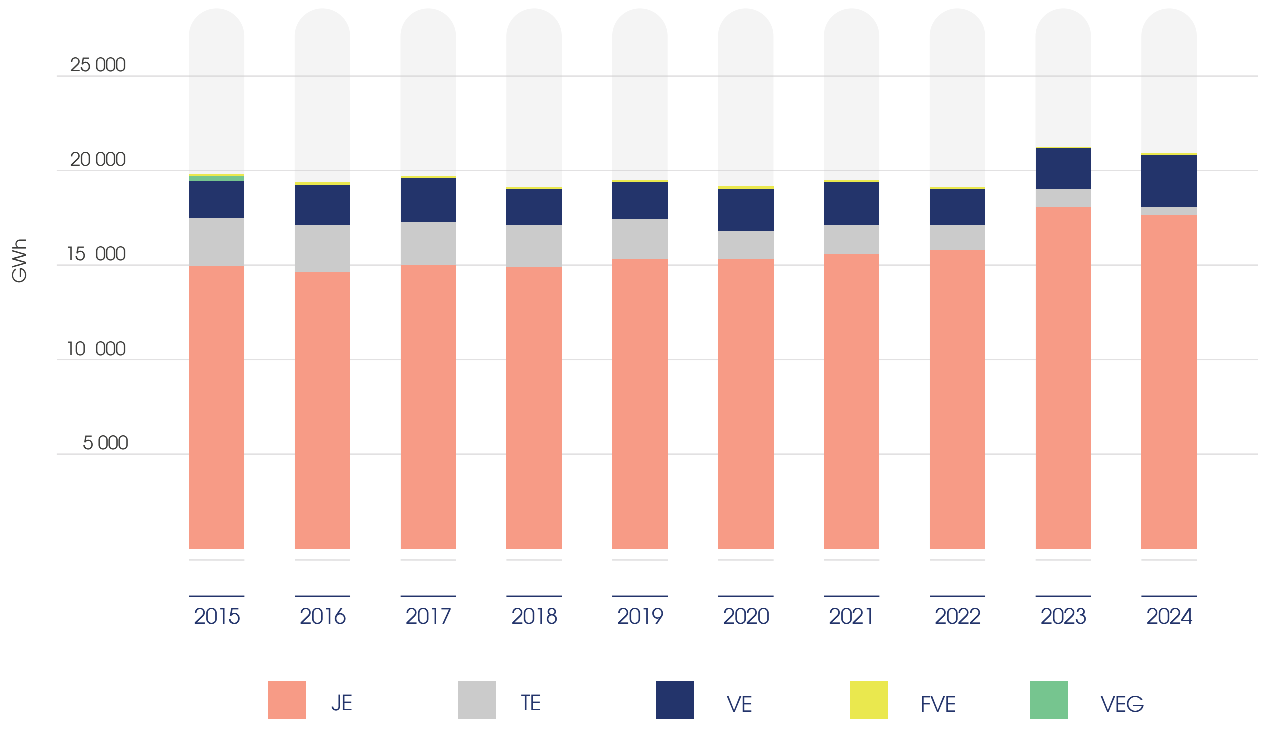
The Vojany power plants, which co-fired coal and wood chips in 2024, produced 193 GWh and supplied 156 GWh of electricity to the grid. In addition to electricity, the EVO units also supplied ancillary services. The power plant was decommissioned as of 29.5.2024.

By co-firing biomass at EVO, Slovenské elektrárne generated 40 GWh of electricity from biomass last year and supplied 33 GWh.

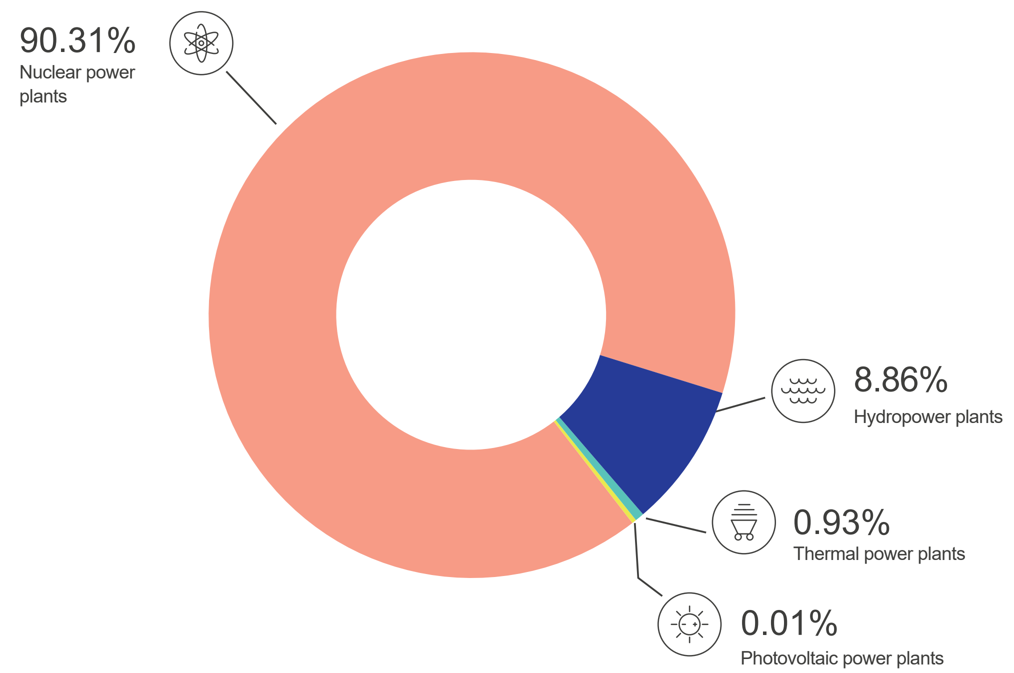
Photovoltaic power plants generated and supplied a standard 2 GWh of electricity.

In 2024, an investment project was carried out at the Dobšiná site, where a battery energy storage system (BESS) with an installed electrical capacity of 3.2 MW was installed. In January 2025, the battery storage system was in trial operation.

Annual terminal electricity production of operated power plants (GWh)



Share in electricity supply from sources operated by Slovenské elektrárne



Heat Production

Heat production is based mainly on cogeneration of heat and electricity. In 2024, SE produced 505 GWh of heat for heating plant purposes. Of this, heat production at EBO site represented 422 GWh and 70 GWh at the EMO site, and a total of 13 GWh at the EVO site.

Major Projects

04

Major Projects

"The completion of Units 3 and 4 of the Mochovce Nuclear Power Plant (MO34) is the largest private investment in Slovakia. Once commissioned, these units will together cover approximately 26% of Slovakia's electricity consumption. The output of each them is 471 MW, with the assumption of increasing output to more than 500 MW in the coming years."

Mochovce nuclear power plant completion

Basic Information

The technology used is VVER 440/V-213 with pressurised water reactors, i.e. the reactor is moderated and cooled by water. The technology used at MO34 is noted for its evolutionary design with proven safe technology and numerous safety enhancements; inherent safety with low power density and large primary circuit heat capacity; as well as higher availability and efficiency.

Development in 2024

The General Meeting of Slovenské elektrárne approved an increase in the interim budget by €64 million in December 2024, bringing the total to €6.47 billion for the entire Project.

By the end of 2024, the total number of hours worked had reached 4.55 million. This brings the total number since the start of the Project to 121.92 million.

Works on the completion of MO34 continued in 2024. On Mochovce unit 3, the first-ever general overhaul ran from May to July 2024. Extensive works on Unit 4 resulted in the successful implementation and completion of the cold hydro test in December 2024, representing a significant phase of the Completion Project.

The physical progress of works on Unit 4 as at the end of the year stood at 93.09%.

Nuclear power projects

Bohunice V2 Nuclear Power Plant

We successfully completed the Restore Design Reliability of Shower Coolers Safety Systems project in 2024. We have ensured the continuous safe and reliable operation of the safety system coolers. The project involved replacing water chambers and covers with new components, as the original ones had gradually lost their operating parameters. Implementation was fully completed on all emergency systems.

In 2024, the Company completed the final stage of the main condenser (MC) tube replacement. Operating the main condenser with the newly replaced tubes significantly reduces the number of leaks and the subsequent ingress of circulating cooling water into the steam space, positively impacting electricity generation. In 2024, the company replaced selected main condenser modules on TG41, TG42, TG31, and TG32.

Following amendments to Act no. 87/2018 on radiation protection (which introduced stricter nuclear safety requirements), the project for the implementation of the automatic start of the TH pump in MODE 6 in the event of a loss of coolant in the reactor was carried out in 2024. This project also laid the groundwork for the application of new fuel at SE EBO.

To ensure the uninterrupted operation of the units (in the event of a disruption in nuclear fuel supply from the Russian supplier), he first phase of the Fresh Fuel Storage Capacity Expansion project at EBO34 was completed in 2024. This project guarantees the safe and reliable storage of an increased amount of fresh fuel. This project also creates a sufficient time margin for finding an alternative nuclear fuel supplier.

As part of the TG EBO Vacuum Node Modification project, the design reliability of this system was restored. Project improvements also optimised the performance of individual turbogenerators. The most significant part of the project was completed in 2024, with full completion expected in 2025.

Another project carried out in 2024 was the Reconstruction of the ZSTG (Turbogenerator Protection Systems). Through this project, the Company eliminated turbogenerator outages caused by protection system interventions due to measurement circuit failures, thereby ensuring the safe operation of the power plant. The project will be completed in 2025 with the replacement of ZSTG for two turbogenerators.

In 2024, Slovenské elektrárne successfully implemented the Modification of dose rate monitoring in the containment zone. By this, the company achieved restoration of the design reliability of the original measurements due to their obsolescence and optimal control of the radiation situation in the containment areas.

Among other electrical projects, the Company continued in implementation of the project Replacement of 0.4kV circuit breakers, type ARV, and gradually replaced circuit breakers at the 400V level with rated current in the range of 1000 - 2500 A. The project, given its scope, will run progressively until 2026.

By implementing the replacement of the borometers in 2024, the Company is eliminating safety and obsolescence issues with the components being replaced. The project was fully completed in 2024.

Mochovce Nuclear Power Plant, Units 1, 2 and 3

In 2024, a project to modify the flow section of the high-pressure components of both turbogenerators was carried out on unit 3 of the Mochovce nuclear power plant. The goal was to increase the electrical output of each TG by 3.81 MWe (a total of 2 × 3.81 MWe) compared to the current design state when operating the reactor at 1375 MWt. The same modification is planned for the turbogenerators of unit 4 in 2025.

Preparations for four-unit operation continued with the implementation of the Reconstruction of Encapsulated Conductors 7BCT01 and Replacement of Switchgear 7BCA, 7BCB projects. These aimed to enhance the reliability of four-unit operation and eliminate the risk of switchgear overload, which could otherwise lead to fire hazards and production losses. The original maximum permissible current load of 2500 A was increased to 3500 A to ensure safe handling of abnormal operating conditions across all four units.

The project for cleaning the coolant volume of the primary circuit in the spent fuel pool was also successfully completed. This project provided specialised filtration equipment to remove mechanical impurities present in the coolant of the spent fuel pool, as well as in the reactor pressure vessel's bottom area and the damping mechanisms of emergency-regulation control rod assemblies. Since some of this equipment can be used at both the Bohunice and Mochovce nuclear power plants, trial cleaning was conducted during the extended general outage of unit 4 of Bohunice, yielding positive results. Subsequently, the filtration equipment was also deployed at Mochovce Unit 2 and preparations are currently underway for cleaning during the extended outage of Mochovce Unit 1 in March 2025.

The project aimed at reducing the temperature on the operating platform of units 1 and 2 continued with the replacement of the air-handling system and preparations for replacing the degraded insulation on steam pipelines. The current condition of the insulation significantly contributes to the overheating of service areas and impedes working conditions. As the insulation replacement is time-consuming and involves large volumes, the project is expected to continue until completion in 2026. However, the replacement of air-handling components (supply/exhaust ductwork, fans, and dampers) has already had a noticeable impact, contributing to the safety of personnel and plant operations.

The project for replacing the main condenser tubes in units 1 and 2 is also ongoing. Over time, the tubes have degraded during operation, leading to leaks and, consequently, gradual plugging, which has reduced the thermal exchange efficiency of the main condensers, ultimately affecting the overall efficiency of the power plant. The implementation of the tube replacement is time consuming, it is on the critical path of the schedule of each general shutdown since 2022 when we started the implementation on the main condensers of Unit 2. Implementation is expected to be completed in 2025 using an extended GO on Unit 1.

During project implementation on the units, gradual modifications are made, directly impacting the training of operational personnel in the control room. In 2024, these changes were incorporated into the full-scope simulator used for training personnel licensed to operate nuclear reactors. In particular, changes resulting from projects following the implementation of corrective actions from the Fukushima events have been incorporated. Staff training can thus continue smoothly and without risks

Phoenix and Next projects & SMR development in 2024

In 2023, our Company was awarded a grant from the US government under the Phoenix Project to cover a feasibility study for the construction of small modular reactors (SMRs) in Slovakia. The year 2024 brought the first implementation phase of this Project, which started in January with a kick-off meeting with the assigned US consultant (Sargent & Lundy), a tour of the sites under consideration (Jaslovské Bohunice, Mochovce, Vojany, Nováky, US Steel), and a mutual getting-to-know-you meeting of the stakeholders.

The development of the study began with defining the scope of work, gathering detailed information about the sites and selecting which SMR technologies we wanted to consider in the study. In principle, the 6 most promising light-water SMR projects (GE-Hitachi, Rolls Royce, Westinghouse, Holtec, KHNP) were selected, but also e.g. the TerraPower Project, which allows a large range of power control using a liquid sodium-cooled fast reactor.

In the first phase, the assessed sites were reviewed based on exclusion criteria, leading to the elimination of Nováky due to its proximity to karst areas and abandoned mines. At the end of 2023, suitable technologies were paired with potential locations, allowing for a more detailed assessment of the remaining four sites and access to necessary (including non-public) data from selected SMR technology suppliers.

In 2024, further significant progress in SMR development was achieved under the NEXT Project. The NEXT project, funded by the US government, is a follow-up to the Phoenix Project. As part of the NEXT Project, we and our partners have been awarded another grant to support the selection of the best site for the construction of SMRs in Slovakia. The NEXT Project aims to provide comprehensive decision support for the construction of SMRs and capacity building for their implementation through advisory services on technical and regulatory requirements, collaboration with universities and nuclear facilities, as well as the development of SMR deployment strategies. Based on the results of the feasibility study from the Phoenix Project, in-depth investigations will need to be undertaken at the selected site to ensure a clear and continuous pathway in the implementation of the SMR plan. The scope of the NEXT support will allow the continuation of these plans.

In addition to the Phoenix Project, we started to address the topic of SMRs in a broader format in 2024. We started to actively talk about SMR not only internally but also externally at various conferences, educational or popularisation events (Science Night, Vedatour, various school and university events, etc.), we joined various international professional groups such as the EU SMR Industrial Alliance, and last but not least we actively follow developments and news in the world of SMR

Conventional power projects

Nováky Thermal Power Plant

Preparations and implementation of several projects related to the further utilisation and environmental revitalisation of the ENO site following the end of production were under way, the implementation of which will be the subject of coming years. These include, for example, the approved 12 and 24 MW Battery Storage Project and the related 22 kV Substation Reconstruction Project. The project of replacement of oil transformers T3 (22/6kV) and T4 (6/0,4kV) with dry transformers is under development, which will ensure reliable and safe electrical power supply of the drainage water treatment technology and electrical equipment installed in the Sewage and Water Treatment Plant in Chalmová. In addition to economic operation, the project also eliminates environmental risk. The Reclamation of the Stabilised Waste Landfill project is currently in the implementation phase, while the Closure and Reclamation of the Chalmová Final Impoundment project is still under development.

In 2024, the company completed a project focused on the sale of oils from decommissioned technology and entered the final stage of the Liquidation of Fuel Oil (Mazut) and Related Technology project. Both activities form part of the closure process for the ENO site.

The Company is seeking new uses for the decommissioned power plant site and is working towards further enhancing the value of the asset. The Nováky power plant site was initially considered in the feasibility study for the potential construction of small modular reactors (SMRs) under the Phoenix project. However, it was ultimately deemed unsuitable for a nuclear power source due to subsoil stability issues, specifically its close proximity to karst formations and underground mining cavities.

Vojany Thermal Power Plant

In 2024, Slovenské elektrárne made a strategic decision to cease production of electricity from fossil fuels at the Vojany power plant.

The broad gauge and normal gauge rail sidings will remain in operation even after the fossil fuel electricity generation has ceased. During the year 2023, it was it was possible to start cooperation with EP Cargo, which, in addition to co-use of the siding, also rents locomotives and real estate from Slovenské elektrárne for the purpose of operating a transshipment point for various commodities. Under favourable market conditions, cooperation has the potential to develop further. The siding is also used by the neighbouring SWS Vojany plant, which transports and bottles miscellaneous products on the siding. We supply this customer with both electric power and process heat for heating and bottling commodities from tank trains.

At the same time, a number of projects are being prepared and implemented, which may continue in the coming years: PhVPP for own consumption, reclamation of the TPZ impoundment, reclamation of the stabilized material deposit and closure of the EVO site (this activity involved the sale of oils from the decommissioned technology). The project of modification of the heat source for EVO's own consumption and continued supply of heat to the customer is being developed.

We are evaluating several potential collaborations for the use of the Company's assets on the site. We also see potential in the recycling of stored ash. The Vojany power plant site is also included among the sites being considered in the feasibility study for the potential construction of small modular reactors under the Phoenix project, which the Company began work on at the end of 2023. The Vojany site remains under consideration as the most suitable non-nuclear site with great potential for the location of a stable spinning source, e.g. in the form of a small modular reactor.

Hydropower Plants

From the call of the Recovery and Resilience Plan, we have received a decision on the allocation of a financial contribution for the Modernisation of the TG1 PVE Ružín machine. The upgrade will increase the control range to 10-30 MW, increase turbine and pump efficiency, and extend equipment life.

During the outage, which began in the fall of 2024 (and continues through 2025), we are implementing the following capital projects: modernization of the feeder caps of PVE Ružín TG1 and TG2 (in December FAT tests were completed in the production plant at KLU TG1 REK), modernisation of the mechanical part of the TG1 turbine, replacement of the 40 MVA T1 block transformer, modernisation of the 110 kV substation of the substation of the hydropower plant for power output, reconstruction of the 110 kV protections of the 6730, 6301 outlets, backup switch of the river HPP Ružín TG1, modernisation of the control and information system.

We installed the first battery storage at the river HPP Dobšiná I. at SE as a pilot for the upcoming investment project "SE Integrator". Battery storage will allow us to increase the revenues from the provision of ancillary services and will also serve to test various operating conditions in combination with the turbine-generator and pump at the river HPP Dobšiná.

At Čierny Váh, the "SE Integrator" project is ongoing, comprising the modernisation of two units and the installation of a large battery storage system with a capacity in the tens of megawatts.

In 2024, turbine regulators and excitation regulators were replaced for the following units: Mikšová TG1, Mikšová TG3, Dubnica TG1, and Horná Streda TG2. The turbine regulator for TG1 Veľké Kozmálovce was also replaced. New control systems and automation were commissioned for the Mikšová TG1 and Mikšová TG3 units. Near completion are the projects for the control system for TG7 at the Čierny Váh pumped-storage power plant (PVE) and the emergency flood indication system for the lower floors of PVE Čierny Váh. Ongoing projects include the modernisation of de-exciters at Hričov hydropower plant (HPP Hričov) for TG1 and TG2, along with other projects focused on maintaining the operational sustainability of individual hydropower plants.

Safety, Inspection, and Management System

05

Safety, Inspection, and Management System

Integrated policy

Preamble

> The highest priority at Slovenské elektrárne is safety[7], which always takes precedence over production requirements and business profit.

At nuclear installations, which are a unique technology, the priority is to continuously improve and maintain a high level of nuclear safety and radiation protection in accordance with world-class best practices.

The key principle applied at all levels of the Company is that every Company employee is responsible for the safety and quality of their work, recognising the risks involved.

[7] Safety – includes the following areas: occupational health and safety, fire safety, prevention of severe industrial accidents, emergency planning and preparedness, security 5 at nuclear installations (nuclear power plants), including nuclear safety and radiation protection.

Principles

1. To maintain the Integrated Management System (IMS) in line with the GOSP model as a corporate governance tool and continuously improve its efficiency and performance so that the Company continuously achieves all its objectives, meets stakeholders' requirements, fulfils relevant legal and other requirements, and thereby ensures sustainable development. The identified Company processes, activities, and continuous improvement projects are managed with regard to the principles and approaches of the integrated risk management system, which is part of the general framework for strategic and operational management and Company decision-making.

2. To define long-term and short-term objectives and tasks, to periodically review this Policy and fulfilment of defined objectives and tasks at all levels of governance. With a view to achieving the objectives, to ensure the availability of resources to seize opportunities and minimise risks and possible losses to an acceptable level necessary for innovative solutions.

3. To satisfy the needs and expectations of stakeholders and customers in the provision of products and services, including continuous verification of their satisfaction and to pursue an open and constructive dialogue.

4. To manage risk strategy effectively and comprehensively to increase the likelihood that the Company, programme or project will achieve its objectives. To timely identify and analyse in particular the risks jeopardising the safety and health of employees, the public, the environment and the Company's assets. To use best practices in identifying, analysing, evaluating, monitoring, and effective and comprehensive risk management with relevant periodic outputs communicated to the Company management for the purposes of effective Company governance.

5. To create conditions to protect employees' health at work. To monitor and evaluate indicators of the impact of the operation of production equipment on occupational health and safety, the environment (including possible radiation exposure), and Company's assets. To ensure that security measures and procedures are documented, the necessary measures are taken, and compliance is monitored.

6. To contribute to the environmental protection through technologically meaningful reduction in the creation of waste, air emissions, discharges into the water and soil, with an emphasis on preventing pollution and protecting biodiversity. To manage the use of chemical substances responsibly. To actively and effectively deal with the adverse consequences of our activities from the past. Ensure regular evaluation and improvement of environmental practices based on scientific knowledge and best practices.

7. To ensure the required number of selected and professionally qualified employees. To promote the maintenance and deepening of the staff qualifications and knowledge, and knowledge management.

[8] Integrated management system (IMS) – a management system for guiding and achieving the organisation's goals in an efficient and effective way. It includes quality, safety (including security 5), environmental, metrology and risk management systems.
[9] GOSP – Governance, Oversight, Support and Performance – a model that ensures that each employee has a clear understanding of their role and tasks within the Company by means of the implementation of standardised policies, programmes, processes and procedures according to best practices. There is a clear distinction of responsibilities between ownership of the standards (management and oversight) and their implementation (support and performance).
[10] Stakeholder – a person or group interested in the performance or success of the organisation. For example: customers, regulators, owners, employees, suppliers, banks, trade unions, partners, government and local authorities, interest unions and associations, regions, society, the public.

8. To continually require that the Company employees and supplier employees continually adhere to the principles and features of the strong healthy and safety culture and risk management, to motivate them to professional behaviour and exceptional performance in accordance with the declared Values and Behaviours Model, to respect the principles of the Ethics Code and Zero Corruption Tolerance, to apply open communication about problems, to adhere to the Security principles and environmental protection. To perform the activities in the framework of the IMS exclusively according to the applicable documented procedures. Promote equality of opportunity and inclusion regardless of gender, race, religion, age or other characteristics.

9. In selecting contractors, to emphasise their competence to meet qualification, qualitative and quantitative requirements, taking into account their approach to the IMS and the principles of the Code of Ethics and Zero Corruption Tolerance.

10. To maintain an effective crisis and emergency preparedness and response system, including the provision of the necessary resources, infrastructure and staff training.

11. To apply the ALARA principle at nuclear installations. To apply a strategy of in-depth protection in technical measures through preventive measures minimising the risk of injury, occupational diseases, operational incidents, significant industrial accidents and environmental degradation.

12. To save energy and raw materials, to promote the use of renewable resources. To develop the production and technical base while focusing new projects on technologies that reduce the negative impact of operations on employee safety and health, the environment, and biodiversity, thereby contributing to sustainable development and the reduction of greenhouse gas emissions. Minimise the environmental footprint through climate and biodiversity impact assessment, resource efficiency and by integrating sustainability into innovation.

13. To manage the existing nuclear power plant production and technical base so that it can be used in the long term. To ensure the long-term operation programme, including managerial, material and human resources for its implementation.

Integrated management system

The Integrated Management System (IMS) of the Company is an essential pillar for setting the Integrated Policy and the main objectives and tasks of the organisation as well as meeting them in an efficient and effective way. It also ensures that all relevant stakeholders' requirements, i.e. shareholders, customers, contractors, and the public, supervisors and employees, are met.

In accordance with the defined characteristics of a healthy nuclear safety culture (according to WANO PL 2013-1 Traits of a Healthy Nuclear Safety Culture), IMS provides the organisational structure and direction of the Company in a way that promotes the development of a safety culture along with achieving the highest level of nuclear safety. The IMS defines a working environment in which personnel resolve security issues without undue delay, fear of persecution, intimidation, reprisals or discrimination.

The IMS includes the following key principles, approaches and values:

- safety first, each Company employee is personally responsible for and contributes to increasing the safety level
- focus on prevention, risk management and opportunities for continuous improvement and learning
- promotion of the optimum course of processes using an adequate organisational structure
- provide information about process performance and the performance of the whole Company
- use of results, operational experience and proposals from ongoing IMS continuous improvement projects
- focus on internal and external customers, provision of information about the satisfaction of customers and other stakeholders, flexible response to eligible requirements of the stakeholders

The basic requirements to be met by the IMS are the generic requirements of the international standards ISO 9001, ISO 14001 and ISO 45001.

Slovenské elektrárne as an operator of nuclear installations and holder of a licence for the construction and commissioning of nuclear installations must respect and apply a number of legal and other requirements and recommendations, but especially the following:

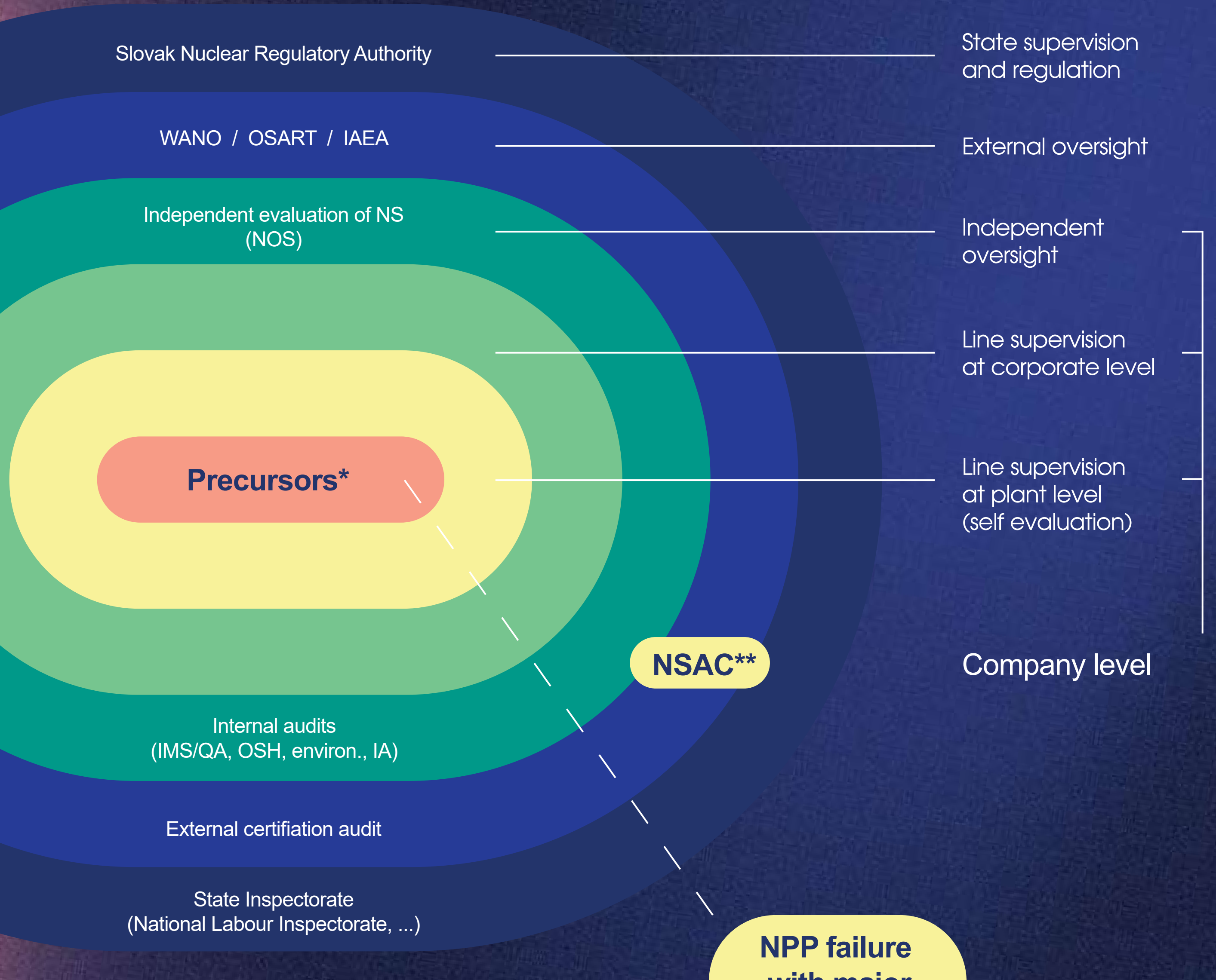
- legislative requirements set out in the Act of the National Council of the Slovak Republic no. 541/2004 Coll. on the peaceful use of nuclear energy (the Atomic Act) as amended and subsequent implementing decrees issued by the Nuclear Regulatory Authority of the Slovak Republic (NRA SR)
- requirements and recommendations of the relevant regulations of the International Atomic Energy Agency in Vienna (IAEA), in particular GSR, Part 2 Leadership and Management for Safety. General Safety Requirements, for the management systems, that are to integrate strategy, planning and objectives in the field of safety, occupational health and safety, environment, quality assurance, economic aspects and other areas such as social responsibility, etc.
- recommendations from peer reviews and missions of international organisations (WANO, OSART) and inspections by supervisors such as the NRA SR, NIP SR, Firefighting & Rescue Corps, and others
- experience and information obtained from internal and external operational events, from the results of self-assessments and benchmarking carried out in cooperation with foreign nuclear power plant operators
- recommendations and experiences of domestic and foreign consulting and advisory companies
- continuous improvement projects.

Functionality and efficiency of the IMS was reviewed in 2024 by a renowned independent accredited authority. As a result, the Company had its certificates renewed under international standards ISO 9001, ISO 14001 and ISO 45001,confirming its orientation on integration and continuous improvement.

[11]ALARA principle – As Low As Reasonably Achievable – in order to continuously reduce the radiation exposure in and around nuclear installations.

Governance and Oversight Model

The established "Governance and Oversight Model" contains the essential attributes of corporate governance and oversight, including the key elements needed for continuous achievement and sustainment of a high level of operational safety, reliability and sustainability of production sources



* Precursors: Latent process and/or organisational shortcomings

**NSAC: Independent external advisory committee for nuclear safety

The model is a set of policies, processes, programmes, self-assessments, as well as independent audits and reviews, including international peer reviews.

The findings identified in the independent feedback process are part of the corrective action programme and the Company's continuous improvement process.

Quality

The quality management system (QMS) is one of the key pillars of the IMS.

An important indicator of a sound company is the ability to define ambitious main goals as well as to provide resources and controlled conditions to achieve and meet these goals.

One of the prerequisites for the successful fulfilment of the goals also includes the process approach efficiently applied at Slovenské elektrárne within the "Company's Process Model" framework, the Company's key performance indicators or process documentation.

The effectiveness and efficiency of the Integrated Management System (ISM) were assessed in 2024 through five integrated process audits, coordinated with the company's Risk Management, Independent Nuclear Safety Assessment, Occupational Health and Safety (OH&S) and Fire Protection (FP), Environmental Protection, and Nuclear Safety departments. Audits were carried out at the Directorate and at selected plants. In addition, 6 audits were carried out within the framework of the MO34 Completion Project. The findings are used on an ongoing basis for the continuous improvement of the IMS through action plans and defined actions.

Slovenské elektrárne is aware of the responsibility resulting from its area of activity, and also the fact that the responsibility cannot be passed on to its contractors. Therefore, in 2024, 47 external (customer) audits were carried out at the selected contractors having a potential impact on nuclear safety. The audits were carried out by qualified auditors in the presence of technical experts from the areas of Nuclear Operation or Asset Management. The results from audits at contractors serve for overall improvements in contractors' performance, streamlining the procurement process and raising the safety and reliability of the nuclear power plants.

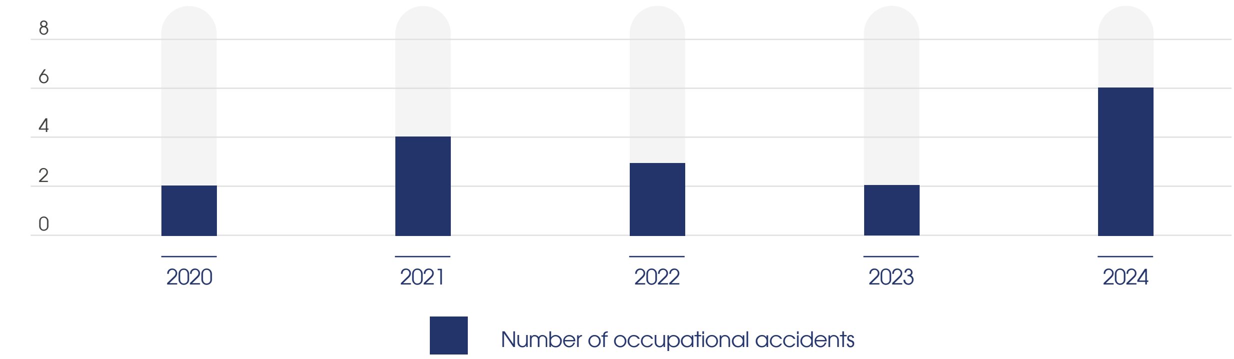
Safety management system

Occupational Health and Safety

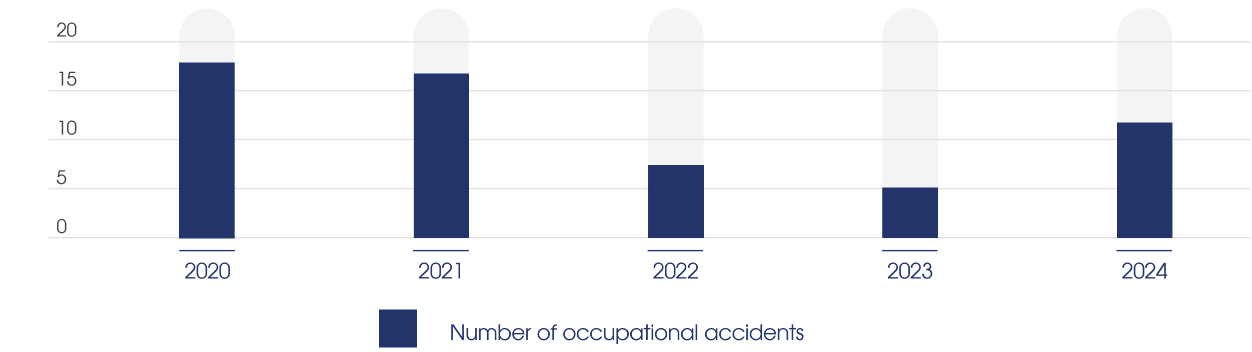
Assessment of occupational health and safety and the development of the occupational injury rate at SE is carried out in accordance with the requirements of Act no. 124/2006 on occupational health and safety, as amended, STN ISO 45001:2009 and the Company's internal regulations.

In 2024, six registered occupational accidents (none of them classified as serious) and 12 recorded occupational accidents were recorded for the Company's staff.

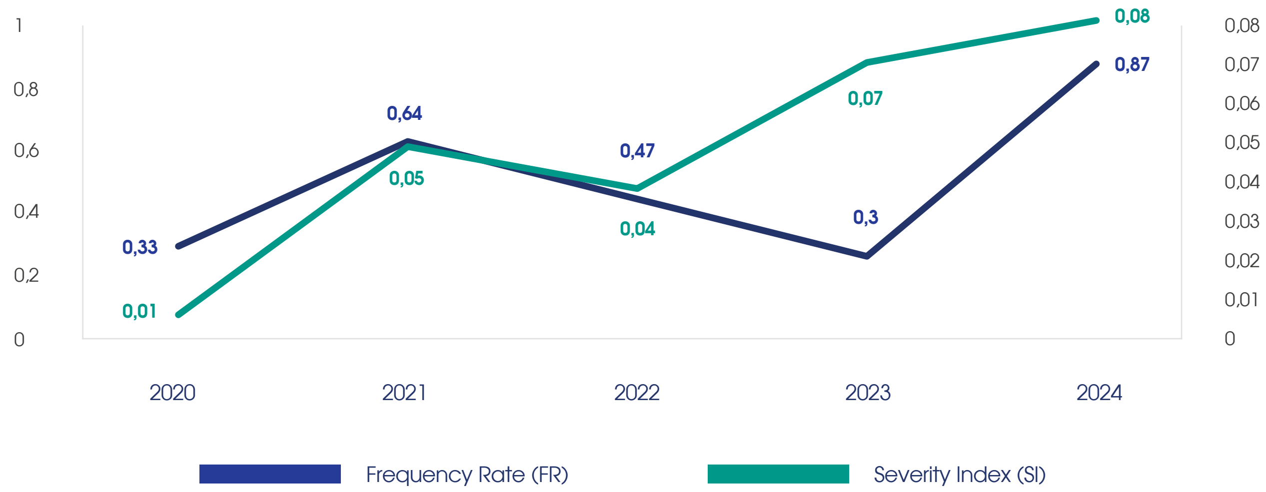
Registered occupational accidents of SE employees – trend



Recorded occupational accidents of SE employees – trend



Frequency rate (FR)[12] and severity index (SI)[13] of SE employees



Inspection Activities

In 2024, inspection activity in the area of occupational health and safety was carried out in accordance with the approved plans for inspection activities and internal requirements. Regarding the Company employees, **1775** inspections were carried out by OH&S specialists, revealing **1486** deficiencies; in case of contractors (including inspections carried out on the MO3,4 Completion Project) it was **3961** inspections with **8518** deficiencies found. Senior staff carried out **4368** walk-through inspections, finding **1253** deficiencies.

A total of **15** inspections were carried out at SE workplaces by state professional supervision in 2024, resulting in the detection of **50** deficiencies.

[12] Frequency Rate (FR): The number of occupational accidents that occurred and were recorded, other than accidents that occurred on the way to/from work, per million hours worked: FR = (number of accidents / hours worked) × 106
[13] Severity Index (SI): The number of working days lost as a result of occupational accidents that occurred and were recorded, other than accidents that occurred on the way to/from work, per thousand hours worked:
SI = (number of days lost / hours worked) × 103

Main Initiatives in the Area of OH&S and FP

In 2024, SE adopted new tools to improve safety and performance called the Nuclear Professionals Excellence Plan – the plan includes a zero tolerance policy for safety violations. As part of the above campaign, daily Safety Walk-Throughs by senior staff with OH&S and FP supervisors, and separate inspections carried out by selected senior staff ("Group 20") with an emphasis on safety were introduced. At the same time, strict measures were defined for any finding in the field of industrial safety of a serious nature, especially in six life-threatening situations.

New safety campaigns were adopted: 1 Strong and visually appealing messages – the campaign covered the creation of 25 different visuals. 2 Living healthy isn't rocket science – talks with doctors, preventive measurements, how to keep your health at full strength. 3 Campaign to promote the suspension of work in case of any doubt – in accordance with Section 12 of Act no. 124/2006 Coll. on occupational safety and health at work. 4 Green cards – reward (special reward of €15) for exemplary excellent safe behaviour and compliance with safety rules during the performance of work.

Upholding of the competition for a perpetual "Safety Trophy Cup" to be awarded to the site that achieves the best safety performance according to set criteria; communication and discussion of a designated Safety Topic of the Week at the start of each meeting; suggestions for improving safety; regular meetings with contractors. As part of strengthening the safety position within the Company, there was created and filled the position of a OH&S and FP Director.

In 2024, the distribution of vitamin packs to employees of Slovenské elektrárne was carried out to promote the protection and prevention of respiratory diseases.

Investments to Improve Safety

The Company invested a total of €698 400 in 2024 into projects which, among other things, brought benefits in terms of increased safety.
For example:

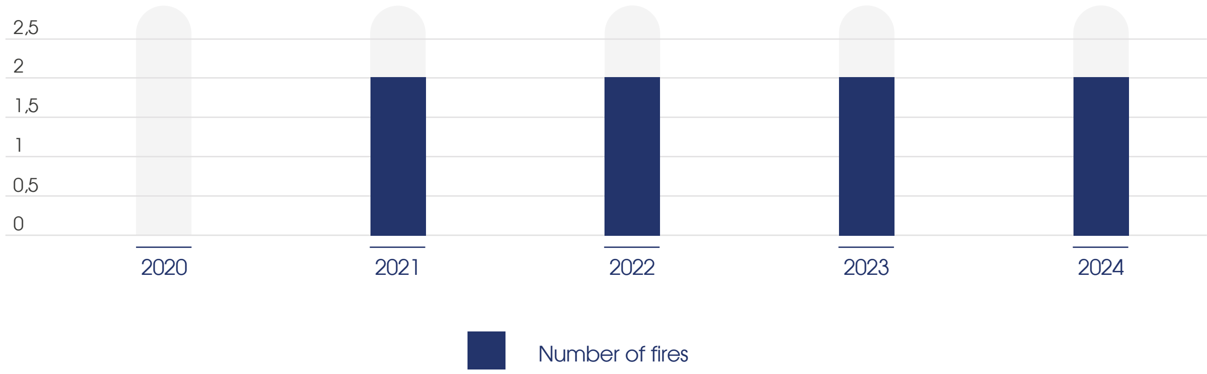
- Bohunice – installation of fire detection of oil nodes of electric feed pumps, modification of lighting in relay protection rooms, power supply of ventilation fans in the administration building, stable anchor points in technological objects, addition of lifting devices for transport of water chambers of coolers of the emergency core cooling system, identification of phase loss in the self-consumption power supply, installation of sampling in the diesel generator node, smoke detection of the turbogenerator;
- Mochovce – replacement of fittings for emergency hydrogen discharge;
- Hydroelectric power plants – reconstruction of the roof of the Lipovec HPP, reconstruction of the Dobšiná PS HPP self-consumption transformers, reconstruction of the gates of the engine rooms of the Dobšiná PS HPP and the Domaša HPP, emergency flooding indication system for the lower floors of the Čierny Váh PS HPP;
- Vojany – reconstruction of the physical protection system;
- SE – installation of air conditioning units in office premises.

Fire Protection

The assessment of the state of fire protection is carried out in SE in accordance with the requirements of Act no. 314/2001 Coll. on fire protection, as amended, ISO 14001:2015, and in accordance with the Company's internal regulations.

In 2024, SE recorded two fires: a fire following insufficient removal of leaked oil from the TG31 thermal insulation, leaked during through-flushing operation at EBO; and a fan fire of a fixed fire extinguisher at EMO. The fires caused damage of €24 000.

Number of fires – trend



Inspection Activities

The internal inspection activities of the fire prevention expert departments were carried out by the fire prevention technicians in accordance with the approved inspection plans for 2024. Some **1108** preventive fire protection inspections were performed during which **430** shortcomings were detected.

In 2024, the state inspection authority carried out **9** fire inspections, detecting **16** deficiencies that were remedied within the set deadlines.

In 2024, a WANO Follow-Up Peer Review was conducted at EMO aimed to review the area of fire protection, storage of combustible materials and activities with increased fire risk.

Nuclear safety

Operational events in the Company, INES 1 Evaluation

JE	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
EBO	0	0	1	0	0	0	1	0	0	0	0	0	0	1	1
EMO	1	0	0	0	0	0	0	0	0	0	2	0	0	1	1

Slovenské elektrárne fulfils its vision and mission in accordance with its integrated safety policy. Safety, in particular nuclear safety and radiation protection, of which they are integral parts, is represented in the Company management and is the basic pillar of the Company's operation with greater priority than production targets and business profit.

The basic approach in the use of nuclear energy is to make continuous improvements in processes, the organisation of activities, staff training and the implementation of necessary technical improvements.

The objective is to ensure a high level of nuclear safety and reliability of equipment and personnel at nuclear power plants (NPPs).

In 2024, there was one operational event recorded at EBO, rated as "1" on the INES scale. This was event number 001_2024_EBO04_UZ1_AKP_P01 "Electrical fault on line V044 with subsequent AO-1 actuation on Unit 4 due to failure of 5 main circulation pumps".

In 2024, there was one operational event recorded at EMO Units, rated as "1" on the INES scale. This was event number 011_2024_EMO03_UZ1_AKP_P04 "Affected safety culture attributes and L&C violation due to insufficient response to locally elevated temperature in HP - Revision - 018_2024_EMO03_UZ2_AKP_P03 Elevated temperature measurements 3JAZ01CT002, 3KLA11CT003A.

Note – International Nuclear Event Scale (INES) rating of 1 indicates an event with a low potential safety impact.

In 2024, an operational event was recorded at EBO4 that would result in a reactor scram – event number 001_2024_EBO04_UZ1_AKP_P01 "Electrical fault on V044 line followed by AO-1 actuation on Unit 4 due to failure of 5 main circulation pumps". During the course of a nominal power operation, the mass automatic standby start (MASS) signal was actuated. The cause of the MASS event was the actuation of the differential protection 2AT01 in concordance with the failure of the 6 kV switch, which caused the AO1 actuation. The root cause was the improper incorporation of differential protection. Differential protection 2AT01 was actuated outside of its protected area.

In 2024, an operational event was recorded at MO3 that would result in a reactor scram – event number 005_2024_EMO03_UZ1_AKP_P05, Actuation of AO1 and ESFAS signals U039 and U040 followed by start-up of 3JNF21AP001 and 3JNG21AP001 with a real flow to the I.O. In the event there was a false activation of 4 safety systems: AO-1, ESFAS, JNF, JNG.

Average number of automatic reactor scrams (AO1) per SE Unit

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
NUMBER	0,25	0,25	0,25	0	0	0	0,25	0	0	0	0	0,25	0,25	0	0,4

Radiation Protection

SE complies with requirements for the radiation protection of people and the environment from radiation and its effects, including means for ensuring radiation protection.

The ALARA principle (As Low As Reasonably Achievable) is the basic principle for radiation protection and is applied for management of personal doses of employees and contractors, the generation of radioactive waste and the release of radioactive substances into the environment. Personal doses of SE employees and contractors are significantly below the radiation limits. Under legislation, such activities that entail the radiation exposure of workers or inhabitants are permitted only when justified. The Company has long achieved excellent results in radiation protection.

The collective effective dose of ionising radiation of power plant and contractor staff is at a very low level, and Slovak units are in the world top ten among pressurised water reactor operators
.

Average collective effective dose at Slovenské elektrárne (in man mSv)[14]

NPP	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
EBO	97	199	196	89	159	95	115	133	158	324	597
EMO	156	128	96	163	157	114	87	141	126	194	281

There was not a single case in 2024 where the individual dose limits of personnel were exceeded. There was no radiation incident or accident. Gases and liquids discharged into the environment had low levels of radioactivity and were within permissible guide values or annual benchmark levels. For the purposes of protection of the population, this means the maximum calculated individual effective dose rate is in the order a tenth of a microsievert. It is an insignificant fraction when compared to the basic annual radiology limits for an individual among citizens and their exposure to radiation from the nuclear power plants' operation. The basic authorised limit for limiting resident radiation exposure in the vicinity of the nuclear installation caused by radioactive substances released under administrative control into the air and surface waters in the operation of the three units at Mochovce is the effective dose of a representative person of 75 microsieverts per calendar year, and in the operation of the block at Jaslovské Bohunice the effective dose is 50 microsieverts per calendar year.

In order to understand these values better, it is necessary to give a comparison of personal doses from exposure to ionising radiation that may occur over the course of everyday life:

- mean effective population dose from natural background – 2 400 microsieverts/year;
- mean radiation dose from medical applications – 1 500 microsieverts/year;
- annual radiation limit for all source of radiation and for all activities involving exposure as laid down by law – 1 000 microsieverts/year;
- threshold population dose from all nuclear facilities in one locality given by law – 250 microsieverts/year;
- three hours flight by plane at 10 km height – approx. 10 microsieverts/flight;
- the maximum calculated individual effective dose for a resident in the vicinity of EMO in 2024 was 0.242 microsieverts, and 0.138 microsieverts for residents in the vicinity of EBO. These facts show that the operation of SE's nuclear power plants has a negligible impact on human health.

Emergency Planning

The main objective of emergency preparedness is to ensure that employees and external persons meet the technical, personnel and documentary requirements for the successful management of extraordinary events and the mitigation of their consequences. At the same time the Company places a strong emphasis on preventing the occurrence of incidents and accidents.

The Company meets the requirements for permanent preparedness to implement measures from emergency planning for managing accidents or incidents with very low probability of occurrence. The system of emergency preparedness at the Company is subject to continuous maintenance, testing and refining on the basis of own experience and the experience of operators of other plants around the world.

Bohunice and Mochovce NPPs saw in 2024 side-wide emergency exercises in cooperation with the Crisis Staffs of District Offices, Integrated Rescue System, Fire and Rescue Corps, selected faculty hospitals in the area at risk and the units of the Slovak Armed Forces. The exercises demonstrated the NPP's readiness to handle events at multiple units simultaneously, including the major accidents. Slovenské elektrárne ensured the production and distribution of the "Population Protection Guide for 2025 and 2026" for the residents living in the EBO and EMO risk area, providing information on how to behave in the event of an incident at the NPP.

The hydropower plants hosted, in addition to the compulsory emergency plan exercises, several synergy drills with the Fire and Rescue Corps, focusing on risk areas and working procedures. The first exercise was initiated during the overhaul of the TG1 machine at the hydropower plant in Trenčín. The goal was to safely evacuate an injured person from a confined space. Simulated entrapment of an injured employee took place in a spiral, in an unconscious condition, with a suspected spinal injury. The exercise also tested the effectiveness of the measures in the evacuation and fire plans. It also covered the activities of the Plant Emergency Committee and the information flow in the event of emergencies as defined in the HPP emergency planning documentation.

Further synergy drills were carried out in the course of 2024 in the Nové Mesto HPP, Ilava HPP and Liptovská Mara PS HPP, with a focus on evacuation of an employee from a cable duct after gas inhalation and verification of fire alarm directives.

Independent nuclear oversight

Mission of the Independent nuclear oversight department

The department's mission is to provide the Company's management with an independent evaluation of the performance in the operation of nuclear installations in order to identify areas for improvement in safety and reliability of nuclear installations, compared to the Company management's goals and expectations and the best world practices in nuclear sector, in accordance with the performance objectives of the World Association of Nuclear Operators (WANO).

Overview of activities

As part of the ongoing monitoring of nuclear safety in the operation of the nuclear units, all concerns of the NOS department were discussed in monthly meetings with the NPP Operations management in 2024. Assessment of the implementation of corrective actions and monitoring of adverse trends was reported to the NPP Operations management in quarterly reports. The process area reviews were carried out in accordance with the approved plan. As a new activity, the NOS department began conducting observations of the activities of the main control room personnel during simulator training.

Nuclear safety advisory committee

In 2024, two scheduled meetings of the International Nuclear Safety Advisory Committee (NSAC), comprising members: Prozesky, Munro, Seban, Martín and Zronek, were held. Its recommendations on the safety of the operation of the EBO and EMO nuclear power plants were discussed by the NSAC members with the NPP Operations management and the SE General Director.

[14] As there are 2 Units in operation in Jaslovské Bohunice and 3 Units in operation in Mochovce, the average collective effective dose per unit represented 299 man mSv at EBO and 94 man mSv at EMO.

Corporate security

The Company pays due attention to corporate security issues, including areas such as information and cyber security, physical protection of assets, crisis management and continuity management. Security analytics is also an integral part of corporate security, including counterparty verification and monitoring, especially with regard to the application of international sanctions. All activities are performed in compliance with the security interests of the Slovak Republic so as to ensure an adequate level of protection of the Company's assets against the identified security risks.

Information and Cyber Security

Under the Cybersecurity Act, the Company is an operator of critical essential services and must comply with the requirements of cybersecurity legislation. The aim of information and cyber security is to ensure that information, networks and information systems, including industrial control systems, are adequately protected. Given the importance of information and cyber security, they one of one of the Company's priorities.

Physical Protection of Assets

Physical protection of assets is ensured via a set of technical, organisational and personnel measures needed for securing against and unauthorised activities threatening the Company's assets. The Company, as a critical entity and holder of a licence to operate nuclear installations, provides the physical protection of its facilities in accordance with the requirements of the relevant legislation.

Crisis Management and Business Continuity Management

The Company is also an entity of economic mobilisation and on an ongoing basis it performs the tasks arising from the relevant legislation and decisions of state authorities in this field.

Audit and internal control system

Internal audit is an independent, objective, assurance and consulting activity designed to add value and improve the organisation. Company has an established Internal Audit department, which helps the organisation to accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of the organisation's risk management, governance and control processes, and management.

Based on identified risks and incentives from management, Internal Audit prepares an annual audit plan approved by the Company's Board of Directors. The output of the internal audits is a final report, which includes a list of action plans to address the identified deficiencies. The results of the internal audits as well as the report on the follow-up of the implementation of the action plans after the set deadlines are presented to the Company Board of Directors on a half-yearly basis.

During 2024, Internal Audit carried one scheduled internal audit and three ad-hoc audits.

The Company continued its initiative to fight corruption, financial crime, breach of sanctions, and monitor the effectiveness of internal control mechanisms implemented within the framework of an organisational model aimed at minimising the risk of such offences being committed.

The Company is committed to respecting its own Code of Ethics defining the principles of responsible business as well as the Zero Corruption Tolerance Plan aimed at combating corruption in any form. The Company has established a hotline through which notices of suspected violations of the Code of Ethics and the Zero Corruption Tolerance Plan can be filed, which will be subsequently investigated by the Company's Risk Management and Internal Audit.

The Company also established a hotline and determined rules for whistleblowing, record keeping of whistleblower reports, their investigation and notification of the investigation outcome of reported crime or other anti-social activity (Whistleblower Programme) pursuant to Act no. 54/2019 Coll. on protection of whistleblowers of anti-social activity and on the amendment of certain acts. The person responsible for the Company's Whistleblower Programme and for the verification of reports are the Risk Management and the Internal Audit, performing the employer's tasks set out by law.

Company risk management

In 2024, a comprehensive approach to identifying, analysing, assessing, managing and monitoring risks across the Company was continued. Risk registers are regularly updated and risks are reassessed once corrective actions have been completed. Due to the significant progress in the process, internal documentation has been updated with a focus on the integration of the Company's processes covering risk management.

In 2024, Risk Management continued to implement the established trainings to enhance awareness of the risk management process such as training of (i) risk owners; (ii) Leaders Academy for senior staff; (iii) pre-shutdown training; (iv) risk management as part of a healthy safety culture; (v) Asset Management project team members; and (vi) risk management coordinators.

As part of further education in the field, activities related to benchmarking with ČEZ were launched, and the Company's Risk Management also participated in a workshop held by WANO in the UK.

During 2024, an Internal ISM MO4 Audit and an External WANO Follow-Up Review were conducted at the EBO site, the results of which confirmed progress in the risk management process. The risk management process also underwent a targeted self-assessment in 2024 as required by WANO PO&C 2019-1, the results of which also confirmed improvements in risk management across the Company. Corrective actions were defined for the identified weaknesses and the Company's Risk Management already started working intensively on their implementation in 2024.

Environment

06

Environmental management system

In 2024, an IMS supervisory audit was carried out at the Company, in the framework of which one of the main cornerstones of the IMS – Environmental Management System – was successfully defended. Last year, the Company continued to observe the requirements of ISO 14001 standard according to the set mechanisms, which were applied also in the previous period and assessed positively by the auditors. Two opportunities for improvement were identified in the area of the environment, the application in practice is perceived as improvements to SE's internal processes.

Air protection

Due to the change in the SE's energy mix as a result of closure of its thermal power plants, which contributed the most to the emissions of air pollutants among the Company's sources, there was a significant drop in emissions of air pollutants in 2024. The combustion of natural gas in boilers for heating the buildings and the test operation of backup diesel generators also contributed to the discharge of the main pollutants (PM, SO_2, NO_X and CO). 2024 continued to see compliance with the strict emission limits and other air protection requirements in the operation of the Company's sources.

CO_2 emissions from SE's operations, expressed as an emission factor based on net electricity supply, were reduced to an all-time low in 2024, mainly due to the closure of thermal power plants and thanks to a balanced energy mix with a high share of electricity generation from nuclear and hydropower plants.

As of 2024, the Company has changed its GHG reporting methodology in accordance with an internationally recognised standard (GHG Protocol). The quantities of greenhouse gases are expressed as CO_2 equivalents and include emissions of various gases that contribute to global warming, as well as other activities (e.g. fuel combustion in company vehicles, leakage of fluorinated greenhouse gases) that make up the Scope 1 emissions, compared to previous years.

More detailed information on CO_2 emissions, as well as their breakdown by category (Scope 1-3), is provided in the Sustainability Report, which is published on the Company's website.

By partially replacing fossil fuels with wood chips and co-firing of solid secondary fuel (SSF) with a significant share of biomass, the fluid boilers of the Vojany power plant achieved a lower level of CO_2 emissions in a quantity of nearly 60 000 tonnes. Equivalent savings of around 2 000 tonnes of CO_2, compared to the same quantity of electricity produced in coal-fired power plants, were achieved by making use of the installed capacity of the photovoltaic power plants at Mochovce and Vojany sites.

During the operation of large sources of air pollution, the Company is required to monitor atmospheric quality by continuous measurement using automatic monitoring stations (AMS) of outdoor air quality in the vicinity of ENO (Oslany village) and EVO (Leles village). The air quality data is continuously provided by the relevant environmental authorities as well as by the Slovak Hydrometeorological Institute. Measured pollutant values have been below the limit values for human health protection and critical levels to protect vegetation over the long term

Emissions of basic pollutants into the air for SE

Pollutant (tonnes)	2020	2021	2022	2023	2024
PM (particulate matter)	49	41	44	38	25
SO_2 (sulphur oxides)	1197	1473	1517	2018	111
NO_X (nitrogen oxides)	967	906	930	868	80
CO (carbon monoxide)	356	535	480	384	97

CO_2 emission factor

		2020	2021	2022	2023	2024*
Verified CO_2 emissions	kt	1 297	1 415	1 308	1 086	159
Electricity supplied	TWh	17,0	17,3	17,0	19,6	18,7
CO_2 emission factor based on SE electricity supplies	g/kWh	76,3	81,9	76,8	55,5	8,5

* Scope 1 CO_2 emissions (only from EU ETS installations until 2023)

Water protection

Due to the cessation of electricity production at the Nováky and Vojany thermal power plants, there was a significant year-on-year decrease in drinking water consumption. A steady trend in drinking water consumption is expected after the closure of thermal power plants.

In 2024, the Company recorded a mild year-on-year decline in the consumption of technological and cooling water for electricity and heat generation. This phenomenon is mainly due to the cessation of electricity generation in thermal power plants. From a long-term point of view, the Company has managed to maintain a steady consumption trend thanks to cost-saving measures as well as efforts to operate with the lowest possible input of natural resources.

Drinking water consumption 2020 – 2024

	2020	2021	2022	2023	2024
Drinking water ('000 m³)	244	242	267	241	192

Consumption of technological and cooling water 2020 – 2024

	2020	2021	2022	2023	2024
Technological and cooling water ('000 m³)	49 496	50 591	54 847	56 379	51 253

Waste management

The total quantities of waste are influenced mainly by the production of technological waste from the combustion processes at thermal power plants the operation of which was ended. In 2024, incineration by-products from EVO accounted for over 70% of the total non-hazardous waste generated. The remaining production of hazardous and non-hazardous wastes corresponded to the scope and nature of the activities carried out in the given year at individual plants.

Quantity of waste produced at the Company over the years 2020 – 2024

Waste category	2020	2021	2022	2023	2024
non-hazardous (t)	416 898	458 085	503 002	485 316	35 599
hazardous (t)	363	1 386	1 402	429	453
TOTAL (t)	417 261	459 471	504 404	485 745	36 052

Environmental burdens

Slovenské elektrárne is aware of the impact mainly from its past activities on the surrounding environment and takes a consistent and responsible approach to environmental protection. The issues of environmental burdens, especially at the now closed Nováky and Vojany sites, remained the subject of attention also in 2024.

A reaction barrier is in long-term operation at the ENO Temporary Impoundment, which serves to prevent contaminated underground water leaking from the impoundment pond to the Chalmová spa. The barrier traps pollutants in the ‚reaction baskets', significantly limiting their flow, which means that groundwater subsequently poses no risk to the spa itself or to the river Nitra. In 2024, the monitoring of barrier's surrounding continued, which confirmed a high effectiveness of this remediation method. According to the monitoring results and in case of a decrease in the effectiveness of the remediation, the replacement of the reaction baskets is planned for the upcoming period.

At the Vojany power plant, groundwater remediation in the plant complex, contaminated with chlorinated aliphatic hydrocarbons, is ongoing. The pollution dates back to around the 1970s. Remediation continued to take place in 2024 by the in-situ method, with the polluted waters being treated directly on site in the stripping towers and the treated water is discharged into the Laborec river in compliance with strict limits set by the supervisory authority. By active remediation, we gradually eliminate the risk to the environment.

The Vojany power plant has for a long time been undergoing activities mainly related to the future reclamation and remediation of the impoundment. The last survey confirmed that remediation method by monitored natural attenuation is suitable for the EVO impoundment, which has been in place from 2024 onwards. This method was also approved by the Ministry of Environment of the SR and the relevant district authority. Recommended methods of reclamation include phytostabilization with preservation of existing vegetation on the impoundment or covering the impoundment with soil. The specific method of reclamation will be decided by SE after a 10-year remediation, based on the remediation results and the recommendations of the supervisory authorities.

Innovations, Science, and Research

07

Innovations, science, and research

Science and research are an integral part of the activities of Slovenské elektrárne. As a leading company in the nuclear industry and the only company operating nuclear reactors in Slovakia, SE's research is focused mainly on activities aimed at supporting increased nuclear safety, ensuring long-term operation of nuclear power plants, ancillary activities in the operation of Bohunice and Mochovce power plants, as well as of conventional power plants. Other areas of interest are safety aspects in the operation of power plants, reliability maintenance of systems, components and structures reliability, development and evaluation of new material diagnostic methods and equipment maintenance workflows.

Increasing demands for safety and optimum operation require new solutions, materials and procedures, which the Company addresses through research and applied science. Other partners, especially Slovak technical universities, are involved in the solutions. The Company thus demonstrably supports science and research in the Slovak Republic.

An effective example of the application of science and research in practice in 2024 could be the application of these principles during the commissioning of EMO Unit 3

Centrum pre vedu a výskum

Centrum pre vedu a výskum, s.r.o., (CVV) is a wholly owned subsidiary of SE. The business focuses mainly on scientific and research activities, cooperation with academic and research institutions and technical support for nuclear power plants. Major activities include developing nuclear knowledge and capabilities, supporting the completion of the construction and commissioning of Unit 4 of the Mochovce Nuclear Power Plant, engineering assistance in nuclear fuel licensing and operation, seismic evaluation and seismic monitoring, diagnostics and non-destructive testing of materials, development and implementation of welding procedures, periodic nuclear safety assessments, long-term operation and life extension of major components of nuclear power plants, safety enhancements, updating of safety reports, and many other key projects in the nuclear power industry. The company's costs for activities in this area reached EUR 1,518 thousand in 2024.

In 2024, CVV assisted SE in the implementation of specific projects, especially in the area of:

- development of the Comprehensive Long Term Operation Programme for EMO 1,2 NPP. The operation of the nuclear plant is based on a safety assessment, taking into account limiting processes and the properties of systems, structures and components. For the successful implementation of this programme, an IAEA SALTO (Safety Aspects of Long Term Operation) Expert Mission was organised in cooperation with SE for EMO 1,2, which took place from 19 to 22 March 2024;
- elaboration of the methodological guide for the Joint Comprehensive Periodic Safety Assessment (JPSA) of EBO V-2 and EMO 1,2. A timetable for the implementation of the JPSA and training material are part of the methodological guide. The methodological guide provides the background information, methodological procedures and the assessment implementation plan for the coordination and implementation of the activities within the framework of the joint periodic nuclear safety assessment of EBO V-2 and EMO 1,2 nuclear power plants in 2026 in accordance with the project "Joint Comprehensive Periodic Nuclear Safety Assessment of EBO V-2 and EMO 1,2";
- updates of selected chapters of the Safety Report and Technical Report of EMO 1,2 and Safety Report and Technical Report of EBO V-2 according to the new valid Safety Guide BN5/2022 of the Nuclear Safety Authority of the Slovak Republic. The work was completed with the issuance of updated sections of Safety Reports and Technical Reports to support the assessment of the documentation for EMO 1,2 and EBO V-2;
- modifications of heterogeneous welds on the steam generator node on Units 3 and 4 of EBO V-2 and Units 1 and 2 of EMO 1,2. The aim of the project is to modify heterogeneous welded joints, performed by using an automated method of welding with subsequent application of galvanic pleating on the inner surface in order to protect the weld root from the operating medium. The project of modification of the original heterogeneous welded joints on the steam generators of the EBO V-2 units is at an advanced stage of implementation. For the implementation at EMO 1,2, the project documentation for the implementation was processed and handed over to the customer-SE, and the production of pipeline adjustment pieces with heterogeneous welded joints and structural parts was begun. For 2025, it is planned to implement the modification on individual steam generators;
- verification of the quality of materials used in energy sector in cooperation with universities, the Slovak Academy of Sciences and research organisations;
- research of the impact of long-term operation on the material of the NPP VVER-440 pressuriser using the material archive of the EBO V-1 in cooperation with VUJE, a.s., and ČEZ, a.s.;
- implementation of the management and administration of the Qualification Body of Slovenské elektrárne for the qualification of NDT systems in the nuclear power industry. From 8 to 10 October 2024, SE and CVV, in cooperation with VUJE, a.s., and REAKTORTEST, s.r.o., organised a regular meeting of the ENIQ (European Network for Inspection and Qualification) working group;
- monitoring and evaluation of seismic activity in the vicinity of EBO V-2 and EMO 1,2, using 22 seismic stations;
- fire safety of construction SO 801/1 – 01 in EMO 1,2 for modification of heterogeneous welded joints of SG nozzles.

Energy services

Slovenské elektrárne – energetické služby, s.r.o. (SE-ES) provides energy services based on innovative solutions that reduce energy costs for customers. At the same time, these services improve the safety and quality of the working environment and, last but not least, contribute to reducing emissions. We also guarantee that the initial investment will be covered by the energy costs saved.

SE-ES continued to consolidate its position as a key player in the energy services market in 2024. Due to the continued rise in energy prices, the demand for energy efficient solutions and renewable energy construction has increased among clients, leading to a significant expansion of the company's portfolio.

The year 2024 was characterised by a significant increase in the installation of photovoltaic power plants with integrated battery systems, which enable a reduction in dependence on the energy grid and the achievement of significant energy savings. In addition, the Company has expanded its activities in the area of smart energy solutions, including the implementation of advanced energy management systems and the integration of renewable energy sources into existing power grids.

There have been significant changes in the Slovak market in 2024, including increased interest in electromobility and the development of infrastructure for charging electric vehicles. SE-ES has actively contributed to this transformation by building new charging stations and providing comprehensive solutions for managing and optimising charging networks.

SE-ES continues to expand its portfolio of energy centres that provide heating and cooling for residential and office complexes. The company is working with various partners to identify potential projects Bratislava and other regions of Slovakia.

In the Czech market, commercial negotiations are currently underway for the implementation of two pilot battery systems for two key customers with the potential for further expansion to other companies in the same group.

Our People

08

Our people

As at 31 December 2024, Slovenské elektrárne employed 4 166 employees, of whom 662 were women. Slovenské elektrárne hired a total of 566 new employees in 2024. The average age of the new recruits in 2024 was 36 years. The overall average age of the Company's employees is 45 years.

53% of the Company's employees have a university degree. Our employees have many years' experience, years of acquired expertise and specific know-how, which we greatly appreciate and value. We value their contributions and recognise them in a variety of ways, including financial rewards, opportunities for further education and career development, and recognition for exceptional performance. Our Company strives to create a work environment that supports the professional growth and personal development of each employee.

Meanwhile, new and young people are coming into the Company, bringing new ideas and perspectives. Together, our people form a creative and innovative environment, which helps to develop and grow the Company. The fact that our staff view the Company as a stable employer is also evidenced by the long-term low voluntary staff turnover.

Our Company is proud of its team of professionals who contribute to our goals and achievements. We continuously invest in their development and strive to create conditions that allow them to reach their full potential while feeling valued and motivated.

Employee relations

The Company consistently emphasises employee stability and development, supporting corporate culture and increasing motivation.

The remuneration system includes not just stable financial remuneration, but also a variable component that motivates employees to perform better and reflects the individual performance of the employee.

Employees have access to a wide range of benefits that go well beyond statutory entitlements. These include extra days of leave, reduced working hours of 7.5 hours, thirteenth and fourteenth salaries, contributions to supplementary pension savings and various wage advantages.

At the same time, employees have the opportunity to take advantage of various discounts and benefits for purchasing goods and services from a portfolio of special offers, which we are constantly expanding. Discounts on the purchase of electronics, black and white goods, vitamin supplements, special prices for summer camps, language learning, stays, or wellness packages at Slovak spas are popular. Attractive discounts on operating leases and the Multisport card, which allows free entry to fitness facilities and establishments in Slovakia and the Czech Republic, are also highly appreciated. The number of users of the Multisport scheme is growing and is used not only by Company staff, but also by their family members. The SE online shop offers employees high-quality promotional items and sportswear in the Company's design.

As part of cooperation with UniCredit Bank, employees can take advantage of the opportunity to open a current account with preferential terms and an attractive financial bonus.

We also take care of the health of our employees by providing vitamin packs and organising regular lectures and moderated discussions on the topic of Health.

Campaigns aimed at finding and implementing good ideas via the Ideas Exchange project and the General Director's Award competition support the corporate culture. For the first time, both the Safety Cup and the Safety in Brief submissions were evaluated as part of the General Director's Award event.

For the fifth time we have successfully defended the title of the Best Employer of the Year and we are proud to continually rank among the top employers in Slovakia.

Education

The specific industry Slovenské elektrárne operates in stimulates us toward long-term development of programmes for educating and training our employees in order that their unique know-how is maintained and experience in each field is fostered.

Slovenské elektrárne places special emphasis on the systematic improvement of skills in the framework of regular training and required qualification. In so doing, the Company offers its staff a unique opportunity to grow and apply themselves at a company with a long history and broad portfolio of partnerships with international organisations.

An important element in this development remains to be the training programme for personnel of unit supervision and the organisation of emergency response at nuclear power plants. Their members are systematically trained throughout the year, both professionally and in terms of other specific skills, focused mainly on teamwork and managing various situations in the field of safety, and preventing operational events.

For training, Slovenské elektrárne uses simulators that enable the oversight and control of the equipment and systems of nuclear power plants under normal, abnormal and emergency states on nuclear units.

At practical training centres Slovenské elektrárne conducts basic and periodic professional training sessions focused on compliance with safety rules, procedural workflows and the use of tools for the prevention of human error. In the area of cooperation with secondary schools, we conduct practical training for third- and fourth-year students.

In all crucial areas of the Production, the Company applies the internationally recognised methodology of the Systematic Approach to Preparation.

In the area of soft skills, Slovenské elektrárne focused on supporting communication skills and team cooperation.

In the area of managerial skills development, Slovenské elektrárne continued the well-established Leaders Academy programme. Following the completion of the preparation phase, we began implementing the NUCLET development programmes for managers from nuclear and UNIVET development programmes intended for senior employees of hydropower plants, which conceptually links in with the Slovenské elektrárne University.

Cooperation with schools and universities

In 2024, in cooperation with universities, Slovenské elektrárne again gave graduates the opportunity to apply for the Aurel Stodola Prize, which is awarded each year for the best dissertation works in the field of power engineering. The seventeenth year of the competition involved a total of 37 vocational theses, from which an expert jury composed of university professors selected the best dissertation, diploma and the best bachelor's thesis, with the awards being presented at the Aurel Stodola Day event at the Faculty of Mechanical Engineering of the Slovak University of Technology

In 2024, Slovenské elektrárne provided the opportunity for in total 240 primary-school, secondary-school and university students to learn during the school year and school holidays through traineeships, vocational practice, practical training, temp jobs, and the Summer Energy School. This is the highest number of students at SE in the history of the power plants.

As part of the Practical Training project, in September 2024 we launched a new year for third- and fourth-graders at the sites of nuclear power plants of Mochovce and Jaslovské Bohunice. In 2024, we had 52 students engaged in Practical Training, the highest number of students in the project's history, as part of our collaboration with six secondary vocational schools. Based on this educational project, at the close of the year we started preparations for certification and elaboration of foundations for the entry into dual education at the Mochovce site from the school year 2025/2026.

In 2024, the newly established Schools Liaison department, together with colleagues from our nuclear, hydropower plants and the headquarters, attended nearly 80 school events and visited a record number of schools. These included various Open Days, JOB FAIRs, professional lectures, professional excursions and our own projects such as Career Days attended by 400 secondary-school and university students or the Summer Energy School – a mathematics and physics day camp for 25 second-graders from primary schools. In the area of universities, we focus mainly on cooperation with the Slovak University of Technology, the University of Žilina and the Technical University in Košice. In the given year, we signed Memoranda of Cooperation with the Faculty of Electrical Engineering and Informatics of the Slovak University of Technology and the Faculty of Mechanical Engineering of the Slovak University of Technology on the basis of well-functioning cooperation.

Some 51 students from technical universities were doing paid traineeships in our technical departments.

Exchange of ideas and improvement

For the sixth year now, the Company ran an improvement initiative – the Ideas Exchange. During its existence, more than 1100 ideas have been collected, of which 132 ideas have been implemented. Their total financial benefit, not accounting for the cost and time value of all financial flows is nearing €280 million. Taking these factors into account, i.e. the cost and time value of money, the financial benefit amounts of €195 million. This initiative for 2024 resulted in rewards for 32 employees for 10 approved ideas.

Within the Improvement and Digitalisation section, many innovative projects in the field of digitalisation and AI were delivered in 2024. Worth mentioning are projects such as NPP Virtual Reality, Digital Assurance Schemes in cooperation with FIIT STU and the development of AI LLM models tailored to the Company's internal needs. At the same time, we evaluated the first year of benefits from the AI-assisted rotation of large pump blades (BQDV) which resulted in savings of approximately €400 000 through more efficient operation.

Social Responsibility

09

Social responsibility

The Company's strategy in the area of social responsibility is based on the vision, mission and model of values and behaviours. All our activities are prepared and subsequently implemented with respect to the entire context they may and do impact. Slovenské elektrárne is an integral part of the environment in which it operates. Our goal is to work safely and responsibly in this environment. A strong awareness of the context moves us forward in creating complex, timeless and multidisciplinary projects, bringing together the best of professional and human qualities. A comprehensive approach to responsible business is after all and primarily about how to produce electricity safely, reliably, in an environmentally-friendly manner and at competitive prices, about continuous improvement of internal processes, technologies and especially results in the mentioned areas.

Social responsibility is taken into consideration in all three pillars – economic, environmental and social. The continuous improvement process is taken on from two directions, one of them being maintaining continuity and the other looking for new opportunities.

In 2024, we also published a separate Sustainability Report for the previous year for the first time. This document is the result of our tireless efforts to strike a balance between economic growth, environmental responsibility and social justice.

Economy

The Company is committed to conducting all its business in an honest and ethical manner, not tolerating any form of corruption, active or passive, direct or indirect, and fighting corruption in all its forms. It has a defined and publicly available Code of Ethics and Zero Corruption Tolerance Plan. The Company demands strict and thorough respect of and compliance with both documents by employees and all business partners or other natural or legal persons in any legal relationship with the Company.

The Company has developed an internal regulation Conflict of Interests, defining the procedures for identifying and resolving situations in which a conflict of interest may arise in connection with work performed in an employment relationship or other employment relationship with the Company.

In selecting contractors, the Company places emphasis on their competence to meet qualification and quality requirements, taking into account their approach to the IMS and the principles of the Code of Ethics and Zero Corruption Tolerance. Contractors are also bound by the Integrated Policy, whose principles the contractors are obliged to apply within their management systems.

Environment

Slovenské elektrárne has long-term and responsible solutions to the issue of environmental burdens in its operations. A Comprehensive Environmental Report is prepared annually, which is the top document for evaluating environmental behaviour. The environmental corporate policy and public commitment to environmental protection is part of its Integrated Policy. The Company has ISO 14001 Environmental Management System in place.

In the event of a planned new activity or project where the Company identifies potential impacts on or risks for the public, timely and transparent public information about social risks is especially useful to attain understanding of the goal and benefit of the project. The process of public engagement via public consultations, debates and comments is an integral part of any new project subject to an Environmental Impact Assessment (EIA). The procedure for receiving and recording any complaints is described at the Company website and includes an electronic entry form.

Social field

Slovenské elektrárne approaches each project with the view of reaching out to the widest possible societal breadth. The comprehensive nature of the social responsibility scheme Energy for the Country is expressed in its name, with its main objective being to promote community activities and initiatives thematically divided into five areas focusing on culture, science and education, sports, the environment and social assistance.

Energy for the country

Energy for Sport

Investing in a healthy lifestyle through the development of sporting activities is an important part of the Energy for Sport scheme. One of the most popular sports at Slovenské elektrárne is cycling. This undemanding and easily accessible device is used by many employees as a means of transport to their workplaces. This is one of the reasons why Slovenské elektrárne joined the national initiative Cycling to Work for the sixth time in 2024, and in the competition of 1 299 won second place in the overall evaluation.

Slovenské elektrárne also promoted other cycle races, such as the Slovak Bike Cup in Tlmače with a hobby ride for the public to Mochovce and Bohunice, with the active involvement of employees; they participated also in the cycling marathon from Šamorín to Jasná, where the team from Slovenské elektrárne also won. Running is also a popular sport; we are a regular part of running competitions in the regions of our plants, for example the Tlmače half marathon or the Malženice thirteen.

The sporting event with a charity objective Stars for Children, held in Trenčín, is organised every year by the Trenčín Sports Club. Slovenské elektrárne was a partner of the event. Both young and old had an opportunity to get closer to their sport idols.

Energy for Culture

Supporting cultural heritage, preserving artistic values and traditions for future generations is the core mission of the Energy for Culture scheme. The past years had a significant impact on the field of culture. Many regional celebrations and festivals were held in 2024 in regions around the power plants with the Company's support. For example, the Tekov Festival or Jánošík Days and others.

Energy for Science and Education

Slovenské elektrárne devotes great attention to the promotion of education, recognising the importance of educated and qualified youth for the economic development of society. The advent of the information society, the development of technology, and the transformation of the labour market, all go to underline the strategic importance of education.

The Company supported a number of secondary schools and universities with a focus on electrical engineering, automation or mechanical engineering. The Company is a long-standing partner of the Comenius Children's University, welcomes visitors to the Energoland entertainment and education centre every working day and also participates in the Night of Museums and Galleries, opening the gates of Energoland during this nationwide event.

Energy for Nature

The Company has long taken a responsible approach toward issues of biodiversity conservation and restoration, efforts to stop degradation of the ecosystem, achieving energy savings and greenhouse gas reduction.

In terms of corporate volunteering and employee involvement in the environmental protection, the Company has regularly and over long term been engaging in the nationwide event Our Town, where projects brought by our own employees concern mainly the environmental protection, revitalisation of municipal parks and assistance in preserving castle ruins in the regions where the Company operates. In 2024, a total of 284 employees participated in volunteering activities.

Energy for Life

Philanthropic and charity activities fall under Energy for Life. Assistance in tough life situations is addressed by the Company through the Special Staff Scheme. In 2024, SE distributed €28 000 to help in a difficult life situation and to support medically disadvantaged children.

In 2024, the Company supported nearly a hundred of not-for-profit organisations under the Social Responsibility & Sustainable Development scheme.

Volunteering

For the eighth year in a row, employees of Slovenské elektrárne, anonymously, in the framework of the Christmas Angels, fulfilled Christmas wishes for children from the Centres for Children & Families and crisis centres in areas around the plants. In total this involved 323 children at 13 facilities. At the same time, Slovenské elektrárne provided support to these organisations to provide part of the essential needs.

Company employees regularly participate in the all-Slovak event for businesses – Our Town, and the event Clean Mountains in the Tatras.

Public awareness

In order to reach the public with information about events and activities within the Company, Slovenské elektrárne uses various tools – websites of Slovenské elektrárne, Energoland, social networks, of partner organisations and the media.

The Company actively participates in the activities of the Civic Information Commissions of Mochovce and Bohunice, whose members are the mayors of the municipalities in the vicinity of our two nuclear power plants. Their main activity is to transfer information between the nuclear power plant operator and the public, to conduct an open and transparent dialogue on the use of nuclear energy and to inform the public on all aspects of the construction, commissioning, operation and decommissioning of nuclear installations, as well as on the environmental impact of nuclear power plants.

Visits and excursions

In the context of the continued war conflict in Ukraine and in view of the still valid level 2 terrorist threat on the territory of the Slovak Republic, which was declared In 2017, the Company continued its conservative approach in approving public access to the power plant premises. Visits to power plants were allowed by the Company, primarily to secondary schools and universities that prepare students in fields of study relevant to work in the energy sector.

The Energoland Mochovce interactive information centre, which is open to the general public on weekdays for visiting purposes, welcomed 14 498 visitors in 2024, which is almost three thousand more than in the previous year.

Awards received in 2024

> For the fifth time in a row, Slovenské elektrárne won the prestigious title of the 2020, 2021, 2022, 2023 and 2024 Best Employer in Production and Industry, awarded by the Profesia.sk job search portal.

The awards received not only reaffirm the meaning of the introduction and implementation of a systemic approach, but also the overall high level of employee care, working conditions, ensuring occupational health and safety, and compliance with obligations arising from legal regulations.

EU Taxonomy Reporting for the Financial Year 2024

10

Overview of relevant legislation

For the purposes of reporting under Article 8 of the Taxonomy Regulation, the following legislation has been used:

- Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "Taxonomy Regulation");
- Commission Delegated Regulation (EU) 2021/2139 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions, under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (hereinafter the "Climate Delegated Regulation");
- Commission Delegated Regulation (EU) 2021/2178 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation (hereinafter the "Disclosure Delegated Regulation");
- Commission Delegated Regulation (EU) 2022/1214 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities (hereinafter the "Supplementary Delegated Regulation");
- Commission Delegated Regulation (EU) 2023/2485 amending Delegated Regulation (EU) 2021/2139 by laying down additional technical review criteria for determining the conditions under which certain economic activities are identified as significantly contributing to climate change mitigation or adaptation and for determining whether those activities significantly undermine the achievement of any of the other environmental objectives;
- Commission Delegated Regulation (EU) 2023/2486 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by laying down technical review criteria for determining the conditions under which an economic activity is identified as making a significant contribution to the sustainable use and conservation of aquatic and marine resources, the transition to a circular economy, pollution prevention and control or the protection and restoration of biodiversity and ecosystems, and to determine whether the economic activity significantly undermines the achievement of any of the other environmental objectives, and amending Commission Delegated Regulation (EU) 2021/2178 as regards the specific disclosure of information on those economic activities.

Disclosure obligations for non-financial data under article 8 of the taxonomy regulation

Slovenské elektrárne (SE), as a non-financial undertaking, provides the required information on economic activities at the consolidated level (hereinafter referred to as the "SE Group") for the financial year 2024 in accordance with Article 8 of the Taxonomy Regulation and the relevant delegated regulations, which are set out in the Overview of Relevant Legislation. For the purposes of this disclosure, the consolidated companies with SE are the four subsidiaries of SE, namely Slovenské elektrárne – energetické služby, s.r.o., Ochrana a bezpečnosť SE, s.r.o., Slovenské elektrárne Česká republika, s.r.o., and Centrum pre vedu a výskum, s.r.o. (hereinafter referred to as the "Subsidiaries"). For further information on the reported indicators, please refer to the chapter Key Performance Indicators and Accounting Policy on page 97.

Taxonomy-eligible economic activities and taxonomy-aligned economic activities

The taxonomy's classification system consists of three categories that are used to determine their level of environmental sustainability. Under this regime, a distinction is made between:

- Taxonomy-eligible economic activities;
- Taxonomy-aligned economic activities;
- Taxonomy-ineligible economic activities.

A Taxonomy-ineligible activity is an economic activity not described in any of the Commission delegated regulations listed in the Overview of Relevant Legislation (hereinafter referred to as the "Ineligible Economic Activity").

A Taxonomy-eligible economic activity is an economic activity that is described in the delegated regulations issued to implement the Taxonomy Regulation, irrespective of whether the economic activity meets the technical review criteria set out in the relevant delegated acts.

An economic activity is considered sustainable or aligned with the Taxonomy if it meets all the criteria set out in Article 3 of the Taxonomy Regulation, namely:

- makes a significant contribution to one or more of the environmental objectives set out in the Taxonomy Regulation and the relevant delegated regulations,
- does not significantly undermine any of the other environmental objectives,
- is carried out in accordance with the minimum safeguards laid down in the Taxonomy Regulation,
- meets the technical review criteria set out by the European Commission in the relevant delegated regulations.

In order to identify eligible and aligned economic activities for the financial year 2024, all economic activities carried out by the SE Group in the reporting period were reviewed. The table of eligible disclosed activities lists those economic activities that were assessed as Taxonomy-eligible economic activities. Information on the degree of Taxonomy alignment of these economic activities, including their contribution to the relevant environmental objectives, is provided in the tables for each key performance indicator (KPI).

Assessment of taxonomy alignment

Substantial Contribution to Set Environmental Objectives

All the economic activities assessed as Taxonomy-aligned make a substantial contribution solely to the environmental objective of climate change mitigation.

Economic activity 4.1.
Production of electricity using solar photovoltaic technology

The installed photovoltaic power plants at the Mochovce and Vojany sites, operated by SE, were included in economic activity 4.1. The aim of this economic activity is to generate electricity using solar photovoltaic technology and supply it to the grid.

Economic activity 4.1. Production of electricity from hydroelectric power

Under economic activity 4.5, 30 hydropower plants owned by SE are reported. Given the different characteristics of the hydropower plants operated and owned by SE, the demonstration of compliance with the criterion for a significant contribution to climate change mitigation was carried out in three steps. In the first step of the significant contribution assessment, all run-of-river hydropower plants without artificial reservoirs were identified that immediately fulfilled the requirement of a significant contribution to climate change mitigation under the Climate Delegated Regulation. In a second step, the internal investigation defined the installations where the power density of the electricity generating equipment exceeds the threshold of 5 W/m^2. After the first two steps, the Orava, Domaša and Kralová hydropower plants were identified as those plants for which lifecycle greenhouse gas emissions calculations are required. For these installations, lifecycle greenhouse gas emissions were quantified using the G-res tool. In no case were lifecycle emissions greater than 100 g CO_2eq/kWh demonstrated.

Economic activity 4.10.
Electricity storage

In the case of the Čierny Váh hydropower plant, it is a pumped storage hydropower plant, which is classified under activity 4.10. The Dobšiná battery storage facility is also part of this category. As no technical review criteria were established for this activity in the area of significant contribution to the objective of climate change mitigation, no further evaluation was conducted.

Economic activity 4.15.
Remote heating / cooling

Piping systems and related infrastructure for efficient district heating supply were included in economic activity 4.15. The heating infrastructure is managed by the subsidiary company Slovenské elektrárne - energetické služby, s.r.o. The infrastructure serves to supply heat to the towns of Trnava, Hlohovec, Leopoldov and the municipality of Jaslovské Bohunice. The heat source is the nuclear power plant at Jaslovské Bohunice.

Economic activity 4.25.
Production of heat/cold using waste heat

Economic activity 4.25. concerns the production of heat using waste heat generated from electricity production at the Jaslovské Bohunice nuclear power plant.

Economic activity 4.28.
Production of electricity from nuclear power in existing installations

Economic activity 4.28. includes projects consisting in the modification of existing nuclear installations for the purpose of prolonging their safe operation lifetime, as well as their operation towards the production of electricity from nuclear energy. This category includes the two operating units of the Jaslovské Bohunice nuclear power plant and the three operating units of the Mochovce nuclear power plant. The fourth unit of the Mochovce nuclear power plant was not included in this category as it was under construction in 2024. In the case of the fourth unit of the Mochovce nuclear power plant, it is a nuclear installation which is considered as an existing nuclear installation from the point of view of nuclear safety requirements according to Article 8a(2) of the revised Council Directive 2009/71/Euratom establishing a Community framework for the nuclear safety of nuclear installations - it will be included in the economic activity 4.28 once it starts generating turnover from eligible activities.

In assessing the general criteria relating to substantial contribution to climate change mitigation and to the do no significant harm principle for economic activity 4.28., account was taken of all the obligations arising to nuclear operators under the following founding treaties, European Union and European Atomic Energy Community regulations and directives, relevant laws, their implementing legislation and government approved strategies, policies and documents.

In assessing the compliance of the economic activity 4.28. with the criteria of significant contribution to climate change mitigation, the fact that the Slovak Republic has transposed into its legal order all the required directives of the European Union and the European Atomic Energy Community and SE have acted in accordance with all the legislative requirements arising from national and European legislation in carrying out their business activities has been taken into account. The regulatory framework applicable to nuclear activities in the Slovak Republic reflects all the requirements set out in the Supplementary Delegated Regulation, and integrates into its framework the requirements of the International Atomic Energy Agency (IAEA) and the Western European Nuclear Regulators' Association (WENRA). SE holds the relevant regulatory authorisations and permits and complies with all its obligations applying to it under the regulatory framework for the operation of nuclear installations. The Company has demonstrated through life cycle calculations of greenhouse gas emissions from nuclear power generation that the value for both nuclear power plants is less than 100 g CO_2eq/kWh. The calculation has been reviewed and confirmed by an independent third party. The technical review criteria the evaluation of which is required by the Supplementary Delegated Regulation only assuming the occurrence of relevant facts foreseen for the period after 2025, were not evaluated for 2024.

Economic activity 7.6.
Installation, maintenance and repair of renewable energy technologies

The economic activity included activities consisting of installation, maintenance and repair of solar photovoltaic systems and auxiliary technical equipment, installation, maintenance, repair and modification of heat pumps, installation, maintenance and repair of thermal or electrical energy storage tanks and auxiliary technical equipment. These activities were carried out by the subsidiary Slovenské elektrárne – energetické služby, s.r.o.

Eligible Disclosed Activities

Hospodárska činnosť	Economic activity description	NACE code
4.1. Production of electricity using solar photovoltaic technology	The construction or operation of electricity generation facilities in which electricity is produced using solar photovoltaic technology.	D35.11
4.5. Production of electricity from hydroelectric power	The construction or operation of electricity generation facilities in which electricity is produced from hydroelectric power.	D35.11
4.10. Electricity storage	The construction and operation of facilities for storage of electricity and its subsequent return in the form of electricity. This activity includes pumped-storage hydropower plants.	-
4.15. Remote heating / cooling	Construction, renovation and operation of piping systems and related infrastructure for the supply of heat and cold that terminate in a substation or heat exchanger.	D35.30
4.25. Production of heat / cold using waste heat	Construction and operation of heating / cooling plants using waste heat.	D35.30
4.28. Production of electricity from nuclear power in existing installations	Modifications to existing nuclear installations for the purpose of extending the safe operating life of nuclear installations generating electricity or heat from nuclear energy (hereinafter "Nuclear Power Plants"), authorised by the competent authorities of the Member States until 2040 in accordance with applicable national law. This activity generates electricity from nuclear power.	D35.11
7.6. Installation, maintenance and repair of renewable energy technologies	Installation, maintenance and repair of on-site renewable energy technologies.	F43

Evaluation of the Do No Significant Harm Principle Regarding Other Set Environmental Objectives

Results of the review of criteria related to the principle of no significant harm(DNSH):

Do no significant harm to the objective of climate change adaptation

For all identified eligible economic activities contributing to the climate change mitigation objective (4.1., 4.5., 4.10., 4.15., 4.25., 4.28., 7.6.), a physical climate risk assessment is required under Appendix A of the Climate Delegated Regulation.

With regard to the business activities SE and its subsidiary Slovenské elektrárne - energetické služby, s.r.o., this assessment focused mainly on sites of major significance. All of these sites have been assessed for the risks listed in Appendix A of the Climate Delegated Regulation. The assessment of the ability of the sites to adapt to climatic risks was carried out in cooperation with internal experts in the form of an in-depth analysis of internal documentation (operating rules, handling regulations, requirements resulting from the ISO 14001 standard), project documentation, decisions and permits of state authorities, which are necessary for the safe operation of these facilities in accordance with legal regulations. Based on the analysis performed:

- physical climate risks have not been assessed for selected activities under economic activity 7.6,
- no significant climate risks have been identified for economic activities 4.1., 4.15. and selected activities within economic activity 7.6., given their scope and lifespan,
- there was no need to adopt adaptation solutions to mitigate the most significant physical climate risks identified, as these are already inherently integrated into the performance of the actual economic activity due to their high significance and robustness (4.5., 4.10.).

In the case of economic activity 4.28 (and the directly related economic activity 4.25), all existing nuclear facilities are subject to regulatory requirements regarding their resilience to extreme weather conditions, as defined primarily in Act No. 541/2004 Coll. on the Peaceful Use of Nuclear Energy (the Atomic Act) and on Amendments and Supplements to Certain Acts, as amended (hereinafter referred to as the "Atomic Act"), and in Decree No. 430/2011 Coll. of the Nuclear Regulatory Authority of the Slovak Republic on Nuclear Safety Requirements, as amended by Decree No. 103/2016 Coll. all nuclear facilities of the company undergo periodic nuclear safety assessments at regular intervals and, in response to the Fukushima nuclear power plant accident, have been subjected to thorough stress tests. Based on the results of these stress tests, a national action plan was elaborated and repeatedly updated by the European Nuclear Safety Regulators Group (ENSREG), where additional measures related to the risks arising from extreme weather events were identified, and which were gradually implemented at the SE's nuclear installations. The on-site emergency plan elaborated for each nuclear installation forms an integral part of dealing with such situations.

Do no significant harm to the goal of Sustainable use and conservation of aquatic and marine resources

Electricity production from hydropower (4.5.) is carried out in SE in 31 hydroelectric power plants, four of which are partially or exclusively operated as pumped storage hydroelectric power plants. In order to operate and upgrade hydropower plants as a renewable energy source, it is necessary to comply with the requirements of Directive 2000/60/EC of the European Parliament and of the Council establishing a framework for Community action in the field of water policy (the Water Framework Directive), and in particular Article 4 of that Directive, which sets out environmental objectives for surface waters. The key provisions of the Water Framework Directive were transposed into the legal order primarily in Act no. 364/2004 Coll. on water and on the amendment of Act no. 372/1990 Coll. of the Slovak National Council on offences, as amended (the Water Act), as later amended (hereinafter the "Water Act"). In accordance with the provisions of the Water Act, the Water Plan of Slovakia is prepared as a strategic water planning document aimed at protecting and improving the status of surface and groundwater bodies and aquatic ecosystems. For the hydroelectric power plants within SE's portfolio, the Water Plan of Slovakia has not identified any immediate measures that need to be urgently implemented to improve the status of surface waters. All SE's hydroelectric power plants operate in compliance with valid permits and operational regulations. These provisions also apply appropriately to the operation of the Čierny Váh pumped-storage power plant, which falls under economic activity 4.10.

Economic activity 4.15. is carried out in accordance with national and European legislation and operating permits. No measures have been identified in the Water Plan of Slovakia that would need to be implemented in relation to economic activity 4.15 to ensure compliance with the objective of sustainable use and protection of aquatic and marine ecosystems.

In the case of electricity generation using nuclear power at the existing installations (4.28.), no additional measures to ensure the improvement of water condition were identified in the Water Plan of the Slovak Republic for the operated nuclear installations at the Jaslovské Bohunice and Mochovce sites. The nuclear facilities at both locations are among the most significant water consumers in the Slovak Republic, with the quantity and quality of water withdrawn and discharged being subject to rigorous monitoring. As the nuclear installations covered by economic activity 4.28. do not use flow-through cooling in wet conditions by abstracting water from a river or lake, the relevant requirements of the technical review criteria could not be evaluated due to their irrelevance. However, in relation to the requirements for the protection of the health of the population with regard to radioactive substances contained in water intended for human consumption, the Company complies with the requirements of Act no. 87/2018 Coll. on Radiation Protection and on the amendment of certain acts, as amended (hereinafter referred to as the "Radiation Protection Act"), and submits periodic reports on these facts to the competent supervisory authorities in the field of radiation protection.

For economic activities 4.1, 4.25, and 7.6, the delegated regulation does not establish any technical screening criteria for significant non-disruption of the objective of sustainable use and protection of aquatic and marine resources

Do no significant harm to the objective of a circular economy

For economic activity 4.1, investment implementation requirements have been established to ensure minimal performance degradation over time. In existing photovoltaic installations, materials and components used are recyclable and dismantlable to the extent customary at the time of project implementation.

Within economic activity 4.10, SE operates the Dobšiná battery storage facility and the Čierny Váh pumped-storage power plant. The project documentation for the battery storage facility includes a waste management plan for the end of the facility's operational life. For the Čierny Váh pumped-storage power plant, the requirements of Act No. 79/2015 Coll. on Waste and on amendment of certain acts, as amended, are fulfilled. The impact of this operation, in terms of the monitored objective, has been assessed as insignificant, and the criterion is considered met.

Regarding economic activity 4.25, the use of highly durable components and long-life equipment is stipulated in the relevant project documentation.

The technical review criteria for the objective of transition to a circular economy is for economic activity 4.28. comprehensively covered by the requirements arising from Act No. 308/2018 Coll. on the National Nuclear Fund and on the amendment of Act No. 541/2004 Coll. on the peaceful use of nuclear energy (the Atomic Act) and on amendment of certain acts, as amended, and from the Atomic Act and its implementing legislation, in particular from the Decree of the Nuclear Regulatory Authority of the Slovak Republic No. 30/2012 Coll., No. 101/2016 Coll., laying down details of the requirements for the management of nuclear materials, radioactive waste and spent nuclear fuel, as amended by Decree No 101/2016 Coll., as amended by Decree No 101/2016 Coll. The Company's management of radioactive waste and spent nuclear fuel is also regulated in detail in its internal regulations and its important aspects are also addressed in the National Policy for the Management of Spent Nuclear Fuel and Radioactive Waste in the Slovak Republic and the National Programme for the Management of Spent Nuclear Fuel and Radioactive Waste in the Slovak Republic. SE complies with all its obligations in this area under the relevant legislation. In non-radioactive waste management, the Company proceeds in accordance with the requirements of Act no. 79/2015 Coll. on wastes and on the amendment of certain acts, as amended, and the relevant legislative requirements are also reflected in the contracts with partners in the area of waste management. The waste management service provider commits, by signing a contract, to adhering to the principles of the waste hierarchy and ensuring the maximum possible recovery or recycling of collected waste. All employees receive regular training on waste management, waste prevention, and proper waste separation.

For economic activities 4.5, 4.15 and 7.6, the Delegated Regulation does not set any technical review criteria for do no significant harm to the objective of the transition to a circular economy.

Do no significant harm to the objective of pollution prevention and control

For economic activities 4.15 and 4.25, due to the complexity of operations and the age of the equipment used, it was not possible to reliably assess compliance with the environmental objective of pollution prevention and control. As a result, SE adopted a conservative approach and evaluated this criterion as non-compliant with the relevant technical screening criterion applicable to this environmental objective.

For economic activity 4.28., the pollution prevention and control requirements for radioactive substances are comprehensively covered by authorisations and permits issued by the relevant supervisory authorities under the Radiation Protection Act and the Atomic Act. The economic activity in question is fully integrated into the National Policy for the Management of Spent Nuclear Fuel and Radioactive Waste in the Slovak Republic and the National Programme for the Management of Spent Nuclear Fuel and Radioactive Waste in the Slovak Republic, which comprehensively address the management of spent nuclear fuel and radioactive waste in the territory of the Slovak Republic. In the case of non-radioactive emissions, the Mochovce nuclear power plant falls under the definition of a large combustion plant for the start-up boiler as an emergency source for which emission limits do not apply. The compliance of pollution levels related to the best available techniques was assessed by the Slovak Environmental Inspectorate. This national authority assessed the pollution levels in question as aligned with the requirements of Commission Implementing Decision (EU) 2017/1442 establishing best available techniques (BAT) conclusions under Directive 2010/75/EU of the European Parliament and of the Council for large combustion plants, and modified the relevant integrated permit accordingly. Smaller boiler plants and emergency diesel generators above 1 MW are operated in accordance with the relevant legislation, including the required periodic emission measurements. In connection with economic activity 4.28., only professionally retrained personnel come into contact with chemicals, with the emphasis being placed on a high level of health and environmental protection. Based on a repeated review conducted in 2024, it was found that for specific professional activities (e.g., the operations of an accredited laboratory), selected chemicals defined in Appendix C of the Climate Delegated Regulation are used. The limited use of these substances is demonstrably necessary to ensure the safe and smooth operation of nuclear power plants and the use of the selected chemicals is exclusively related to economic activity 4.28. The Company regularly re-evaluates the substances used that are on the list of hazardous substances and, if it is possible to replace these substances with a less hazardous alternative, proceeds to their substitution.

Additionally, all SE nuclear facilities have implemented stringent measures and procedures to prevent the impact of undesirable factors (including chemical management) on the environment and human health. An external occupational health service prepares operational guidelines for SE regarding work involving chemical agents at relevant workplaces in compliance with applicable legislation. For this reason, economic activity 4.28 does not compromise the environmental objective of pollution prevention and control.

The Climate Delegated Regulation did not set any specific technical review criteria for do no significant harm to the pollution prevention and control objective for economic activities 4.1., 4.5., 4.10., and 7.6.

Do no significant harm to the objective of protection and restoration of biodiversity and ecosystems

In the case of the technical review criteria for do no significant harm for the environmental objective of protection and restoration of biodiversity and ecosystems for economic activities 4.1., 4.5., 4.10., 4.15., 4.25., and 4.28., it was assessed that for all identified eligible economic activities, the relevant requirements of Act No. 24/2006 Coll. on environmental impact assessment and on the amendment of certain acts, as amended, were met at the individual level. In cases where projects were implemented in or near areas sensitive to biodiversity, SE sought an opinion from the competent state nature protection authority in accordance with the provisions of Act No. 543/2002 Coll. on Nature and landscape protection, as amended.

Minimum safeguards

The minimum safeguards include all procedures applied by the Company implemented to ensure alignment of the economic activities to:

- the OECD Guidelines for Multinational Enterprises;
- the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight core conventions set out in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work;
- the International Bill of Human Rights.

The assessment of minimum safeguards concerning the SE Group was conducted in accordance with the Final Report on Minimum Safeguards prepared by the Platform on Sustainable Finance in October 2022, covering the following four key areas:

- human rights (including labour rights);
- anti-corruption behaviour;

- taxes;
- fair economic competition.

The Company has in place a certified management system that integrates the requirements for quality according to ISO 9001, environment according to ISO 14001, and occupational health and safety according to ISO 45001. The integrated management system implemented at the Company is detailed on page 31.

Human Rights

The SE Group is committed to the principles of corporate responsibility. These principles, together with those related to human rights, are defined in the codes of ethics of the individual SE Group companies. The Code of Conduct constitutes a binding guide to conduct for employees of these companies, members of their bodies and their partners in any legal relationship.

Anti-corruption behaviour

The SE Group does not tolerate any form of corruption (active or passive, direct or indirect). Regarding anti-corruption conduct, all SE Group companies have implemented a Zero Tolerance for Corruption Plan, which defines the fundamental principles in the fight against corruption. This plan is binding for employees, company board members, and SE Group business partners, i.e., any natural or legal persons in a legal relationship with SE Group companies who are obligated to comply with the Zero Tolerance for Corruption Plan by contract or other legal grounds.

SE has also adopted rules for recording, verifying, and reporting the results of investigations into whistleblower reports concerning criminal or anti-social activities in accordance with Act no. 54/2019 Coll. on the protection of whistleblowers and on the amendment of certain acts as amended by Act no. 189/2023 Coll., with a view to preventing and reducing the occurrence of such cases. Analyses of activities most exposed to the risk of corruption are conducted on a regular basis and effective steps are adopted to prevent possible corrupt behaviour.

Tax obligations

SE Group companies have established tax and financial controls at multiple levels. These controls are carried out by internal experts from financial and tax departments as well as by an external auditing firm, which regularly reviews the Company's financial statements.

Neither SE nor any member of its senior management has been convicted of violating anti-corruption laws, tax laws, competition laws, or labour and human rights regulations.

Fair economic competition

The principles of fair economic competition are directly defined in the ethical codes of SE Group companies. These codes of conduct also include additional information on fair competition, supplier selection, and relations with antitrust and other regulatory authorities. By adhering to these principles, SE Group companies confirm their commitment to fair competition and refrain from conduct that is demonstrably unfair, reckless, or constitutes an abuse of a dominant position.

Key performance indicators and accounting policy

Key performance indicators include KPIs related to revenue, capital expenditure and operating expenditure. For the presentation of the Taxonomy-related KPIs, the template forms as set out in Annex II to the revised Disclosure Delegated Regulation are used. The KPI tables for 2024 also include a comparison with 2023.

Since SE engages in economic activity utilising nuclear energy (4.28), it also publishes the assessment form for activities under the Complementary Delegated Regulation.

Share of turnover resulting from products or services related to Taxonomy-aligned economic activities

Financial year 2024	Year			Criteria for significant contribution						Criteria relating to the "do no significant harm" principle									
Economic activities	Code	Turnover	Share of turnover, 2024	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biodiversity	*Climate change mitigation*	Climate change adaptation	Water	Environmental pollution	Circular economy	Biodiversity	Minimum safeguards	Share of Taxonomy-aligned turnover (A.1) or Taxonomy-eligible turnover (A.2), year 2023	Enabling activity category	Transitional activity category
		€'000	*%*	*yes; no; ineligible*						*yes/no*							*%*	*enabling*	*transitional*
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
4.1. Production of electricity using solar photovoltaic technology	D35.11	456	0,01%	yes	no	no	no	no	no	–	yes			yes	yes	yes	0,01%		
4.5. Production of electricity from hydroelectric power	D35.11	266 572	6,90%	yes	no	no	no	no	no		yes	yes			yes	yes	5,52%		
4.10. Electricity storage	x	124 890	3,23%	yes	no	no	no	no	no		yes	yes		yes	yes	yes	2,44%	enabling	
4.28. Production of electricity from nuclear power in existing installations	D35.11	1 819 836	47,12%	yes	no	no	no	no	no		yes	yes	yes	yes	yes	yes	28,16%		transitional
7.6 Installation, maintenance and repair of renewable energy technologies	F43	2 184	0,06%	yes	no	no	no	no	no		yes					yes	0,04%	enabling	
Turnover from environmentally sustainable activities (Taxonomy-aligned) (A.1)		**2 213 938**	**57,32%**	yes	no	no	no	no	no		yes	yes	yes	yes	yes	yes	36,17%		
Of which enabling		127 074	3,29%	yes	no	no	no	no	no		yes	yes	yes	yes	yes	yes	2,49%	enabling	
Of which transitional		1 819 836	47,12%	yes	no	no	no	no	no		yes	yes	yes	yes	yes	yes	28,16%		transitional
A.2. Taxonomy-eligible activities, not environmentally sustainable (not Taxonomy-aligned activities)																			
				eligible; ineligible															
4.15. Remote heating / cooling	D35.30	11 089	0,29%	yes	no	no	no	no	no								0,20%		
4.25. Production of heat / cold using waste heat	D35.30	0	0,00%	yes	no	no	no	no	no								0,00%		
7.6 Installation, maintenance and repair of renewable energy technologies	F43	1 512	0,04%	yes	no	no	no	no	no										
Turnover from Taxonomy-eligible activities, not environmentally sustainable (not Taxonomy-aligned activities) (A.2)		**12 601**	**0,33%**														0,20%		
A. Turnover from Taxonomy-eligible activities (A.1+A.2)		**2 226 539**	**57,65%**														36,37%		
B. Taxonomy-ineligible activities																			
Turnover from Taxonomy-ineligible activities		**1 635 655**	**42,35%**																
TOTAL		**3 862 194**	**100,00%**																

Share of capital expenditure resulting from products or services related to Taxonomy-aligned economic activities

Financial year 2024	Year			Criteria for significant contribution						Criteria relating to the "do no significant harm" principle									
Economic activities	Code	Capital expenditure	Share of capital expenditure, 2024	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biodiversity	Minimum safeguards	Percentage of capital expenditure Taxonomy-aligned (A.1) or Taxonomy-eligible under (A.2), year 2023	Enabling activity category	Transitional activity category
		€'000	*%*	*yes; no; ineligible*						*yes/no*							*%*	*enabling*	*transitional*
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
4.1. Production of electricity using solar photovoltaic technology	D35.11	213	0,04%	yes	no	no	no	no	no	–	yes			yes	yes	yes	0,00%		
4.5. Production of electricity from hydroelectric power	D35.11	14 925	3,14%	yes	no	no	no	no	no		yes	yes			yes	yes	1,17%		
4.10. Electricity storage	x	7 481	1,57%	yes	no	no	no	no	no		yes	yes		yes	yes	yes	0,08%	enabling	
4.28. Production of electricity from nuclear power in existing installations	D35.11	60 022	12,61%	yes	no	no	no	no	no		yes	yes	yes	yes	yes	yes	42,63%		transitional
7.6 Installation, maintenance and repair of renewable energy technologies	F43	4 088	0,86%	yes	no	no	no	no	no		yes					yes	0,46%	enabling	
Capital expenditure from environmentally sustainable activities (Taxonomy-aligned) (A.1)		**86 729**	**18,22%**	yes	no	no	no	no	no		yes	yes	yes	yes	yes	yes	44,34%		
Of which enabling		11 569	2,43%	yes	no	no	no	no	no		yes	yes	yes	yes	yes	yes	0,54%	enabling	
Of which transitional		60 022	12,61%	yes	no	no	no	no	no		yes	yes	yes	yes	yes	yes	42,63%		transitional
A.2. Activities Taxonomy-eligible but not environmentally sustainable (activities not aligned with the Taxonomy)																			
				eligible; ineligible															
4.15. Remote heating / cooling	D35.30	394	0,08%	yes	no	no	no	no	no								0,08%		
4.25. Production of heat / cold using waste heat	D35.30	786	0,17%	yes	no	no	no	no	no								0,05%		
7.6 Installation, maintenance and repair of renewable energy technologies	F43	112	0,02%	yes	no	no	no	no	no										
Capital expenditure of activities Taxonomy-eligible but not environmentally sustainable (Taxonomy-unaligned activities) (A.2)		**1 292**	**0,27%**														0,13%		
A. Capital expenditure of Taxonomy-eligible activities (A.1+A.2)		**88 021**	**18,50%**														44,47%		
B. Taxonomy-ineligible activities																			
Capital expenditure of Taxonomy-ineligible activities		**387 874**	**81,50%**																
TOTAL		**475 895**	**100,00%**																

Share of operating expenditure resulting from products or services related to Taxonomy-aligned economic activities

Financial year 2024	Year			Criteria for significant contribution						Criteria relating to the "do no significant harm" principle									
Economic activities	Code	Operating expenditure	Share of operating expenditure, 2024	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Environmental pollution	Circular economy	Biodiversity	Minimum safeguards	Share of operating expenditure Taxonomy-aligned (A.1) or Taxonomy-eligible under (A.2), year 2023	Enabling activity category	Transitional activity category
		€'000	%	yes; no; ineligible						yes/no							%	enabling	transitional
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
4.1. Production of electricity using solar photovoltaic technology	D35.11	33	0,03%	yes	no	no	no	no	no	–	yes			yes	yes	yes	0,01%		
4.5. Production of electricity from hydroelectric power	D35.11	16 208	12,42%	yes	no	no	no	no	no		yes	yes			yes	yes	5,02%		
4.10. Electricity storage	x	3 516	2,69%	yes	no	no	no	no	no		yes	yes		yes	yes	yes	0,97%	enabling	
4.28. Production of electricity from nuclear power in existing installations	D35.11	91 637	70,22%	yes	no	no	no	no	no		yes	yes	yes	yes	yes	yes	47,05%		transitional
7.6 Installation, maintenance and repair of renewable energy technologies	F43	0	0,00%	yes	no	no	no	no	no		yes					yes	0,31%	enabling	
Operating expenditure of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**111 394**	**85,35%**	yes	no	no	no	no	no		yes	yes	yes	yes	yes	yes	53,35%		
Of which enabling		3 516	2,69%	yes	no	no	no	no	no		yes	yes	yes	yes	yes	yes	1,27%	enabling	
Of which transitional		91 637	70,22%	yes	no	no	no	no	no		yes	yes	yes	yes	yes	yes	47,05%		transitional
A.2. Taxonomy-eligible activities, not environmentally sustainable (not Taxonomy-aligned activities)																			
				eligible; ineligible															
4.15. Remote heating / cooling	D35.30	834	0,64%	yes	no	no	no	no	no								0,56%		
4.25. Production of heat / cold using waste heat	D35.30	833	0,64%	yes	no	no	no	no	no								0,39%		
7.6 Installation, maintenance and repair of renewable energy technologies	F43	0	0,00%	yes	no	no	no	no	no										
Operating expenditure of activities Taxonomy-eligible but not environmentally sustainable (Taxonomy-unaligned activities) (A.2)		**1 667**	**1,28%**														0,95%		
A. Operating expenditure from Taxonomy-eligible activities (A.1+A.2)		**113 061**	**86,63%**														54,30%		
B. Taxonomy-ineligible activities																			
Operating expenditure of Taxonomy-ineligible activities		**17 446**	**13,37%**																
TOTAL		**130 507**	**100,00%**																

Disclosures for nuclear energy related activities

Row	Activities related to nuclear energy	
1.	The undertaking performs or finances research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal fuel cycle waste, or has exposure to their research, development, demonstration and deployment.	NO
2.	The undertaking performs or finances the construction and safe operation of new nuclear installations for the production of electricity or heat treatment, including for the purposes of district heating or industrial processes such as hydrogen production, and for the improvement of their safety using the best available technology, or has exposures to their construction and safe operation.	NO
3.	The undertaking performs or finances the safe operation of existing nuclear installations in which electricity is generated or heat is processed, including for the purposes of district heating supplies or for industrial processes such as the production of hydrogen from nuclear energy, as well as to improve their safety, or has exposures to their safe operation.	YES
	Activities related to fossil gas	
4.	The undertaking performs or finances the construction or operation of electricity generation facilities that generate electricity using fossil gas yes fuels, or has exposures to their construction and operation.	NO
5.	The undertaking performs or finances the construction, refurbishment and operation of combined heat/cooling and power plants using gaseous fossil fuels, or has exposures to their construction, refurbishment, and operation.	NO
6.	The undertaking performs or finances the construction, refurbishment, and operation of heat production facilities in which heat/cooling is produced using fossil gaseous fuels, or has exposures to their construction, refurbishment, and operation.	NO

Taxonomy-aligned economic activities (denominator)							
		Amount and share (information is stated in monetary amounts and as a percentage share)					
Row	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA	
		€'000	%	€'000	%	€'000	%
1.	Amount and share of Taxonomy-aligned economic activity included in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to turnover	0	0	0	0	0	0
2.	Amount and share of Taxonomy-aligned economic activity included in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to turnover	0	0	0	0	0	0
3.	Amount and share of Taxonomy-aligned economic activity included in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to turnover	1 819 836	47,12%	1 819 836	47,12%	0	0
4.	Amount and share of Taxonomy-aligned economic activity included in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to turnover	0	0	0	0	0	0
5.	Amount and share of Taxonomy-aligned economic activity included in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to turnover	0	0	0	0	0	0
6.	Amount and share of Taxonomy-aligned economic activity included in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to turnover	0	0	0	0	0	0
7.	**Amount and share of other Taxonomy-aligned economic activities not included in rows 1 to 6 in the denominator of the KPI related to turnover**	**394 102**	**10,20%**	**394 102**	**10,20%**	**0**	**0%**
8.	**Total relevant KPI related to turnover**	**3 862 194**	**100,00%**	**3 862 194**	**100,00%**	**0**	**0%**

Taxonomy-aligned economic activities (denominator)							
		Amount and share (information is stated in monetary amounts and as a percentage share)					
Row	Hospodárske činnosti	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		€'000	%	€'000	%	€'000	%
1.	Amount and share of Taxonomy-aligned economic activity included in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to capital expenditure	0	0	0	0	0	0
2.	Amount and share of Taxonomy-aligned economic activity included in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to capital expenditure	0	0	0	0	0	0
3.	Amount and share of Taxonomy-aligned economic activity included in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to capital expenditure	60 022	12,61%	60 022	12,61%	0	0
4.	Amount and share of Taxonomy-aligned economic activity included in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to capital expenditure	0	0	0	0	0	0
5.	Amount and share of Taxonomy-aligned economic activity included in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to capital expenditure	0	0	0	0	0	0
6.	Amount and share of Taxonomy-aligned economic activity included in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to capital expenditure	0	0	0	0	0	0
7.	**Amount and share of other Taxonomy-aligned economic activities not included in rows 1 to 6 in the denominator of the KPI related to capital expenditure**	**26 707**	**5,61%**	**26 707**	**5,61%**	**0**	**0%**
8.	**Total relevant KPI related to capital expenditure**	**475 895**	**100,00%**	**475 895**	**100,00%**	**0**	**0%**

Taxonomy-aligned economic activities (denominator)							
		Amount and share (information is stated in monetary amounts and as a percentage share)					
Row	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		€'000	%	€'000	%	€'000	%
1.	Amount and share of Taxonomy-aligned economic activity included in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to operating expenditure	0	0	0	0	0	0
2.	Amount and share of Taxonomy-aligned economic activity included in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to operating expenditure	0	0	0	0	0	0
3.	Amount and share of Taxonomy-aligned economic activity included in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to operating expenditure	91 637	70,22%	91 637	70,22%	0	0
4.	Amount and share of Taxonomy-aligned economic activity included in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to operating expenditure	0	0	0	0	0	0
5.	Amount and share of Taxonomy-aligned economic activity included in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to operating expenditure	0	0	0	0	0	0
6.	Amount and share of Taxonomy-aligned economic activity included in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to operating expenditure	0	0	0	0	0	0
7.	**Amount and share of other Taxonomy-aligned economic activities not included in rows 1 to 6 in the denominator of the KPI related to operating expenditure**	**19 757**	**15,14%**	**19 757**	**15,14%**	**0**	**0%**
8.	**Total relevant KPI related to operating expenditure**	**130 507**	**100,00%**	**130 507**	**100,00%**	**0**	**0%**

Taxonomy-aligned economic activities (numerator)							
		Amount and share (information is stated in monetary amounts and as a percentage share)					
Row	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of Taxonomy-aligned economic activity included in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the KPI related to turnover	0	0	0	0	0	0%
2.	Amount and share of Taxonomy-aligned economic activity included in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the KPI related to turnover	0	0	0	0	0	0%
3.	Amount and share of Taxonomy-aligned economic activity included in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the KPI related to turnover	1 819 836	82,20%	1 819 836	82,20%	0	0%
4.	Amount and share of Taxonomy-aligned economic activity included in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the KPI related to turnover	0	0	0	0	0	0%
5.	Amount and share of Taxonomy-aligned economic activity included in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the KPI related to turnover	0	0	0	0	0	0%
6.	Amount and share of Taxonomy-aligned economic activity included in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the KPI related to turnover	0	0	0	0	0	0%
7.	**Amount and share of other Taxonomy-aligned economic activities not included in rows 1 to 6 in the numerator of the KPI related to turnover**	**394 102**	**17,80%**	**394 102**	**17,80%**	**0**	**0%**
8.	**Total amount and share of Taxonomy-aligned economic activities included in the numerator of the KPI related to turnover**	**2 213 938**	**100%**	**2 213 938**	**100%**	**0**	**0%**

Taxonomy-aligned economic activities (numerator)

Row	Economic activities	Amount and share (information is stated in monetary amounts and as a percentage share)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of Taxonomy-aligned economic activity included in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the KPI related to capital expenditure	0	0	0	0	0	0%
2.	Amount and share of Taxonomy-aligned economic activity included in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the KPI related to capital expenditure	0	0	0	0	0	0%
3.	Amount and share of Taxonomy-aligned economic activity included in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the KPI related to capital expenditure	60 022	69,21%	60 022	69,21%	0	0%
4.	Amount and share of Taxonomy-aligned economic activity included in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the KPI related to capital expenditure	0	0	0	0	0	0%
5.	Amount and share of Taxonomy-aligned economic activity included in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the KPI related to capital expenditure	0	0	0	0	0	0%
6.	Amount and share of Taxonomy-aligned economic activity included in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the KPI related to capital expenditure	0	0	0	0	0	0%
7.	**Amount and share of other Taxonomy-aligned economic activities not included in rows 1 to 6 in the numerator of the KPI related to capital expenditure**	**26 707**	**30,79%**	**26 707**	**30,79%**	**0**	**0%**
8.	**Total amount and share of Taxonomy-aligned economic activities included in the numerator of KPI related to capital expenditure**	**86 729**	**100%**	**86 729**	**100%**	**0**	**0%**

Taxonomy-aligned economic activities (numerator)

Row	Economic activities	Amount and share (information is stated in monetary amounts and as a percentage share)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of Taxonomy-aligned economic activity included in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the KPI related to operating expenditure	0	0	0	0	0	0%
2.	Amount and share of Taxonomy-aligned economic activity included in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the KPI related to operating expenditure	0	0	0	0	0	0%
3.	Amount and share of Taxonomy-aligned economic activity included in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the KPI related to operating expenditure	91 637	82,26%	91 637	82,26%	0	0%
4.	Amount and share of Taxonomy-aligned economic activity included in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the KPI related to operating expenditure	0	0	0	0	0	0%
5.	Amount and share of Taxonomy-aligned economic activity included in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the KPI related to operating expenditure	0	0	0	0	0	0%
6.	Amount and share of Taxonomy-aligned economic activity included in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the KPI related to operating expenditure	0	0	0	0	0	0%
7.	**Amount and share of other Taxonomy-aligned economic activities not included in rows 1 to 6 in the numerator of the KPI related to operating expenditure**	**19 757**	**17,74%**	**19 757**	**17,74%**	**0**	**0%**
8.	**Total amount and share of Taxonomy-aligned economic activities included in the numerator of the KPI related to operating expenditure**	**111 394**	**100%**	**111 394**	**100%**	**0**	**0%**

Economic activities Taxonomy-eligible but not aligned with the Taxonomy							
		Share (information is stated in monetary amounts and as a percentage share)					
Row	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity Taxonomy-eligible but not aligned with the Taxonomy, included in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139, in the denominator of the KPI related to turnover	0	0	0	0	0	0%
2.	Amount and share of economic activity Taxonomy-eligible but not aligned with the Taxonomy, included in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139, in the denominator of the KPI related to turnover	0	0	0	0	0	0%
3.	Amount and share of economic activity Taxonomy-eligible but not aligned with the Taxonomy, included in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139, in the denominator of the KPI related to turnover	0	0	0	0	0	0%
4.	Amount and share of economic activity Taxonomy-eligible but not aligned with the Taxonomy, included in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139, in the denominator of the KPI related to turnover	0	0	0	0	0	0%
5.	Amount and share of economic activity Taxonomy-eligible but not aligned with the Taxonomy, included in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139, in the denominator of the KPI related to turnover	0	0	0	0	0	0%
6.	Amount and share of economic activity Taxonomy-eligible but not aligned with the Taxonomy, included in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139, in the denominator of the KPI related to turnover	0	0	0	0	0	0%
7.	**Amount and share of other economic activities Taxonomy-eligible but not aligned with the Taxonomy, not included in rows 1 to 6 in the denominator of the KPI related to turnover**	**12 601**	**100%**	**12 601**	**100%**	**0**	**0%**
8.	**Total amount and share of economic activities Taxonomy-eligible but not aligned with the Taxonomy, in the denominator of the KPI related to turnover**	**12 601**	**100%**	**12 601**	**100%**	**0**	**0%**

Economic activities Taxonomy-eligible but not aligned with the Taxonomy							
		Share (information is stated in monetary amounts and as a percentage share)					
Row	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity Taxonomy-eligible but not aligned with the Taxonomy, included in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139, in the denominator of KPI related to capital expenditure	0	0	0	0	0	0%
2.	Amount and share of economic activity Taxonomy-eligible but not aligned with the Taxonomy, included in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139, in the denominator of KPI related to capital expenditure	0	0	0	0	0	0%
3.	Amount and share of economic activity Taxonomy-eligible but not aligned with the Taxonomy, included in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139, in the denominator of KPI related to capital expenditure	0	0	0	0	0	0%
4.	Amount and share of economic activity Taxonomy-eligible but not aligned with the Taxonomy, included in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139, in the denominator of KPI related to capital expenditure	0	0	0	0	0	0%
5.	Amount and share of economic activity Taxonomy-eligible but not aligned with the Taxonomy, included in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139, in the denominator of KPI related to capital expenditure	0	0	0	0	0	0%
6.	Amount and share of economic activity Taxonomy-eligible but not aligned with the Taxonomy, included in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139, in the denominator of KPI related to capital expenditure	0	0	0	0	0	0%
7.	**Amount and share of other economic activities Taxonomy-eligible but not aligned with the Taxonomy, not included in rows 1 to 6 in the denominator of the KPI related to capital expenditure**	**1 292**	**100%**	**1 292**	**100%**	**0**	**0%**
8.	**Total amount and share of economic activities Taxonomy-eligible but not aligned with the Taxonomy, in the denominator of the KPI related to capital expenditure**	**1 292**	**100%**	**1 292**	**100%**	**0**	**0%**

Economic activities Taxonomy-eligible but not aligned with the Taxonomy							
Row	Economic activities	Share (information is stated in monetary amounts and as a percentage share)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity Taxonomy-eligible but not aligned with the Taxonomy, included in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139, in the denominator of KPI related to Operation expenditure	0	0	0	0	0	0%
2.	Amount and share of economic activity Taxonomy-eligible but not aligned with the Taxonomy, included in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139, in the denominator of KPI related to Operation expenditure	0	0	0	0	0	0%
3.	Amount and share of economic activity Taxonomy-eligible but not aligned with the Taxonomy, included in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139, in the denominator of KPI related to Operation expenditure	0	0	0	0	0	0%
4.	Amount and share of economic activity Taxonomy-eligible but not aligned with the Taxonomy, included in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139, in the denominator of KPI related to Operation expenditure	0	0	0	0	0	0%
5.	Amount and share of economic activity Taxonomy-eligible but not aligned with the Taxonomy, included in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139, in the denominator of KPI related to Operation expenditure	0	0	0	0	0	0%
6.	Amount and share of economic activity Taxonomy-eligible but not aligned with the Taxonomy, included in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139, in the denominator of KPI related to Operation expenditure	0	0	0	0	0	0%
7.	**Amount and share of other economic activities Taxonomy-eligible but not aligned with the Taxonomy, not included in rows 1 to 6 in the denominator of the KPI related to operating expenditure**	**1 667**	**100%**	**1 667**	**100%**	**0**	**0%**
8.	**Total amount and share of economic activities Taxonomy-eligible but not aligned with the Taxonomy, in the denominator of the KPI related to operating expenditure**	**1 667**	**100%**	**1 667**	**100%**	**0**	**0%**

Taxonomy-ineligible economic activities			
Row	Economic activities	Amount	Percentage share
1.	Amount and share of economic activity included in row 1 of specimen 1 Taxonomy-ineligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to turnover	0	0%
2.	Amount and share of economic activity included in row 2 of specimen 1 Taxonomy-ineligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to turnover	0	0%
3.	Amount and share of economic activity included in row 3 of specimen 1 Taxonomy-ineligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to turnover	0	0%
4.	Amount and share of economic activity included in row 4 of specimen 1 Taxonomy-ineligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to turnover	0	0%
5.	Amount and share of economic activity included in row 5 of specimen 1 Taxonomy-ineligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to turnover	0	0%
6.	Amount and share of economic activity included in row 6 of specimen 1 Taxonomy-ineligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to turnover	0	0%
7.	**Amount and share of other Taxonomy-non-eligible economic activities not included in rows 1 to 6 in the denominator of the KPI related to turnover**	**1 635 655**	**100%**
8.	**Total amount and share of Taxonomy-non-eligible economic activities included in the denominator of KPI related to turnover**	**1 635 655**	**100%**

Taxonomy-ineligible economic activities			
Row	**Economic activities**	**Amount**	**Percentage share**
1.	Amount and share of economic activity included in row 1 of specimen 1 Taxonomy-ineligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to capital expenditure	0	0%
2.	Amount and share of economic activity included in row 2 of specimen 1 Taxonomy-ineligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to capital expenditure	0	0%
3.	Amount and share of economic activity included in row 3 of specimen 1 Taxonomy-ineligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to capital expenditure	0	0%
4.	Amount and share of economic activity included in row 4 of specimen 1 Taxonomy-ineligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to capital expenditure	0	0%
5.	Amount and share of economic activity included in row 5 of specimen 1 Taxonomy-ineligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to capital expenditure	0	0%
6.	Amount and share of economic activity included in row 6 of specimen 1 Taxonomy-ineligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to capital expenditure	0	0%
7.	**Amount and share of other Taxonomy-ineligible economic activities not included in rows 1 to 6 in the denominator of the KPI related to capital expenditure**	**387 874**	**100%**
8.	**Total amount and share of Taxonomy-ineligible economic activities included in the denominator of KPI related to capital expenditure**	**387 874**	**100%**

Taxonomy-ineligible economic activities			
Row	Economic activities	Amount	Percentage share
1.	Amount and share of economic activity included in row 1 of specimen 1 Taxonomy-ineligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to operating expenditure	0	0%
2.	Amount and share of economic activity included in row 2 of specimen 1 Taxonomy-ineligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to operating expenditure	0	0%
3.	Amount and share of economic activity included in row 3 of specimen 1 Taxonomy-ineligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to operating expenditure	0	0%
4.	Amount and share of economic activity included in row 4 of specimen 1 Taxonomy-ineligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to operating expenditure	0	0%
5.	Amount and share of economic activity included in row 5 of specimen 1 Taxonomy-ineligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to operating expenditure	0	0%
6.	Amount and share of economic activity included in row 6 of specimen 1 Taxonomy-ineligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the KPI related to operating expenditure	0	0%
7.	**Amount and share of other Taxonomy-ineligible economic activities not included in rows 1 to 6 in the denominator of the KPI related to operating expenditure**	**17 446**	**100%**
8.	**Total amount and share of Taxonomy-ineligible economic activities included in the denominator of the KPI related to operating expenditure**	**17 446**	**100%**

KPI related to turnover

The share of 2024 Taxonomy-aligned turnover in the Company's total turnover was calculated as the share of net turnover arising from products or services (including intangible assets) related to Taxonomy-aligned economic activities (numerator) divided by net turnover (denominator), in both cases for the financial year beginning 1 January 2024 and ending 31 December 2024.

The denominator of the KPI related to turnover is based on the consolidated net turnover reported in accordance with International Accounting Standard (IAS) 1(82)(a) adopted in Commission Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council. For further information on the accounting policy relating to consolidated net turnover, see Note 2.3 Summary of Significant Accounting Policies included in the Notes to the Consolidated Financial Statements for the year ending 31 December 2024.

The numerator of the KPI related to turnover is defined as net turnover derived from products or services related to Taxonomy-aligned economic activities, namely:

- activity 4.1. "Electricity generation using solar photovoltaic technology" generates turnover from the construction or operation of electricity generation facilities in which electricity is produced using solar photovoltaic technology;
- activity 4.5. "Hydroelectric power generation" generates turnover from the construction or operation of electricity generation facilities in which electricity is produced from hydroelectric power;
- activity 4.10. "Electricity storage" generates turnover from the construction and operation of facilities for electricity storage and its subsequent return in the form of electricity, including pumped-storage hydropower plants;
- activity 4.28. "Electricity generation using nuclear energy at existing installations" generates turnover from the modification of the existing nuclear installations that generate electricity or heat using nuclear energy, for the purpose of extending their safe operating lifetime, and from the electricity generation using nuclear energy.
- activity 7.6. "Installation, maintenance and repair of renewable energy technologies" generates turnover from the installation, maintenance and repair of on-site renewable energy technologies, namely photovoltaic systems, heat pumps, thermal or electrical energy storage and auxiliary technical equipment.

The share of the consolidated net turnover of SE that is aligned with the requirements of the Taxonomy amounts to 57.32% of the total consolidated net turnover. The largest share of 47.12% is accounted for by revenue from activity 4.28., followed by activity 4.5. with a share of 6.90%.

Turnover from economic activities eligible but not aligned within the Taxonomy is 0.33%. This share is represented by revenue from activity 4.15. and partly by 7.6. In order to avoid double counting of turnover related to the activities 4.15. District heating/cooling and 4.25. Heat production using waste heat, the turnover from these activities is reported at the consolidated level as turnover from the activity 4.15. District heating / cold supply, which is performed by Slovenské elektrárne - energetické služby, s. r. o.

Net turnover from activities ineligible under the Taxonomy represents 42.35% of total consolidated net turnover. This part of the Company's turnover comprises mainly activities related to electricity trading, which are mainly transactions for the purpose of securing revenues from the sale of electricity generated, and to a lesser extent other economic activities that are not eligible under the taxonomy (e.g. electricity generation in coal-fired power plants). The consolidated net turnover of SE can be reconciled to its consolidated financial statements published in the Consolidated Financial Statements for the year ending as at 31 December 2024.

KPI related to capital expenditure

KPI related to capital expenditure is defined as the ratio of Taxonomy-aligned capital expenditure (numerator) to total capital expenditure (denominator).

The Company's total capital expenditure consists of additions to tangible and intangible assets during the financial year under review, before depreciation, amortisation and any revaluations, including those arising from revaluations and impairments for the financial year, excluding changes in fair value. They include additions to non-current tangible assets (IAS 16), non-current intangible assets (IAS 38) and right-of-use assets (IFRS 16). For further information on the accounting policy relating to capital expenditure, see Note 2.3 Summary of Significant Accounting Policies, included in the Notes to the Consolidated Financial Statements for the year ending 31 December 2024.

The numerator consists of the following categories of Taxonomy-aligned capital expenditure:

c) capital expenditure related to assets or processes that are associated with Taxonomy-aligned economic activities;
c) capital expenditure that is part of a plan to expand

Taxonomy-aligned economic activities or to enable Taxonomy-eligible economic activities to become Taxonomy-aligned;

c) capital expenditure associated with the purchase of the output of Taxonomy-aligned economic activities and with individual measures to enable the targeted activities to become low-carbon or to lead to a reduction in greenhouse gas emissions.

The total capital expenditure of the SE Group can be reconciled to Notes 5 Non-current tangible assets and 6 Non-current intangible assets, included in the Notes to the Consolidated Financial Statements for the year ending 31 December 2024.

KPI related to operating expenditure

KPI related to operating expenditure is defined as the ratio of Taxonomy-aligned operating expenditure (numerator) to total operating expenditure (denominator).

Total operating expenditure consists of direct non-capitalised expenditure associated with research and development, building refurbishment measures, short-term and low-value lease and all forms of maintenance and repair. In general, this item includes staff costs, the cost of services and materials, as well as the cost of regular and unscheduled maintenance and repair.

The numerator consists of analogous Taxonomy-aligned operating expenditure categories as the KPI numerator related to capital expenditure.

Contextual information

KPI related to turnover

The table below provides a breakdown of the numerator of the key performance indicator related to turnover. Compared to the 2023 financial year, there have been changes in the turnover reported as aligned with the taxonomy, mainly due to the evolution of electricity prices during 2024.

KPI related to capital expenditure

In the financial year 2024, Taxonomy-aligned capital expenditure was associated with economic activities 4.1, 4.5, 4.10, 4.28, and 7.6. The table below provides a breakdown of the amounts included in the numerator. In comparison with the financial year 2020 there was a significant decrease in the KPI related to capital expenditure of environmentally sustainable activities from 44.34% in 2023 to 18.41% in 2024. This decrease was mainly due to the finalisation of all completion works on Unit 3 of the Mochovce nuclear power plant (within the scope of reported economic activity 4.28). The increase in capital expenditure for economic activity 4.5 was mainly due to the overhaul of the first unit at the Ružín hydroelectric power plant and for economic activity 4.10 to the ongoing shutdown of the fifth unit of the Čierny Váh pumped storage hydroelectric power plant and related capital expenditure, as well as to the construction of a new battery storage facility.

KPI related to operating expenditure

The table below provides a breakdown of the numerator of KPI related to operating expenditure by individual elements subject to the definition of operating expenditure in the Disclosure Delegated Regulation.

Quantitative breakdown of the turnover numerator	Turnover (€ million)
Revenue from contracts with customers	2 222
Lease income	4
Other sources of income	1
Total	**2 227**

Quantitative breakdown of the numerator of capital expenditure by economic activity (in € million)

Economic activity	Additions to real estate assets, machinery and equipment	Internally generated intangible or acquired assets	Leases (capitalised assets with right of use)	Total	Of which acquired through business combinations	Of which part of the capital expenditure plan
4.1.	0	0	0	0		
4.5.	14	1	0	15		
4.10.	7	0	0	7		
4.28.	58	2	0	60		
7.6	4	0	0	4		

Quantitative breakdown of the operating expenditure numerator	Operating expenditure (€ million)
Research & development expenditure	0
Measures in building renovation	0
Expenditure on short-term leasing and leasing of low-value assets	0
Maintenance and repairs	80
Other costs	33
Total	**113**

Abbreviations

aFRR+	Secondary active power regulation positive
aFRR-	Secondary active power regulation negative
ACER	Agency for Cooperation of Energy Regulators
ALARA	as low as reasonably achievable
AMAVET	Association for Youth, Science and Technology
AO	automatic protection
AO1	automatic shutdown
OHS	occupational health & safety
BO V2	Bohunice V2 Nuclear Power Plant
CENTREL	cooperative group of four transmission system operators
ČEZ	ČEZ, a.s. (Production of electricity from hydroelectric power), the largest electricity producer in the Czech Republic
COP	coefficient of performance
CVV	Centrum pre vedu a výskum, s.r.o.
DH	district heating
SPS	supplementary pension savings
VAT	value-added tax
DUK	Children's Comenius University
e-GCC	system of cross-border exchanges of electricity
EBITDA	profit before financial result, tax, depreciation and amortisation and impairment
EBO	Bohunice Nuclear Power Plant
EEX	European Energy Exchange
EIA	Environmental Impact Assessment
EC	European Commission
EMIR	regulation on OTC derivatives, central counterparties and trade repositories
EMO	Mochovce Nuclear Power Plant
ENDESA	largest producer of electricity in Spain (a subsidiary of Enel)
ENIQ	European Network for Inspection and Qualification
ENO	Nováky Power Plant
ENO A	Nováky Power Plant A, operation
ENO B	ENO B Nováky Power Plant B, operation
ENSREG	European Nuclear Safety Regulators Group
ENTSO-E	European Network of Transmission System Operators for Electricity
EPC	model of Guaranteed Energy Services
EPH	Energetický a průmyslový holding, a.s.
ESMA	European Securities and Markets Authority
EU ETS	EU Emissions Trading System
EU	European Union
EVO	Vojany Power Plant
EVO 1	Vojany Power Plant 1, operation
EVO 2	Vojany Power Plant 2, operation
FCR	Primary active power regulation
FME	Foreign Material Exclusion – preventing foreign material from infiltrating technology
FNM SR	National Property Fund of the SR

GDPR	General Data Protection Regulation
GO	general outage
CA	control assembly
INES	International Nuclear Event Scale
INPO	Institute of Nuclear Power Operations
IMS	Integrated Management System
JAVYS	Jadrová a vyraďovacia spoločnosť, a.s.
JB	nuclear safety
NPP	nuclear power plant
CPP	conventional power plant
KST	Slovak Hiking Club
IAEA	International Atomic Energy Agency
mFRR+	Tertiary active power regulation positive
mFRR-	Tertiary active power regulation negative
MiFID II	Markets in Financial Instruments Directive (second version)
MO12	Mochovce Nuclear Power Plant, Units 1 and 2
MO34	Mochovce Nuclear Power Plant, Units 3 and 4
MSR	market stabilisation reserve
SHPP	small hydropower plant
INE&CP	Integrated National Energy and Climate Plan
NIRA	Nuclear Industry Reinsurance Association
NOS	Independent Nuclear Safety Assessment Unit
NPV	net present value
SC SR	Supreme Court of the Slovak Republic
NSAC	Nuclear Safety Advisory Committee
NSK	Nitra region
ERO	Emergency Response Organisation
OKTE	electricity spot market organiser – OKTE, a.s.
FP	fire protection
OSART	operational safety review team
RES	renewables
ASP	ancillary services provider
PS HPP	pumped-storage hydropower plant
PTH	Prievidzské tepelné hospodárstvo, a.s.
PXE	Prague Energy Exchange
REMIT	Regulation on wholesale energy market integrity and transparency
SE-HQ	Headquarters of Slovenské elektrárne
SAE	Slovak Association of Electric Vehicles
SAM	Severe Accident Management
SAT	Systematic Approach to Training
SAS	Slovak Academy of Sciences
SE	Slovenské elektrárne, a.s.
SE-ES	Slovenské elektrárne – energetické služby, s.r.o.
SEPS	Slovenská elektrizačná prenosová sústava, a.s.

I&C	instrumentation & control
QMS	Quality Management System
CARB	corrective actions programme
SNETP	Sustainable Nuclear Energy Technology Platform
SNG	Slovak National Gallery
SVSEE	Secondary Vocational School of Electrical Engineering
SPH	Slovak Power Holding
SR	Slovak Republic
SUT BA	Slovak University of Technology in Bratislava
TANAP	Tatras National Park
TPP	thermal power plant
SSF	solid secondary fuel
TG	turbogenerator
TRV3MIN+	Tertiary active power regulation 3-minute positive
TRV3MIN-	Tertiary active power regulation 3-minute negative
TTF	virtual trading hub Title Transfer Facility (TTF) in the Netherlands
PMr	particulate matter
UCF	Unit Capability Factor
UCLF	Unplanned Capability Loss Factor
NRA SR	Nuclear Regulatory Authority of the Slovak Republic
RONI	Regulatory Office for Network Industries
V1	Nuclear Unit B2 of JAVYS
HPP	hydropower plant
HPP-G	Hydropower plant Gabčíkovo, Čunovo, Mošoň and S VII
VV	Vodohospodárska výstavba, š. p.
WANO	World Association of Nuclear Operators
WENRA	Western European Nuclear Regulators Association
PL	pollutant
ZSD	Západoslovenská distribučná, a.s.

Certificates

Reg. No. 305/Q-050

CERTIFICATE

This certifies that the Quality management system of company

Slovenské elektrárne, a.s.

Pribinova 40, Bratislava - mestská časť Staré Mesto 811 09, Slovak Republic

has been assessed by 3EC International
and found to be in conformance with the following standard:

ISO 9001:2015

for the following scope:

PRODUCTION, SUPPLY, PURCHASE AND SALES OF ELECTRICITY.
PRODUCTION, SUPPLY AND SALES OF HEAT.
SALES OF BY-PRODUCTS FROM ELECTRICITY PRODUCTION.
MANAGEMENT OF CONSTRUCTION AND COMMISSIONING
OF ELECTRICITY PRODUCTION SOURCE.
EXECUTION OF MAINTENANCE WORKS.

Certificate No.: Q-0840/24 **Date of issuance: January 15th, 2024** **Original date of approval: July 2nd, 2016**

This certificate is valid from **January 15th, 2024** to **June 26th, 2025** on condition that organization will maintain effective Quality management system. To verify the validity of this certificate please contact our office at: +421 (0)2 5831 8343.

This certificate fully supersedes previous certificate No. Q-0840/22 issued on May 19th, 2022.

Issuing office: 3EC International a.s., Hraničná 18, 821 05 Bratislava, Slovak Republic

Dr. Katarína Tomin Srdošová
Head of Certification Body 3EC International a.s.

Certification body 3EC International a.s. is accredited by SNAS under registration number 305/Q-050 with accreditation certificate No. Q-050 for certification of Quality management systems covered by EA MLA and IAF MLA.

Reg. No. 305/R-064

CERTIFICATE

This certifies that the Environmental management system of company

Slovenské elektrárne, a.s.

Pribinova 40, Bratislava - mestská časť Staré Mesto 811 09, Slovak Republic

has been assessed by 3EC International
and found to be in conformance with the following standard:

ISO 14001:2015

for the following scope:

PRODUCTION, SUPPLY, PURCHASE AND SALES OF ELECTRICITY.
PRODUCTION, SUPPLY AND SALES OF HEAT.
SALES OF BY-PRODUCTS FROM ELECTRICITY PRODUCTION.
MANAGEMENT OF CONSTRUCTION AND COMMISSIONING
OF ELECTRICITY PRODUCTION SOURCE.
EXECUTION OF MAINTENANCE WORKS.

Certificate No.: E-0386/24 **Date of issuance: January 15th, 2024** **Original date of approval: July 2nd, 2016**

This certificate is valid from **January 15th, 2024** to **June 26th, 2025** on condition that organization will maintain effective Environmental management system. To verify the validity of this certificate please contact our office at: +421 (0)2 5831 8343.

This certificate fully supersedes previous certificate No. E-0386/22 issued on May 19th, 2022.

Issuing office: 3EC International a.s., Hraničná 18, 821 05 Bratislava, Slovak Republic

Dr. Katarína Tomin Srdošová
Head of Certification Body 3EC International a.s.

Certification body 3EC International a.s. is accredited by SNAS under registration number 305/R-064 with accreditation certificate No. R-064 for certification of Environmental management systems covered by EA MLA and IAF MLA.

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IAF

SNAS
Reg. No. 305/R-065

CERTIFICATE

This certifies that the OH&S management system of company

Slovenské elektrárne, a.s.

Pribinova 40, Bratislava - mestská časť Staré Mesto 811 09, Slovak Republic

SLOVENSKÉ ELEKTRÁRNE

has been assessed by 3EC International
and found to be in conformance with the following standard:

ISO 45001:2018

for the following scope:

PRODUCTION, SUPPLY, PURCHASE AND SALES OF ELECTRICITY.
PRODUCTION, SUPPLY AND SALES OF HEAT.
SALES OF BY-PRODUCTS FROM ELECTRICITY PRODUCTION.
MANAGEMENT OF CONSTRUCTION AND COMMISSIONING
OF ELECTRICITY PRODUCTION SOURCE.
EXECUTION OF MAINTENANCE WORKS.

Certificate No.: S-0312/24 **Date of issuance: January 15th, 2024** **Original date of approval: July 2nd, 2016**

This certificate is valid from **January 15th, 2024** to **June 26th, 2025** on condition that organization will maintain effective OH&S management system. To verify the validity of this certificate please contact our office at: +421 (0)2 5831 8343.

This certificate fully supersedes previous certificate No. E-0312/22 issued on May 19th, 2022.

Issuing office: 3EC International a.s., Hraničná 18, 821 05 Bratislava, Slovak Republic

Dr. Katarína Tomin Srdošová
Head of Certification Body 3EC International a.s.

Certification body 3EC International a.s. is accredited by SNAS under registration number 305/R-065 with accreditation certificate No. R-065 for certification of OH&S management systems.

Independent auditors' report and consolidated financial statements

prepared in accordance with International Financial Reporting Standards as adopted by the European Union as at and for the year ended 31 December 2024

Deloitte.

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Register of the City Court Bratislava III
Section Sro, File 4444/B
Company ID: 31 343 414
VAT ID: SK2020325516

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Slovenské elektrárne, a.s.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders, Supervisory Board and Board of Directors of Slovenské elektrárne, a.s.:

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Slovenské elektrárne, a.s. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated profit and loss statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the provisions of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended, as amended (hereinafter the "Act on Statutory Audit") related to independence and ethical requirements, including the Code of Ethics for Auditors that are relevant to our audit of the consolidated financial statements, 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 opinion.

Emphasis of Matters

We draw attention to Notes 3 (i) and 15 to the consolidated financial statements. The Group has evaluated its obligations in respect of the operations of nuclear electricity plants and recorded related provisions as at 31 December 2024 on the basis of management's estimate of the expenditure required to settle those obligations when they fall due. The estimates and assumptions considered by management in determining these provisions are inherently sensitive to expectations about future costs and forecasted cash outflows, timing of cash outflows, inflation rates, discount rates, technical plans and changes in government legislation. Any changes in these parameters could materially affect the carrying amounts of the provisions recorded in the consolidated financial statements in future periods.

We draw attention to Note 30 to the consolidated financial statements which describes uncertainty related to the outcome of several court disputes pertaining to Vodné elektrárne Gabčíkovo ("VEG") Operating Agreement, the Agreement on Settlement of Legal Relations with respect to the VEG Assets and the Agreement of Indemnity.

Our opinion is not modified in respect of these matters.

Other Matter

The consolidated financial statements of Slovenské elektrárne, a.s. and its subsidiaries for the year ended 31 December 2023 were audited by another auditor who expressed an unqualified opinion on the consolidated financial statements on 28 March 2024.

This is a translation of the original auditor's report issued in the Slovak language to the accompanying financial statements translated into the English language.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

We communicate with those charged with governance about, inter alia, the planned scope and time schedule of the audit and significant audit findings, including all material deficiencies of internal control identified during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on Information Disclosed in the Consolidated Annual Report

The statutory body is responsible for information disclosed in the consolidated annual report prepared under the requirements of the Act on Accounting No. 431/2002 Coll. as amended (the "Act on Accounting"). Our opinion on the consolidated financial statements stated above does not apply to other information in the consolidated annual report.

In connection with the audit of consolidated financial statements, it is our responsibility to gain an understanding of the information disclosed in the consolidated annual report and assess whether such information is materially inconsistent with the consolidated financial statements or our knowledge of the group and its position obtained in the audit of the consolidated financial statements, or otherwise appears to be materially misstated.

We assessed whether the Group's consolidated annual report includes information whose disclosure is required by the Act on Accounting.

This is a translation of the original auditor's report issued in the Slovak language to the accompanying financial statements translated into the English language.

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Based on procedures performed during the audit of the consolidated financial statements, in our opinion:

- Information disclosed in the consolidated annual report prepared for 2024 is consistent with the consolidated financial statements for the relevant year; and
- The consolidated annual report includes information pursuant to the Act on Accounting.

Furthermore, based on our understanding of the Group and its position, obtained in the audit of the consolidated financial statements, we are required to disclose whether material misstatements were identified in the consolidated annual report, which we received prior to the date of issuance of this auditor's report. There are no findings that should be reported in this regard.

Bratislava, 16 April 2025

Ing. Ján Bobocký, FCCA
Responsible Auditor
Licence UDVA No. 1043

On behalf of
Deloitte Audit s.r.o.
Licence SKAu No. 014

This is a translation of the original auditor's report issued in the Slovak language to the accompanying financial statements translated into the English language.

Slovenské elektrárne, a.s.

Consolidated Financial Statements
Prepared in Accordance with International Financial Reporting Standards
as Adopted by the European Union

31 December 2024

Branislav Strýček
Chief Executive Officer
Chairman of the Board of Directors

Lukáš Maršálek
Member of the Board of Directors

Bratislava, 16 April 2025

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Slovenské elektrárne, a.s.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2024
(in thousands of EUR)

	Note	31 December 2024	31 December 2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	10,816,570	10,336,041
Intangible assets	6	10,737	6,435
Derivative assets	7	12,539	240,686
Investments in associates	9	20,307	25,433
Other investments	9	6,101	6,116
Right for reimbursement from the National Nuclear Fund	15	1,792,915	1,687,625
Other receivables	11	170,350	196,895
Other non-current assets	13	3,457	3,271
Deferred tax asset	28	681	1,103
Prepayments for non-current assets	5	28,432	17,046
Total non-current assets		**12,862,089**	**12,520,651**
CURRENT ASSETS			
Inventories	10	501,878	453,293
Trade and other receivables	11	468,150	401,936
Current income tax receivable	28	6,791	827
Derivative assets	7	192,389	411,742
Cash and cash equivalents	12	216,372	106,828
Other current assets	13	3,863	3,455
Assets classified as held for sale	5	767	385
Total current assets		**1,390,210**	**1,378,466**
TOTAL ASSETS		**14,252,299**	**13,899,117**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14	1,269,296	1,269,296
Revaluation reserve	14	3,602,140	3,325,942
Other reserves	14	230,815	234,232
Hedging reserve	14	(28,556)	322,358
Retained earnings, of that:	14	920,461	125,415
Retained earnings of prior periods		*125,360*	*(433,661)*
Net income for the year		*795,101*	*559,076*
Total equity attributable to equity holders of the Company		**5,994,156**	**5,277,243**
Non-controlling interest		-	-
Total equity		**5,994,156**	**5,277,243**
NON-CURRENT LIABILITIES			
Subordinated loan	19	1,166,683	1,139,599
Provision for nuclear decommissioning and storage costs	15	2,960,185	2,810,479
Provision for dismantling of thermal power plants	16	127,316	152,361
Employee benefits	17	40,644	33,893
Other provisions	18	26,872	29,051
Loans and borrowings	19	45,889	2,416,871
Derivative liabilities	7	152,636	119,523
Other non-current liabilities	20	34,173	19,170
Deferred tax liability	28	728,298	504,930
Total non-current liabilities		**5,282,696**	**7,225,877**
CURRENT LIABILITIES			
Subordinated loan	19	207	710
Provision for nuclear decommissioning and storage costs	15	37,214	42,892
Provision for dismantling of thermal power plants	16	2,619	4,804
Employee benefits	17	2,221	2,665
Other provisions	18	14,085	89,296
Loans and borrowings	19	2,220,894	555,258
Derivative liabilities	7	165,585	59,494
Trade and other current payables	21	408,220	519,204
Current income tax liability	28	118,787	110,549
Other current liabilities	20	5,615	11,125
Total current liabilities		**2,975,447**	**1,395,997**
Total liabilities		**8,258,143**	**8,621,874**
TOTAL EQUITY AND LIABILITIES		**14,252,299**	**13,899,117**

The notes form an integral part of the consolidated financial statements.

Slovenské elektrárne, a.s.

CONSOLIDATED PROFIT AND LOSS STATEMENT
for the year ended 31 December 2024
(in thousands of EUR)

	Note	Year ended 31 December 2024	Year ended 31 December 2023
REVENUES			
Electricity and heat revenues	22	3,844,538	4,916,708
Other operating income	23	17,655	47,639
Total revenues		**3,862,193**	**4,964,347**
OPERATING EXPENSES			
Nuclear fuel	10	(62,357)	(64,398)
Fossil and other fuel		(29,188)	(127,213)
Cost of electricity purchased for resale	22	(1,411,117)	(2,668,891)
Repairs and maintenance		(50,249)	(49,238)
Other raw materials and consumables		(133,056)	(133,572)
Personnel expenses	25	(206,547)	(179,228)
Changes in provision for nuclear decommissioning and storage costs	15	(48,517)	(30,720)
Changes in provisions for dismantling of thermal power plants	16	28,992	3,619
Gains / (losses) from derivative transactions	24	(127,492)	(442,302)
Other operating costs, other than depreciation, amortisation and impairment	23	(38,843)	(140,904)
Total operating expenses		**(2,078,374)**	**(3,832,847)**
PROFIT BEFORE FINANCIAL RESULT, TAX, DEPRECIATION, AMORTISATION AND IMPAIRMENT		**1,783,819**	**1,131,500**
Revaluation of property, plant and equipment	5	(96,229)	-
Depreciation, amortisation and impairment	26	(324,459)	(205,674)
PROFIT BEFORE FINANCIAL RESULT AND TAX		**1,363,131**	**925,826**
Share of profit of associates		(4,146)	668
Finance income	27	37,295	20,425
Finance costs	27	(293,434)	(140,600)
PROFIT BEFORE TAX		**1,102,846**	**806,319**
INCOME TAX	28	(307,745)	(247,243)
NET PROFIT FOR THE YEAR		**795,101**	**559,076**
Profit attributable to:			
Shareholders of the Company		795,101	559,076
Non-controlling interest of other owners of subsidiaries		-	-

The notes form an integral part of the consolidated financial statements.

Slovenské elektrárne, a.s.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2024
(in thousands of EUR)

	Note	Year ended 31 December 2024	Year ended 31 December 2023
Net profit for the year		**795,101**	**559,076**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges, net of tax	7,28	(352,041)	1,841,638
Effect of change in deferred tax rate	28	1,127	-
Other, net of tax		(997)	(1,229)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(351,911)**	**1,840,409**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Revaluation of property, plant and equipment, net of tax	5,28	339,148	-
Changes in valuation of property, plant and equipment, net of tax	5,28	(207)	(679)
Change in estimates of the provision for dismantling of thermal power plants through revaluation reserve, net of tax	16,28	213	(1,939)
Change in estimates of the environmental provision through revaluation reserve, net of tax	18,28	29	(199)
Remeasurement gains / (losses) on defined benefit plans, net of tax	17,28	(4,120)	2,496
Effect of change in deferred tax rate	28	(61,285)	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**273,778**	**(321)**
Other comprehensive income, net of tax		**(78,133)**	**1,840,088**
Total other comprehensive income for the year, net of tax		**716,968**	**2,399,164**
Total other comprehensive income attributable to:			
Equity holders of the Company		716,968	2,399,164
Non-controlling interests of other owners of subsidiaries		-	-

The notes form an integral part of the consolidated financial statements.

Slovenské elektrárne, a.s.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2024
(in thousands of EUR)

	Note	Share capital	Hedging reserve	Revaluation reserve	Other reserves	Accumulated gains / (losses)	Total	Non-controlling interest	Total equity
Balance as at 1 January 2023		**1,269,296**	**(1,519,280)**	**3,328,759**	**232,965**	**(433,661)**	**2,878,079**	**-**	**2,878,079**
Net profit for the year		-	-	-	-	559,076	559,076	-	559,076
Other comprehensive income									
Changes in valuation of property, plant and equipment, net of tax	*5,28*	-	-	(679)	-	-	(679)	-	(679)
Change in estimates of the provision for dismantling of thermal power plants through revaluation reserve, net of tax	*16,28*	-	-	(1,939)	-	-	(1,939)	-	(1,939)
Change in estimates of the environmental provision through revaluation reserve, net of tax	*18,28*	-	-	(199)	-	-	(199)	-	(199)
Net movement on cash flow hedges, net of tax	*7,28*	-	1,841,638	-	-	-	1,841,638	-	1,841,638
Remeasurement gains on defined benefit plans, net of tax	*17,28*	-	-	-	2,496	-	2,496	-	2,496
Other, net of tax		-	-	-	(1,229)	-	(1,229)	-	(1,229)
Total other comprehensive income, net of tax		**-**	**1,841,638**	**(2,817)**	**1,267**	**559,076**	**2,399,164**	**-**	**2,399,164**
Balance as at 31 December 2023		**1,269,296**	**322,358**	**3,325,942**	**234,232**	**125,415**	**5,277,243**	**-**	**5,277,243**
Balance as at 1 January 2024		**1,269,296**	**322,358**	**3,325,942**	**234,232**	**125,415**	**5,277,243**	**-**	**5,277,243**
Net profit for the year		-	-	-	-	795,101	795,101	-	795,101
Other comprehensive income									
Revaluation of property, plant and equipment, net of tax	*5,28*	-	-	339,148	-	-	339,148		339,148
Changes in valuation of property, plant and equipment, net of tax	*5,28*	-	-	(207)	-	-	(207)	-	(207)
Change in estimates of the provision for dismantling of thermal power plants through revaluation reserve, net of tax	*16,28*	-	-	213	-	-	213	-	213
Change in estimates of the environmental provision through revaluation reserve, net of tax	*18,28*	-	-	29	-	-	29	-	29
Net movement on cash flow hedges, net of tax	*7,28*	-	(352,041)	-	-	-	(352,041)	-	(352,041)
Remeasurement gains on defined benefit plans, net of tax	*17,28*	-	-	-	(4,120)	-	(4,120)	-	(4,120)
Effect of change in deferred tax rate	*28*	-	1,127	(62,985)	1,700		(60,158)		(60,158)
Other, net of tax		-	-	-	(997)	-	(997)	-	(997)
Total other comprehensive income, net of tax		**-**	**(350,914)**	**276,198**	**(3,417)**	**795,101**	**716,968**	**-**	**716,968**
Creation of social fund		-	-	-	-	(55)	(55)	-	(55)
Balance as at 31 December 2024		**1,269,296**	**(28,556)**	**3,602,140**	**230,815**	**920,461**	**5,994,156**	**-**	**5,994,156**

The notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2024
(in thousands of EUR)

	Note	Year ended 31 December 2024	Year ended 31 December 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before income taxes		**1,102,846**	**806,319**
Adjustments to reconcile profit / (loss) before income taxes to net cash from operating activities:			
Depreciation, amortisation and impairment of non-current assets	5, 6	323,382	203,281
Effect of the revaluation	5	96,229	-
Amortisation of deferred income		(2)	(15)
Gain on sale of property, plant and equipment and intangible assets	23	339	467
Interest income	27	(12,613)	(7,358)
Interest charge on other provisions (employee benefits, environmental provision)	27	1,864	977
Interest charge on provision for nuclear decommissioning and storage costs and dismantling of thermal power plants	27	121,895	116,507
Interest from loans and borrowings		145,292	13,773
Change in estimate of provision for nuclear decommissioning and storage costs and dismantling of thermal power plants through profit and loss statement	15,16	(8,860)	7,010
Other changes in provision for nuclear decommissioning and storage costs and dismantling of thermal power plants	15,16	4,033	719
Change in environmental and employee benefits provision		(2,407)	(502)
Change in other provisions		(75,719)	(19,096)
Interest income from the National Nuclear Fund	15, 27	(24,682)	(13,067)
National Nuclear Fund administration fee	15	814	1,444
Change in revaluation of derivatives through profit and loss statement		94,200	(99,366)
Share of profit of associates		4,146	(668)
Effect of other finance cost		655	1,402
Asset in acquisition – written off		11,185	-
Ineffectiveness of the cash flow hedge reclassified from other comprehensive income to profit and loss		(62,405)	(94,139)
Changes in working capital:			
Inventories	10	(48,585)	(201,877)
Trade and other receivables		12,576	269,654
Trade and other payables		(141,468)	(504,680)
Other assets and liabilities		46,373	338,047
Cash generated from operations		**1,589,088**	**818,832**
Interest received		10,597	5,238
Interest paid		(256,136)	(287,728)
Income taxes paid		(122,427)	8,470
Net cash from operating activities		**1,221,122**	**544,812**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(303,901)	(260,234)
Acquisition of intangible assets		(4,734)	(1,287)
Proceeds from sale of property, plant and equipment		104	6
Acquisition of non-current financial assets		-	(16)
Contributions to the National Nuclear Fund	15	(81,422)	(144,417)
Net cash used in investing activities		**(389,953)**	**(405,948)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawing of borrowings		1,391,917	882,005
Repayment of borrowings		(2,113,542)	(980,537)
Net cash from financing activities		**(721,625)**	**(98,532)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		109,544	40,332
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	**12**	106,828	66,496
CASH AND CASH EQUIVALENTS, END OF PERIOD	**12**	**216,372**	**106,828**

The notes form an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2024
(in thousands of EUR)

1. General information

Slovenské elektrárne, a.s. (hereinafter as the “Company”) is an electricity and heat generation, supply and trading company, which owns and operates 53.1% (2023: 55.9%) of the installed capacity of power plants in the Slovak Republic.

The Company’s registered address and registration numbers are:
Slovenské elektrárne, a.s.
Registration number: 35 829 052
Tax registration number: 2020261353
Pribinova 40
811 09 Bratislava – mestská časť Ružinov
Slovak Republic

The Company was set up on 13 December 2001 and was incorporated into the Commercial Register on 21 January 2002.

The Company and its subsidiaries (hereinafter as the “Group”) has a branch established in Poland. The branch in Czech Republic has finished its activities on 27 April 2023. On 18 August 2023 it was deleted from the Commercial Register of Czech Republic.

The companies in the Group are not a partner with unlimited liability in any company.

During the year 2024, the Group had 4,553 employees on average (2023: 4,526 employees), the number of employees as at 31 December 2024 was 4,660 (as at 31 December 2023: 4,462 employees), of which 35 were management (31 December 2023: 34 managers).

These consolidated financial statements are presented in thousands of euros.

These consolidated financial statements have been prepared as ordinary consolidated financial statements according to Section 17 (6) of the Slovak Accounting Act No. 431/2002 Coll. as amended.

The consolidated financial statements are available at the Company’s registered address and at the Commercial Register of the Municipal Court in Bratislava III, Námestie Biely kríž 7, 836 07 Bratislava III. According to Section 23 of the Slovak Accounting Act No. 431/2002 Coll. as amended, the consolidated financial statements are also filed in the registry of the financial statements, in the electronic form.

Ownership structure

As at the date of these consolidated financial statements the Company’s shares were owned by Slovak Power Holding B.V., the Netherlands (amounting to 66% of the share capital) and by the Slovak Republic, on behalf of which acts the Ministry of Economy of the Slovak Republic (amounting to 34% of the share capital).

As at the date of these consolidated financial statements, the shares of Slovak Power Holding B.V. (hereinafter as "SPH") were owned by Enel Produzione S.p.A., Italy (hereinafter as "Enel Produzione") in the amount equal to 50% of the share capital and by EP Slovakia B.V., the Netherlands (hereinafter as "EP Slovakia") also in an amount equal to 50% of the share capital. The only shareholder of EP Slovakia was Energetický a průmyslový holding a.s., Czech Republic (hereinafter as “EPH”). The ultimate parent entity of the Company is SPH.

The shareholders agreement and contract for the sale of the stake held through SPH by Enel Produzione in Slovenské elektrárne, a.s., executed on 18 December 2015, as amended on August 30, 2018 and on December 22, 2020, provides among other things for a call option in favour of EP Slovakia for the acquisition of the remaining SPH shares held by Enel Produzione that is exercisable 6 months after the signature of the updated contract until the earlier of (i) 4 years from the completion of the Trial Run of Unit 4 or (ii) December 2028.

Furthermore, always with respect to the remaining 50% of the SPH’s share capital held by Enel Produzione, the above mentioned agreements provided for a put option in favour of Enel Produzione and a call options in favour of EP Slovakia that can be both exercised when the latest of these events has occurred (i) 6 months after the Trial Run of Unit 4, (ii) the date of completion of the first outage of Mochovce unit 4 and (iii) the maturity of the shareholder loans set in year 2032.

The notes form an integral part of the consolidated financial statements.

On 18 December 2024, EPH announced that it had signed an agreement (the "Agreement") with Enel Produzione to acquire the 50% stake in SPH in connection with execution of the early call option in favour of EP Slovakia. Upon exercise of this option, Enel Produzione shall transfer the remaining 50% of the SPH's share capital to EP Slovakia.

The closing of the transaction, expected in the first half of 2025, is subject to regulatory conditions, including approval from the relevant antitrust authority and the European Commission under the Foreign Subsidies Regulation (Regulation (EU) 2022/2560), and other customary closing conditions.

2.1 Basis of preparation

The financial year is the same as the calendar year.

The consolidated financial statements of the Group for the previous period were approved by the ordinary Annual General Meeting of the Company held on 6 May 2024.

The assets and liabilities reported in the consolidated statement of financial position are classified on a current/non-current basis, with separate presentation of assets classified as held for sale. Current assets, which include cash and cash equivalents, are assets that are intended to be realised, sold or consumed within the twelve months following the balance sheet date, or, in respect of the inventory, mainly nuclear fuel and spare parts, during the period of approximately five years, which is considered being the normal operating cycle. Current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Group or within the twelve months following the balance sheet date.

The costs in the consolidated profit and loss statement are classified according to their nature.

The indirect method is used for the consolidated statement of cash flows that presents the net cash flows attributable to the operating, investing and financing activities.

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- property, plant and equipment are carried at their revalued amounts,
- derivative financial instruments are measured at fair value,
- financial instruments at fair value through profit or loss are measured at fair value.

The methods used to measure fair values are discussed further in Note 5 and 31.

The financial statements were prepared using the going concern assumption that the Group will continue its operations for the foreseeable future. The Group has not identified any issue to continue as a going concern for the foreseeable future.

Military conflict in Ukraine

The Group is monitoring the possible impact of the changing micro- and macroeconomic conditions on the Group's performance in connection with the military conflict in Ukraine since February 2022. The Group has not identified any going concern issue for the Group to continue as a going concern for the foreseeable future.

Information on the consolidated group

The consolidated financial statements of the Group are included in the consolidated financial statements of Slovak Power Holding B.V. and are available directly at the registered address of the company, at Herengracht 469, 1017 BS Amsterdam, the Netherlands. The consolidated financial statements are filed in the business register of the Chamber of Commerce of Amsterdam, De Ruijterkade 5, 1013 AA, Amsterdam, the Netherlands.

Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the European Union. IFRS Accounting Standards comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

Slovenské elektrárne, a.s.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2024
(in thousands of EUR)

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (hereinafter as "the Group") as at 31 December 2024.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, income and expenses, unrealised gains and losses and dividends resulting from intra-group transactions are eliminated in full.

2.2 Changes in accounting policies and disclosures

The accounting policies applied are consistent with those applied in the consolidated financial statements prepared as at 31 December 2023 except as follows:

The Group has applied the following amended IFRS Accounting Standards issued by the IASB and adopted by the European Union (hereinafter as the "EU") that are mandatorily effective for the reporting period beginning on or after 1 January 2024:

IAS 1	Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current with Covenants *(effective for annual reporting periods beginning on or after 1 January 2024);*
IFRS 16	Amendments to IFRS 16: Lease Liability in a Sale and Leaseback *(effective for annual reporting periods beginning on or after 1 January 2024);*
IAS 7 IFRS 7	Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements *(effective for annual reporting periods beginning on or after 1 January 2024).*

Their adoption has not had any material impact on the disclosures or the amounts reported in the consolidated financial statements of the Group.

2.3 Summary of material accounting policy information

a) Subsidiaries

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Additional acquisition costs incurred are expensed and included in administrative expenses.

b) Investment in an associate

The Group's investment in its associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

Under the equity method, the investment in the associate is carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. The Group's share of profit of associates is shown on the face of the consolidated profit and loss statement and represents the profit attributable to shareholders of the Company.

c) Revenue recognition

Revenues are generated primarily from the sale of electricity and related services to wholesale markets, to retail customers, to market and network operators and from the sale of heat.

The Group recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer, also called an asset. The asset is transferred when (or as) the customer obtains control of that asset. Revenue is recognised in the amount of the transaction price that is allocated to each performance obligation. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, value added tax). The Group has decided not to adjust the transaction price for the effect of financing component because it is not significant and because contract asset and contract liabilities are amortized within less than 12 months. Contracts with customers contain also variable consideration which is typically constrained and therefore not accrued.

(i) Revenue from sale of electricity

a. Domestic and foreign sale, incl. wholesale trades

Revenue from sale of electricity is recognised over time when the commodity is supplied to the customer and based on the quantities provided during the period, even if these have not yet been invoiced, and is determined using estimates as well as periodic meter readings. The performance obligation is deemed to be a series of distinct services that are substantially the same and transfer consecutively over the settlement period. Revenue is based on short-term contracts with fixed energy prices.

b. Deviation/imbalance revenue

Deviation/imbalance revenue represents variable consideration related to domestic sale which is measured based on the difference between the contractual amount of electricity and the real amount of electricity of the electricity market participant. Its value is determined based on actual spot market prices. It has a technical but also a financial value. The deviation/imbalance income is highly susceptible to factors outside the Group's influence and may not be reliably predicted. Therefore, it is not accrued, but is recognised as incurred.

(ii) Revenue from grid balancing services

a. Revenue from ancillary services

Ancillary services are one of the types of commodities in the electricity market. The Group supplies ancillary services typically to the transmission system operator (SEPS, a. s.), which uses them to maintain the quality of electricity supply and to ensure the operational reliability of the Slovak electricity system. The Group earns fees for providing the ancillary service regardless of whether the SEPS, a.s. activates it (remuneration for availability, stand-ready services). Revenues from ancillary services are recognised over the time of the contract on straight-line basis. Revenue is based on long-term contracts (1-2 years). The services are invoiced on monthly basis.

b. Revenue from regulating electricity

Revenue from regulating electricity includes electricity supplied to transmission system operator (SEPS, a. s.) in case of activation of ancillary services. The Group has evaluated that this activity is not distinct from ancillary services described above and therefore it accounts for it as for variable consideration related to ancillary grid balancing services. The Group evaluated that this variable consideration is constrained as it is highly susceptible to factors outside Group's influence (such as weather conditions and consumption peaks). Therefore, the Group does not accrue the related revenues and recognize them as incurred. The price is typically determined based on actual spot market prices.

(iii) Revenues from tariff from system operation

Revenues from tariff from system operation include revenues in part of electricity production from the power plant Nováky according to the General Economic Interest. Revenues from tariff from system operation are recognised over time and measured based on actual consumption on Slovak electricity market.

(iv) Revenues from heat

Heat is typically co-produced in Group's power plants and sold to customers in adjacent territories. Revenue from heat generation is recognised over time and measured based on the volume of energy delivered. Possible fixed fees are accrued over the period of 1 year based on estimated seasonal consumption pattern, which however are not material.

(v) Revenue from rendering of services

Revenue from rendering of services is recognised when the services are rendered, or by reference to the stage of completion of services at the end of the reporting period. This category includes other services not related to sale of electricity and gas.

d) Government grants

Government grants are recognised if there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis with the costs that it is intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to the consolidated profit and loss statement in equal amounts over the expected useful life of the related asset.

e) Income tax

The income tax expense for the period comprises current and deferred tax. Income tax is recognised in the consolidated profit and loss statement, except to the extent that it relates to items recognised in consolidated other comprehensive income or directly in equity. In this case the tax is also recognised in consolidated other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date in the countries where the Company and its subsidiaries and associates operate and generate taxable income.

In line with Act No. 235/2012 Coll. on a Special Levy on Business in Regulated Industries and on the Amendment to and Supplement of Certain Acts, the Group is obliged to pay a monthly special levy effective from September 2012. The special levy represents 4.356% per annum (2023: 4.356% per annum). This levy is based on profit before tax and is presented as part of the current income tax pursuant to the IFRS Accounting Standards' requirements.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax asset is recognised for the carryforward of unused tax losses and unused tax credits only to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

f) Financial instruments – initial recognition and subsequent measurement

i) Financial assets

Initial recognition and classification of financial assets
A financial asset is recognised in the consolidated statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. Financial assets within the scope of IFRS 9 Financial Instruments are classified as financial assets subsequently measured at amortised cost, financial assets measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss, depending on the Group´s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets. Financial assets can be designated as hedging instruments in an effective hedging relationship, as appropriate.

The Group determines the classification of its financial assets at initial recognition.

Except for trade receivables, at initial recognition, the Group measures a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs of financial asset carried at fair value through profit or loss are expensed in consolidated profit or loss at the initial recognition. At initial recognition, the Group measures trade receivables that do not contain a significant financing component at their transaction price.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term deposits, trade and other receivables, quoted and unquoted financial instruments, and derivative financial instruments.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification at initial recognition as follows:

Financial assets measured at amortised cost
A financial asset is classified as measured at amortised cost if the objective of the Group is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest rate method (hereinafter as "EIR"), less impairment. Amortised cost is calculated by taking into account the fees paid or received between the contractual parties that are an integral part of the EIR, transaction costs and all other premiums and discounts. The EIR amortisation is included in finance income in the consolidated profit and loss statement. The impairment gains and losses are recognised in the consolidated profit and loss statement. This category includes cash and cash equivalents, trade and other receivables and other current and non-current assets.

Financial assets measured at fair value through other comprehensive income – option for equity instruments
Equity instruments are only classified as financial assets measured at fair value through other comprehensive income when the Group elects them to fair value through other comprehensive income option as of the initial recognition and the equity instrument is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies. Movements in the carrying amount are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to consolidated profit or loss.

Financial assets measured at fair value through profit or loss
Financial assets that do not meet the criteria for classification as measured at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss. Financial assets that are held within a business model which is neither "held to collect" or "held to collect and sell" are measured at fair value through profit or loss.

This category includes commodity derivatives held for trading or not designated as hedging instruments in hedge relationships as defined by IFRS 9.

After the initial recognition, financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated profit and loss statement.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on a financial asset that is measured at amortised cost or at fair value through other comprehensive income, a lease receivable, a contract asset, a loan commitment or a financial guarantee contract to which the impairment requirements apply in accordance with IFRS 9.

For trade and lease receivables, the Group applies the IFRS 9 simplified approach that measures expected credit losses by calculating a lifetime expected loss allowance. Trade receivables have been grouped based on the days past due. The Group has established a provision matrix, the expected loss rates for trade receivables were calculated based on payment profiles of sales over a period of 5 years before 31 December 2024 and 31 December 2023 and the corresponding historical credit losses experienced within this period. For further details, see Note 11 and Note 32.

For purchased or originated credit-impaired financial assets, the Group applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

Slovenské elektrárne, a.s.

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(in thousands of EUR)

As at 31 December 2024 and 31 December 2023 the Group recognised expected credit losses allowance only in respect of trade receivables. The expected credit losses for other financial assets recognised in the consolidated statement of financial position are negligible.

Financial assets together with the related allowance are written off when there is no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

Derecognition of financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The contractual rights to the cash flows from the financial asset expire;
- The Group has transferred the financial asset and the transfer qualifies for derecognition in line with requirements of IFRS 9.

ii) Financial liabilities

Initial recognition and measurement
A financial liability is recognised in the consolidated statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. Financial liabilities within the scope of IFRS 9 are classified as financial liabilities subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss, financial guarantee contracts, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, commitments to provide a loan at a below-market interest rate and contingent consideration recognised by an acquirer in a business combination in scope of IFRS 3.

The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities may be designated as hedging instruments in a hedging relationship.

At initial recognition, the Group measures a financial liability at its fair value plus or minus, in case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

The Group's financial liabilities include trade and other payables, loans and borrowings, and derivative financial instruments.

Subsequent measurement
After initial recognition, the financial liabilities are measured according to their classification determined at initial recognition. Reclassifications of financial liabilities are not permitted in any circumstances. The Group classified its financial liabilities as financial liabilities at fair value through profit or loss and financial liabilities subsequently measured at amortised costs.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired or incurred principally for the purpose of selling or repurchasing it in the near term, on initial recognition are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

This category includes the following commodity derivatives, that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

Financial liabilities measured at amortised cost
This category includes loans and borrowings, trade and other payables. Amortised cost of a financial liability is the amount at which the financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount. The calculation of EIR includes the fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. The EIR amortisation is recognised in finance cost in the consolidated profit and loss statement.

iii) Contracts to buy or sell non-financial items

In general, contracts to buy or sell non-financial items that are entered into and continue to be held for receipt or delivery in accordance with the Group's normal expected purchase, sale or usage requirements are out of the scope of IFRS 9 and then recognized as executory contracts, in accordance with the "own use exemption". A contract to buy or sell non-financial items is classified as "normal purchase or sale" if it is entered into:

• for the purpose of the physical settlement;
• in accordance with the entity's expected purchase, sale or usage requirements.

Moreover, contracts to buy or sell non-financial items with physical settlement (for example, fixed-price forward contracts on energy commodities) that do not qualify for the own use exemption are recognized as derivatives measured at fair value from the trade date only if:
• they can be settled net in cash; and
• they are not entered into in accordance with the Group's expected purchase, sale or usage requirements.

Trading contracts are valued at fair value through profit or loss, the results of the measurement of changes in the fair value of contracts still outstanding at the reporting date are recognized on a net basis under the item "Gains / (losses) from derivative transactions".

Contracts to buy or sell non-financial items falling within the scope of application of IFRS 9 can also be designated as hedging instruments if they satisfy the requirements for hedge accounting.

iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. In accordance with IAS 32, Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities, the right to offset must not be contingent on a future event and it has to be legally enforceable both in the normal course of business and in case of default, insolvency or bankruptcy.

v) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 31.

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g) Hedge accounting

The Group applies the hedge accounting according to IFRS 9. The Group holds derivative financial instruments to hedge its foreign currency, interest rate and commodity price risk exposures. A hedged item is a recognised asset or liability, unrecognised firm commitment, highly probable forecast transaction or net investment in a foreign operation that exposes the Group to risk of changes in fair value or future cash flows and is formally designated as a hedged item in the hedging relationship. A hedged item can also be a component of such an item or group of items. The hedged item must be reliably measured. For more details on risk manatgement strategy of the Group, see Note 32.

A hedging instrument is a designated derivative or an instrument measured at fair value through profit or loss whose fair value or cash flows are expected to offset changes in the fair value or cash flows of a designated hedged item. The Group has designated the following derivatives as hedging instruments: interest rate swaps, cross-currency interest rate swaps, commodity forwards and FX forwards.

Hedging derivatives are recognised initially at fair value, the attributable transaction costs are recognised in consolidated profit or loss when incurred. Subsequent to initial recognition, hedging derivatives are measured at fair value, and changes in fair value are accounted for as described below.

Cash flow hedges
Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in other comprehensive income and accumulated in equity in a separate cash flow hedge reserve to the extent that the hedge is effective, following the conditions set in IFRS 9.

The amount recognised within equity is the lower of cumulative gain or loss on the hedging instrument from the inception of the hedge and the cumulative change in fair value of the hedged item from the inception of the hedge. Any remaining gain or loss on the hedging instrument is a hedge ineffectiveness that is recognised in consolidated profit or loss.

When a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group removes that amount from the cash flow hedge reserve and includes it directly in the initial cost or other carrying amount of the asset or the liability.

Fair value hedges
A fair value hedge of the Group represents a hedge of the exposure to changes in fair value of a recognised asset or liability, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss. The gain or loss on the hedging instrument is recognised in consolidated profit or loss. When a hedged item in a fair value hedge is a firm commitment to acquire an asset or assume a liability, the initial carrying amount of the asset or the liability that results from the entity meeting the firm commitment is adjusted to include the cumulative change in the fair value of the hedged item that was recognised in the consolidated statement of financial position.

The gain or loss from remeasuring the hedging instrument at fair value shall be recognised in profit or loss. The gain or loss on the hedged item attributable to the hedged risk shall adjust the carrying amount of the hedged item and be recognised in profit or loss.

The effectiveness of the hedge is an extent to which changes in the fair value or cash flows of the hedged item that are attributable to the hedged risk are offset by changes in those of the hedging instrument. The hedge ineffectiveness is evaluated through a qualitative assessment or a quantitative computation, depending on the extent to which the critical terms of the hedged item and the hedging instrument match.

The main causes of hedge ineffectiveness include the basis difference (i.e. the fair value or cash flows of the hedged item depend on a variable that is different from the variable that causes the fair value or cash flows of the hedging instrument to change), timing difference (i.e. the hedged item and the hedging instrument occur or are settled at different dates), quantity or notional amount differences, credit or other risks that have an impact on the fair value of a hedged item or a hedging instrument.

Current versus non-current classification
Derivative instruments are classified as current or non-current or separated into a current and non-current portion as follows:

- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistent with the classification of the underlying hedged item. The derivative instrument is separated into a current portion and non-current portion only if a reliable allocation can be made.
- Derivative instruments which are held primarily for the purpose of trading are classified as current.

h) Property, plant and equipment

Items of property, plant and equipment are measured at cost upon initial recognition. Cost includes expenditures that are directly attributable to the acquisition of the asset, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located ("dismantling asset"). The cost of self-constructed assets includes also the cost of materials and direct labour consumed during its construction and costs of testing whether the asset is functioning properly. However, the cost of material consumed and sales proceeds from the testing phase are charged to the consolidated profit and loss statement.

Subsequent to initial recognition, items of property, plant and equipment are carried at revalued amount, being their fair value at the date of the most recent revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the balance sheet date. Following the IAS 16, the accumulated depreciation is eliminated against the gross carrying amount of the property, plant and equipment when revalued.

Any revaluation increase arising on the revaluation of the property, plant and equipment is credited in equity to a revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of property, plant and equipment is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Property, plant and equipment in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Assets related to construction of nuclear power plant Mochovce 3&4 are carried at revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated impairment losses.

Subsequent costs incurred in relation to an item of property, plant and equipment are recognised as an increase in the carrying amount of this item only if it is probable that these costs will result in the increase in related future economic benefits and the costs can be measured reliably. All other costs are recognised in consolidated profit or loss as incurred.

The cost of replacing part or all of an item of property, plant and equipment is recognised as an increase in the carrying amount of this item and is depreciated over its remaining useful life; the net carrying amount of the replaced unit is derecognised through consolidated profit or loss, with the recognition of any capital gain or loss.

Periodic maintenance and inspection costs are capitalized as a separate component of the related item of property, plant and equipment if they fulfil the recognition criteria according to IAS 16. All other repair and day-to-day maintenance costs are recognised in the consolidated profit and loss statement as incurred.

Depreciation of property, plant and equipment commences when the assets are ready for their intended use and is put into use. Put into use means ensuring all technical functions of the asset necessary for its use and fulfilling all requirements according to specific valid legislation. Depreciation of property, plant and equipment is recognised in the consolidated profit and loss statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The Group does not perform any transfer from the revaluation reserve to retained earnings on derecognition, sale or retirement of revalued property.

The estimated useful lives for the current and comparative periods are as follows:

• Buildings, halls and structures	20 – 60 years
• Machines, plant, equipment and vehicles	4 – 60 years
• Other assets	up to 4 years

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Depreciation methods, useful lives and residual values are reassessed regularly, with the effect of any changes in estimate accounted for on a prospective basis.

Leased property, plant and equipment recognised in the consolidated statement of financial position are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated as it is deemed to have an infinite life.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within "other operating costs/income" in the consolidated profit and loss statement in the period in which the item was disposed of.

i) Borrowing costs

Following IAS 23 (Revised), the borrowing costs are included in the acquisition cost of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are ready for their intended use. Borrowing costs include interest charges, commitment fees and other costs incurred in connection with the borrowing of funds, including exchange differences arising from foreign currency borrowings used to finance these projects to the extent that they are regarded as an adjustment to interest costs. The amount of borrowing costs that is capitalised shall be limited by the value of borrowing costs recognised as a finance cost during the period.

j) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

The useful lives of intangible assets are assessed as finite. The estimated useful lives for the current and comparative period are as follows:

• Software	4 – 5 years
• Licences	4 – 5 years

Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated profit and loss statement.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the proceeds from disposal and the carrying amount of the asset and are recognised net within "other operating costs/income" in the consolidated profit and loss statement in the period in which the item was disposed of.

k) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The Group is considered as one cash generating unit. Where the carrying amount of an asset or a cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses of continuing operations are recognised in the consolidated profit and loss statement in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to the consolidated other comprehensive income. In this case, the impairment is first recognised in the consolidated other comprehensive income up to the amount of any previous revaluation.

For assets an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the consolidated profit and loss statement unless the asset is carried at a revalued amount, in which case the reversal is recognised in the revaluation reserve.

l) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprise of the expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The stock value is based on the weighted average principle except for nuclear fuel as described below.

Nuclear fuel which is consumed over a period of more than one year, whether being used in the reactors or stored is recognised in inventories. Each individual nuclear fuel supply is valued at acquisition costs of particular supply. Nuclear fuel consumption is determined for each load based on the volume of energy produced in reactor from that nuclear fuel load. The volumes of energy produced are determined based on the technical data extracted from balancing system of each plant. The quantities consumed are valued at the acquisition costs of the particular fuel supply burnt in the reactor. Cost of inventories consumed is periodically corrected in view of forecast burnt quantities based on neutron measurements.

m) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand, valuables and short-term deposits with an original maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated profit and loss statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. In case of long-term provisions, which are discounted to their present value, the value of provision is periodically increased by the unwounded interest cost. This increase is recognised as a finance cost in the consolidated profit and loss statement.

(i) Provision for severance payments and other termination benefits

The employees of the Group are eligible, immediately upon termination due to organizational changes or in other cases as set by the valid legislation or valid Collective Agreement, for severance payment pursuant to the Slovak law and the terms of the Collective Agreement, signed between the trade unions operating at the companies of the Group and the companies. The liability is recognised within Other provisions in the consolidated statement of financial position when the workforce reduction program is defined, announced and the conditions for its implementation are met.

(ii) Provision for retirement benefits

Unfunded defined benefit pension plan
A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age or years of service.

According to the valid Company Collective Agreement, signed between the trade unions operating at the company of the Group and the company, the Group is obliged, based on the number of years in service, to pay its employees on retirement or disability a multiple of their average monthly earning according to the valid Company Collective Agreement. The minimum requirement of the Labour Code of one-month average earning payment on retirement is included in the above multiples.

The liability in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date, together with adjustments for actuarial gains/losses and past service cost. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using market yield on high quality European corporate bonds.

Amendments to pension plans are charged or credited as past service cost to the consolidated profit and loss statement in the period when the amendments occur.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the consolidated statement of other comprehensive income in case these relate to the retirement benefits. In case of other employment benefits, the adjustments are charged to the consolidated profit and loss statement.

(iii) Bonus plans

A liability for employee benefits in the form of bonus plans is recognised in Trade and other current payables and is paid out after the evaluation of the performance in the given year. Liabilities for bonus plans are measured at the amounts expected to be paid when they are settled.

(iv) Other employee benefits

In line with the terms of the valid Collective Agreement, signed between the trade unions operating at the companies of the Group and the companies, the Group also pays certain work anniversary benefits.

The liability in respect of work anniversary benefits plan is the present value of the work anniversary benefit obligation at the balance sheet date. The work anniversary benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the work anniversary benefit obligation is determined by the estimated future cash outflows using market yield curve on high quality European corporate bonds.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and amendments to pension plans are charged or credited to the consolidated profit and loss statement when incurred.

(v) Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or the Group has raised valid expectations that the restructuring will be undertaken by starting to implement that plan or announcing its main features.

(vi) Environmental provisions (Site restoration)

Environmental liabilities represent any current or future environmental assignments whose implementation is subject to the need to comply with the legislative requirements or the constructive obligation of the Group. Environmental provisions can only be recognised for those types of costs that are incurred in relation with the abovementioned assignments and only if the provision recognition criteria is met. Environmental provisions should also be recognised when there is an obligation to eliminate damages caused by contamination or disposal of hazardous wastes.

(vii) Provision for nuclear decommissioning and storage costs

The provision for nuclear decommissioning and storage costs is recognised based on discounted future cash flows estimated in relation to the decommissioning of nuclear facilities, storage and disposal of radioactive waste, the storage and disposal of spent nuclear fuel and post-operational costs of nuclear power plants. The future estimated cash flows include also estimated costs of recultivation of the sludge beds since their operation is directly related to the operation of a nuclear power plant. The provision is reduced by the actual costs incurred (i.e. usage of provision) and increased for the effect of unwinding of interest. Any excess of actual decommissioning costs over the planned amounts in the current year are included in the consolidated profit and loss statement of the current year.

The provision for nuclear decommissioning and storage costs is estimated by applying a forecast long-term inflation index to the projected disbursements, which are then discounted to present value using discount rate determined based on long-term data series and takes into account the fact that some expenses covered by provisions will be disbursed over periods significantly longer than the duration of instruments generally traded on the financial markets.

(viii) Provision for dismantling of thermal power plants

A provision for the dismantling of thermal power plants is recognised to cover future decommissioning costs which are expected to take place upon the shut-down of the thermal power plants. The provision includes also estimated costs for recultivation of sludge beds that are located in the area of thermal power plants.

Remeasurement of provision for nuclear decommissioning and storage costs and provision for dismantling of thermal power plants

Remeasurement of an existing provision for nuclear decommissioning and storage costs and provision for dismantling of thermal power plants that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate, are accounted for as follows:

(a) Changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:

(i) a decrease in the liability is (subject to (b)) credited directly to revaluation surplus in equity, except that it is recognised in profit or loss to the extent that it reverses a revaluation deficit on the asset that was previously recognised in profit or loss;

(ii) an increase in the liability is recognised in profit or loss, except that it is debited directly to revaluation surplus in equity to the extent of any credit balance existing in the revaluation surplus in respect of that asset;

(b) In the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in consolidated profit or loss;

(c) A change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. Any such revaluation is taken into account in determining the amounts to be taken to consolidated profit or loss and equity under (a). If a revaluation is necessary, all assets of that class are revalued;

(d) The change in the revaluation surplus arising from a change in the liability is separately identified and disclosed in the consolidated statement of other comprehensive income of each item of income or expense that is recognised directly in equity.

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The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability are recognised in the consolidated profit and loss statement as they occur.

The periodic unwinding of interest is recognised in the consolidated profit and loss statement as a finance cost as it occurs.

o) Greenhouse gas emissions

According to the European Union Emissions Trading System and a valid National Allocation Table the Group receives part of emission allowances for selected facilities for free. The rest of emission allowances are purchased from the third parties. Emission allowances acquired by the Group for free are provided on an annual basis and the Group is required to return allowances corresponding to the emissions actually discharged by the end of April of the following calendar year.

Emission allowances purchased from the third parties are initially measured at cost and are recognised as inventory at the moment of their registering in the Registry of emission allowances.

Emission allowances acquired by forward purchase from the third parties and/or acquired for free are classified as held for trading and are measured at fair value. The fair value is considered to be the actual market price. The change in the fair value of the emission allowances held for trading is recognised in the consolidated profit and loss statement.

Regarding the obligation of the emission allowances redemption in the volume of the emission produced for the period, the Group recognizes a provision for emission allowances in the estimated volume of emissions for the period, valued by the market price at the reporting period.

The notes form an integral part of the consolidated financial statements.

(in thousands of EUR)

3. Significant accounting judgments, estimates and assumptions

Judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of consolidated revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities in future periods. The key assumptions concerning the future and other key sources of uncertainty estimation at the reporting date that bear a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years are discussed below:

(i) Nuclear decommissioning, storage and disposal of spent nuclear fuel and radioactive waste

The Group recognises significant amounts as a provision for decommissioning and post operational costs of nuclear power plants and provision for storage and disposal of spent nuclear fuel and radioactive waste. These amounts are based on the technical and financial estimates of cash flows that will be incurred over periods ranging from 1 to 100 years, based on current technology and strategy for decommissioning and disposal as applied by the Group. Estimation of this provision is sensitive to assumptions concerning costs, inflation, discount rates and disbursement schedules.

The Group's management has used its best estimates, knowledge and a valid "National Policy and National Programme for handling of spent nuclear fuel and radioactive wastes in the Slovak Republic", adopted by Slovak government on 8 July 2015 in form of an update of strategic document "Strategy of the Back-end Cycle of the Peaceful Exploitation of the Nuclear Energy in the Slovak Republic" as well as the "Updated conceptual plan of decommissioning of the nuclear power plant V2 and EMO1&2 and creation of input database of assets subject to decommissioning" approved by the Nuclear Regulatory Authority of the Slovak Republic on 27 August 2018, and "Conceptual plan of decommissioning of nuclear power plant – construction of the unit 3 and 4 of nuclear power plant Mochovce" approved by the letter from the Nuclear Regulatory Authority of the Slovak Republic dated 15 April 2021, when defining disbursement schedules in respect to the nuclear decommissioning and storage and disposal of spent nuclear fuel and radioactive waste. There is an inherent risk in these estimates given the timeframe, the valid and the planned legislation, the different alternatives open to the management of the Group and the possible future changes in technology for nuclear decommissioning and storage and disposal of spent nuclear fuel and radioactive waste. For further information please refer to Note 15.

(ii) Dismantling of thermal power plants

The Group recognises a significant amount as a provision for dismantling of thermal power plants. Estimation of this provision is sensitive to assumptions concerning costs, inflation, discount rates and disbursement schedules. Disbursement schedules can be significantly impacted by the Group's future decisions regarding the strategy of the thermal power plants dismantling. Market developments could also impact the plans of the management of the Group in respect of the future utilization of the localities. For further information please refer to Note 16.

(iii) Revaluation of property plant and equipment

In 2006, the Group applied the revaluation model in accordance with the accounting standard IAS 16 and revalued the items of property, plant and equipment and property related to construction of nuclear power plant Mochovce 3&4. The assumptions used in the revaluation model were taken from the report of an independent professionally qualified expert. Based on the appraisal, the useful life of the property, plant and equipment has been modified.

Subsequent revaluation of the Group's property, plant and equipment and property related to construction of nuclear power plant Mochovce 3&4 was undertaken in regular intervals, during the years 2010, 2014, 2019 and 2024 by an independent professionally qualified experts in accordance with IAS 16 and IFRS 13 Fair value measurement. The following approaches have been used: the cost approach, the market approach and the income approach. The following assumptions were reflected in the revaluation model: technical condition of assets (useful lives, maintenance, technical enhancement), market conditions, economic factors and other specific conditions. For further information please refer to Note 5.

(iv) Testing for impairment of non-financial assets

Following the standard IAS 36 the Group tests the non-current non-financial assets for impairment in case there are any impairment indicators identified. The Group recognises impairment of non-financial assets if the carrying amount exceeds their recoverable amount. The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use.

Value in use is determined as the estimated future post-tax cash flows discounted to their present value that reflects current market assessments of the time value of money and the risks specific to the non-financial asset. The cash flows are derived from the long-term plan of the Group and board approved management plans and forecasts, based on expected generation profile. The value in use is sensitive to the assumptions related to long-term forward commodity prices, fuel costs, discount rates, inflation rate, growth rate, future development of the electricity prices and successful commissioning of nuclear power plant Mochovce 3&4 in accordance with the project timeline.

(v) Fair value of financial instruments

Where the fair value of the financial instruments recorded in the consolidated statement of financial position cannot be derived from active markets, it is determined taking into account the observable market inputs and management judgement on the future development of the key variables affecting fair values, such as yield curves, exchange rates or risk-free interest rates. Fair value determination includes considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(vi) Litigations

The Group is involved in various legal disputes in the ordinary course of its business. In view of the nature of such litigations, it is not always objectively possible to predict the outcome of such disputes. Provisions have been recognised to cover all significant liabilities for cases in which the Group's management believe an adverse outcome is probable and a reasonable estimate of the financial effect can be made.

4. Standards issued but not yet effective

At the date of authorisation of the consolidated financial statements, the Group has not applied the following revised IFRS Accounting Standards that have been issued by the IASB and adopted by the EU but are not yet effective:

IAS 21	Amendments to IAS 21: Lack of Exchangeability *(effective for annual reporting periods beginning on or after 1 January 2025)*

At present, IFRS Accounting Standards as adopted by the EU do not significantly differ from IFRS Accounting Standards issued by the IASB, except for the following new accounting standards and amendments to the existing accounting standards, which were not adopted by the EU as at the date of authorisation of the consolidated financial statements of the Group:

IFRS 9 IFRS 7	Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity *(IASB effective date: 1 January 2026, not yet adopted by the EU);*
IFRS 1 IFRS 7 IFRS 9 IFRS 10 IAS 7	Annual Improvements to IFRS Accounting Standards - Volume 11 *(IASB effective date: 1 January 2026, not yet adopted by the EU);*
IFRS 18	Presentation and Disclosures in Financial Statements *(IASB effective date: 1 January 2027, not yet adopted by the EU);*
IFRS 19	Subsidiaries without Public Accountability: Disclosures *(IASB effective date: 1 January 2027, not yet adopted by the EU);*
IFRS 14	Regulatory Deferral Accounts *(IASB effective date:1 January 2026, the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard);*
IFRS 10 IAS 28	Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture *(effective date deferred by IASB indefinitely, endorsement process postponed indefinitely until the research project on the equity method has been concluded).*

The Group does not expect that the adoption of the accounting standards listed above will have a material impact on the consolidated financial statements of the Group in future periods, except for the standard IFRS 18 Presentation and Disclosures in Financial Statements, where the Group is evaluating the impact on the consolidated financial statements.

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5. Property, plant and equipment

In thousands of EUR	*Buildings, halls and structures*	*Plant, machinery and other*	*Land*	*Assets in the course of construction*	*Total*
	Level 3	*Level 3*	*Level 2*	*Level 3*	
Valuation as at 1 January 2024	1,462,241	2,375,506	84,388	7,686,384	11,608,519
Accumulated depreciation as at 1 January 2024	(228,395)	(604,059)	(239)	-	(832,693)
Accumulated impairment losses as at 1 January 2024	(3,379)	(23,803)	(6)	(412,597)	(439,785)
Carrying amount as at 1 January 2024	**1,230,467**	**1,747,644**	**84,143**	**7,273,787**	**10,336,041**
Year ended 31 December 2024					
Opening carrying amount as at 1 January 2024	1,230,467	1,747,644	84,143	7,273,787	10,336,041
Additions	23,650	127,273	(104)	320,342	471,161
Revaluation through revaluation reserve	180,492	248,809	-	-	429,301
Revaluation through profit and loss statement	(17,524)	(49,930)	-	(28,775)	(96,229)
Impairment loss(-) / reversal(+) through revaluation reserve	(1)	(261)	-	-	(262)
Impairment loss(-) / reversal(+) through profit and loss statement	-	(132)	-	(159)	(291)
Transfers from Intangible assets	-	-	-	(1,170)	(1,170)
Transfers	1,261,884	4,020,241	1	(5,282,126)	-
Disposals	(296)	(1,815)	-	1,619	(492)
Depreciation charge (Note 26)	(76,210)	(245,228)	(51)	-	(321,489)
Valuation as at 31 December 2024	2,636,360	5,954,526	84,010	2,284,209	10,959,105
Accumulated depreciation as at 31 December 2024	(30,577)	(84,130)	(15)	-	(114,722)
Accumulated impairment losses as at 31 December 2024	(3,321)	(23,795)	(6)	(691)	(27,813)
Carrying amount as at 31 December 2024	**2,602,462**	**5,846,601**	**83,989**	**2,283,518**	**10,816,570**

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In thousands of EUR	*Buildings, halls and structures*	*Plant, machinery and other*	*Land*	*Assets in the course of construction*	*Total*
	Level 3	*Level 3*	*Level 2*	*Level 3*	
Valuation as at 1 January 2023	1,419,895	2,344,943	84,905	7,217,755	11,067,498
Accumulated depreciation as at 1 January 2023	(172,714)	(465,736)	(182)	-	(638,632)
Accumulated impairment losses as at 1 January 2023	(3,539)	(23,903)	(6)	(415,983)	(443,431)
Carrying amount as at 1 January 2023	**1,243,642**	**1,855,304**	**84,717**	**6,801,772**	**9,985,435**
Year ended 31 December 2023					
Opening carrying amount as at 1 January 2023	1,243,642	1,855,304	84,717	6,801,772	9,985,435
Additions	11,682	23,746	135	518,255	553,818
Impairment loss(-) / reversal(+) through revaluation reserve	-	(311)	(549)	-	(860)
Impairment loss(-) /reversal(+) through profit and loss statement	-	(83)	(6)	1,835	1,746
Transfers from Intangible assets	-	-	-	3	3
Transfers	31,245	14,369	-	(45,617)	(3)
Transfers to Assets held for sale	-	-	(96)	-	(96)
Disposals	(473)	(844)	-	(2,461)	(3,778)
Depreciation charge (Note 26)	(55,629)	(144,537)	(58)	-	(200,224)
Valuation as at 31 December 2023	1,462,241	2,375,506	84,388	7,686,384	11,608,519
Accumulated depreciation as at 31 December 2023	(228,395)	(604,059)	(239)	-	(832,693)
Accumulated impairment losses as at 31 December 2023	(3,379)	(23,803)	(6)	(412,597)	(439,785)
Carrying amount as at 31 December 2023	**1,230,467**	**1,747,644**	**84,143**	**7,273,787**	**10,336,041**

The notes form an integral part of the consolidated financial statements

Under the category Assets under construction, the most significant value relates to nuclear power plant Mochovce 3&4. The Group has prepayments for non-current assets in the amount of EUR 28,432 thousand which relate to property, plant and equipment, thereof EUR 10,395 thousand relate to the construction of nuclear power plant Mochovce 3&4 (2023: EUR 17,046 thousand, thereof EUR 13,122 thousand related to the construction of nuclear power plant Mochovce 3&4).

Mochovce Units 3 and 4

Unit 3

On 25 August 2022 the Chairperson of the Nuclear Regulatory Authority of the Slovak Republic (hereinafter as the "UJD SR") as the second-instance authority issued the decision No. 248/2022 P that authorized the first fuel load. The Decision No. 248/2022 P entered into force on 9 September 2022. On that date, following the first fuel load into the reactor of the unit 3 of Mochovce nuclear installation the commissioning stage was initiated. The commissioning stage consist of the physical start-up phase and of the power testing phase.

On 22 October 2022 the unit 3 of Mochovce nuclear installation reached its first criticality, when the controlled fission chain reaction is already underway in the reactor, although the reactor power is very close to zero. In connection with that the Group recognized initial estimate of costs for nuclear decommissioning and storage for unit 3 of Mochovce nuclear facility in the amount of EUR 160,770 thousand.

Activities of the physical start-up phase were concluded on 9 January 2023 when the Group approached UJD SR with a request for authorization with transition to the power testing phase that was agreed on 13 January 2023.

On 31 January 2023 the first of the two turbogenerators of Unit 3 was connected to the grid at the 20% reactor's rated power, subsequently, the second turbogenerator on 4 February 2023. The Group continuously proceeded with further tests by increasing the reactor's rated power. The full functionality of the Unit 3 and achievement of design parameters was confirmed by successful completion of the 144-hour proof run at 100% with 471-megawatt output on 14 October 2023.

On January 12, 2024, the Group supplemented the submission of "*Application for the issuance of a license for operation, a license for the authorization of radioactive waste and spent nuclear fuel, a license for the authorization of nuclear material, consent for trial operation and consent for the temporary use of the Mochovce Unit 3 and 4*" at UJD in connection with the completion of commissioning of Unit 3, which is a condition for the UJD's approval for trial operation.

This date was considered also as the date of put into use as the submission of the above mentioned application confirmed that all the technical functions of the Unit 3 necessary for its use are fulfilling the obligations according to specific regulation and legislation and the Unit 3 is in condition necessary for it to be capable of operating in the manner as intended by the management.

During the power testing phase, from the moment of connecting of the first turbogenerator of Unit 3 to the grid until the moment of putting the Unit 3 into use, the Group has generated revenue from sale of electricity in amount of EUR 150,153 thousand and recognized EUR 11,345 thousand of nuclear fuel consumed, which were recognized in the income statement predominantly in year 2023.

Unit 4 – under construction

Unit 4 of the nuclear power plant Mochovce is still under construction. Extensive works culminated in December 2024 with the successful completion of the cold hydro test, representing a significant phase of the construction project.

As at 31 December 2024 the progress of works achieved was on the level 93.09%.

Revaluation of property, plant and equipment to fair value and impairment

The first revaluation of the Group's property, plant and equipment and property related to construction of nuclear power plant Mochovce 3&4 took place on 28 April 2006. This revaluation was carried out by an independent professionally qualified expert.

Subsequent revaluations were performed in regular intervals, during the years 2010, 2014, 2019 and 2024. The latest fair valuation was recognised as at 31 August 2024. All these subsequent fair valuations were undertaken by independent professionally qualified experts. The fair value was determined by using the following approaches: the cost, the market and the income approach.

Unlike in previous years, during the fair valuation in 2024 the property, plant and equipment of the thermal power plant in Nováky and thermal plant in Vojany were exempt from fair value revaluation as these two power plants were shut down and are not in operation anymore. For details see also Note 16.

The cost approach was the primary method. The cost approach reflects the amount that would be required currently to replace the service capacity of an asset and is based on the cost to a market participant to acquire or construct a substitute asset or comparable utility, adjusted for the obsolescence (Level 3). Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence.

The market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets (Level 2). The market approach was primarily used to value land. Appropriate consideration was given to location and current and future use of individual land plots.

The income approach was used as the secondary method, particularly the discounted cash flows model arising from the draft Strategic Plan of the Group for the period 2025 – 2034. This approach converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those amounts (Level 3). The income approach was considered on an overall portfolio basis since all these plants work together in generating electricity for the grid. The most significant unobservable inputs related to forecasted long term power prices, which were derived from currently observed forward market prices on liquid long term power markets and market analyst reports, and weighted average cost of capital (hereinafter as the "WACC") used to discount future cash-flows. The WACC structure comprises the cost of equity and the cost of external capital. The cost of equity was determined based on the Capital Asset Pricing Model while the cost of external capital was determined using the risk free premium, the country specific risk premium and the risk margin.

Following the revaluation of property, plant and equipment in 2024 the Group recognised overall increase of the value of non-current assets in amount of EUR 333,072 thousand, out of which EUR 429,301 thousand as an increase through the revaluation reserve and, at the same time impairment loss in the value of EUR 96,229 EUR in the consolidated income statement.

Impairment of property, plant and equipment

During the period ended 31 December 2024 the Group recognised an overall change in impairment loss of individually assessed items in the total net amount of EUR 553 thousand, out of which EUR 291 thousand represents an impairment loss of individually assessed items recognised in the line Depreciation, amortization and impairment and EUR 262 thousand decrease in Revaluation reserve.

During the period ended 31 December 2023 the Group recognised an overall change in impairment loss of individually assessed items in the total net amount of EUR 886 thousand, out of which EUR 2,184 thousand represented an impairment loss of individually assessed items recognised in the line Depreciation, amortization and impairment, EUR 3,930 thousand represented an impairment loss release recognised in the line Repairs and maintenance and EUR 860 thousand decrease in Revaluation reserve.

The fair value of assets as at 31 December 2024 and 2023 is as follows:

In thousands of EUR	*31 December 2024*	*Level 1*	*Level 2*	*Level 3*
Buildings, halls and structures	2,602,462	-	-	2,602,462
Plant, machinery & other	5,846,601	-	-	5,846,601
Land	83,989	-	83,989	-
Assets in the course of construction	2,283,518	-	-	2,283,518
Total	**10,816,570**	**-**	**83,989**	**10,732,581**

In thousands of EUR	*31 December 2023*	*Level 1*	*Level 2*	*Level 3*
Buildings, halls and structures	1,230,467	-	-	1,230,467
Plant, machinery & other	1,747,644	-	-	1,747,644
Land	84,143	-	84,143	-
Assets in the course of construction	7,273,787	-	-	7,273,787
Total	**10,336,041**	**-**	**84,143**	**10,251,898**

Since there have been no transfers of non-current assets between levels 1 – 3 during years 2024 and 2023, the reconciliation from the opening to closing carrying amounts for each individual level is valid as shown in the table on pages 23 and 24.

If property, plant and equipment were measured using the cost model, the carrying amounts as at 31 December 2024 and 2023 would be as follows:

In thousands of EUR	*Buildings, halls & structures*	*Plant, machinery & other*	*Assets under finance lease*	*Land*	*Assets in the course of construction*	*Total*
Carrying amount as at 31 December 2024 under the cost model	1,715,088	5,009,925	20,805	13,893	2,312,293	**9,072,004**
Carrying amount as at 31 December 2023 under the cost model	436,691	895,397	1,598	13,877	7,273,787	**8,621,350**

Capitalised borrowing costs

The Group capitalised borrowing costs in the total amount of EUR 149,619 thousand for the year ended 31 December 2024 (2023: EUR 301,611 thousand). The rate used to determine the amount of borrowing costs eligible for capitalisation was 7.60% p.a. which is the average effective interest rate of all the general borrowings of the Group.

Assets classified as held for sale

Assets classified as held for sale are mainly land and buildings which are not used by the Group for their initial purpose.

As at 31 December 2024 the Group presented the share in the company REAKTORTEST, a.s. in the carrying value of EUR 576 thousand (2023: EUR 194 thousand) as the asset held for sale due to planned sale of this associated company.

Insurance of property, plant and equipment

As at 31 December 2024 the fixed assets of the Group were insured as follows:

- Fixed assets of conventional power plants and non-generating assets of the Group were insured up to the insurance limit of EUR 200 million.
- Assets of nuclear power plants were insured up to the limit of EUR 700 million for the operating nuclear power plants.
- The insured value of the assets in the course of construction was EUR 1,573 million.

The Group insures its property as follows:

- Fixed assets of conventional power plants are insured by commercial carriers .
- Fixed assets of the nuclear power plants are insured by European Mutual Association for Nuclear Insurance a Northcourt Ltd.

Leases

At 31 December 2024, the carrying value of assets under lease included in Property, plant and equipment was EUR 20,805 thousand (31 December 2023: EUR 1,598 thousand). Total cash outflow for leases in 2024 was EUR 1,322 thousand (in 2023: EUR 2,510 thousand).

Expenses relating to short-term leases and to leases of low-value assets of EUR 3,471 thousand (31 December 2023: EUR 2,822 thousand) are included in the line Other raw materials and consumables in the consolidated profit and loss statement.

The notes form an integral part of the consolidated financial statements.

6. Intangible assets

In thousands of EUR	*Software*	*Other intangible assets*	*Intangible assets in progress*	*Total*
Cost as at 1 January 2024	69,962	1,545	2,851	74,358
Accumulated amortisation as at 1 January 2024	(66,554)	(1,349)	-	(67,903)
Accumulated impairment losses as at 1 January 2024	(20)	-	-	(20)
Carrying amount as at 1 January 2024	**3,388**	**196**	**2,851**	**6,435**
Year ended 31 December 2024				
Opening carrying amount as at 1 January 2024	3,388	196	2,851	6,435
Additions	2,058	-	2,676	4,734
Transfers from Property, plant and equipment	-	-	1,170	1,170
Transfers	2,719	8	(2,727)	-
Amortisation (Note 26)	(1,592)	(10)	-	(1,602)
Cost as at 31 December 2024	71,787	1,553	3,970	77,310
Accumulated amortisation as at 31 December 2024	(65,194)	(1,359)	-	(66,553)
Accumulated impairment losses as at 31 December 2024	(20)	-	-	(20)
Carrying amount as at 31 December 2024	**6,573**	**194**	**3,970**	**10,737**
Cost as at 1 January 2023	78,614	1,545	1,894	82,053
Accumulated amortisation as at 1 January 2023	(74,670)	(1,340)	-	(76,010)
Accumulated impairment losses as at 1 January 2023	(22)	-	-	(22)
Carrying amount as at 1 January 2023	**3,922**	**205**	**1,894**	**6,021**
Year ended 31 December 2023				
Opening carrying amount as at 1 January 2023	3,922	205	1,894	6,021
Additions	261	-	1,026	1,287
Impairment loss(-) / reversal(+) through profit and loss statement (Note 26)	(9)	-	-	(9)
Transfers to Property, plant and equipment	-	-	(3)	(3)
Transfers	69	-	(66)	3
Amortisation (Note 26)	(855)	(9)	-	(864)
Cost as at 31 December 2023	69,962	1,545	2,851	74,358
Accumulated amortisation as at 31 December 2023	(66,554)	(1,349)	-	(67,903)
Accumulated impairment losses as at 31 December 2023	(20)	-	-	(20)
Carrying amount as at 31 December 2023	**3,388**	**196**	**2,851**	**6,435**

In 2024 and 2023 the Group did not incur nor capitalize any expenses for development.

The notes form an integral part of the consolidated financial statements.

7. Derivatives

Assets from derivatives

In thousands of EUR	*2024*		*2023*	
	Non-current	*Current*	*Non-current*	*Current*
Derivatives - exchange rate	-	606	-	-
Derivatives - commodities	-	19,235	-	130,262
Assets from derivatives measured at fair value through profit or loss	***-***	***19,841***	***-***	***130,262***
Hedging derivatives - exchange rate	-	120	-	104
Hedging derivatives - interest rate	-	21,218	53,956	9,496
Hedging derivatives - commodities	12,539	151,210	186,730	271,880
Assets from derivatives measured at fair value through other comprehensive income	***12,539***	***172,548***	***240,686***	***281,480***
Total Assets from derivatives	**12,539**	**192,389**	**240,686**	**411,742**

Liabilities from derivatives

In thousands of EUR	*2024*		*2023*	
	Non-current	*Current*	*Non-current*	*Current*
Derivatives - exchange rate	-	(9,177)	(9,344)	(112)
Derivatives - commodities	-	(17,859)	-	(17,092)
Liabilities from derivatives measured at fair value through profit or loss	***-***	***(27,036)***	***(9,344)***	***(17,204)***
Hedging derivatives - exchange rate	-	(110,455)	(109,175)	(31,210)
Hedging derivatives - interest rate	-	(11)	-	(94)
Hedging derivatives - commodities	(152,636)	(28,083)	(1,004)	(10,986)
Liabilities from derivatives measured at fair value through other comprehensive income	***(152,636)***	***(138,549)***	***(110,179)***	***(42,290)***
Total Liabilities from derivatives	**(152,636)**	**(165,585)**	**(119,523)**	**(59,494)**

Derivatives measured at fair value through profit or loss

Commodity derivatives
The Group recognises commodity derivatives not designated as hedges in respect of trading contracts for purchase and sale of electricity, emission allowances and gas according to the valid accounting policy of the Group. These derivative transactions are executed with the aim of economic hedging against the volatility of the respective commodity prices, or, for further trading.

The Group sells its production via transactions concluded under market conditions, usually using brokerage platforms or energy exchange, e.g. European Energy Exchange AG (EEX), or Polish Power Exchange (PolPX), considered to be the most transparent and most reliable means of electricity trading in the region. In case of EEX trading the open positions are being revalued on daily basis and these are immediately settled in cash. The revaluation of the commodity derivatives at EEX settled in cash as at 31 December 2024 (including hedging derivatives) represents asset of EUR 6,538 thousand – electricity and emission allowances (31 December 2023: liability of EUR 11,740 thousand).

The notes form an integral part of the consolidated financial statements.

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The following tables show the value of receivables and payables from commodity and other derivatives measured at fair value through profit or loss,by the period of delivery as at 31 December 2024 and 31 December 2023:

In thousands of EUR	*2024*	*2023*
Receivables		
Delivery 2024	-	115,377
Delivery 2025	19,194	13,925
Delivery 2026	747	960
Delivery 2027	(100)	-
Total commodity and other derivatives	**19,841**	**130,262**
Liabilities		
Delivery 2024	-	(17,039)
Delivery 2025	(25,675)	(9,509)
Delivery 2026	(798)	-
Delivery 2027	(563)	-
Total commodity and other derivatives	**(27,036)**	**(26,548)**

Derivatives designated as hedges

Derivative contracts designated as hedges are classified as cash flow hedges or fair value hedges.

Exchange rate
The Group hedges the impact of the exchange rate fluctuations connected with the purchase and sale of electricity and also the purchase of commodities necessary for the production of electricity through forwards on foreign currency exchange rates. The cash flows from the hedging derivatives are contracted to occur in the moment when the purchase or sale of the hedged transaction is expected to occur.

In case of purchase and sale of electricity the cash flows from the hedging foreign currency derivatives are recognised in consolidated profit or loss at the moment of the realization of the trade.

Interest rate and exchange rate
The Group hedges its exposure to interest rate risk and exposure to exchange rate fluctuations in connection with the loans drawn through interest rate swaps or cross-currency interest rate swaps or FX forwards. The maturity of the interest and nominal payments from swaps corresponds with the maturity of interests and nominal from loans. For details of the interest rate risk management strategy refer to Note 32.

Electricity price
The Group hedges cash flows from sales of future electricity production against the risk of electricity price movement by selling the production via forward contracts with respect to the strategy of production selling. Strategy for managing risks associated with fluctuation of the electricity prices is described in more details in the Note 32.

At the reporting date the Group held following derivative contracts classified as cash flow hedge derivatives, according to the type of the underlying instrument:

	2024				
Cash-flow hedge derivatives	*Unit of Measure*	*Volume[1]*	*Nominal value (ths. EUR)*	*Fair value[2] (ths. EUR)*	*Effective hedge (ths. EUR)*
Commodity risk – price of electricity					
2025	GWh	(7,831)	908,262	123,126	84,924
2026	GWh	(10,377)	839,410	(85,849)	(92,827)
2027	GWh	(7,271)	529,927	(54,247)	(59,393)
2028	GWh	(193)	13,476	-	(966)
Interest rate and foreign currency risk					
2025	ths. RUB		(175,000)	(110,336)	10,661
Interest rate risk					
2025	ths. EUR		1,130,000	21,208	20,027
Total		**(25,672)**	**3,246,075**	**(106,098)**	**(37,574)**

1) Positive values represent purchases, negative values represent sales
2) Fair value in respect of electricity prices does not include the fair value of contracts on EEX in amount of EUR (3,764) thousand as these are settled in cash on daily basis

The notes form an integral part of the consolidated financial statements.

Cash-flow hedge derivatives	2023 Unit of Measure	Volume[1]	Nominal value (ths. EUR)	Fair value[2] (ths EUR)	Effective hedge (ths EUR)
Commodity risk – price of electricity					
2024	GWh	(5,161)	735,982	260,893	174,868
2025	GWh	(7,922)	932,883	170,458	184,014
2026	GWh	(2,129)	209,187	15,267	18,078
Foreign currency risk					
2024	ths CZK		4,645	(19)	(19)
Interest rate and foreign currency risk					
2025	ths RUB		(225,000)	(140,260)	(29,923)
Interest rate risk					
2025	ths EUR		1,522,000	63,358	61,030
Total		**(15,212)**	**3,179,697**	**369,697**	**408,048**

1) Positive values represent purchases, negative values represent sales
2) Fair value in respect of electricity prices does not include the fair value of contracts on EEX in amount of EUR (18,212) thousand as these are settled in cash on daily basis

Change in the Hedging reserve in the consolidated statement of other comprehensive income, before tax, during the period was as follows:

In thousands of EUR	FX Forwards	Interest rate swaps	Cross-currency interest rate swaps	Electricity forward contracts	Total Hedging Reserve
Balance as at 1 January 2024	**(19)**	**61,030**	**(29,923)**	**376,960**	**408,048**
Change in valuation of cash flow hedges	(97)	6,275	32,327	(468,476)	(429,971)
Unrealized foreign exchange profit / (loss)	-	-	10,649	-	10,649
Ineffectiveness recognised in profit and loss	-	-	-	(62,239)	(62,239)
Profit / (loss) from the matured contracts*	116	(47,278)	(2,392)	85,493	35,939
Balance as at 31 December 2024	**-**	**20,027**	**10,661**	**(68,262)**	**(37,574)**
Balance as at 1 January 2023	**(321)**	**122,022**	**(23,105)**	**(1,992,207)**	**(1,893,611)**
Change in valuation of cash flow hedges	(372)	(3,705)	(18,537)	2,128,200	2,105,586
Unrealized foreign exchange profit / (loss)	-	-	13,806	-	13,806
Ineffectiveness recognised in profit and loss	-	300	-	(94,139)	(93,839)
Profit / (loss) from the matured contracts*	674	(57,587)	(2,087)	335,106	276,106
Balance as at 31 December 2023	**(19)**	**61,030**	**(29,923)**	**376,960**	**408,048**

**Effect of realization of the mature contracts is recognized in the line Gains / (losses) from derivative transactions*

The notes form an integral part of the consolidated financial statements.

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8. The Group's subsidiaries

The structure of the Group's interest in subsidiaries is as follows:

Company name	Country of incorporation	Ownership 2024
Ochrana a bezpečnosť SE, s.r.o.	Mochovce, Slovak Republic	100%
Slovenské elektrárne - energetické služby, s.r.o.	Bratislava, Slovak Republic	100%
Centrum pre vedu a výskum, s.r.o.	Mochovce, Slovak Republic	100%
Slovenské elektrárne Česká republika, s.r.o.	Prague, Czech Republic	100%
SE Služby inžinierskych stavieb, s.r.o.	Mochovce, Slovak Republic	100%

Company name	Country of incorporation	Ownership 2023
Ochrana a bezpečnosť SE, s.r.o.	Mochovce, Slovak Republic	100%
Slovenské elektrárne - energetické služby, s.r.o.	Bratislava, Slovak Republic	100%
Centrum pre vedu a výskum, s.r.o.	Mochovce, Slovak Republic	100%
Slovenské elektrárne Česká republika, s.r.o.	Prague, Czech Republic	100%
SE Služby inžinierskych stavieb, s.r.o.	Mochovce, Slovak Republic	100%

9. Investments in associates and other investments

The structure of the Group's interest in the associates is as follows:

In thousands of EUR

Company name	Country of incorporation	Ownership 2024	Carrying amount of investment 2024	Equity 2024	Profit 2024
REAKTORTEST, s.r.o.*	Slovak Republic	49%	-*	1,176	911
ÚJV Řež, a.s.	Czech Republic	27.77%	20,259	72,953	(9,326)
Energotel, a.s.	Slovak Republic	20%	48	4,127	497
Total investments in associates			**20,307**	**78,256**	**(7,918)**

**The carrying amount of the investment is recognised in the line Assets classified as held for sale in the amount of EUR 576 thousand due to the planned sale of the investment in this associate*

In thousands of EUR

Company name	Country of incorporation	Ownership 2023	Carrying amount of investment 2023	Equity 2023	Profit 2023
REAKTORTEST, s.r.o.*	Slovak Republic	49%	-*	396	131
ÚJV Řež, a.s.	Czech Republic	27.77%	25,403	91,479	1,912
Energotel, a.s.	Slovak Republic	20%	30	4,036	407
Total investments in associates			**25,433**	**95,911**	**2,450**

**The carrying amount of the investment is recognised in the line Assets classified as held for sale in the amount of EUR 194 thousand due to the planned sale of the investment in this associate*

The notes form an integral part of the consolidated financial statements.

Assets, liabilities, revenues and expenses of the associates were as follows:

In thousands of EUR	*Non – current assets*	*Current assets*	*Total assets*	*Equity*	*Non – current liabilities*	*Current liabilities*	*Total liabilities*	*Revenues*	*Expenses*	***Profit***
2024										
REAKTORTEST, s.r.o.*	4	3,181	3,185	1,176	908	1,101	2,009	23,797	22,886	**911**
ÚJV Řež, a.s.	70,441	50,721	121,162	72,953	28,775	19,434	48,209	71,815	81,141	**(9,326)**
Energotel, a.s.	3,095	9,076	12,171	4,127	15	8,029	8,044	15,281	14,784	**497**
Total	**73,540**	**62,978**	**136,518**	**78,256**	**29,698**	**28,564**	**58,262**	**110,893**	**118,811**	**(7,918)**

**The carrying amount of the investment is recognised in the line Assets classified as held for sale in the amount of EUR 576 thousand due to the planned sale of the investment in this associate*

In thousands of EUR	*Non – current assets*	*Current assets*	*Total assets*	*Equity*	*Non – current liabilities*	*Current liabilities*	*Total liabilities*	*Revenues*	*Expenses*	***Profit***
2023										
REAKTORTEST, s.r.o.	8	1,947	1,955	396	307	1,252	1,559	16,771	16,640	**131**
ÚJV Řež, a.s.	88,169	50,389	138,558	91,479	26,893	20,186	47,079	72,194	70,282	**1,912**
Energotel, a.s.	2,989	6,649	9,638	4,036	119	5,483	5,602	15,017	14,610	**407**
Total	**91,166**	**58,985**	**150,151**	**95,911**	**27,319**	**26,921**	**54,240**	**103,982**	**101,532**	**2,450**

**The carrying amount of the investment is recognised in the line Assets classified as held for sale in the amount of EUR 194 thousand due to the planned sale of the investment in this associate*

The structure of the other investments is as follows:

In thousands of EUR	*Carrying amount of investment 2024*	*Carrying amount of investment 2023*
Other investments	6,101	6,116
Total	**6,101**	**6,116**

Other investments include the Group's equity interests in the European Liability Insurance for the Nuclear Industry (ELINI), European Mutual Association for Nuclear Insurance (EMANI), Blue Re Mutual Association and Nuclear Industry Reinsurance Association (NIRA) and Cyber and Property insurance and reinsurance mutual for the energy sector (CYPRO).

In 2023 the Group founded Nadácia Slovenských elektrární with 100% ownership share. The share in Nadácia Slovenských elektrární is classified as other investment in line with IFRS 10 and is measured at cost.

10. Inventories

In thousands of EUR	*At cost 2024*	*At lower of cost or net realizable value 2024*	*At cost 2023*	*At lower of cost or net realizable value 2023*
Nuclear fuel	440,649	440,473	385,592	385,416
Fossil fuel	-	-	27,186	27,133
Spare parts	44,916	35,838	38,774	30,102
Material and supplies	14,428	10,159	7,390	3,403
Emission allowances	11,990	11,925	2,912	3,576
Other	3,483	3,483	3,663	3,663
Total inventories	**515,466**	**501,878**	**465,517**	**453,293**

Inventories in total value of EUR 357,436 thousand (2023: EUR 305,988 thousand) are expected to be recovered within a period of more than twelve months following the balance sheet date.

Total balance of emission allowances recognised as at 31 December 2024 and 31 December 2023, including the volume of the emission allowances acquired for free, were held for trading and were valued at the fair value.

Nuclear fuel movements

In thousands of EUR	*2024*	*2023*
Balance as at 1 January	**385,592**	**201,565**
Purchases	132,646	253,391
Consumption	(62,357)	(64,398)
Sale to the Slovak State Reserves	(15,232)	(4,966)
Balance as at 31 December	**440,649**	**385,592**

Movement in the write-down to inventories

In thousands of EUR	*2024*	*2023*
Balance as at 1 January	**12,888**	**11,480**
Write-down	1,728	2,053
Usage	(1,093)	(645)
Balance as at 31 December	**13,523**	**12,888**

The Group writes down obsolete and slow-moving inventories.

11. Trade and other receivables

In thousands of EUR	*2024*	*2023*
Current receivables		
Receivables from contracts with customers	535,051	400,990
Other receivables	32,658	20,192
Receivables from related parties	44,805	124,839
Amounts receivable under finance leases	129	121
Expected credit losses allowance	(145,005)	(145,246)
Total financial receivables	**467,638**	**400,896**
Other taxes and fees	512	1,040
Total trade and other receivables	**468,150**	**401,936**

In thousands of EUR	*2024*	*2023*
Non-current receivables		
Receivable from the sale of Gabčíkovo hydro power plant	90,961	88,999
Prepayments	69,167	97,552
Amounts receivable under finance leases	2,163	2,292
Grants	8,059	8,052
Total non-current receivables	**170,350**	**196,895**

Receivable from the sale of Gabčíkovo hydro power plant (hereinafter as the "VEG") was recognised based on the Agreement on settlement of legal relations with respect to the VEG assets, signed on 24 March 2006, in the value determined by an expert. The balance of non-current receivable from the sale of the VEG assets recognised as at 31 December 2024 amounting to EUR 90,961 thousand (31 December 2023: EUR 88,999 thousand) represents its discounted present value. The nominal value of the receivable as at 31 December 2024 amounts to EUR 102,612 thousand (31 December 2023: EUR 102,612 thousand). For the information regarding related ongoing legal disputes, refer to Note 30.

Prepayments contain cash collateral deposited for the purpose of trading on the EEX in the amount of EUR 63,620 thousand (2023: EUR 91,781 thousand).

For terms and conditions relating to related parties, refer to Note 29.

Trade receivables are non-interest bearing and are generally due within 14 - 90 days.

Movements in the expected credit losses allowance were as follows:

In thousands of EUR	*2024*
Balance as at 1 January	**145,246**
Charge for the year (Note 26)	110
Utilised	(87)
Unused amounts reversed (Note 26)	(264)
Foreign exchange differences	-
Balance as at 31 December	**145,005**

In thousands of EUR	*2023*
Balance as at 1 January	**143,620**
Charge for the year (Note 26)	1,659
Utilised	-
Unused amounts reversed (Note 26)	(35)
Foreign exchange differences	2
Balance as at 31 December	**145,246**

As at 31 December 2024 and 2023 trade receivables included receivables against VODOHOSPODÁRSKA VÝSTAVBA, ŠTÁTNY PODNIK in total value of EUR 22,137 thousand, which are subject to an ongoing dispute with the counterparty. Due to uncertainties related to the collectability of these receivables, the Group recognised an allowance for individually impaired receivables in full amount. These receivables were not included in the IFRS 9 simplified model for calculation of the expected credit losses allowance, but were assessed on an individual basis.

As at 31 December 2024 and 2023 trade receivables included an amount of EUR 113.85 million related to past contributions to Združenie Dunaj ("the Danube Association") which was established to facilitate the co-operation between the Group and the company VODOHOSPODÁRSKA VÝSTAVBA, ŠTÁTNY PODNIK for the construction of the Gabčíkovo dam and electricity facilities. Due to uncertainties related to the collectability of this receivable, the Group recognised an allowance for individually impaired receivables in full amount. These receivables were not included in the IFRS 9 simplified model for calculation of the expected credit losses allowance, but were assessed on an individual basis.

As at 31 December 2024, trade receivables include an amount of EUR 2,153 thousand (31 December 2023: EUR 2,153 thousand) related to purchased credit-impaired trade receivables that are fully impaired since initial recognition.

12. Cash and cash equivalents

In thousands of EUR	*2024*	*2023*
Cash at banks and on hand	216,372	106,828
Total cash and cash equivalents	**216,372**	**106,828**

Cash and cash equivalents as at 31 December 2024 include EUR 100 thousand that is restricted by legislation (31 December 2023: EUR 100 thousand).

13. Other assets

In thousands of EUR	*2024*	*2023*
Other current assets		
Prepaid expenses - insurance	2,388	2,247
Prepaid expenses - lease of buildings	-	388
Prepaid expenses - fees related to loans and borrowings	952	68
Prepaid expenses - other	463	644
Accrued revenue - interest income	60	108
Total other current assets	**3,863**	**3,455**

In thousands of EUR	*2024*	*2023*
Other non-current assets		
Prepaid expenses	962	1,146
Right for reimbursement of the special purpose financial reserve	2,495	2,125
Total other non-current assets	**3,457**	**3,271**

Act No. 79/2015 Coll. on waste and on amendments to certain acts as amended, specifies, inter alia, the pronouncements regarding the special purpose financial reserve for waste dumps which the Group as an operator of the waste dumps must create. According to the § 24, article 4 of this act the funds must be deposited on the special account of the Ministry of Environment in the State Chamber. The Group recognizes this special purpose financial reserve as a long-term asset - a right for reimbursement of the special purpose financial reserve in line with interpretation IFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds.

14. Share capital and reserves

i) Share capital

As at 31 December 2024, the share capital comprised 39,041 ordinary shares (2023: 39,041), thereof 38,238 shares at a par value of EUR 33,193.92 and 803 shares at a par value of EUR 33.19. All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends in accordance with legislation valid in the Slovak Republic and as decided by the general meeting and are entitled to vote, while each EUR 33.19 represents one vote.

The Company does not hold any of its own shares.

ii) Reserves

Revaluation reserve
Following the IAS 16 and the valid accounting policy the Group applies revaluation model for subsequent measurement of property, plant and equipment after initial recognition. The assets' revaluation reserve is recognised in relation to the increase in the carrying value of property, plant and equipment and decrease in this value to the extent that such decrease reverses an increase in the fair value, previously recognised in equity. The reserve cannot be used to pay dividends.

Hedging reserve
The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred or have not yet affected profit or loss.

Other reserves
Other reserves mainly consist of the legal reserve fund. As at 31 December 2024, the legal reserve fund amounts to EUR 256,560 thousand (2023: EUR 256,560 thousand). This fund is not available for distribution to shareholders, but to cover losses or increase the share capital.

Distribution of profit from the previous accounting period

Distribution of the consolidated profit from the previous accounting period of EUR 559,076 thousand was as follows:

In thousands of EUR	*Accounting profit for 2023*
Creation of social fund	55
Transfer to retained earnings	559,021
Total	**559,076**

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15. Provision for nuclear decommissioning and storage costs

Provision for decommissioning of nuclear power plants

Based on the provisions of the Act No. 541/2004 Coll. on Peaceful use of Nuclear Energy as amended (hereinafter as the “Atomic Act”), the licence holder for operation of nuclear power plants is responsible for preparation of the conceptual plan of decommissioning of each nuclear power plant and provide for its decommissioning after the end of its operation. According to the pronouncements of the Atomic Act, the entity responsible for execution of the decommissioning is the licence holder for decommissioning.

Provision for decommissioning of nuclear power plants includes the costs of dismantling of V2 nuclear power plant in Jaslovské Bohunice (hereinafter as “V2”), the first and the second unit of the nuclear power plant in Mochovce (hereinafter as “EMO 1&2”) and also the third unit of nuclear power plant in Mochovce (hereinafter as “EMO 3”). In all nuclear units are installed pressurized water reactors type VVER 440/V-213 with reactors performance 500 MW in V2, 501,44 MW in EMO 1&2 and 471 MW in EMO 3. The underlying assumption for recognizing the provision is the obligation after the end of operation of nuclear power plants to dismantle the facility, process and dispose all radioactive waste from decommissioning and return the site to the condition defined in the conceptual plan of decommissioning developed for the individual power plant. The total present value of the obligations concerning decommissioning of nuclear power plants is covered by a provision. The initial estimate of cost in respect of the provision that has been recognised by the Group forms a part of the carrying amount of property, plant and equipment.

The Council Directive No. 2011/70/EURATOM, which establishes a basic framework for the responsible and safe management of spent nuclear fuel and radioactive waste in the European Atomic Energy Community (hereinafter as the “Directive”), raised the requirement for the member states of the European Union to prepare a national policy and national programme for the responsible and safe management of spent nuclear fuel and radioactive waste. The Directive was reflected in the Slovak legislation through the Act No. 143/2013 Coll. from 21 May 2013, by which the Atomic Act and at that time valid Act No. 238/2006 Coll. on National Nuclear Fund were amended. Following the abovementioned, on 8 July 2015 the Slovak Government adopted the document named “National Policy and National Programme for handling of spent nuclear fuel and radioactive wastes in SR”, as an update of the strategic document “Strategy of the back-end cycle of the peaceful exploitation of the nuclear energy in the Slovak Republic” (hereinafter as the “National Policy” and the “National Programme”).

The above mentioned documents define the strategy of immediate decommissioning for the nuclear power plants both in Jaslovské Bohunice and Mochovce, which is consistent with the one applied by the Group and reflected in the conceptual plans of decommissioning subject to approval of the Nuclear Regulatory Authority of the Slovak Republic (hereinafter as the “UJD SR”). Estimation of the costs and disbursements for decommissioning of the nuclear plants as at 31 December 2024 is based on the strategy of the Group to apply more conservative prompt (immediate) decommissioning approach. The decommissioning strategy is subject to review and assessment of the UJD SR and the National Nuclear Fund for decommissioning of nuclear power plants and disposal of spent nuclear fuel and radioactive waste (hereinafter as the “National Nuclear Fund”, or the “NNF”).

The updated estimation of the costs of decommissioning, as included in the document “Updated conceptual plan of decommissioning of the nuclear power plant V2 and EMO1&2 and creation of input database of assets subject to decommissioning", developed in April 2017 by the company EGP INVEST, spol. s r.o., an independent specialist in determining cost estimates of back-end cycle processes of nuclear industry, was used as a basis for valuation of the provision for decommissioning of nuclear power plants as at 31 December 2024 and 31 December 2023. These documents were approved by the UJD SR on 27 August 2018. For the purpose of estimation of the costs for decommissioning of the unit EMO 3 as at 31 December 2024 the Group used the “Conceptual plan of decommissioning of nuclear power plant – construction of the unit 3 and 4 of nuclear power plant Mochovce”, developed in June 2014 by companies DECOM, a.s. and VUJE, a.s., further updated in January 2021 by the Group. The updated document was approved by the UJD SR on 15 April 2021 by the letter No. 2661/2021.

Provision for post-operational costs of nuclear power plants

This provision includes disbursements to be incurred by the operator of a nuclear power plant once the nuclear power plant’s energy production is stopped until the license for decommissioning is obtained. The method of termination of operation is determined by the gradual reactors shut downs (two years apart) and after-cooling of spent nuclear fuel in the storage pool, which creates typical termination of operation phases. The length of the individual phases is determined mainly by the type of spent fuel interim storage.

The provision for post-operational costs of V2, EMO 1&2 and EMO 3 nuclear power plants is recognised considering the responsibility of the Group as the holder of the operating license to bring the plant into the decommissioning stage as defined by the Atomic Act.

The provision for post-operational costs reflects the present value of the expected disbursements to be incurred during the four year period. Disbursements of the costs are dependent on an expected date of the shut-down of the nuclear power plants.

The expected disbursements reflected in the valuation of the provision as at 31 December 2024 and 31 December 2023 are based on the estimation included in the document "Updated conceptual plan of decommissioning of the nuclear power plant V2 and EMO1&2 and creation of input database of assets subject to decommissioning", developed by the company EGP INVEST, spol. s.r.o., and "Conceptual plan of decommissioning of nuclear power plant – construction of the unit 3 and 4 of nuclear power plant Mochovce", developed by the companies DECOM, a.s. and VUJE, a.s.

Provision for storage and disposal of spent nuclear fuel

This provision includes the costs of transportation of spent nuclear fuel (hereinafter as "SNF"), storage of such waste in the interim storage facility and its final disposal in the deep geological repository.

The provision for SNF of V2, EMO 1&2 and EMO 3 nuclear power plants is recognised considering the responsibility of the originator of such waste as defined by the Atomic Act.

On 31 March 2006 the Company entered into a service agreement with the company Jadrová vyraďovacia spoločnosť, a.s. (hereinafter as "JAVYS, a.s."). The subject of this agreement is a provision of services related to transportation to an interim storage facility and storage of SNF in the interim storage facility. The Group concluded a nuclear service agreement and subsequent amendments to it with the prices and quantities until the end of the year 2024. The prices and quantities for the year 2025 and beyond are subject to negotiations.

The disbursement schedule of costs related to transportation of SNF and its storage in the interim repository till the end of 2009 was defined in the service agreement. The disbursements schedule of the costs for the subsequent years until the end of the year 2024 was defined in the amendments to the nuclear service agreement. The provision as at 31 December 2024 was calculated using unit prices as per the amendment to the nuclear service agreement for the years until the end of the year 2024. Costs beyond this date were determined based on technical assumptions after this date. The provision takes into account quantity of SNF existing as at 31 December 2024.

In line with the National Policy, the Group expects final disposal of spent nuclear fuel in a deep geological repository. The provision for disposal in the deep geological repository was calculated considering expected costs to build such repository, since this repository does not exist as at 31 December 2024.

As of 6 December 2016, a team of independent experts for analyses of back-end cycle processes of nuclear power plants (ÚJP Praha a.s., ÚJV Řež, a.s.) developed "Updated feasibility study of deep geological repository in the Slovak Republic". This study was used as a basis for valuation of the provision for final disposal of spent nuclear fuel as at 31 December 2024 and 31 December 2023.

The valuation of the provision as at 31 December 2024 and 31 December 2023 reflects the expected timing of commissioning of the deep geological repository compliant with the National Policy and the National Programme adopted by the Government of the Slovak Republic on 8 July 2015. The valid National Policy and the National Programme specify the year 2065 as the planned year for commissioning of the deep geological repository.

Provision for storage and disposal of radioactive waste

This provision includes the costs of transportation, treatment, modification and disposal in the surface repository facility of low-level radioactive waste and it is recognised for radioactive waste generated by V2 and EMO 1&2.

The provision for long-life low-level radioactive waste of V2 and EMO 1&2 nuclear power plants is recognised considering the responsibility of the originator of such waste as defined by the Atomic Act.

On 31 March 2006 the Company entered into a service agreement with JAVYS, a.s. The subject of this service agreement is a provision of the nuclear services the cost of which is the basis for valuation of this provision. The Group concluded a nuclear service contract and subsequent amendments to it with the prices and quantities being defined until the year end of 2024. The prices and quantities for the year 2025 and beyond are subject to negotiations.

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The disbursement schedule of these costs till the end of 2009 was defined in the service agreement. The disbursement schedule of these costs for subsequent years until the end of the year 2024 was defined in the amendments to the nuclear service agreement. The provision as at 31 December 2024 was calculated using unit prices as per the amendment to the nuclear service agreement for the years until the end of the year 2024. Costs beyond this date were determined based on technical assumptions after this date. The provision takes into account quantity of long-life low-level radioactive waste existing as at 31 December 2024.

Movements in the provision are summarised as follows:

In thousands of EUR	*Provision for decommissioning of nuclear power plants*	*Provision for post-operational costs of nuclear power plants*	*Provision for storage and disposal of spent nuclear fuel*	*Provision for storage and disposal of radioactive waste*	*Total*
Balance as at 1 January 2024	**846,503**	**220,202**	**1,725,426**	**61,240**	**2,853,371**
Increase of provision through profit and loss statement	-	-	22,508	5,656	28,164
Unwinding of interest (Note 27)	34,802	9,053	69,700	2,412	115,967
Effect of change in estimates through profit and loss statement	-	-	13,747	6,606	20,353
Usage of provision	-	-	(11,097)	(9,359)	(20,456)
Balance as at 31 December 2024	**881,305**	**229,255**	**1,820,284**	**66,555**	**2,997,399**
Balance as at 1 January 2023	**813,164**	**211,530**	**1,651,656**	**54,339**	**2,730,689**
Increase of provision through profit and loss statement	-	-	15,725	4,292	20,017
Unwinding of interest (Note 27)	33,339	8,672	66,482	1,990	110,483
Effect of change in estimates through profit and loss statement	-	-	1,911	8,792	10,703
Usage of provision	-	-	(10,348)	(8,173)	(18,521)
Balance as at 31 December 2023	**846,503**	**220,202**	**1,725,426**	**61,240**	**2,853,371**

In 2024 as well as in 2023 the Group recognized change in estimate of the provision for storage and disposal of spent nuclear fuel and the provision for storage and disposal of radioactive waste, based on the updated estimation of future costs, following the signed service agreement on provision of the nuclear services with JAVYS, a.s, that is amended on yearly basis. The effects of changes in estimates through income statement for the years ended 31 December 2024 and 31 December 2023 are described in the table above.

The present value assumptions of the provisions

The present value of the provisions mentioned above was calculated applying 2% inflation rate (31 December 2023: 2%) and a discount rate ranging from 3.75% to 4.10% (31 December 2023: 3.75% to 4.10%) over forecasted disbursement schedules. The discount rate was determined based on long-term series of interest rate data and it takes into account the fact that some expenses covered by provisions will be disbursed over periods significantly longer than the duration of instruments generally traded on the financial markets.

The estimated schedule of future disbursements takes into account all known statutory and environmental regulations applicable, together with an uncertainty factor inherent to the fact that payments will only be made in the long-term (see Note 3 (i)).

The provision is presented in the consolidated statement of financial position as at 31 December 2024 as follows:

In thousands of EUR	Provision for decommissioning of nuclear power plants	Provision for post-operational costs of nuclear power plants	Provision for storage and disposal of spent nuclear fuel	Provision for storage and disposal of radioactive waste	Total
Current liabilities	-	-	30,628	6,586	37,214
Non-current liabilities	881,305	229,255	1,789,656	59,969	2,960,185
Total provision	**881,305**	**229,255**	**1,820,284**	**66,555**	**2,997,399**

The provision was presented in the consolidated statement of financial position as at 31 December 2023 as follows:

In thousands of EUR	Provision for decommissioning of nuclear power plants	Provision for post-operational costs of nuclear power plants	Provision for storage and disposal of spent nuclear fuel	Provision for storage and disposal of radioactive waste	Total
Current liabilities	-	-	35,667	7,225	42,892
Non-current liabilities	846,503	220,202	1,689,759	54,015	2,810,479
Total provision	**846,503**	**220,202**	**1,725,426**	**61,240**	**2,853,371**

Estimated timing of the present value of the expected cash outflows related to decommissioning provision is as follows:

In thousands of EUR	0 – 5 years	5 – 10 years	10 – 20 years	After 20 years	31 December 2024	31 December 2023
Provision for decommissioning of nuclear power plants	-	-	418	880,887	**881,305**	**846,503**
Provision for post-operational costs of nuclear power plants	-	-	-	229,255	**229,255**	**220,202**
Provision for storage and disposal of spent nuclear fuel	176,833	108,250	296,629	1,238,572	**1,820,284**	**1,725,426**
Provision for storage and disposal of radioactive waste	37,190	27,262	2,103	-	**66,555**	**61,240**
Total	**214,023**	**135,512**	**299,150**	**2,348,714**	**2,997,399**	**2,853,371**

The sensitivity of the main components of provisions to changes in the discount rate is shown in the table below:

	Present value of the provision		Sensitivity to discount rate change			
			2024		2023	
In thousands of EUR	2024	2023	+ 0.25%	- 0.25%	+ 0.25%	- 0.25%
Storage and disposal of spent nuclear fuel and radioactive waste	1,886,839	1,786,666	(137,032)	153,155	(132,598)	148,412
Decommissioning and post-operational costs of nuclear power plants	1,110,560	1,066,705	(105,718)	118,397	(103,862)	116,571
Total	**2,997,399**	**2,853,371**	**(242,750)**	**271,552**	**(236,460)**	**264,983**

Funding for decommissioning of nuclear power plants and for costs of storage and disposal of spent nuclear fuel and radioactive waste

In August 1994, the National Council of the Slovak Republic passed the Act No. 254, which provided for the creation of the State Fund for Decommissioning of Nuclear Facilities and Disposal of Spent Nuclear Fuel and Radioactive Waste ("Fund"). On 16 March 2006 the National Council of the Slovak Republic passed the Act No. 238/2006 Coll. (hereinafter as the "Act on the National Nuclear Fund"), which cancelled the Fund and established its successor, the National Nuclear Fund and rules for the amount of the contributions were established, valid from 1 February 2012.

As of 17 October 2018, new Act No. 308/2018 on the National Nuclear Fund was passed. With the effective date of 1 January 2019, new rules for determination of the amount of the contributions to the National Nuclear Fund have been established. The amount of contribution is separately calculated for each nuclear facility, mostly based on the total estimated cost of the back-end cycle processes of each nuclear power plant, the number of years during which the contributions are accumulated on the sub-account assigned to the nuclear facility, the appreciation of accumulated contributions over time and the impact of macroeconomic factors on each nuclear power plant over individual phases of its life cycle. Based on the calculation and following the regulation No. 478/2022 Coll. dated on 15 December 2022, the contribution was determined stating the value of yearly contribution in the amount of EUR 46,307,425 per year for V2 and EUR 32,182,115 per year for EMO 1&2. Mandatory contribution for EMO 3&4 is determined in the amount of EUR 29,411,437 pre year. In accordance with the transitional provisions pursuant with § 4 , section 2 of the government regulation No. 478/2022 Coll. the contribution was proportionally reduced to EUR 2,933,086 for the year 2024. Mandatory contributions to the Fund for the year 2024 were paid in November 2024.

The following table reconciles the right for reimbursement from the National Nuclear Fund which represents financial amounts on the subaccounts of the National Nuclear Fund designated for decommissioning of nuclear facilities owned by the Group including management of radioactive waste from such decommissioning:

In thousands of EUR	Balance of NNF sub-accounts assigned to NPPs of the Group
Balance as at 1 January 2024	**1,687,625**
Payments to the fund during 2024	81,422
Interest received (Note 27)	24,682
Fund administration fee	(814)
Balance as at 31 December 2024	**1,792,915**
Balance as at 1 January 2023	**1,531,585**
Payments to the fund during 2023	144,417
Interest received (Note 27)	13,067
Fund administration fee	(1,444)
Balance as at 31 December 2023	**1,687,625**

According to the Act on the National Nuclear Fund the Group is the largest contributor to the National Nuclear Fund. The National Nuclear Fund, reporting to the Ministry of Economy of the Slovak Republic, is not controlled by the Group and the Group does not have any representative in the Fund The above mentioned right for reimbursement from the National Nuclear Fund is recognised as a separate asset and represents the reimbursement right for the purposes of decommissioning of nuclear facilities owned by the Group including management of radioactive waste from such decommissioning in the amount of actual contributions paid including net revenue interest from this part of contributions in line with the interpretation IFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds.

Based on provisions of the Act on the National Nuclear Fund covering activities of the National Nuclear Fund, the Group expects that the assets of the National Nuclear Fund will be used exclusively for enacted purposes in future. If there is a decrease in the funds accumulated on the sub-accounts assigned to the nuclear power generating facilities owned by the Group as a result of the decision on funds allocation issued by the authorized bodies of the National Nuclear Fund, the Group decreases the carrying value of the right to receive the reimbursement reported as the right for reimbursement from the National Nuclear Fund on the consolidated statement of financial position and charges the change in the value of the reimbursement right to profit or loss.

Under the Atomic Act the Group is responsible to secure preparation of decommissioning of nuclear facilities and to manage radioactive waste and spent nuclear fuel until their takeover by an entity established, incorporated or authorized by Ministry of Economy of the Slovak Republic. Assuming all legal requirements are met, the Group therefore expects that, the contributions will be used to reimburse actual costs incurred mainly during decommissioning, liquidation and management of spent nuclear fuel and radioactive waste from decommissioning of the nuclear power plants of the Group. The Group also expects that the remaining part of its contributions (together with other sources of the National Nuclear Fund) determined for the purposes of design, construction, operation and closure of repositories, will be used by the state in future under conditions and for the purposes set by the law. The actual decommissioning and disposal costs may vary from the initial estimates because of regulatory requirements, changes in technology and increased costs of labour, materials and equipment.

The ability of the National Nuclear Fund to meet the costs of decommissioning of the nuclear power facilities operated by the Group and storage of spent fuel is also dependent on other factors that include among other things earnings on cash deposited in the National Nuclear Fund. The Group therefore expects the National Nuclear Fund to ensure that these earnings on deposited cash are as high as possible above the level of inflation.

The current financing scheme of the back-end cycle of nuclear energy includes the sources of financing that are designed to cover the costs related to so-called „historical deficit“ that arose due to not contributing the financial resources from operated nuclear power plants into the Nuclear Fund until the end of 1994 (when the State Fund for Decommissioning of Nuclear Facilities and Disposal of Spent Nuclear Fuel and Radioactive Waste was established). Most of this deficit relates to the state owned nuclear facilities in Jaslovské Bohunice (A1 and V1) that are not in operation as at the balance sheet date. In order to cover this deficit the Government of the Slovak Republic approved the Regulation No. 426 dated 6 October 2010, introducing a special tariff to be ultimately paid by final consumers amounting to 3 EUR/MWh of electricity delivered in 2011, that is being adjusted by the rate of the core inflation every year. This tariff is included in the price of the electricity delivered to the end customer. Operators of the transmission system and regional distribution systems deliver these funds to the account of the Ministry of Economy of the Slovak Republic and further, via transfer the funds are deposited to the account of the NNF. This tariff is determined to finance the activities related to decommissioning of the nuclear power plant A1 and part of the nuclear power plant V1 in Jaslovské Bohunice.

On 9 January 2019, the Government of the Slovak Republic approved the regulation No. 21/2019 Coll., with the effective date of 1 February 2019, establishing the amount of special tariff to be used to cover the historical deficit from electricity delivered to end customers at 3.27 EUR/MWh .

From the practical reasons it is assumed that the tariff, collected by the operators of the transmission system and regional distribution systems to cover the historical deficit, shall be spread over the longer time horizon and shall cover the actual needs that are to be updated every 6 years.

16. Provision for dismantling of thermal power plants

Thermal power plant Nováky (hereinafter also as the “ENO”)
The thermal power plant Nováky was operated based on the decision of the Slovak Government in general economic interest in order to ensure security of supplies in Bystričany nodal area.

On 11 December 2023 the Regulatory Office for Network Industries issued a decision on change of the licence for operation in heating industry and electricity industry. In connection to ENO operation the subject of the decision is cancellation of the licence for ENO for the generation and distribution of heat and issuing a license for operation in electricity industry.

Following the expiration of the validify of the general economic interest and the above mentioned decision, the management of the Group has adopted a decision as at 31 December 2023 to terminate the operation of ENO, whose main activity was generation of the electricity and heat from domestic brown coal.

Thermal power plant Vojany (hereinafter also as the “EVO”)
In December 2023 the management of the Group decided on consecutive termination of operation of EVO. The Group terminated the generation of electricity form black coal in EVO as at 29 May 2024.

Considering the current market and regulatory standards as well as the social responsibility of the Group in the area of the environment, in line with its past practice, takes full responsibility for decommissioning of these thermal power plants and their related waste dumps once the plants cease their operations. Consequently, the Group recognised a provision to cover future decommissioning costs which are expected to be incurred upon shut-down of the plants.

In thousands of EUR	*2024*	*2023*
Balance as at 1 January	**157,165**	**153,157**
Unwinding of interest (Note 27)	5,928	6,024
Effect of change in estimates through profit and loss statement	(29,213)*	(3,693)*
Effect of change in estimates through equity	(270)	2,454
Release	(61)	-
Actual expenditure in period	(3,614)	(777)
Balance as at 31 December	**129,935**	**157,165**

**thereof EUR 282 thousand (2023: EUR 74 thousand) was presented as a credit within the line Depreciation, amortisation and impairment in the consolidated income statement, see Note 26*

The provision is presented in the consolidated statement of financial position as at 31 December 2024 as follows:

In thousands of EUR	*Provision for dismantling of thermal power plants*
Current liabilities	2,619
Non-current liabilities	127,316
Total provision	**129,935**

The provision is presented in the consolidated statement of financial position as at 31 December 2023 as follows:

In thousands of EUR	*Provision for dismantling of thermal power plants*
Current liabilities	4,804
Non-current liabilities	152,361
Total provision	**157,165**

The process of shut down and dismantling of the thermal power plants shall be administered in line with the decommissioning strategy of individual plants in EVO and ENO that considers the cease of operation of ENO in 2023 and EVO in 2024.

For the purpose of dismantling of thermal power plants in Vojany and Nováky comprehensive studies “Assessment of the costs for decommissioning of the thermal power plants of SE, a.s.” were developed in the past by the company EGP Invest, spol. s r.o. The studies contain the assessment of the status of individual main production facilities as well as auxiliary equipment reflecting their useful life and planned utilization. The studies also assessed a secondary usage of materials and sources. The dismantling of already shutdown and non-operated production facilities in ENO and EVO was planned to be executed in stages.

The Group is currently in the process of putting the power plants into the condition of safe status and afterwards shall dismantle according to stages as planned. During the year 2024 the Group reassessed and updated the expected costs of dismantling and the planned cash disbursements schedules, mainly related to waste dumps. As a result of this reassessment the Group released provision in amount of EUR 29,483 thousand (2023: release of EUR 1,239 thousand).

The present value assumptions of the provisions
There is an inherent uncertainty involved in the calculation of the provision due to the estimation of various assumptions, including future inflation expectations, discount rates and the actual disbursement schedules. The present value of the provisions mentioned above is calculated applying 2% inflation rate and a discount rate based on long-term series of interest rate data ranging from 3.75% to 4.10% (as at 31 December 2023 ranging from 3.75% to 4.10%) over forecasted disbursement schedules.

The sensitivity of the provision to the change in the discount rate is shown in the table below:

	Present value of the		*Sensitivity to discount rate change*			
			2024		*2023*	
In thousands of EUR	*2024*	*2023*	*+ 0.25%*	*- 0.25%*	*+ 0.25%*	*- 0.25%*
Provision for dismantling of thermal power plant	129,935	157,165	(5,529)	5,820	(4,824)	5,010

17. Employee benefits

Employee benefits recognised in the consolidated statement of financial position are as follows:

In thousands of EUR	2024 Current liabilities	2024 Non-current liabilities	2023 Current liabilities	2023 Non-current liabilities
Long-term incentives	-	182	-	182
Post-employment benefits and other employee benefits	2,221	40,462	2,665	33,711
Total	**2,221**	**40,644**	**2,665**	**33,893**

In terms of the Collective Agreement (hereinafter as "CCA"), signed between the trade unions operating at the companies of the Group and the companies, the long-term employee benefit programs within the Group represent defined benefit plans, specifically classified as post-employment benefits (retirement) and other employee benefits (work anniversary benefits).

In December 2020 the CCA of the Company valid for years 2021 – 2023 was approved and signed. In 2023 the CCA was amended and its validity was prolonged to 31 December 2026. In December 2021 the CCA of the company Ochrana a bezpečnosť SE, a.s. (hereinafter as "OBSE") valid for years 2022 – 2024 was approved and signed. In 2023 the CCA was amended and its validity was prolonged to 31 December 2026. All the parties concerned were informed about conditions of both amended CCA.

As at 31 December 2024 the Group had 4,620 employees (2023: 4,359 employees) eligible for employee benefits payable in future periods. The weighted average duration of the post-employment benefits and other benefits is 7 years in SE and 6 years in OBSE (2023: 8 years in SE, 8 years in OBSE).

Change in the present value of the defined benefit obligation

In thousands of EUR	Post-employment benefits	Other benefits	2024	2023
Present value of the obligations as of 1 January	**35,173**	**1,203**	**36,376**	**43,286**
Current service cost	2,499	77	2,576	2,854
Unwinding of interest (Note 27)	1,078	36	1,114	372
Effect of plan amendment and settlements	-	-	-	714
Gains/losses due to change in demographic assumptions	(1,082)	(19)	(1,101)	1,332
Gains/losses due to change in financial assumptions	2,646	32	2,678	(5,030)
Experience gains/losses arising during the year	3,651	292	3,943	281
Benefit payments during the year	(2,698)	(205)	(2,903)	(7,433)
Present value of the obligations as at 31 December	**41,267**	**1,416**	**42,683**	**36,376**

In thousands of EUR	Post-employment benefits	Other benefits	2024	2023
Net liability as at 1 January	**35,173**	**1,203**	**36,376**	**43,286**
Expenses recognised in profit and loss	3,577	418	3,995	3,682
Remeasurements recognised in other comprehensive income	5,215	0	5,215	(3,159)
Benefit payments	(2,698)	(205)	(2,903)	(7,433)
Net liability as at 31 December	**41,267**	**1,416**	**42,683**	**36,376**
Thereof: Current portion	2,073	148	2,221	2,665
Non-current portion	39,194	1,268	40,462	33,711

Slovenské elektrárne, a.s.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2024
(in thousands of EUR)

Expenses recognised in the consolidated profit and loss statement

In thousands of EUR	Post-employment benefits	Other benefits	2024	2023
Current service cost	2,499	77	2,576	2,854
Effect of plan amendment and settlements	-	-	-	714
Unwinding of interest (Note 27)	1,078	36	1,114	372
Immediately recognised actuarial losses	-	305	305	(258)
Expenses for the year	**3,577**	**418**	**3,995**	**3,682**

Actuarial assumptions

Assumptions regarding future mortality are based on published mortality tables valid in the Slovak Republic in the year 2023 issued by the Statistical Office of the Slovak Republic during the year 2024 (used for valuations at 31 December 2024) and based on published mortality tables valid in the Slovak Republic in the year 2022 issued by the Statistical Office of the Slovak Republic during the year 2023 (used for valuations at 31 December 2023).

Other actuarial assumptions are disclosed below:

	2024	2023
Discount rate as at 31 December	2.82%	3.18%
Future earnings increases	SE: 2025: 2.6% 2026: 3.5% 2027: 3.4% Since 2028: 2% OBSE: 2025: 5.05% 2026: 15.83% 2027: 2.35% 2028: 2.84% 2029: 2.84% Since 2030: 1.68-1.73%	SE: 2024: 10.7% 2025: 5.7% 2026: 3.9% Since 2027: 1.7% OBSE: 2024: 10.88% 2025: 6.22% 2026: 7.39% 2027: 5.54% 2028: 3.44% Since 2029: 1.64%
Average fluctuation rate	SE: 2.5% OBSE: 6.9%	SE: 2% OBSE: 7.9%
Retirement age	SE: according to valid legislation; OBSE: according to valid legislation	SE: according to valid legislation; OBSE: according to valid legislation

Historical information

In thousands of EUR	2024	2023	2022	2021	2020	2019
Present value of the defined benefit obligation as at 31 December	42,683	36,376	43,286	40,438	43,966	42,990

Sensitivity analysis

The sensitivity of the provision to the change in significant assumptions is shown in the table below:

In thousands of EUR	31 December 2024	Discount rate + 0.50%	Discount rate - 0.50%	Future salary increase + 0.50%
Net liability from defined benefit obligation	42,683	(1,439)	1,533	1,324

In thousands of EUR	31 December 2023	Discount rate + 0.50%	Discount rate - 0.50%	Future salary increase + 0.50%
Net liability from defined benefit obligation	36,376	(1,298)	1,383	1,240

18. Other provisions

In thousands of EUR	Environmental provision	Legal provision	Provision for emissions	Other provisions	Total
Balance as at 1 January 2024	**20,095**	**11,738**	**84,074**	**2,440**	**118,347**
Provisions made during the period	-	78	713	-	791
Provisions used during the period	(923)	-	(73,965)	(2,361)	(77,249)
Unwinding of interest (Note 27)	750	-	-	-	750
Effect of change in estimates through profit and loss statement	(1,363)	-	(129)	-	(1,492)
Effect of change in estimates through equity	(36)	-	-	-	(36)
Release of provision	(99)	-	-	(55)	(154)
Balance as at 31 December 2024	**18,424**	**11,816**	**10,693**	**24**	**40,957**
Non-current portion	15,032	11,816	-	24	26,872
Current portion	3,392	-	10,693	-	14,085
Balance as at 1 January 2023	**15,618**	**11,848**	**105,474**	**26**	**132,966**
Provisions made during the period	-	81	99,832	2,416	102,329
Provisions used during the period	(496)	-	(121,415)	(2)	(121,913)
Unwinding of interest (Note 27)	605	-	-	-	605
Effect of change in estimates through profit and loss statement	4,117	-	183	-	4,300
Effect of change in estimates through equity	251	-	-	-	251
Release of provision	-	(191)	-	-	(191)
Balance as at 31 December 2023	**20,095**	**11,738**	**84,074**	**2,440**	**118,347**

Environmental provision

The environmental provision is recognised for the recultivation of waste dumps and the removal of confirmed environmental burdens in accordance with the environmental legislation valid in the Slovak Republic and in line with the Group's published environmental policy.

The Group owns and operates several waste dumps and has a legal obligation to recultivate them once their capacity is filled up. The Group recognises this provision based on the expected future disbursements arising at the expected date of closure of these dumps. According to valid legislation the monitoring of the dumps is mandatory for at least thirty years after their closure.

The provision for the removal of environmental burdens, where the Group is confirmed originator, is recognised at the value of the estimated future costs for their clearance.

The present value of the environmental provision as at 31 December 2024 is calculated based on applying 2% inflation rate (31 December 2023: 2%) and a discount rate ranging from 3.75% to 4.10% (31 December 2023: 3.75% to 4.10%) over forecasted disbursement schedules.

Legal provision

Based on estimate of the Group's management, a provision for legal cases against the companies of the Group has been recognised to reflect probability of an unsuccessful resolution of these legal disputes, including the court fees and other related legal fees.

Provision for emission allowances

Provision for emission allowances was recognised for the greenhouse gas emissions discharged during the period. The provision is measured at the estimated quantity of the emissions discharged for the period of a calendar year valued by the unit market price of the emission allowances designated for the purposes of compliance under the European Union Emissions Trading Scheme and the valid legislation in the Slovak Republic. The volume of emission allowances discharged for the year is confirmed by the end of the calendar quarter following year. By the end of April of the following year, the emission allowances are redempt, which represents usage of the provision.

19. Loans and borrowings

In thousands of EUR	Nominal interest rate (%)	Maturity	2024	2023
Current loans and borrowings				
Loans payable to banks	variable*, fixed	2025	2,219,424	554,995
Subordinated loan	variable*	2025	207	710
Obligations from finance lease	3.00 - 7.00	2025	1,470	263
Total current loans and borrowings			**2,221,101**	**555,968**
Non-current loans and borrowings				
Loans payable to banks	variable*	2026 - 2027	24,491	2,415,410
Subordinated loan	variable*	2027	1,166,683	1,139,599
Obligations from finance lease	3.00 - 7.00	2026 - 2043	21,398	1,461
Total non-current loans and borrowings			**1,212,572**	**3,556,470**

**Variable interest rate is derived as EURIBOR plus a margin. All interest rates are market based*

The Group has signed contracts with Slovak Power Holding B.V., Enel Produzione S.p.A. a Energetický a průmyslový holding, a.s. to provide a subordinated debt up to the total amount of EUR 1,340 million, out of which EUR 1,070 million was drawn as at 31 December 2024 and as at 31 December 2023.

As of the date of preparation of these consolidated financial statements, the Group was not in noncompliance of any obligations arising from loan agreements. With some creditors, the Group agreed to extend the deadlines for fulfilling certain non-financial obligations.

On 23 December, 2024, the Group signed a Term and Revolving Facilities Agreement with a syndicate of banks in the amount of EUR 3,580,000 thousand. The first and second parts of the syndicated financing are term loans, each in the amount of up to EUR 1,665,000 thousand. The first part is due on 23 December, 2027, and the second part on 23 December, 2029. The third part is a revolving loan in the amount of EUR 250,000 thousand.

During January 2025, all of the Group's bank and subordinated loans, except for two purpose-specific bank loans, were refinanced with syndicated financing described above. The repayment of the loans also released the collateral through a pledge on a selected portfolio of the Gorup's assets. The value of the pledged assets as of 31 December, 2024, is disclosed in Note 30. The maturity of the two non-refinanced purpose-specific bank loans was extended in January 2025 until the end of 2030. The new senior unsecured financing bears variable interest rate linked to EURIBOR and mandates the Group to comply with certain financial covenants linked to maintaining ratio of EBITDA and indebtedness.

As at 31 December 2024 and 31 December 2023, the scheduled repayments of loans and borrowings are as follows:

In thousands of EUR	2024	2023
On demand or within one year	2,221,101	307,249
In the second to third year inclusive	1,194,116	2,664,141
Beyond the third year	18,456	1,141,048
Total	**3,433,673**	**4,112,438**

Overview of undrawn credit lines balances:

In thousands of EUR	2024	2023
Uncommitted credit lines	3,580,000	180,150
Specific purpose term loans	40,044	4,651
Subordinated loan	270,000	270,000
Total	**3,890,044**	**454,801**

Overview of the loans' movements during the year 2024 and 2023 is as follows:

In thousands of EUR	Balance as at 1 January 2024	Cash flows	Non-cash movements: Other	Non-cash movements: Foreign exchange differences	Balance as at 31 December 2024
Loans payable to banks	2,970,405	(720,303)	7,638	(13,825)	2,243,915
Subordinated loan	1,140,309	-	26,581	-	1,166,890
Obligations from finance lease	1,724	(1,322)	22,466	-	22,868
Total current and non-current loans and borrowings	**4,112,438**	**(721,625)**	**56,685**	**(13,825)**	**3,433,673**

In thousands of EUR	Balance as at 1 January 2023	Cash flows	Non-cash movements: Other	Non-cash movements: Foreign exchange differences	Balance as at 31 December 2023
Loans payable to banks	3,088,249	(96,022)	18,234	(40,056)	2,970,405
Subordinated loan	1,147,454	-	(7,145)	-	1,140,309
Obligations from finance lease	3,910	(2,510)	324	-	1,724
Total current and non-current loans and borrowings	**4,239,613**	**(98,532)**	**11,413**	**(40,056)**	**4,112,438**

Total interest calculated using effective interest method amounted to EUR 294,911 thousand in 2024 (2023: EUR 315 384 thousand), out of which EUR 149,619 thousand was capitalized (2023: EUR 301 611 thousand) as disclosed in Note 5.

20. Other liabilities

Other liabilities consist mainly of deferred income from grant designated for modernization of non-current assets, fees related to sales of electricity, liability from the special levy on business in regulated industries and other deferred income.

Other liabilities comprise the following:

In thousands of EUR	2024	2023
Accrued expenses – fees related to electricity sales	5,250	7,411
Grants	8,218	8,212
Liability from the special levy on business in regulated industries	22,827	7,856
Accrued expenses - fees for issued bank guarantees	-	3,506
Other non-current liabilities - concessions	2,227	2,253
Other deferred income	1,231	910
Accrued expenses – air pollution charges	35	147
Total	**39,788**	**30,295**
Non-current portion	34,173	19,170
Current portion	5,615	11,125

21. Trade and other current payables

In thousands of EUR	2024	2023
Financial liabilities		
Trade payables	**313,513**	**318,241**
Other current liabilities		
Social security payables	8,611	8,024
Payables to employees	34,260	32,046
Other taxes	10,741	36,850
Short-term accruals	39,721	122,989
Other payables	1,374	1,054
Total other current liabilities	**94,707**	**200,963**
Total trade and other current payables	**408,220**	**519,204**

Line short-term accruals represents services and supplies related to respective year that were not invoiced or taken over by the end of the reporting period.

As at 31 December 2023 part of the line short-term accruals represents financial compensation in amount of EUR 91,739 thousand related to electricity for household customers not delivered in line with the *Agreement on implementation of emergency measures to eliminate the impact of increased electricity prices on selected customer groups (*hereinafter as the "Implementation Agreement"), that was concluded between the Ministry of Economy of SR, the Ministry of Finance of SR, Slovak Power Holding, B.V., the Company and the company Slovenský plynárenský priemysel, a.s. Based on the Implementation agreement the Group has agreed to offer the electricity produced in nuclear power facilities to company Slovenský plynárenský priemysel, a.s., in the Baseload product in the maximum cumulative quantity of 5.79 TWh at a price of 61.2077 EUR per MWh (excluding the value added tax and the excise tax on electricity) to selected groups of final customers – mainly household customers during the year 2023 and 2024. Due to the fact that the Group was not able to supply full volume of the electricity in 2023 the difference in the volume was supplied at market prices and subsequently, the Group agreed to compensate the price financially. This compensation related to year 2023 was settled during the year 2024 in full. In 2024 the Group delivered electricity to household customers according to the Implementation Agreement in maximum volume. Therefore, the Group had no obligation to recognize any compensation in that respect.

Terms and conditions of the above stated financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms.
- Other payables are non-interest bearing and with an average term of payment of one to three months.
- For terms and conditions relating to related parties, refer to Note 29.

For explanations on the Group's credit risk management processes, refer to Note 32.

The social fund payable is included in other non-financial liabilities. The creation and use of the social fund during the period are shown in the table below:

In thousands of EUR	2024	2023
At the beginning of the period	**250**	**751**
Legal creation through expenses	2,179	1,353
Usage	(1,813)	(1,854)
At the end of the period	**616**	**250**

Trade and other payables divided into due and overdue are shown in the table below:

In thousands of EUR	2024	2023
Trade and other payables due	407,660	518,844
Trade and other payables overdue	560	360
Total	**408,220**	**519,204**

22. Electricity and heat revenues and cost of electricity purchased for resale

Electricity and heat revenues comprise the following:

In thousands of EUR	*2024*	*2023*
Domestic sales, including traders	1,963,589	2,755,319
Ancillary services	88,054	121,798
Regulating electricity	2,382	1,172
Deviation/imbalance	24,424	27,465
Revenues from tariff from system operation	38,009	142,201
Heat revenues	11,955	32,102
Other	10,614	20,025
Domestic revenues	**2,139,027**	**3,100,082**
Foreign sales	1,705,511	1,816,626
Total electricity and heat revenues	**3,844,538**	**4,916,708**

Cost of electricity purchased for resale comprise the following:

In thousands of EUR	*2024*	*2023*
Purchase of electricity	1,286,648	2,549,655
Electricity fees	109,906	102,411
Other	14,563	16,825
Cost of electricity purchased for resale	**1,411,117**	**2,668,891**

As described in Note 21, following the conclusion of the Implementation Agreement the Group has agreed to supply volume of 5.79 TWh at a price of 61.2077 EUR per MWh (excluding the value added tax and the excise tax on electricity) during the year 2023 and 2024 to selected groups of final customers – mainly household customers. In 2023 the Group was not able to supply the full volume at the agreed price and therefore agreed to compensate the difference between the market price financially. The provision for the compensation in amount of EUR 91,739 thousand was recognized in the cost of electricity purchased for resale. During the 2024 the Group supplied the electricity to household customers at full volume according to the Implementation Agreement.

Levy on excessive revenues of electricity producers

With effect from 8 December 2022, the Act on Energetics, as amended by Act No. 433/2022 Coll., introduced a levy on excessive revenues of electricity producers.

On 3 February 2023, the Regulation of the Government of the Slovak Republic No. 38/2023 Coll. was issued, laying down the method of determining the amount of excess income from the sale of produced electricity, the market income ceiling, the cost of deviation, the scope of information necessary for monitoring and reporting to the European Commission and the fixed prices of electricity for setting a ceiling on the market intake of electricity produced from biogas, biomass or produced by high-efficiency cogeneration (hereinafter referred to as the "Regulation"). The subject of the levy was excessive income, representing a positive difference between the market income and the market income ceiling.

Following the application of this regulation of the Government of the Slovak Republic the Group has not recognized any excess income and thus no liability was recognized that would affect revenues of the Group during the validity of this regulation.

23. Other operating income and other operating costs

Other operating income comprises the following:

In thousands of EUR	*2024*	*2023*
Rental income	846	770
Gain on sale of emission allowances	-	10
Revaluation of emission allowances	-	22,062
Amortisation of deferred income	2	433
Contractual fines	223	844
Gain on sale of material	2,952	3,344
Compensation of damage from insurance companies	-	2
Guarantees invoked	-	2,444
Settlement agreements	362	7,500
Income from energy certificates	7,138	5,491
Revenue from rendering of other services	4,970	4,237
Revenue from grants for operating expenses	860	-
Other	302	502
Total other operating income	**17,655**	**47,639**

Other operating costs, other than depreciation, amortisation and impairment, comprise the following:

In thousands of EUR	*2024*	*2023*
Local taxes and environmental charges	19,247	16,593
Asset in acquisition written-off	11,261	-
Fee on agreed deferred payment of taxes – change in estimate	(4,744)	9,634
Insurance costs	6,309	5,559
Revaluation of emission allowances	4,518	-
Changes in other provisions	(1,384)	4,007
Loss on sale of property, plant and equipment	339	467
Contractual fines	569	1,137
Membership fees	861	854
Changes in provision for reimbursement of damages caused by exhalations	(224)	149
Changes in provision for emission allowances	585	100,015
Write off of receivables	122	7
Other	1,384	2,482
Total other operating costs	**38,843**	**140,904**

The expenses for services provided by auditor to the Group were as follows:

In thousands of EUR	*2024*	*2023*
Audit of the financial statements	214	181
Other assurance services	22	-
Related audit services	-	8
Other non-audit services	38	-
Total	**274**	**189**

24. Gains and losses from derivative transactions

In thousands of EUR	*2024*	*2023*
Commodity derivatives - electricity	(119,965)	(424,675)
Commodity derivatives – emission quotas	(7,527)	(17,627)
Gains / (Losses) from derivative transactions	**(127,492)**	**(442,302)**

25. Personnel expenses

In thousands of EUR	*2024*	*2023*
Wages and salaries	129,944	111,845
Social security costs	63,658	52,276
Other social expenses	9,459	8,107
Employee benefits (Note 17)	2,881	3,310
Severance payments	605	3,690
Personnel expenses	**206,547**	**179,228**

26. Depreciation, amortisation and impairment

In thousands of EUR	*2024*	*2023*
Depreciation charge - property, plant and equipment (Note 5)	321,489	200,224
Amortisation charge - intangible assets (Note 6)	1,602	864
Impairment loss through profit and loss statement - property, plant and equipment (Note 5)	291	2,184
Change of impairment through profit and loss statement – intangible assets (Note 6)	-	9
Change in estimates in provision for dismantling of thermal power plants (Note 16)	(282)	(74)
Change of allowance for expected credit losses, net (Note 11)	(154)	1,624
Other	1,513	843
Depreciation, amortisation and impairment	**324,459**	**205,674**

27. Finance income and costs

In thousands of EUR	*2024*	*2023*
Interest income	12,613	7,358
National Nuclear Fund – interest received (Note 15)	24,682	13,067
Finance income	**37,295**	**20,425**

In thousands of EUR	*2024*	*2023*
Foreign exchange differences, net	22,383	6,024
Interest expense	144,946	7,694
Unwinding of interest – provision for nuclear decommissioning and storage costs (Note 15)	115,967	110,483
Unwinding of interest – provision for dismantling of thermal power plants (Note 16)	5,928	6,024
Unwinding of interest – employee benefits (Note 17)	1,114	372
Unwinding of interest – other provisions (Note 18)	750	605
Bank guarantees	346	6,079
Other	2 000	3,319
Finance costs	**293,434**	**140,600**

The notes form an integral part of the consolidated financial statements.

28. Income tax expense

Current and deferred tax expense

In thousands of EUR	*2024*	*2023*
Current tax expense	**139,597**	**95,715**
Out of that: Tax for current period	139,589	95,534
Tax for previous years recognised in the profit and loss statement	8	181
Deferred tax expense		
Origination and reversal of temporary differences	168,148	151,528
Income tax recognised in the profit and loss statement	**307,745**	**247,243**

In accordance with the valid legislation as at 31 December 2024 the Group applied the tax rate of 21% for income tax calculation (21% in the year 2023) and 24% for deferred tax calculation (21% in the year 2023).

Current income tax liability amounting to EUR 118,787 thousand recognised as at 31 December 2024 is related to the income tax position for year 2024 in amount of EUR 92,619 thousand and to the position in respect of the special levy on business in regulated industries in amount of EUR 26,168 thousand.

Current income tax liability amounting to EUR 110,549 thousand recognised as at 31 December 2023 is related to the income tax position for year 2023 in amount of EUR 70,399 thousand, income tax position for year 2021 in amount of EUR 17,994 thousand payable in 2024 and to the position in respect of the special levy on business in regulated industries in amount of EUR 22,155 thousand.

Current income tax receivable amounting to EUR 6,791 thousand as at 31 December 2024 is related to the income tax position in amout of EUR 1,610 thousand and to the position in respect of the special levy on business in regulated industries in amount of EUR 5,181 thousand (31 December 2023: EUR 827 thousand related to the income tax position).

Special levy

On 23 November 2016, the National Council of the Slovak Republic adopted an amendment to the Act No. 235/2012 Coll. on Special Levy on Business in Regulated Industries with effect from 31 December 2016. The amendment states the force of the legislation is delayed ad infinitum, i.e. the special levy is paid also beyond the year 2016. The amendment also increased the monthly rate from 0.00363 to 0.00726 for the period of the year 2017 and 2018 and to 0.00545 in years 2019 and 2020. For years 2021, 2022 and 2023 the monthly rate is determined at 0.00363. Pursuant the amendment the basis for the special levy has been changed as well and since 2017 the levy is paid only from the regulated activities.

Global minimum taxation

In December 2023, Slovak Republic implemented the EU Council Directive No. 2022/2523 by Act No. 507/2023 Coll. which introduces a global minimum effective tax of 15 percent for multinational enterprises with a consolidated turnover of at least EUR 750 million. These rules are applicable for taxation periods beginning in 2024 as a part of OECD´s initiative Pillar 2/BEPS 2.0 (hereinafter as the “Pillar 2”).

The Company is a part of multinational group of companies with a consolidated turnover of more than EUR 750 million, therefore, the Pillar 2 rules will apply. If effective tax rate (based on the ratio between adjusted accounting result and adjusted corporate income tax computation in the jurisdiction) in the Slovak Republic falls below 15%, members of the Group in the Slovak Republic will be required to pay an additional tax (so-called top-up tax) to reach the 15% tax rate threshold.

Pillar 2 legislation also provides for a transition period in which simplified calculation may be used to avoid the complex effective tax rate calculation. This transition period applies for the first three years after the Pillar 2 rules comes into effect. The simplified calculation during the transition period is based mainly on data extracted from the Country-by-Country Reporting and three types of alternative tests. In each jurisdiction, where the Group operates if at least one of the tests is satisfied, the top-up tax dues for such jurisdiction will be deemed to be zero.

Based on the most recent information about financial data of the Group’s entities in the Slovak Republic, the Company should fulfill the conditions for simplified calculation and the top-up tax should be zero.

The notes form an integral part of the consolidated financial statements.

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Reconciliation of effective tax rate

In thousands of EUR		*2024*		*2023*
Profit / (loss) for the period		795,101		**559,076**
Total income tax expense		307,745		247,243
Profit / (loss) before income tax		**1,102,846**		**806,319**
Income tax using the Group´s domestic tax rate	21%	231,598	21%	169,327
Effect of change in deferred tax rate on temporary differences of the current year recognised in the income statement		32,312		-
Special levy on business in regulated industries		24,890		23,511
Non-deductible expenses/revenues, net	2%	18,937	7%	54,224
Income tax recognised before prior year adjustments	**28%**	**307,737**	**31%**	**247,062**
Current tax for previous years recognised in the profit and loss statement		8		181
Income tax recognised in the profit and loss statement	**28%**	**307,745**	**31%**	**247,243**

Deferred tax recognised directly in equity

In thousands of EUR	*2024*	*2023*
Net movement on cash flow hedges – tax effect of current year	93,583	(460,021)
Net movement on cash flow hedges – effect of change in deferred tax rate	1,127	-
Revaluation of property, plant and equipment – tax effect of current year	(90,153)	-
Revaluation of property, plant and equipment – effect of change in deferred tax rate	(62,984)	-
Changes in valuation of property, plant and equipment – tax effect of current year	55	181
Changes in valuation of property, plant and equipment – effect of change in deferred tax rate	8	-
Remeasurement losses on defined benefit plans – tax effect of current year	1,095	(664)
Remeasurement losses on defined benefit plans – effect of change in deferred tax rate	1,700	-
Change in estimate of the provision for dismantling of thermal power plants – tax effect of current year	(57)	515
Change in estimate of the provision for dismantling of thermal power plants – effect of change in deferred tax rate	(8)	-
Change in estimate of the environmental provision – tax effect of current year	(7)	53
Change in estimate of the environmental provision – effect of change in deferred tax rate	(1)	-
Total deferred tax recognised directly in equity	**(55,642)**	**(459,936)**

Deferred tax assets and liabilities

	Assets		*Liabilities*		*Net*	
In thousands of EUR	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*
Property, plant and equipment	-	-	(1,100,585)	(763,292)	(1,100,585)	(763,292)
Derivatives and cash flow hedges	-	-	(169)	(108,304)	(169)	(108,304)
Inventories	3,246	2,706	-	-	3,246	2,706
Employee benefits	10,295	7,684	-	-	10,295	7,684
Provision for nuclear decommissioning and storage costs	719,376	599,208	-	-	719,376	599,208
Provision for dismantling of thermal power plants	31,185	33,005	-	-	31,185	33,005
Receivable from the sale of the VEG assets	2,796	2,859	-	-	2,796	2,859
Tax loss	-	42,071	-	-	-	42,071
Right for reimbursement from the National Nuclear Fund	-	-	(430,300)	(354,401)	(430,300)	(354,401)
Other	39,666	37,404	(3,127)	(2,767)	36,539	34,637
Balance as at 31 December	**806,564**	**724,937**	**(1,534,181)**	**(1,228,764)**	**(727,617)**	**(503,827)**

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Movement in temporary differences during the year

In thousands of EUR	*Balance as at 1 January 2023*	*Recognised in profit or loss*	*Recognised in equity*	*Balance as at 31 December 2023*	*Recognised in profit or loss*	*Recognised in equity*	*Balance as at 31 December 2024*
Property, plant and equipment	(726,067)	(37,406)	181	(763,292)	(184,219)	(153,074)	(1,100,585)
Derivatives and cash flow hedges	422,575	(70,858)	(460,021)	(108,304)	13,425	94,710	(169)
Inventories	2,410	296	-	2,706	540	-	3,246
Employee benefits	9,135	(787)	(664)	7,684	(184)	2,795	10,295
Provision for nuclear decommissioning and storage costs	573,445	25,763	-	599,208	120,168	-	719,376
Provision for dismantling of thermal power plants	32,163	327	515	33,005	(1,755)	(65)	31,185
Receivable from the sale of the VEG assets	3,295	(436)	-	2,859	(63)	-	2,796
Tax loss	110,567	(68,496)	-	42,071	(42,071)	-	-
Right for reimbursement from the National Nuclear Fund	(335,478)	(18,923)	-	(354,401)	(75,899)	-	(430,300)
Other	15,592	18,992	53	34,637	1,910	(8)	36,539
Deferred tax liability	**107,637**	**(151,528)**	**(459,936)**	**(503,827)**	**(168,148)**	**(55,642)**	**(727,617)**

As at 31 December 2024 the Group recognised a deferred tax position in the net amount of EUR 75,223 thousand (31 December 2023: EUR 45,057 thousand) on the face of the consolidated statement of financial position (deferred tax asset) from the temporary differences on the following items: dismantling asset, right for reimbursement from the National Nuclear Fund, provision for decommissioning of nuclear power plants, part of provision for storage and disposal of spent nuclear fuel related to its final disposal in the deep geological repository.

Since 2018, an Act No. 308/2018 on the National Nuclear Fund was passed that introduced new legal requirements regarding post operation and decommissioning of nuclear power plants, with the effective date as of 1 January 2019.

With regards to the long-term horizon of the final stage of peaceful utilization of nuclear energy it is not possible to anticipate impact of changes on tax deductibility in future with reference to the valid pronouncements of the Act on the National Nuclear Fund. Under the prudency principles the Group currently resolved not to alter the already recognised tax position.

29. Related party transactions

Related parties have been identified as associates, shareholders, directors and management of the Group and entities controlled by the government that the Group transacts with.

The Group had the following transactions and outstanding balances with related parties as at and for the year ended 31 December 2024:

In thousands of EUR	*Revenues*	*Costs*	*Receivables*	*Payables*
Shareholders				
Slovak Power Holding B.V.	-	72,633	-	769,889
Companies of ENEL Group	13,587	35,947	6,536	311,608
Companies of EPH Group	159,109	103,633	14,289	227,975
Government related entities*	801,137	173,622	123,198	49,721
Associates				
Energotel, a.s.	67	1,861	45	281
REAKTORTEST, s.r.o.	2	10,586	1	589
ÚJV Řež, a.s.	2	1,333	-	187
Other investments				
Other investments	-	3,808	-	-
Companies related to key management personnel	-	8,613	-	120,721
Total	**973,904**	**412,036**	**144,069**	**1,480,971**

** The Group discloses only those transactions and balances with the government-related entities, which are significant.*

The Group had the following transactions and outstanding balances with related parties as at and for the year ended 31 December 2023:

In thousands of EUR	*Revenues*	*Costs*	*Receivables*	*Payables*
Shareholders				
Slovak Power Holding B.V.	-	71,133	-	754,885
Companies of ENEL Group	2,662	35,709	11,569	302,837
Companies of EPH Group	840,673	829,514	74,001	215,890
Government related entities*	769,538	115,910	167,732	20,880
Associates				
Energotel, a.s.	68	1,463	85	574
REAKTORTEST, s.r.o.	-	7,046	4	529
ÚJV Řež, a.s.	2	1,464	-	692
Other investments				
Other investments	-	3,595	-	-
Companies related to key management personnel	-	8,171	-	123,456
Total	**1,612,943**	**1,074,005**	**253,391**	**1,419,743**

** The Group discloses only those transactions and balances with the government-related entities, which are significant.*

For information regarding the transactions with VODOHOSPODÁRSKA VÝSTAVBA, ŠTÁTNY PODNIK, see the Note 11 and 30.

Transactions with National Nuclear Fund are disclosed in the Note 15.

All transactions and outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash in line with contractual payment terms, except for the non-current receivable from VV (see Note 11) and right for reimbursement from National Nuclear Fund (see Note 15). None of the balances is secured.

The notes form an integral part of the consolidated financial statements.

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Statutory bodies of the Company

The Company's statutory bodies have the following composition as at 31 December 2024:

The Board of Directors:
Ing. Branislav Strýček, Chairman of the Board
Michele Bologna, Vice-chairman of the Board
Ing. Andrej Rubint, Vice-chairman of the Board (from 17 September 2024)
Ing. Lukáš Maršálek
Ing. Milan Molnár
Simone Conticelli
Elisabetta Barberi
Ing. Rastislav Fleško (from 17 September 2024)
Mgr. Zoran Kupkovič (from 17 September 2024)

The Supervisory Board:
Ing. Ivan Šramko, Chairman of the Board (from 7 May 2024)
Jiří Feist, Vice-chairman of the Board (from 7 May 2024)
Massimiliano Piccioni
Giuseppe Ferrara
Pavel Janík
Mgr. Zdenek Turian
Ing. Jozef Tischler
Ing. Eduard Veselovský
Mgr. Ondrej Márföldi
Ing. Lukáš Bačkády
Tomáš Szabo
Stéphane Zweguintzow
Mgr. Gabriel Beer
Augusto Patacchiola
Ing. Miroslav Kiss (from 8 September 2024)

The membership in the Company's statutory bodies which ended during 2024:
JUDr. Radoslav Zigo (by 16 September 2024)
Ing. Milan Horváth (by 26 January 2024)
Ing. Radko Gecík (by 16 September 2024)
Ing. Oľga Beckerová (by 7 September 2024)

Emoluments of the members of the Board of Directors:

In thousands of EUR	*2024*	*2023*
Salaries and other short-term employee benefits	1,849	1,353
Benefits in kind	12	17
Total	**1,861**	**1,370**

Emoluments of the members of the Supervisory Board:

In thousands of EUR	*2024*	*2023*
Salaries and other short-term employee benefits	433	318
Total	**433**	**318**

Emoluments of the members of the key management:

In thousands of EUR	*2024*	*2023*
Salaries and other short-term employee benefits	6,230	5,066
Benefits in kind	72	111
Total	**6,302**	**5,177**

No loans and advance payments have been granted to the key management and the members of the Board of Directors and the Supervisory Board. No guarantees have been granted to the key management and the members of the Board of Directors and the Supervisory Board.

The notes form an integral part of the consolidated financial statements.

30. Commitments and contingencies

Short-term and low value lease commitments – Group as the lessee

Short-term and low value lease charges comprise:

In thousands of EUR	*2024*	*2023*
Lease of cars	1,587	1,545
Lease of land and buildings	912	328
Lease of IT and telecommunication devices	972	949
Total	**3,471**	**2,822**

The Group has entered into contracts on lease of cars and IT and telecommunication devices with definite terms. The Group has entered into contracts on lease of land and buildings with definite and indefinite terms.

The future minimum lease payments under non-cancellable lease contracts are as follows:

In thousands of EUR	*2024*	*2023*
Less than one year	3,431	1,812
Between one and five years (inclusive)	12,814	5,880
More than five years	9,662	6,781
Total	**25,907**	**14,473**

Operating lease commitments – Group as the lessor

Operating lease revenues comprise:

In thousands of EUR	*2024*	*2023*
Lease of land and buildings	2,910	922
Lease of IT and telecommunication devices	6	6
Total	**2,916**	**928**

The Group has entered into contracts on these leases with both, definite and indefinite terms.

The future minimum lease payments under non-cancellable leases are as follows:

In thousands of EUR	*2024*	*2023*
Less than one year	2,830	934
Between one and five years (inclusive)	10,709	2,684
More than five years	11,489	1,585
Total	**25,028**	**5,203**

Capital commitments

The Group is engaged in continuous capital expenditure programs, including environmental improvements and the modernisation, replacement and expansion of existing power generation facilities and continuing of construction of Mochovce 3&4. As at 31 December 2024 the Group has concluded contracts to purchase property, plant and equipment in overall amount of EUR 6,611,088 thousand (31 December 2023: EUR 6,322,060 thousand), thereof EUR 302,920 thousand was not yet utilized as at 31 December 2024 (31 December 2023: EUR 261,715 thousand).

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Legal claim contingency

The Group is involved in various litigations in the ordinary course of its business. Except for the legal proceedings specified below and the litigations for which the provision has been recognised (see Note 18), the Group is not currently involved in any other legal proceedings that, either individually or in aggregate, could have a significant effect on the accompanying consolidated financial statements.

VEG court proceedings

The Company, the company VODOHOSPODÁRSKA VÝSTAVBA, ŠTÁTNY PODNIK (hereinafter as the "VV") and certain other entities are involved in several court disputes pertaining VEG Operating Agreement (hereinafter as the "Operating Agreement") signed on 10 March 2006 as amended by the Amendment No. 1 dated 17 July 2006, the Agreement on Settlement of Legal Relations with respect to the VEG Assets (hereinafter as the "Settlement Agreement") signed on 24 March 2006 as well as the Agreement of Indemnity signed on 22 March 2006 between the National Property Fund of the Slovak Republic (hereinafter as the "NPF") and the Company (hereinafter as the "Indemnity Agreement").

Finished court proceedings

1. Actions on invalidity of the VEG Operating Agreement

The Company was party to dispute in two proceedings concerning invalidity of the Operating Agreement. The court definitely decided that the Operating Agreement is invalid in the proceedings initiated by the Public Procurement Office.

Another legal action was raised by VV, but the court stopped these proceedings due to the final decision about invalidity of the Operating Agreement in proceedings initiated by the Public Procurement Office.

2. Action on invalidity of the Agreement of Indemnity

The Company was party to dispute in the proceedings concerning invalidity of the Agreement of Indemnity initiated by the National Property Fund of the Slovak Republic (legal predecessor of MH Manažment, a.s.) on declaration of the Agreement of Indemnity null and void.

The court definitely dismissed the action.

Court proceedings ongoing

1. Action initiated by VV challenging the Indemnity Agreement

On 20 June 2008, VV filed an action (against the Company as well as against the NPF) claiming that the Indemnity Agreement is null and void arguing, in essence, that it (i) does not comply with the International Treaty, (ii) is contrary to several laws and good morals and fair commercial relations.

On 27 September 2017, the court dismissed the action filed by VV. VV filed an appeal on 27 November 2017. The appellate proceeding confirmed the dismissal of the action by the first instance court.

On 9 March 2020, VV filed an extraordinary appeal (*dovolanie*).

On 24 March 2021, the Supreme Court of the Slovak Republic cancelled appellate court decision and return matter to the appellate proceeding. On 20 July 2021, the Company filed a constitutional complaint against the ruling of the Supreme Court, which was rejected by the Constitutional Court of the Slovak Republic on 29 July 2021.

On 21 November 2024, appellate court confirmed original judgment on dismissal of the action dated 27 September 2017 and granted the Company with the reimbursement of costs of the appellate and extraordinary appellate proceedings. The appellate proceeding finished.

VV has the possibility to file an extraordinary appeal (*dovolanie*) against the appellate court´s judgment dated 21 November 2024.

2. Action initiated by VV challenging the Settlement Agreement

On 20 June 2008, VV filed an action claiming that Article 6 of the Settlement Agreement is null and void arguing, in essence, that: (i) it does not comply with the International Treaty, (ii) is contrary to several laws and good morals and fair commercial relations. The National Property Fund of the Slovak Republic, the Ministry of Economy of the Slovak Republic and Slovenský energetický podnik, štátny podnik v likvidácii, act as other defendants.

The company MH Manažment, a.s. entered into the proceedings as a legal successor of the NPF. The judge's preliminary legal assessment of the matter complies with the Company's legal argumentation. At the hearing of 5 March 2019, the court dismissed VV's legal action and awarded the right for the reimbursement of the costs of the proceeding in full extent to the other parties to the dispute.

In May 2019, both VV and the Ministry of Economy of the Slovak Republic filed an appeal. On 12 October 2022, the appellate court confirmed the first instance decision on dismissal of the legal action. The appellate proceeding finished.
In January 2023, both the Ministry of Economy of the Slovak Republic and VV filed extraordinary appeals (*dovolanie*).

The extraordinary appellate proceeding is pending.

3. Several court disputes in which VV claims unjustified enrichment allegedly gained by the Company due to the operation of the VEG

In ten disputes, VV claims from the Company the amount of 35% share on revenues gained by the Company during operation of the VEG on the basis of the allegedly invalid Operating Agreement for years 2006 – 2015 in total amount of EUR 364,495 thousand (the principal).

Each of the disputes covers one year, or its respective part from the period of 2006 through 2015.

The Company filed a statement for setting up a counterclaim (i.e. for preventive reasons the Company raised its claim to receive payment of services rendered in connection with operation of the VEG in case that the Operating Agreement is null and void).

During 2018 and 2019, the Company raised counterclaims against VV arising from invalidity of the VEG Operating Agreement and also financial compensation for non-financial performance.

In the proceedings concerning recovery of unjustified enrichment for the year 2006 the court dismissed VV's legal action and also the Company's counterclaim on 26 June 2019; on 17 July 2019 VV filed appeal and on 30 July 2019 the Company filed appeal.

On 6 December 2022, the appellate court confirmed the first instance decision on dismissal of VV´s legal action and also the Company´s counterclaim. In April 2023, both the Company and VV filed extraordinary appeals (*dovolanie*).
The extraordinary appellate proceeding is pending.

In the proceedings concerning recovery of unjustified enrichment for the year 2007 the court dismissed VV's legal action and also the Company's counterclaim on 26 June 2019; on 17 July 2019 VV filed appeal and on 30 July 2019 the Company filed appeal.

On 31 January 2023, the appellate court cancelled the first instance court dismissive judgement and return matter back to the first instance court.
The first instance court proceeding is pending again.

In the proceedings concerning recovery of unjustified enrichment for the year 2008 the court dismissed VV's legal action and also the Company's counterclaim on 26 June 2019; on 17 July 2019 VV filed appeal and on 30 July 2019 the Company filed appeal.
The appellate proceeding is pending.

In the proceedings concerning recovery of unjustified enrichment for the year 2009 the court dismissed VV's legal action and also the Company's counterclaim on 24 November 2022. VV filed an appeal on 18 January 2023 and the Company filed an appeal on 19 January 2023.
The appellate proceeding is pending.

In the proceedings concerning recovery of unjustified enrichment for the year 2010 the court dismissed VV's legal action and also the Company's counterclaim on 15 November 2022. VV filed an appeal on 30 December 2022 and the Company filed an appeal on 9 January 2023.
The appellate proceeding is pending.

In the proceedings concerning recovery of unjustified enrichment for the year 2011 the first instance court proceeding is pending.

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In the proceedings concerning recovery of unjustified enrichment for the year 2012 the court dismissed VV´s legal action and also the Company's counterclaim on 25 April 2019; on 7 June 2019 VV filed an appeal and on 21 June 2019 the Company filed an appeal.

On 8 November 2023, the appellate court confirmed the first instance decision on dismissal of VV´s legal action and also the Company´s counterclaim. On March 2023, both, VV and the Company filed extraordinary appeal (*dovolanie*).
The extraordinary appellate proceeding is pending.

In the proceedings concerning recovery of unjustified enrichment for the year 2013 the court dismissed VV's legal action and also the Company's counterclaim on 22 November 2022. VV filed an appeal on 3 January 2022 and the Company filed an appeal on 19 January 2023.
The appellate proceeding is pending.

In the proceedings concerning recovery of unjustified enrichment for the year 2014 the court dismissed VV's legal action and also the Company's counterclaim on 10 October 2023. VV filed an appeal on 30 January 2024 and the Company filed an appeal on 5 February 2024.
The appellate proceeding is pending.

In the proceedings concerning recovery of unjustified enrichment for the year 2015 the proceeding has been interrupted, but on 20 January 2025 VV filed an appeal.
The appellate proceeding in the matter of the interruption of the proceeding has started.

4. Action initiated by VV to recover the amounts paid to the Company under the Settlement Agreement

On 8 July 2015, VV filed a claim requesting that the Company is ordered to pay to VV the amount of EUR 43,279 thousand (plus default interests) corresponding to the amount already fulfilled by VV to the Company for VEG assets carved out from the Company's assets in 2006 under the Settlement Agreement. VV argues that the Company should have never received such compensation for VEG assets given the invalidity of the Operating Agreement and the fact that a transfer of VEG assets to the Company in 1994 was illegal. In reaction to the Company's objections, VV decreased requested amount to EUR 20,385 thousand (plus default interests).

During the hearing on 18 December 2020, the VV's action was dismissed. On 4 January 2021, VV filed an appeal.
The appellate proceeding is pending.

5. The Company's claim for annual settlement

On 31 December 2014, the Company filed the claim for a balance resulting from the annual settlement for year 2010 which has not been paid until the date of these financial statements by VV in the amount of EUR 5,824 thousand (including VAT) with default interest.

On 22 January 2019 the court rendered a ruling about continuation in the proceeding. On 10 October 2019 the court dismissed the Company's legal action. Subsequently, on 15 November 2019 the Company filed an appeal.

On 23 January 2021, the appellate court confirmed the dismissal of the Company's action. On 26 March 2021 the Company filed an extraordinary appeal (*dovolanie*).

On 5 October 2022, the Supreme Court cancelled the appellate court decision and took the dispute back to appellate proceeding.
The appellate proceeding is pending.

6. The Company's claim for a return of payments made under Article 10 of the Operating Agreement

On 12 November 2014, the Company filed a claim for EUR 23,887 thousand with default interest, i.e. the return of a regular payment made under Article 10 of the Operating Agreement in the amount not yet statute-barred. The Company argues, in essence, that the contractual conditions under Article 10 of the Operating Agreement by VV for receiving a regular payment were not fulfilled and that the Company was never obliged to pay approximately EUR 5 million per year.

On 22 January 2019 the court rendered a ruling about continuation in the proceeding. On 10 October 2019 the court dismissed the Company´s legal action. Subsequently, on 15 November 2019 the Company filed an appeal.

On 24 September 2020, the appellate court cancelled the decision on dismissal of the action and returned the matter for further proceeding and deciding of the first instance court.

The first instance court suspended the proceedings until final decision in the unjust enrichment recovery proceeding for years 2010 – 2014 by ruling dated 27 December 2023, on 17 January 2024 VV filed an appeal.
The appellate proceeding is pending.

Other court proceedings

1. Court proceedings with SLOVENSKÝ VODOHOSPODÁRSKY PODNIK, štátny podnik

The Company is and was involved in several court disputes with SLOVENSKÝ VODOHOSPODÁRSKY PODNIK, štátny podnik (hereinafter as the “SVP”).

The Company and SVP negotiate concrete conditions of a settlement of the mutual receivables and out-out-court closing of all disputes.

a) active and passive dispute pertaining an offtake of surface water from Laborec river in 2002

(i) passive dispute initiated by SVP

In the court proceeding initiated by SVP in 2004 for payment of the EUR 5,847 thousand (principal) and default interests, SVP prevailed on both instances and the Company paid to SVP, in 2010, the amount of EUR 10,004 thousand.

Subsequently, in 2012, the Company was successful with its constitutional complaint and the judgment ordering the Company to pay the above-mentioned amount was cancelled and the matter was referred back to the courts to rehear the case.

In the expert opinion, from expert appointed by the court, a market price for the surface water off-take was stated in amount of EUR 1,566 thousand (including VAT).

On 22 February 2022, the court renders a judgement obliged the Company to pay EUR 1,566 thousand with appurtenances, dismissed the legal action in exceeding part and the reimbursement of the costs of the proceedings were adjudicated to the Company partially.

In 2022, SVP an appeal against the part of judgement by which the court dismissed the legal action in exceeding part.

On 29 May 2024, the appellate court confirmed the first instance judgment dated 22 February 2022 and on 19 August 2024, SVP filed an extraordinary appeal.

The extraordinary appellate proceeding is pending.

(ii) active dispute initiated by the Company

Given the fact that SVP refused to return EUR 10,004 thousand paid originally by the Company under the judgment in the passive dispute in 2010 which was set aside by the Constitutional Court, the Company sued SVP for payment of this sum and obtained the judgment (effective and enforceable) ordering SVP to pay the Company EUR 10,004 thousand and default interests.

Until now, SVP has not paid this amount.

b) passive dispute related to the commission for recovery of SVP’s receivables against the Company performed by the company BRNO TRUST, a.s. for SVP

The Company is involved in a court dispute with SVP for payment of an amount of EUR 7,801 thousand and default interests. The Company prevailed in both instances, but the general prosecutor filed an extraordinary review which reversed the matter in the end to the first-instance proceedings.

On 20 October 2020, the first instance court granted SVP’s action and obliged the Company and BRNO TRUST to pay claimed amount, default interests and the reimbursement of the costs of proceedings jointly and severally. On 2 December 2020, the Company and BRNO TRUST filed appeal.

On 28 March 2023, the Supreme Court confirmed the first instance court decision obliging the Company and BRNO TRUST to pay to SVP claimed amount, default interests and the reimbursement of the costs of proceedings jointly and severally and in addition granted to SVP reimbursement of the cost of the appellate proceedings.

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On 19 July 2023 both, BRNO TRUST and the Company filed extraordinary appeals (*dovolanie*) with a motion for suspension of the enforceability of the Supreme Court judgement. The extraordinary appellate proceeding is pending.

The Group recognizes provision for this dispute in full amount.

Vienna Convention on Civil Liability for Nuclear Damage

Under the Vienna Convention on Civil Liability for Nuclear Damage (May 1963), the operator of a nuclear installation is absolutely liable for damages caused by a nuclear incident at his nuclear installation. In the Slovak Republic the Vienna Convention entered into force on 7 June 1995. The Vienna Convention requires the operator of a nuclear installation to maintain insurance or other financial security covering his liability for nuclear damages in such an amount, of such a type and in such terms as the installation state shall specify. The installation state may not reduce the limit of the operator’s liability below USD 5 million (value of USD in terms of gold on 29 April 1963, that is to say USD 35 per one troy ounce of fine gold) per single nuclear incident.

On 19 March 2015 the National Council of the Slovak Republic approved the Act No. 54/2015 Coll. on Civil Liability for Nuclear Damage and on its Financial Coverage and on amendment and supplement of certain acts, which entered into force on 1 January 2016 and based on which the operator’s liability for nuclear damage caused by each nuclear incident is limited to EUR 300 million for a nuclear installation for energy generation purposes and EUR 185 million for other nuclear installation and transport of radioactive materials.

As at the balance sheet date the Group had in place liability insurance policies compliant with the indemnity limit of EUR 300 million for each operating nuclear installation (Jaslovské Bohunice, Mochovce 1&2 and Mochovce 3&4) separately.

Financial guarantees

The Group has granted promise of indemnification in favour of its supplier, value of which amounted to EUR 1,489 thousand as at 31 December 2024 (as at 31 December 2023: EUR 2,234 thousand). The Group does not expect any reimbursements towards the supplier in this respect and therefore no liabilities were recognised on face of the consolidated statement of financial position.

Except for the abovementioned, the Group did not have any financial guarantee contracts in favour of third parties as at 31 December 2024 and 31 December 2023.

Other inspections

The Group is subject to various controls performed by the state authorities. Although the Group cannot exclude that any of these proceedings discover irregularities in its activities based on which the Group could be penalized, the management cannot determine any amount for which a provision should be recognised because of such proceedings. Due to that reason, no provision has been recognised for that purpose as at 31 December 2024 and as at 31 December 2023.

The Group has significant transactions with shareholders and other related parties and recognizes significant accounting transactions that are based on technical, financial and other expert assumptions which bear a certain extent of uncertainty. The tax environment in which the Group operates is dependent on the prevailing tax legislation and practice. As the tax authorities are reluctant to provide official interpretations in respect of tax legislation, there is an inherent risk that the tax authorities may require, for example, transfer pricing or other adjustments of the corporate income tax base. The tax authorities in have broad powers of interpretation of tax laws which could result in unexpected results from tax inspections. The amount of any potential tax liabilities related to these risks cannot be estimated.

Pledged assets

As of the date of these financial statements the Group’s long term tangible assets in the value of EUR 10,728,608 thousand (2023: in the value of EUR 10,261,984 thousand) and inventories in the value of EUR 45,715 thousand (2023: in the value of EUR 35,210 thousand) were pledged in favour of banks.

During January 2025, following the signature of the Term and Revolving Facilities Agreement with a syndicate of banks the Group repaid existing loans which also released the collateral through a pledge on a selected portfolio of the Group’s assets mentioned above.

31. Fair values

The fair values of financial assets and liabilities, compared to the carrying amounts shown in the consolidated statement of financial position, are as follows:

In thousands of EUR	Note	31 December 2024 Carrying amounts	31 December 2024 Fair values	31 December 2023 Carrying amounts	31 December 2023 Fair values
Non-current financial assets					
Other receivables	11	170,350	170,350	196,895	196,895
Hedging derivatives	7	12,539	12,539	240,686	240,686
Other investments	9	6,101	6,101	6,116	6,116
Total non-current financial assets		**188,990**	**188,990**	**443,697**	**443,697**
Non-current financial liabilities					
Loans and borrowings	19	1,212,572	1,370,182	3,556,470	4,124,830
Derivatives not designated as hedges	7	-	-	9,344	9,344
Hedging derivatives	7	152,636	152,636	110,179	110,179
Total non-current financial liabilities		**1,365,208**	**1,522,818**	**3,675,993**	**4,244,353**
Current financial assets					
Trade and other receivables	11	468,150	468,150	401,936	401,936
Derivatives not designated as hedges	7	19,841	19,841	130,262	130,262
Hedging derivatives	7	172,548	172,548	281,480	281,480
Cash and cash equivalents	12	216,372	216,372	106,828	106,828
Total current financial assets		**876,911**	**876,911**	**920,506**	**920,506**
Current financial liabilities					
Loans and borrowings	19	2,221,101	2,221,101	555,968	555,968
Derivatives not designated as hedges	7	27,036	27,036	17,204	17,204
Hedging derivatives	7	138,549	138,549	42,290	42,290
Trade and other current payables	21	408,220	408,220	519,204	519,204
Total current financial liabilities		**2,794,906**	**2,794,906**	**1,134,666**	**1,134,666**

The fair values of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between informed, willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Fair values of cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term fixed-rate and variable-rate receivables are evaluated by the Group based on parameters such as interest rates, specific country risk factors, the individual creditworthiness of the customer, and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at 31 December 2024 and 31 December 2023, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values.
- Fair value of quoted instruments is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using a valuation techniques with market observable inputs are mainly foreign exchange forward contracts and commodity forward contracts. The most frequently applied valuation techniques include forward pricing model. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying commodity.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments and non-financial assets (see Note 5) by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs that have a significant effect on the recorded fair value and are not based on observable market data.

As at 31 December 2024 the Group held the following financial instruments measured at fair value:

Financial assets measured at fair value

In thousands of EUR	Note	31 December 2024	Level 1	Level 2	Level 3
Derivatives not designated as hedges	7	19,841	-	19,841	-
Hedging derivatives	7	185,087	-	185,087	-

Financial liabilities measured at fair value

In thousands of EUR	Note	31 December 2024	Level 1	Level 2	Level 3
Derivatives not designated as hedges	7	27,036	-	27,036	-
Hedging derivatives	7	291,185	-	291,185	-

As at 31 December 2023 the Group held the following financial instruments measured at fair value:

Financial assets measured at fair value

In thousands of EUR	Note	31 December 2023	Level 1	Level 2	Level 3
Derivatives not designated as hedges	7	130,262	-	130,262	-
Hedging derivatives	7	522,166	-	522,166	-

Financial liabilities measured at fair value

In thousands of EUR	Note	31 December 2023	Level 1	Level 2	Level 3
Derivatives not designated as hedges	7	26,548	-	26,548	-
Hedging derivatives	7	152,469	-	152,469	-

There have been no transfers between the Levels 1 – 3 during 2024 and 2023.

The movement in fair value of derivatives on electricity

The fair value of commodity derivatives not designated as hedges (net) is sensitive to movements in electricity prices, effect of which is summarized as follows:

Derivatives on electricity

In thousands of EUR	Fair value of commodity derivatives, net	Change
10% decrease	(9,118)	(7,626)
Balance as at 31 December 2024	**(1,492)**	
10% increase	6,095	7,587

In thousands of EUR	Fair value of commodity derivatives, net	Change
10% decrease	44,036	(17,181)
Balance as at 31 December 2023	**61,217**	
10% increase	78,398	17,181

The impact of shift in electricity prices by +/- 10 % has been calculated by changing the spot price at the valuation date or as at the reporting date.

32. Financial risk management objectives and policies

Following financial risks are related to the activities of the Group:

i) Credit risk;
ii) Liquidity risk;
iii) Market risk, which includes:
- Commodity risk;
- Interest rate risk;
- Foreign currency risk.

Risk management

As part of its operations, the Group is exposed to different market risks, notably the risk of volatility of commodity prices, interest rates and exchange rates as well as to the liquidity risk and to the credit risk. To minimize the risk implied from volatility of exchange rates and interest rates, the Group enters into transactions with required parameters or into derivative contracts with the intent to hedge individual risk using instruments available on the market.

Transactions that qualify for hedge accounting in line with the requirements of IFRS 9 are classified as hedging transactions, while those carried out with the intent of hedging that do not qualify for hedge accounting in line with IFRS 9 are classified as trading transactions.

Depending on their purpose and the decision of the management the financial derivative instruments are classified as:
- cash flow hedges, related to hedging the risk of changes in the cash flows;
- fair value hedges, related to hedging the risk of changes in the fair value;
- trading derivatives, related to hedging interest and exchange rate risk and commodity risk which do not qualify for recognition under IFRS 9 as hedges of specific assets, liabilities, commitments or future transactions.

The fair value is determined using the prices on the relevant markets. Accordingly, the impact on profit or loss and shareholders' equity depends on market developments. The credit risk with respect to the derivatives portfolio can be considered as negligible since transactions are conducted solely with leading Slovak and international banks, and the exposure is therefore diversified among different subjects.

Credit risk

The Group makes most of the steps in order to mitigate the credit risk, e.g. to prevent the situations when the contractual party does not fulfil any of its liabilities on time and in full amount. The Group has developed sophisticated tools and procedures for the purpose of identification and analysis of the credit risk. Further monitoring, management and mitigation of the credit risk is ensured via specific processes and methods.

Additional aspects mitigating the credit risk

The specific structure of the Group's customers requires individual approach to the evaluation of the credit risk. Distribution companies represent those with the lowest credit risk. Most of the customers and business partners have long-time history of their activities in the energy sector, thus this fact contributes to the decrease of the risk resulting from the customer insolvency. The credit risk analysis of the business partner is performed every time before the contract is closed and is reviewed on regular basis, at least once per year. With respect to the results of the analysis and other aspects influencing the risk factor the customer is assigned a limit for trading. If the analysis or other information gathered reveals potential credit risk factor of the customer the Group will evaluate and eliminate risk factor. In case of smaller customers deposit payments are required. Long-time experience of the Group shows that the analytical methods, assessment and management of the credit risk are effective and mitigate the credit risk accordingly.

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The expected loss rates and the expected losses allowance, calculated in line with the IFRS 9 simplified approach for trade receivables as at 31 December 2024 and 31 December 2023 were as follows:

In thousands of EUR	*Expected credit loss rate*	*Expected credit loss as at 31 December 2024*	*Expected credit loss rate*	*Expected credit loss as at 31 December 2023*
Receivables not yet due	0.07%	42	0.07%	174
Receivables less than 15 days overdue	0.07%	3	0.07%	-
Receivables less than 30 days overdue	1.55%	-	1.32%	-
Receivables less than 90 days overdue	4.45%	10	2.75%	25
Receivables less than 180 days overdue	5.00%	7	2.96%	21
Receivables less than 270 days overdue	5.03%	-	2.98%	33
Receivables less than 360 days overdue	5.03%	56	2.98%	71
Receivables more than 360 days overdue	100%	6,745	100%	6,748
Receivables assessed on an individual basis (Note 11)	100%	135,989	100%	136,021
Purchased credit-impaired receivables (Note 11)	100%	2,153	100%	2,153
Total expected credit losses allowance (Note 11)		**145,005**		**145,246**

Analysis of cash at bank and short-term bank deposits based on rating:

In thousands of EUR	*2024*	*2023*
Cash at bank and short-term bank deposits		
AA	8,333	1,393
A	179,001	84,204
No rating	29,004	21,196
Total	**216,338**	**106,793**

Offsetting financial assets and financial liabilities

The following financial assets are subject to offsetting, enforceable master netting arrangements and similar agreements that enable mutual offsetting:

As at 31 December 2024:

In thousands of EUR	Gross amount on the face of the consolidated statement of financial position before offsetting (a)	Gross amount set off on the face of the consolidated statement of financial position (b)	Net amounts on the face of the consolidated statement of financial position (c) = (a) - (b)	Related amounts not set off on the face of the consolidated statement of financial position: Financial instruments (d)	Related amounts not set off on the face of the consolidated statement of financial position: Collateral (e)	Total (c) - (d) - (e)
CURRENT ASSETS						
Trade and other receivables	476,868	8,718	468,150	13,164	50,957	404,029
Derivative assets	205,827	13,438	192,389	6,710	-	185,679
Total assets subject to disclosure for offsetting requirements	**682,695**	**22,156**	**660,539**	**19,874**	**50,957**	**589,708**

As at 31 December 2023:

In thousands of EUR	Gross amount on the face of the consolidated statement of financial position before offsetting (a)	Gross amount set off on the face of the consolidated statement of financial position (b)	Net amounts on the face of the consolidated statement of financial position (c) = (a) - (b)	Related amounts not set off on the face of the consolidated statement of financial position: Financial instruments (d)	Related amounts not set off on the face of the consolidated statement of financial position: Collateral (e)	Total (c) - (d) - (e)
CURRENT ASSETS						
Trade and other receivables	490,577	88,641	401,936	3,252	135,017	263,667
Derivative assets	454,373	42,631	411,742	8,540	-	403,202
Total assets subject to disclosure for offsetting requirements	**944,950**	**131,272**	**813,678**	**11,792**	**135,017**	**666,869**

The column (d) contains those financial assets that are not offset due to either absence of the enforceable right or intention of the Group.

The column (e) represents financial guarantees received and cash collateral collected by the Group.

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The following financial liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements that enable mutual offsetting:

As at 31 December 2024:

In thousands of EUR	Gross amount on the face of the consolidated statement of financial position before offsetting (a)	Gross amount set off on the face of the consolidated statement of financial position (b)	Net amounts on the face of the consolidated statement of financial position (c) = (a) - (b)	Related amounts not set off on the face of the consolidated statement of financial position: Financial instruments (d)	Related amounts not set off on the face of the consolidated statement of financial position: Collateral (e)	Total (c) - (d) - (e)
CURRENT LIABILITIES						
Loans and borrowings	2,220,894	-	2,220,894	-	60,000	2,160,894
Derivative liabilities	179,023	13,438	165,585	6,710	-	158,875
Trade and other current payables	416,938	8,718	408,220	13,164	50,712	344,344
Total liabilities subject to disclosure for offsetting requirements	**2,816,855**	**22,156**	**2,794,699**	**19,874**	**110,712**	**2,664,113**

As at 31 December 2023:

In thousands of EUR	Gross amount on the face of the consolidated statement of financial position before offsetting (a)	Gross amount set off on the face of the consolidated statement of financial position (b)	Net amounts on the face of the consolidated statement of financial position (c) = (a) - (b)	Related amounts not set off on the face of the consolidated statement of financial position: Financial instruments (d)	Related amounts not set off on the face of the consolidated statement of financial position: Collateral (e)	Total (c) - (d) - (e)
NON-CURRENT LIABILITIES						
Loans and borrowings	2,416,871	-	2,416,871	-	60,000	2,356,871
CURRENT LIABILITIES						
Derivative liabilities	102,125	42,631	59,494	8,540	-	50,954
Trade and other current payables	607,845	88,641	519,204	3,252	94,047	421,905
Total liabilities subject to disclosure for offsetting requirements	**3,126,841**	**131,272**	**2,995,569**	**11,792**	**154,047**	**2,829,730**

The column (d) contains those financial liabilities that are not offset due to either absence of the enforceable right or intention of the Group.

The column (e) represents financial guarantees issued and cash collateral paid by the Group.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and/or available sources of funding through credit lines. Considering the dynamic nature of the underlying business, the Group treasury management aims at maintaining flexibility by keeping sufficient amount of credit lines available.

To cover the liquidity risk, as at 31 December 2024, besides specific purpose term loans in the total amount of EUR 735 million (2023: EUR 952 million), the Group had committed loans amounting to EUR 5,191 million (2023: EUR 2,103 million), of which EUR 1,611 million was actually drawn (2023: EUR 2,103 million). At the same date the Group had uncommitted credit lines undrawn in the amount of EUR 40 million (2023: EUR 180 million) and cash on bank accounts in the amount of EUR 216 million (2023: EUR 107 million).

	2024			*2023*		
In thousands of EUR	*Amount available for drawing*	*Amount drawn*	*Available amount*	*Amount available for drawing*	*Amount drawn*	*Available amount*
Uncommited loans	80,000	39,956	40,044	240,000	59,850	180,150
Committed loans for general purposes	5,191,418	1,611,418	3,580,000	2,103,051	2,103,051	-
Specific purpose loans	735,008	735,008	-	952,493	947,842	4,651
Subordinated loan	1,340,000	1,070,000	270,000	1,340,000	1,070,000	270,000

In addition to bilateral lines, the Group also uses commodity exchange trading for its production sales and trading activities, which entail the need to post a certain amount of collateral in favour of the exchange, which, as an intermediary of the trade, assumes the risk of counterparty default. In this context, the Group manages a risk referred to as Margin at Risk (MaR) Collateral at Risk (CaR), which represents the potential need for additional collateral to cover margin requirements arising from market movements.

The Group has a control process in place Margin at Risk to ensure that potential margin requirements in relation to future price movements in the commodity markets are regularly monitored and recalculated. As part of this process, a number of limits are set either on open positions on the exchange or financial limits to help effectively manage the risk associated with exchange requirements relating to financial hedging.

The risk is regularly recalculated on the basis of Monte Carlo simulations, taking into account different time periods in the future and different confidence levels. This approach allows the Group to estimate the likely level of margin requirements depending on the possible evolution of market conditions, taking into account all types of margin that may affect the overall hedge on the exchange.

The MaR management process also sets thresholds and measures in case of their exceedance, which allow for a timely response and management of potential liquidity impacts. MaR risk is monitored and reported on a regular basis, ensuring robust management of margin requirements and protection against adverse liquidity events.

The table below represents the overall maximum and average daily margin (in EUR millions) required by the commodity exchange over the last 3 years in respect of electricity price. Market prices are the settlement prices of yearly baseload products with delivery in the following year (Y+1), as published by the commodity exchange. The settlement prices correspond to the day of the maximum margin requirement, except for 2024, when the prices refer to the preceding business day, i.e., 23 December 2024.

	Maximum margin requirements		*Settlement price*	
Year	*EUR million*	*Day*	*CAL DE BL Y+1 EUR/MWh*	*Average daily margin requirements (EUR million)*
2022	281	7 March 2022	175,93	103
2023	62	28 September 2023	122,63	45
2024	65	24 December 2024	94,74	31

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Financial liabilities as at 31 December 2024

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

In thousands of EUR	*Less than one year*	*Between 1 and 3 years*	*Over 3 years*	*Total*
Loans and borrowings - principal	2,203,932	1,097,325	-	3,301,257
Loans and borrowings - interest	229,977	236,829	-	466,806
Obligations from finance lease	2,897	5,554	26,621	35,072
Trade payables (Note 21)	313,513	-	-	313,513
Derivative financial instruments	340,909	301,447	687	643,043

Financial liabilities as at 31 December 2023

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

In thousands of EUR	*Less than one year*	*Between 1 and 3 years*	*Over 3 years*	*Total*
Loans and borrowings - principal	544,883	2,421,807	1,070,297	4,036,987
Loans and borrowings - interest	346,111	391,204	159,172	896,487
Obligations from finance lease	263	310	1,151	1,724
Trade payables (Note 21)	318,241	-	-	318,241
Derivative financial instruments	307,098	7,179	-	314,277

Market risk

i) Commodity price risk

The exposure of the Group to the risk of volatility of commodity prices is mainly associated with the purchase and sale of electricity as well as with the purchase of fuel used for the power production. The exposition resulting from the difference between purchase and sale of commodities or as a consequence of contracts tied to price indices is quantified by risk factors. Sensitivity analysis in respect of the electricity price fluctuations is discloed in Note 31.

Regarding the electricity sold, the Group enters into fixed-price contracts in the form of bilateral contracts with physical delivery, whereas in case of trading transactions the Group enters into contracts with both types of settlement, physical delivery and financial settlement (e.g. contracts for differences in which the differences are paid to the counterparty should the market electricity price exceed the strike price or to the Group in the opposite case).

Various types of derivative instruments (mainly forward contracts, swaps, options, futures and contracts for differences) are used to reduce the exposure to the fluctuations in commodity prices.

The Group hedges cash flows from sales of future electricity production against the risk of electricity price movement by selling the production via forward contracts up to 4 years prior to the delivery, with respect to the strategy of production selling.

Liquidity of Slovak market with physical delivery is from the view of long-term hedging opportunities lower in comparison with German, Czech or Hungarian market with higher liquidity as a result of higher overall electricity consumption and production, and also in comparison with liquidity of Slovak market with financial delivery.

The Group compensates lower liquidity in Slovak market through sale in German, Czech or Hungarian market. Due to high correlation between forward products in these markets the Group reduces the commodity risk to a significantly lower risk of price spread movements between countries. The forward products correlation between regional markets is a result of interconnections between countries as well as daily market coupling mechanism enabling effective allocation of cross-border capacities.

When there is not enough liquidity in Slovak market with physical delivery at required times, electricity production is therefore being hedged in either German, Czech or Hungarian market as follows: When the electricity price in Slovakia is suitable the electricity is first sold in Germany, Czech Republic or Hungary via baseload yearly contracts. Later when liquidity in Slovak market emerges, the deal in foreign country is closed by purchasing baseload yearly forward contract of same volume and subsequently, the electricity production is being sold in Slovak market with physical delivery. This mechanism is also applied to financial delivery on the Slovak market, in case, when at the required time there is higher liquidity on the Slovak market with financial delivery than on the Slovak market with physical delivery. In this case the Group avoids the risk of price movements.

Also due to lower liquidity on further years, electricity production can be hedged throughout the nearest year. And later when liquidity on further years emerges, the deal in nearest year is closed by purchasing baseload yearly forward contract of same volume.

When there is lower correlation between the hedging instrument and the hedged item this results in the hedge ineffectiveness that is, according to the valid accounting policy of the Group recognised in the profit and loss statement. Significant price volatility present at trading platforms as well as at energy product markets have an impact on the correlation between the hedged items and hedging instruments, as well as on the valuation of open positions.

The commodity price risk management process in the Group is designed to continuously monitor and evaluate the development in risk over time and determine whether the levels of risk comply with the thresholds consistent with the risk appetite of top management. These operations are conducted within the framework of formal governance rules that establish strict risk limits. Compliance with the limits is verified by units that are independent of those undertaking the transactions, while trading positions are monitored on regular basis using multiple risk indicators.

ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term loans with floating interest rates.

The Group uses interest rate derivatives to hedge its interest rate risk.

These contracts are normally agreed with a nominal value and expiry date lower than or equal to that of the underlying financial liability, so that the change in the fair value and/or expected future cash flows of these contracts is offset by a corresponding change in the fair value and/or the expected future cash flows of the underlying position.

The Group adopts a policy of ensuring that adequate part of its exposure to changes in interest rates on borrowings is de facto on a fixed rate basis. Interest rate swaps were entered into to achieve an appropriate mix of fixed and floating rate exposure or cross-currency interest rate swaps in case the loans are denominated in foreign currency to achieve also appropriate currency exposure. The interest rate swaps are denominated in euros with maturity till 2025. In respect of these swaps the Group pays the fixed rate from 0.191% to 0.317% p.a. and receives EURIBOR. As at 31 December 2024 the Group had interest-rate swaps with nominal value in the amount of EUR 1,130,000 thousand (2023: EUR 1,522,000 thousand). The nominal value of cross-currency interest rate swaps was in the amount of EUR 175,000 thousand as at 31 December 2024 (2023: EUR 225,000 thousand).

Slovenské elektrárne, a.s.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2024
(in thousands of EUR)

Sensitivity analysis
The Group has performed an analysis of a possible impact in case of a reasonable change in interest rates by +/- 100 bp with all the other variables held constant.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Group's profit before tax through the impact on floating rate borrowings:

In thousands of EUR	*Increase in basis points*	*Effect on profit before tax 2024*
Variable rate instruments	+100bp	(33,206)

In thousands of EUR	*Increase in basis points*	*Effect on profit before tax 2023*
Variable rate instruments	+100bp	(39,613)

The decrease in basis points would have had the equal but opposite effect on the amounts shown above, on the basis that all the other variables remain constant.

iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate because of changes in foreign exchange rates.

The Group is exposed to a currency risk of receivables and liabilities denominated in currency other than the functional currency of the Group, primarily USD, RUB, CZK and PLN. The risk of fluctuations in RUB exchange rate in respect of the loans in amount of RUB 10,620 million as at 31 December 2024 is fully eliminated by hedging in form of the cross-currency interest rate swaps and FX swaps.

Various types of derivatives are used to reduce the exchange rate risk on foreign currency assets, liabilities and expected future cash flows. These include mainly forward exchange contracts and cross-currency interest rate swaps.

These contracts are normally agreed with a nominal amount and expiry date equal to that of the underlying financial liability or the expected future cash flows, so that any change in the fair value and/or future cash flows of these contracts stemming from a potential appreciation or depreciation of the functional currency against other currencies is fully offset by a corresponding change in the fair value and/or the expected future cash flows of the underlying position.

Sensitivity analysis
The following table demonstrates the sensitivity to a reasonably possible change in the USD, CZK and PLN exchange rate, with all other variables held constant, on the Group's profit before tax and the Group's equity:

In thousands of EUR	*Change in exchange rate*	*Effect on profit before tax*
31 December 2024		
CZK	+10%	(3,383)
USD	+10%	1
PLN	+10%	(805)
31 December 2023		
CZK	+10%	(2,299)
USD	+10%	(11)
PLN	+10%	(427)

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity. The Group includes the following within net debt: current and non-current loans and borrowings less accrued interests including finance lease liabilities, reimbursement right from the National Nuclear Fund, finance lease receivables and total amount of cash and cash equivalents. As at 31 December 2024 the net debt to equity ratio was 0.23 (as at 31 December 2023: 0.42).

33. Events after reporting date

On 23 December 2024, the Group signed a Term and Revolving Facilities Agreement with a syndicate of banks in the amount of EUR 3,580,000 thousand. The first and second parts of the syndicated financing are term loans, each in the amount of up to EUR 1,665,000 thousand. The first part is due on 23 December 2027, and the second part on 23 December 2029. The third part is a revolving loan in the amount of EUR 250,000 thousand.

Following the signature of the above mentioned agreement all of the Group's bank and subordinated loans, except for two purpose-specific bank loans, were refinanced by the end of January 2025. The maturity of the two non-refinanced purpose-specific bank loans was extended in January 2025 until the end of 2030.

The repayment of the loans also released the collateral through a pledge on a selected portfolio of the Group's assets.

Annual Report 2024

Independent auditors' report and separate financial statements

prepared in accordance with International Financial Reporting Standards as adopted by the European Union
as at and for the year ended
31 December 2024

Deloitte.

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Slovak Republic

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Register of the City Court Bratislava III
Section Sro, File 4444/B
Company ID: 31 343 414
VAT ID: SK2020325516

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Slovenské elektrárne, a.s.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders, Supervisory Board and Board of Directors of:

REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

Opinion

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

In our opinion, the accompanying separate financial statements give a true and fair view of 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 International Financial Reporting Standards as adopted by the European Union (EU).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the Company in accordance with the provisions of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended, as amended (hereinafter the "Act on Statutory Audit") related to independence and ethical requirements, including the Code of Ethics for Auditors that are relevant to our audit of the separate financial statements, 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 opinion.

Emphasis of Matters

We draw attention to Notes 3 (i) and 15 to the separate financial statements. The Company has evaluated its obligations in respect of the operations of nuclear electricity plants and recorded related provisions as at 31 December 2024 on the basis of management's estimate of the expenditure required to settle those obligations when they fall due. The estimates and assumptions considered by management in determining these provisions are inherently sensitive to expectations about future costs and forecasted cash outflows, timing of cash outflows, inflation rates, discount rates, technical plans and changes in government legislation. Any changes in these parameters could materially affect the carrying amounts of the provisions recorded in the separate financial statements in future periods.

We draw attention to Note 30 to the separate financial statements which describes uncertainty related to the outcome of several court disputes pertaining to Vodné elektrárne Gabčíkovo ("VEG") Operating Agreement, the Agreement on Settlement of Legal Relations with respect to the VEG Assets and the Agreement of Indemnity.

Our opinion is not modified in respect of these matters.

Other Matter

The separate financial statements of Slovenské elektrárne, a.s. for the year ended 31 December 2023 were audited by another auditor who expressed an unqualified opinion on the separate financial statements on 28 March 2024.

This is a translation of the original auditor's report issued in the Slovak language to the accompanying financial statements translated into the English language.

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

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Separate Financial Statements

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

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

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

We communicate with those charged with governance about, inter alia, the planned scope and time schedule of the audit and significant audit findings, including all material deficiencies of internal control identified during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The statutory body is responsible for information disclosed in the annual report prepared under the requirements of the Act on Accounting No. 431/2002 Coll. as amended (the "Act on Accounting"). Our opinion on the separate financial statements stated above does not apply to other information in the annual report.

In connection with the audit of separate financial statements, it is our responsibility to gain an understanding of the information disclosed in the annual report and assess whether such information is materially inconsistent with the separate financial statements or our knowledge of the entity and its position obtained in the audit of the separate financial statements, or otherwise appears to be materially misstated.

We assessed whether the Company's annual report includes information whose disclosure is required by the Act on Accounting.

This is a translation of the original auditor's report issued in the Slovak language to the accompanying financial statements translated into the English language.

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Based on procedures performed during the audit of the separate financial statements, in our opinion:

- Information disclosed in the annual report prepared for 2024 is consistent with the separate financial statements for the relevant year; and
- The annual report includes information pursuant to the Act on Accounting.

Furthermore, based on our understanding of the Company and its position, obtained in the audit of the separate financial statements, we are required to disclose whether material misstatements were identified in the annual report, which we received prior to the date of issuance of this auditor's report. There are no findings that should be reported in this regard.

Bratislava, 16 April 2025

Ing. Ján Bobocký, FCCA
Responsible Auditor
Licence UDVA No. 1043

On behalf of
Deloitte Audit s.r.o.
Licence SKAu No. 014

This is a translation of the original auditor's report issued in the Slovak language to the accompanying financial statements translated into the English language.

Slovenské elektrárne, a.s.

Separate Financial Statements
Prepared in Accordance with International Financial Reporting Standards
as Adopted by the European Union

31 December 2024

Branislav Strýček

Chief Executive Officer
Chairman of the Board of Directors

Lukáš Maršálek

Member of the Board of Directors

Bratislava, 16 April 2025

CONTENTS

Slovenské elektrárne, a.s.

STATEMENT OF FINANCIAL POSITION
as at 31 December 2024
(in thousands of EUR)

	Note	*31 December 2024*	*31 December 2023*
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	10,806,219	10,327,814
Intangible assets	6	10,525	6,418
Derivative assets	7	12,539	240,686
Investments in subsidiaries, associates and other securities	8,9	28,228	28,243
Right for reimbursement from the National Nuclear Fund	15	1,792,915	1,687,625
Other receivables	11	168,572	196,291
Other non-current assets	13	2,495	2,124
Prepayments for non-current assets	5	25,562	14,531
Total non-current assets		**12,847,055**	**12,503,732**
CURRENT ASSETS			
Inventories	10	499,483	450,976
Trade and other receivables	11	457,218	371,112
Derivative assets	7	193,729	405,759
Cash and cash equivalents	12	203,810	100,305
Other current assets	13	3,819	3,424
Assets classified as held for sale	5	223	223
Total current assets		**1,358,282**	**1,331,799**
TOTAL ASSETS		**14,205,337**	**13,835,531**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14	1,269,296	1,269,296
Revaluation reserve	14	3,602,140	3,325,942
Other reserves	14	233,142	235,554
Hedging reserve	14	(28,556)	322,358
Retained earnings, of that:	14	893,656	78,623
Retained earnings of prior periods		*78,623*	*(479,428)*
Net income for the year		*815,033*	*558,051*
Total equity		**5,969,678**	**5,231,773**
NON-CURRENT LIABILITIES			
Subordinated loan	19	1,166,683	1,139,599
Provision for nuclear decommissioning and storage costs	15	2,960,185	2,810,479
Provision for dismantling of thermal power plants	16	127,316	152,361
Employee benefits	17	40,432	33,707
Other provisions	18	26,848	29,028
Loans and borrowings	19	45,295	2,415,929
Derivative liabilities	7	152,636	119,523
Other non-current liabilities	20	31,836	16,780
Deferred tax liability	28	725,225	501,104
Total non-current liabilities		**5,276,456**	**7,218,510**
CURRENT LIABILITIES			
Subordinated loan	19	207	710
Provision for nuclear decommissioning and storage costs	15	37,214	42,892
Provision for dismantling of thermal power plants	16	2,619	4,804
Employee benefits	17	2,189	2,634
Other provisions	18	14,085	89,272
Loans and borrowings	19	2,224,957	568,696
Derivative liabilities	7	175,050	68,291
Trade and other current payables	21	384,098	495,252
Current income tax liability	28	118,746	109,022
Other current liabilities	20	38	3,675
Total current liabilities		**2,959,203**	**1,385,248**
Total liabilities		**8,235,659**	**8,603,758**
TOTAL EQUITY AND LIABILITIES		**14,205,337**	**13,835,531**

The notes form an integral part of the separate financial statements.

Slovenské elektrárne, a.s.

PROFIT AND LOSS STATEMENT
for the year ended 31 December 2024
(in thousands of EUR)

	Note	*Year ended 31 December 2024*	*Year ended 31 December 2023*
REVENUES			
Electricity and heat revenues	22	3,721,869	4,786,926
Other operating income	23	17,805	46,931
Total revenues		**3,739,674**	**4,833,857**
OPERATING EXPENSES			
Nuclear fuel	10	(62,357)	(64,398)
Fossil and other fuel		(29,188)	(127,213)
Cost of electricity purchased for resale	22	(1,303,354)	(2,567,188)
Repairs and maintenance		(50,236)	(49,231)
Other raw materials and consumables		(135,362)	(137,739)
Personnel expenses	25	(195,586)	(169,228)
Changes in provision for nuclear decommissioning and storage costs	15	(48,517)	(30,720)
Changes in provisions for dismantling of thermal power plants	16	28,992	3,619
Gains / (losses) from derivative transactions	24	(120,836)	(431,125)
Other operating costs, other than depreciation, amortisation and impairment	23	(38,010)	(140,708)
Total operating expenses		**(1,954,454)**	**(3,713,931)**
PROFIT BEFORE FINANCIAL RESULT, TAX, DEPRECIATION, AMORTISATION AND IMPAIRMENT		**1,785,220**	**1,119,926**
Revaluation of property, plant and equipment	5	(96,229)	-
Depreciation, amortisation and impairment	26	(322,885)	(204,262)
PROFIT BEFORE FINANCIAL RESULT AND TAX		**1,366,106**	**915,664**
Finance income	27	44,898	26,219
Finance costs	27	(293,661)	(141,123)
PROFIT BEFORE TAX		**1,117,343**	**800,760**
INCOME TAX	28	(302,310)	(242,709)
NET PROFIT FOR THE YEAR		**815,033**	**558,051**

The notes form an integral part of the separate financial statements.

Slovenské elektrárne, a.s.

STATEMENT OF OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2024
(in thousands of EUR)

	Note	Year ended 31 December 2024	Year ended 31 December 2023
Net profit for the year		**815,033**	**558,051**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges, net of tax	7,28	(352,041)	1,841,638
Effect of change in deferred tax rate	28	1,127	-
Other, net of tax		(15)	(164)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(350,929)**	**1,841,474**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Revaluation of property, plant and equipment, net of tax	5,28	339,148	-
Changes in valuation of property, plant and equipment, net of tax	5,28	(207)	(679)
Change in estimates of the provision for dismantling of thermal power plants through revaluation reserve, net of tax	16,28	213	(1,939)
Change in estimates of the environmental provision through revaluation reserve, net of tax	18,28	29	(199)
Remeasurement gains / (losses) on defined benefit plans, net of tax	17,28	(4,100)	2,504
Effect of change in deferred tax rate	28	(61,282)	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**273,801**	**(313)**
Other comprehensive income, net of tax		**(77,128)**	**1,841,161**
Total other comprehensive income for the year, net of tax		**737,905**	**2,399,212**

The notes form an integral part of the separate financial statements.

Slovenské elektrárne, a.s.

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2024
(in thousands of EUR)

	Note	Share capital	Hedging reserve	Revaluation reserve	Other reserves	Accumulated gains / (losses)	Total equity
Balance as at 1 January 2023		**1,269,296**	**(1,519,280)**	**3,328,759**	**233,214**	**(479,428)**	**2,832,561**
Net profit for the year		-	-	-	-	558,051	558,051
Other comprehensive income							
Changes in valuation of property, plant and equipment, net of tax	5,28	-	-	(679)	-	-	(679)
Change in estimates of the provision for dismantling of thermal power plants through revaluation reserve, net of tax	16,28	-	-	(1,939)	-	-	(1,939)
Change in estimates of the environmental provision through revaluation reserve, net of tax	18,28	-	-	(199)	-	-	(199)
Net movement on cash flow hedges, net of tax	7,28	-	1,841,638	-	-	-	1,841,638
Remeasurement gains on defined benefit plans, net of tax	17,28	-	-	-	2,504	-	2,504
Other, net of tax		-	-	-	(164)	-	(164)
Total other comprehensive income, net of tax		**-**	**1,841,638**	**(2,817)**	**2,340**	**558,051**	**2,399,212**
Balance as at 31 December 2023		**1,269,296**	**322,358**	**3,325,942**	**235,554**	**78,623**	**5,231,773**
Balance as at 1 January 2024		**1,269,296**	**322,358**	**3,325,942**	**235,554**	**78,623**	**5,231,773**
Net profit for the year		-	-	-	-	815,033	815,033
Other comprehensive income							
Revaluation of property, plant and equipment, net of tax	5,28	-	-	339,148	-	-	339,148
Changes in valuation of property, plant and equipment, net of tax	5,28	-	-	(207)	-	-	(207)
Change in estimates of the provision for dismantling of thermal power plants through revaluation reserve, net of tax	16,28	-	-	213	-	-	213
Change in estimates of the environmental provision through revaluation reserve, net of tax	18,28	-	-	29	-	-	29
Net movement on cash flow hedges, net of tax	7,28	-	(352,041)	-	-	-	(352,041)
Remeasurement gains on defined benefit plans, net of tax	17,28	-	-	-	(4,100)	-	(4,100)
Effect of change in deferred tax rate	28	-	1,127	(62,985)	1,703		(60,155)
Other, net of tax		-	-	-	(15)	-	(15)
Total other comprehensive income, net of tax		**-**	**(350,914)**	**276,198**	**(2,412)**	**815,033**	**737,905**
Balance as at 31 December 2024		**1,269,296**	**(28,556)**	**3,602,140**	**233,142**	**893,656**	**5,969,678**

The notes form an integral part of the separate financial statements.

STATEMENT OF CASH FLOWS
for the year ended 31 December 2024
(in thousands of EUR)

	Note	*Year ended 31 December 2024*	*Year ended 31 December 2023*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before income taxes		**1,117,343**	**800,760**
Adjustments to reconcile profit / (loss) before income taxes to net cash from operating activities:			
Depreciation, amortisation and impairment of non-current assets	5, 6	321,676	202,168
Effect of the revaluation	5	96,229	-
Amortisation of deferred income		(2)	-
Gain on sale of property, plant and equipment and intangible assets	23	339	1,241
Interest income	27	(12,701)	(7,309)
Income from non-current investments	27	(7,515)	(5,843)
Interest charge on other provisions (employee benefits, environmental provision)	27	1,858	975
Interest charge on provision for nuclear decommissioning and storage costs and dismantling of thermal power plants	27	121,895	116,507
Interest from loans and borrowings		145,363	14,363
Change in estimate of provision for nuclear decommissioning and storage costs and dismantling of thermal power plants through profit and loss statement	15,16	(8,860)	7,010
Other changes in provision for nuclear decommissioning and storage costs and dismantling of thermal power plants	15,16	4,033	719
Change in environmental and employee benefits provision		(2,403)	(504)
Change in other provisions		(75,696)	(19,119)
Interest income from the National Nuclear Fund	15,27	(24,682)	(13,067)
National Nuclear Fund administration fee	15	814	1,444
Change in revaluation of derivatives through profit and loss statement		87,544	(110,543)
Effect of other finance cost		456	1,237
Asset in acquisition – written off		11,185	-
Ineffectiveness of the cash flow hedge reclassified from other comprehensive income to profit and loss		(62,405)	(94,139)
Changes in working capital:			
Inventories	10	(48,507)	(201,907)
Trade and other receivables		(7,654)	284,318
Trade and other payables		(139,228)	(514,072)
Other assets and liabilities		47,847	340,540
Cash generated from operations		**1,566,929**	**804,779**
Interest received		10,479	4,903
Interest paid		(256,207)	(288,318)
Income taxes paid		(109,138)	14,961
Net cash from operating activities		**1,212,063**	**536,325**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(299,633)	(257,210)
Acquisition of intangible assets		(4,470)	(1,287)
Proceeds from non-current investments	27	7,515	5,843
Proceeds from sale of property, plant and equipment		104	5
Acquisition of non-current financial assets		-	(16)
Contributions to the National Nuclear Fund	15	(81,422)	(144,417)
Net cash used in investing activities		**(377,906)**	**(397,082)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawing of borrowings		1,372,028	882,005
Repayment of borrowings		(2,102,680)	(981,937)
Net cash from financing activities		**(730,652)**	**(99,932)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		103,505	39,311
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	12	100,305	60,994
CASH AND CASH EQUIVALENTS, END OF PERIOD	12	**203,810**	**100,305**

The notes form an integral part of the separate financial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
for the year ended 31 December 2024
(in thousands of EUR)

1. General information

Slovenské elektrárne, a.s. (hereinafter as the "Company") is an electricity and heat generation, supply and trading company, which owns and operates 53.1% (2023: 55.9%) of the installed capacity of power plants in the Slovak Republic.

The Company's registered address and registration numbers are:
Slovenské elektrárne, a.s.
Registration number: 35 829 052
Tax registration number: 2020261353
Pribinova 40
811 09 Bratislava – mestská časť Ružinov
Slovak Republic

The Company was set up on 13 December 2001 and was incorporated into the Commercial Register on 21 January 2002.

The Company has a branch established in Poland. The branch in Czech Republic has finished its activities on 27 April 2023. On 18 August 2023 it was deleted from the Commercial Register of Czech Republic.

The Company is not a partner with unlimited liability in any company.

During the year 2024 the Company had 4,070 employees on average (2023: 4,003 employees), the number of employees as at 31 December 2024 was 4,166 (as at 31 December 2023: 3,962 employees), of which 31 were management (31 December 2023: 27 managers).

The separate financial statements are presented in thousands of euros.

The separate financial statements have been prepared as ordinary separate financial statements according to Section 17 (6) of the Slovak Accounting Act No. 431/2002 Coll. as amended.

The separate financial statements are available at the Company's registered address and at the Commercial Register of the Municipal Court in Bratislava III, Námestie Biely kríž 7, 836 07 Bratislava III. According to Section 23 of the Slovak Accounting Act No. 431/2002 Coll. as amended, the separate financial statements are also filed in the registry of the financial statements, in the electronic form.

Ownership structure
As at the date of these separate financial statements the Company's shares were owned by Slovak Power Holding B.V., the Netherlands (amounting to 66% of the share capital) and by the Slovak Republic, on behalf of which acts the Ministry of Economy of the Slovak Republic (amounting to 34% of the share capital).

As at the date of these separate financial statements, the shares of Slovak Power Holding B.V. (hereinafter as "SPH") were owned by Enel Produzione S.p.A., Italy (hereinafter as "Enel Produzione") in the amount equal to 50% of the share capital and by EP Slovakia B.V., the Netherlands (hereinafter as "EP Slovakia") also in an amount equal to 50% of the share capital. The only shareholder of EP Slovakia was Energetický a průmyslový holding a.s., Czech Republic (hereinafter as "EPH"). The ultimate parent entity of the Company is SPH.

The shareholders agreement and contract for the sale of the stake held through SPH by Enel Produzione in Slovenské elektrárne, a.s., executed on 18 December 2015, as amended on August 30, 2018 and on December 22, 2020, provides among other things, for a call option in favour of EP Slovakia for the acquisition of the remaining SPH shares held by Enel Produzione that is exercisable 6 months after the signature of the updated contract until the earlier of (i) 4 years from the completion of the Trial Run of Unit 4 or (ii) December 2028.

Furthermore, always with respect to the remaining 50% of the SPH's share capital held by Enel Produzione, the above mentioned agreements provided for a put option in favour of Enel Produzione and a call options in favour of EP Slovakia that can be both exercised when the latest of these events has occurred (i) 6 months after the Trial Run of Unit 4, (ii) the date of completion of the first outage of Mochovce unit 4 and (iii) the maturity of the shareholder loans set in year 2032.

The notes form an integral part of the separate financial statements.

On 18 December 2024, EPH announced that it had signed an agreement (the "Agreement") with Enel Produzione to acquire the 50% stake in SPH in connection with execution of the early call option in favour of EP Slovakia. Upon exercise of this option, Enel Produzione shall transfer the remaining 50% of the SPH's share capital to EP Slovakia.

The closing of the transaction, expected in the first half of 2025, is subject to regulatory conditions, including approval from the relevant antitrust authority and the European Commission under the Foreign Subsidies Regulation (Regulation (EU) 2022/2560), and other customary closing conditions.

2.1 Basis of preparation

The financial year is the same as the calendar year.

The separate financial statements of the Company for the previous period were approved by the ordinary Annual General Meeting of the Company held on 6 May 2024.

The assets and liabilities reported in the statement of financial position are classified on a current/non-current basis, with separate presentation of assets classified as held for sale. Current assets, which include cash and cash equivalents, are assets that are intended to be realised, sold or consumed within the twelve months following the balance sheet date, or, in respect of the inventory, mainly nuclear fuel and spare parts, during the period of approximately five years, which is considered being the normal operating cycle. Current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Company or within the twelve months following the balance sheet date.

The costs in the profit and loss statement are classified according to their nature.

The indirect method is used for the statement of cash flows that presents the net cash flows attributable to the operating, investing and financing activities.

The separate financial statements have been prepared on the historical cost basis except for the following:

- property, plant and equipment are carried at their revalued amounts,
- derivative financial instruments are measured at fair value,
- financial instruments at fair value through profit or loss are measured at fair value.

The methods used to measure fair values are discussed further in Note 5 and 31.

The financial statements were prepared using the going concern assumption that the Company will continue its operations for the foreseeable future. The Company has not identified any issue to continue as a going concern for the foreseeable future.

Military conflict in Ukraine

The Company is monitoring the possible impact of the changing micro- and macroeconomic conditions on the Company's performance in connection with the military conflict in Ukraine since February 2022. The Company has not identified any going concern issue for the Company to continue as a going concern for the foreseeable future.

Information on the consolidated group

The separate financial statements of the Company are included in the consolidated financial statements of the Slovenské elektrárne Group which are part of the consolidated financial statements of Slovak Power Holding B.V. and are available directly at the registered address of the company, at Herengracht 469, 1017 BS Amsterdam, the Netherlands. The consolidated financial statements are filed in the business register of the Chamber of Commerce of Amsterdam, De Ruijterkade 5, 1013 AA, Amsterdam, the Netherlands.

Statement of compliance

The separate financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the European Union. IFRS Accounting Standards comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

The notes form an integral part of the separate financial statements.

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2.2 Changes in accounting policies and disclosures

The accounting policies applied are consistent with those applied in the separate financial statements prepared as at 31 December 2023 except as follows:

The Company has applied the following amended IFRS Accounting Standards issued by the IASB and adopted by the European Union (hereinafter as the "EU") that are mandatorily effective for the reporting period beginning on or after 1 January 2024:

IAS 1	Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current with Covenants *(effective for annual reporting periods beginning on or after 1 January 2024);*
IFRS 16	Amendments to IFRS 16: Lease Liability in a Sale and Leaseback *(effective for annual reporting periods beginning on or after 1 January 2024);*
IAS 7 IFRS 7	Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements *(effective for annual reporting periods beginning on or after 1 January 2024).*

Their adoption has not had any material impact on the disclosures or the amounts reported in the financial statements of the Company.

2.3 Summary of material accounting policy information

a) Subsidiaries and associated companies

Subsidiaries and associated companies are recognised at cost less accumulated impairment losses.

Acquisition cost of shares in subsidiaries and associated companies is the purchase price of acquired securities or shares. Additional acquisition cost form part of acquisition cost.

b) Revenue recognition

Revenues are generated primarily from the sale of electricity and related services to wholesale markets, to retail customers, to market and network operators and from the sale of heat.

The Company recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer, also called an asset. The asset is transferred when (or as) the customer obtains control of that asset. Revenue is recognised in the amount of the transaction price that is allocated to each performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, value added tax). The Company has decided not to adjust the transaction price for the effect of financing component because it is not significant and because contract asset and contract liabilities are amortized within less than 12 months. Contracts with customers contain also variable consideration which is typically constrained and therefore not accrued.

(i) Revenue from sale of electricity

a. Domestic and foreign sale, incl. wholesale trades

Revenue from sale of electricity is recognised over time when the commodity is supplied to the customer and based on the quantities provided during the period, even if these have not yet been invoiced, and is determined using estimates as well as periodic meter readings. The performance obligation is deemed to be a series of distinct services that are substantially the same and transfer consecutively over the settlement period. Revenue is based on short-term contracts with fixed energy prices.

b. Deviation/imbalance revenue

Deviation/imbalance revenue represents variable consideration related to domestic sale which is measured based on the difference between the contractual amount of electricity and the real amount of electricity of the electricity market participant. Its value is determined based on actual spot market prices. It has a technical but also a financial value. The deviation/imbalance income is highly susceptible to factors outside the Company's influence and may not be reliably predicted. Therefore, it is not accrued but is recognised as incurred.

The notes form an integral part of the separate financial statements.

(ii) Revenue from grid balancing services

a. Revenue from ancillary services

Ancillary services are one of the types of commodities in the electricity market. The Company supplies ancillary services typically to the transmission system operator (SEPS, a. s.), which uses them to maintain the quality of electricity supply and to ensure the operational reliability of the Slovak electricity system. The Company earns fees for providing the ancillary service regardless of whether the SEPS, a.s. activates it (remuneration for availability, stand-ready services). Revenues from ancillary services are recognised over the time of the contract on straight-line basis. Revenue is based on long-term contracts (1-2 years). The services are invoiced on monthly basis.

b. Revenue from regulating electricity

Revenue from regulating electricity includes electricity supplied to transmission system operator (SEPS, a. s.) in case of activation of ancillary services. The company has evaluated that this activity is not distinct from ancillary services described above and therefore it accounts for it as for variable consideration related to ancillary grid balancing services. The Company evaluated that this variable consideration is constrained as it is highly susceptible to factors outside Company's influence (such as weather conditions and consumption peaks). Therefore, the Company does not accrue the related revenues and recognize them as incurred. The price is typically determined based on actual spot market prices.

(iii) Revenues from tariff from system operation

Revenues from tariff from system operation include revenues in part of electricity production from the power plant Nováky according to the General Economic Interest. Revenues from tariff from system operation are recognised over time and measured based on actual consumption on Slovak electricity market.

(iv) Revenues from heat

Heat is typically co-produced in Company's power plants and sold to customers in adjacent territories. Revenue from heat generation is recognised over time and measured based on the volume of energy delivered. Possible fixed fees are accrued over the period of 1 year based on estimated seasonal consumption pattern, which however are not material.

(v) Revenue from rendering of services

Revenue from rendering of services is recognised when the services are rendered, or by reference to the stage of completion of services at the end of the reporting period. This category includes other services not related to sale of electricity and gas.

c) Government grants

Government grants are recognised if there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis with the costs that it is intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to profit and loss statement in equal amounts over the expected useful life of the related asset.

d) Income tax

The income tax expense for the period comprises current and deferred tax. Income tax is recognised in the profit and loss statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date in the countries where the Company operates and generates taxable income.

In line with Act No. 235/2012 Coll. on a Special Levy on Business in Regulated Industries and on the Amendment to and Supplement of Certain Acts, the Company is obliged to pay a monthly special levy effective from September 2012. The special levy represents 4.356% per annum (2023: 4.356% per annum). This levy is based on profit before tax and is presented as part of the current income tax pursuant to the IFRS Accounting Standards' requirements.

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Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. Deferred income tax is determined using tax rates that are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled. Deferred tax asset is recognised for the carryforward of unused tax losses and unused tax credits only to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

e) Financial instruments – initial recognition and subsequent measurement

i) Financial assets

Initial recognition and classification of financial assets

A financial asset is recognised in the statement of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument. Financial assets within the scope of IFRS 9 Financial Instruments are classified as financial assets subsequently measured at amortised cost, financial assets measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss, depending on the Company´s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets. Financial assets can be designated as hedging instruments in an effective hedging relationship, as appropriate.

The Company determines the classification of its financial assets at initial recognition.

Except for trade receivables, at initial recognition, the Company measures a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs of financial asset carried at fair value through profit or loss are expensed in profit or loss at the initial recognition. At initial recognition, the Company measures trade receivables that do not contain a significant financing component at their transaction price.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and short-term deposits, trade and other receivables, quoted and unquoted financial instruments, and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification at initial recognition as follows:

Financial assets measured at amortised cost

A financial asset is classified as measured at amortised cost if the objective of the Company is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest rate method (hereinafter as "EIR"), less impairment. Amortised cost is calculated by taking into account the fees paid or received between the contractual parties that are an integral part of the EIR, transaction costs and all other premiums and discounts. The EIR amortisation is included in finance income in the profit and loss statement. The impairment gains and losses are recognised in the profit and loss statement. This category includes cash and cash equivalents, trade and other receivables and other current and non-current assets.

Financial assets measured at fair value through other comprehensive income – option for equity instruments
Equity instruments are only classified as financial assets measured at fair value through other comprehensive income when the Company elects them to fair value through other comprehensive income option as of the initial recognition and the equity instrument is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies. Movements in the carrying amount are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is not reclassified from equity to profit or loss.

Financial assets measured at fair value through profit or loss
Financial assets that do not meet the criteria for classification as measured at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss. Financial assets that are held within a business model which is neither "held to collect" or "held to collect and sell" are measured at fair value through profit or loss.

This category includes commodity derivatives held for trading or not designated as hedging instruments in hedge relationships as defined by IFRS 9.

After the initial recognition, financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in the profit and loss statement.

Impairment of financial assets
The Company recognises a loss allowance for expected credit losses on a financial asset that is measured at amortised cost or at fair value through other comprehensive income, a lease receivable, a contract asset, a loan commitment or a financial guarantee contract to which the impairment requirements apply in accordance with IFRS 9.

For trade and lease receivables, the Company applies the IFRS 9 simplified approach that measures expected credit losses by calculating a lifetime expected loss allowance. Trade receivables have been grouped based on the days past due. The Company has established a provision matrix, the expected loss rates for trade receivables were calculated based on payment profiles of sales over a period of 5 years before 31 December 2024 and 31 December 2023 and the corresponding historical credit losses experienced within this period. For further details, see Note 11 and Note 32.

For purchased or originated credit-impaired financial assets, the Company applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

As at 31 December 2024 and 31 December 2023, the Company recognised expected credit losses allowance only in respect of trade receivables. The expected credit losses for other financial assets recognised in the statement of financial position are negligible.

Financial assets together with the related allowance are written off when there is no reasonable expectation of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

Derecognition of financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The contractual rights to the cash flows from the financial asset expire;
- The Company has transferred the financial asset and the transfer qualifies for derecognition in line with requirements of IFRS 9.

ii) Financial liabilities

Initial recognition and measurement
A financial liability is recognised in the statement of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument. Financial liabilities within the scope of IFRS 9 are classified as financial liabilities subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss, financial guarantee contracts, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, commitments to provide a loan at a below-market interest rate and contingent consideration recognised by an acquirer in a business combination in scope of IFRS 3.

The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities may be designated as hedging instruments in a hedging relationship.

At initial recognition, the Company measures a financial liability at its fair value plus or minus, in case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

The Company's financial liabilities include trade and other payables, loans and borrowings, and derivative financial instruments.

Subsequent measurement
After initial recognition, the financial liabilities are measured according to their classification determined at initial recognition. Reclassifications of financial liabilities are not permitted in any circumstances. The Company classified its financial liabilities as financial liabilities at fair value through profit or loss and financial liabilities subsequently measured at amortised costs.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired or incurred principally for the purpose of selling or repurchasing it in the near term, on initial recognition are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

This category includes the following commodity derivatives, that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

Financial liabilities measured at amortised cost
This category includes loans and borrowings, trade and other payables. Amortised cost of a financial liability is the amount at which the financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount. The calculation of EIR includes the fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. The EIR amortisation is recognised in finance cost in the profit and loss statement.

iii) Contracts to buy or sell non-financial items

In general, contracts to buy or sell non-financial items that are entered into and continue to be held for receipt or delivery in accordance with the Company's normal expected purchase, sale or usage requirements are out of the scope of IFRS 9 and then recognized as executory contracts, in accordance with the "own use exemption". A contract to buy or sell non-financial items is classified as "normal purchase or sale" if it is entered into:

• for the purpose of the physical settlement;
• in accordance with the entity's expected purchase, sale or usage requirements.

Moreover, contracts to buy or sell non-financial items with physical settlement (for example, fixed-price forward contracts on energy commodities) that do not qualify for the own use exemption are recognized as derivatives measured at fair value from the trade date only if:

• they can be settled net in cash; and
• they are not entered into in accordance with the Company's expected purchase, sale or usage requirements.

Trading contracts are valued at fair value through profit or loss; the results of the measurement of changes in the fair value of contracts still outstanding at the reporting date are recognized on a net basis under the item "Gains / (losses) from derivative transactions".

Contracts to buy or sell non-financial items falling within the scope of application of IFRS 9 can also be designated as hedging instruments if they satisfy the requirements for hedge accounting.

iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. In accordance with IAS 32, Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities, the right to offset must not be contingent on a future event and it has to be legally enforceable both in the normal course of business and in case of default, insolvency or bankruptcy.

v) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 31.

f) Hedge accounting

The Company applies the hedge accounting according to IFRS 9. The Company holds derivative financial instruments to hedge its foreign currency, interest rate and commodity price risk exposures. A hedged item is a recognised asset or liability, unrecognised firm commitment, highly probable forecast transaction or net investment in a foreign operation that exposes the Company to risk of changes in fair value or future cash flows and is formally designated as a hedged item in the hedging relationship. A hedged item can also be a component of such an item or group of items. The hedged item must be reliably measured. For more details on risk manatgement strategy of the Company, see Note 32.

A hedging instrument is a designated derivative or an instrument measured at fair value through profit or loss whose fair value or cash flows are expected to offset changes in the fair value or cash flows of a designated hedged item. The Company has designated the following derivatives as hedging instruments: interest rate swaps, cross-currency interest rate swaps, commodity forwards and FX forwards.

Hedging derivatives are recognised initially at fair value, the attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, hedging derivatives are measured at fair value, and changes in fair value are accounted for as described below.

Cash flow hedges
Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in other comprehensive income and accumulated in equity in a separate cash flow hedge reserve to the extent that the hedge is effective, following the conditions set in IFRS 9.

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The amount recognised within equity is the lower of cumulative gain or loss on the hedging instrument from the inception of the hedge and the cumulative change in fair value of the hedged item from the inception of the hedge. Any remaining gain or loss on the hedging instrument is a hedge ineffectiveness that is recognised in profit or loss.

When a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Company removes that amount from the cash flow hedge reserve and includes it directly in the initial cost or other carrying amount of the asset or the liability.

Fair value hedges
A fair value hedge of the Company represents a hedge of the exposure to changes in fair value of a recognised asset or liability, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss. The gain or loss on the hedging instrument is recognised in profit or loss. When a hedged item in a fair value hedge is a firm commitment to acquire an asset or assume a liability, the initial carrying amount of the asset or the liability that results from the entity meeting the firm commitment is adjusted to include the cumulative change in the fair value of the hedged item that was recognised in the statement of financial position.

The gain or loss from remeasuring the hedging instrument at fair value shall be recognised in profit or loss. The gain or loss on the hedged item attributable to the hedged risk shall adjust the carrying amount of the hedged item and be recognised in profit or loss.

The effectiveness of the hedge is an extent to which changes in the fair value or cash flows of the hedged item that are attributable to the hedged risk are offset by changes in those of the hedging instrument. The hedge ineffectiveness is evaluated through a qualitative assessment or a quantitative computation, depending on the extent to which the critical terms of the hedged item and the hedging instrument match.

The main causes of hedge ineffectiveness include the basis difference (i.e. the fair value or cash flows of the hedged item depend on a variable that is different from the variable that causes the fair value or cash flows of the hedging instrument to change), timing difference (i.e. the hedged item and the hedging instrument occur or are settled at different dates), quantity or notional amount differences, credit or other risks that have an impact on the fair value of a hedged item or a hedging instrument.

Current versus non-current classification
Derivative instruments are classified as current or non-current or separated into a current and non-current portion as follows:

- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistent with the classification of the underlying hedged item. The derivative instrument is separated into a current portion and non-current portion only if a reliable allocation can be made.
- Derivative instruments which are held primarily for the purpose of trading are classified as current.

g) Property, plant and equipment

Items of property, plant and equipment are measured at cost upon initial recognition. Cost includes expenditures that are directly attributable to the acquisition of the asset, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located ("dismantling asset"). The cost of self-constructed assets includes also the cost of materials and direct labour consumed during its construction and costs of testing whether the asset is functioning properly. However, the cost of material consumed and sales proceeds from the testing phase are charged to the profit and loss statement.

Subsequent to initial recognition, items of property, plant and equipment are carried at revalued amount, being their fair value at the date of the most recent revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the balance sheet date. Following the IAS 16, the accumulated depreciation is eliminated against the gross carrying amount of the property, plant and equipment when revalued.

Any revaluation increase arising on the revaluation of the property, plant and equipment is credited in equity to a revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of property, plant and equipment is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Property, plant and equipment in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Assets related to construction of nuclear power plant Mochovce 3&4 are carried at revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated impairment losses.

Subsequent costs incurred in relation to an item of property, plant and equipment are recognised as an increase in the carrying amount of this item only if it is probable that these costs will result in the increase in related future economic benefits and the costs can be measured reliably. All other costs are recognised in profit or loss as incurred.

The cost of replacing part or all of an item of property, plant and equipment is recognised as an increase in the carrying amount of this item and is depreciated over its remaining useful life; the net carrying amount of the replaced unit is derecognised through profit or loss, with the recognition of any capital gain or loss.

Periodic maintenance and inspection costs are capitalized as a separate component of the related item of property, plant and equipment if they fulfil the recognition criteria according to IAS 16. All other repair and day-to-day maintenance costs are recognised in the profit and loss statement as incurred.

Depreciation of property, plant and equipment commences when the assets are ready for their intended use and is put into use. Put into use means ensuring all technical functions of the asset necessary for its use and fulfilling all requirements according to specific valid legislation. Depreciation of property, plant and equipment is recognised in the profit and loss statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The Company does not perform any transfer from the revaluation reserve to retained earnings on derecognition, sale or retirement of revalued property.

The estimated useful lives for the current and comparative periods are as follows:

- Buildings, halls and structures — 20 – 60 years
- Machines, plant, equipment and vehicles — 4 – 60 years
- Other assets — up to 4 years

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Depreciation methods, useful lives and residual values are reassessed regularly, with the effect of any changes in estimate accounted for on a prospective basis.

Leased property, plant and equipment recognised in the statement of financial position are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated as it is deemed to have an infinite life.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other operating costs/income in the profit and loss statement in the period in which the item was disposed of.

h) Borrowing costs

Following IAS 23 (Revised), the borrowing costs are included in the acquisition cost of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are ready for their intended use. Borrowing costs include interest charges, commitment fees and other costs incurred in connection with the borrowing of funds, including exchange differences arising from foreign currency borrowings used to finance these projects to the extent that they are regarded as an adjustment to interest costs. The amount of borrowing costs that is capitalised shall be limited by the value of borrowing costs recognised as a finance cost during the period.

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i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

The useful lives of intangible assets are assessed as finite. The estimated useful lives for the current and comparative period are as follows:

- Software — 4 – 5 years
- Licences — 4 – 5 years

Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit and loss statement.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the proceeds from disposal and the carrying amount of the asset and are recognised net within “other operating costs/income” in the profit and loss statement in the period in which the item was disposed of.

j) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The Company is considered as one cash generating unit. Where the carrying amount of an asset or a cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses of continuing operations are recognised in the profit and loss statement in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is first recognised in other comprehensive income up to the amount of any previous revaluation.

For assets an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the Company estimates the asset’s or cash-generating unit’s recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the profit and loss statement unless the asset is carried at a revalued amount, in which case the reversal is recognised in the revaluation reserve.

k) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprise of the expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The stock value is based on the weighted average principle except for nuclear fuel as described below.

Nuclear fuel which is consumed over a period of more than one year, whether being used in the reactors or stored is recognised in inventories. Each individual nuclear fuel supply is valued at acquisition costs of particular supply. Nuclear fuel consumption is determined for each load based on the volume of energy produced in reactor from that nuclear fuel load. The volumes of energy produced are determined based on the technical data extracted from balancing system of each plant. The quantities consumed are valued at the acquisition costs of the particular fuel supply burnt in the reactor. Cost of inventories consumed is periodically corrected in view of forecast burnt quantities based on neutron measurements.

l) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand, valuables and short-term deposits with an original maturity of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

m) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit and loss statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. In case of long-term provisions, which are discounted to their present value, the value of provision is periodically increased by the unwounded interest cost. This increase is recognised as a finance cost in the profit and loss statement.

(i) Provision for severance payments and other termination benefits

The employees of the Company are eligible, immediately upon termination due to organizational changes or in other cases as set by the valid legislation or valid Company Collective Agreement, for severance payment pursuant to the Slovak law and the terms of the Company Collective Agreement, signed between the trade unions operating at the Company and the Company. The liability is recognised within Other provisions in the statement of financial position when the workforce reduction program is defined, announced and the conditions for its implementation are met.

(ii) Provision for retirement benefits

Unfunded defined benefit pension plan

A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age or years of service.

According to the valid Company Collective Agreement, signed between the trade unions operating at the Company and the Company, the Company is obliged, based on the number of years in service, to pay its employees on retirement or disability a multiple of their average monthly earning according to the valid Company Collective Agreement. The minimum requirement of the Labour Code of one-month average earning payment on retirement is included in the above multiples.

The liability in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date, together with adjustments for actuarial gains/losses and past service cost. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using market yield on high quality European corporate bonds.

Amendments to pension plans are charged or credited as past service cost to the profit and loss statement in the period when the amendments occur.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of other comprehensive income in case these relate to the retirement benefits. In case of other employment benefits, the adjustments are charged to the profit and loss statement.

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(iii) Bonus plans

A liability for employee benefits in the form of bonus plans is recognised in Trade and other current payables and is paid out after the evaluation of the performance in the given year. Liabilities for bonus plans are measured at the amounts expected to be paid when they are settled.

(iv) Other employee benefits

In line with the terms of the valid Company Collective Agreement, signed between the trade unions operating at the Company and the Company, the Company also pays certain work anniversary benefits.

The liability in respect of work anniversary benefits plan is the present value of the work anniversary benefit obligation at the balance sheet date. The work anniversary benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the work anniversary benefit obligation is determined by the estimated future cash outflows using market yield curve on high quality European corporate bonds.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and amendments to pension plans are charged or credited to the profit and loss statement when incurred.

(v) Restructuring

A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or the Company has raised valid expectations that the restructuring will be undertaken by starting to implement that plan or announcing its main features.

(vi) Environmental provisions (Site restoration)

Environmental liabilities represent any current or future environmental assignments whose implementation is subject to the need to comply with the legislative requirements or the constructive obligation of the Company. Environmental provisions can only be recognised for those types of costs that are incurred in relation with the abovementioned assignments and only if the provision recognition criteria is met. Environmental provisions should also be recognised when there is an obligation to eliminate damages caused by contamination or disposal of hazardous wastes.

(vii) Provision for nuclear decommissioning and storage costs

The provision for nuclear decommissioning and storage costs is recognised based on discounted future cash flows estimated in relation to the decommissioning of nuclear facilities, storage and disposal of radioactive waste, the storage and disposal of spent nuclear fuel and post-operational costs of nuclear power plants. The future estimated cash flows include also estimated costs of recultivation of the sludge beds since their operation is directly related to the operation of a nuclear power plant. The provision is reduced by the actual costs incurred (i. e. usage of provision) and increased for the effect of unwinding of interest. Any excess of actual decommissioning costs over the planned amounts in the current year are included in the profit and loss statement of the current year.

The provision for nuclear decommissioning and storage costs is estimated by applying a forecast long-term inflation index to the projected disbursements, which are then discounted to present value using discount rate determined based on long-term data series and takes into account the fact that some expenses covered by provisions will be disbursed over periods significantly longer than the duration of instruments generally traded on the financial markets.

(viii) Provision for dismantling of thermal power plants

A provision for the dismantling of thermal power plants is recognised to cover future decommissioning costs which are expected to take place upon the shut-down of the thermal power plants. The provision includes also estimated costs for recultivation of sludge beds that are located in the area of thermal power plants.

Remeasurement of provision for nuclear decommissioning and storage costs and provision for dismantling of thermal power plants

Remeasurement of an existing provision for nuclear decommissioning and storage costs and provision for dismantling of thermal power plants that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate, are accounted for as follows:

(a) Changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:

(i) a decrease in the liability is (subject to (b)) credited directly to revaluation surplus in equity, except that it is recognised in profit or loss to the extent that it reverses a revaluation deficit on the asset that was previously recognised in profit or loss;

(ii) an increase in the liability is recognised in profit or loss, except that it is debited directly to revaluation surplus in equity to the extent of any credit balance existing in the revaluation surplus in respect of that asset;

(b) In the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in profit or loss;

(c) A change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. Any such revaluation is taken into account in determining the amounts to be taken to profit or loss and equity under (a). If a revaluation is necessary, all assets of that class are revalued;

(d) The change in the revaluation surplus arising from a change in the liability is separately identified and disclosed in the statement of other comprehensive income of each item of income or expense that is recognised directly in equity.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability are recognised in profit and loss statement as they occur.

The periodic unwinding of interest is recognised in the profit and loss statement as a finance cost as it occurs.

n) Greenhouse gas emissions

According to the European Union Emissions Trading System and a valid National Allocation Table Plan the Company receives part of emission allowances for selected facilities for free. The rest of emission allowances are purchased from the third parties. Emission allowances acquired by the Company for free are provided on an annual basis and the Company is required to return allowances corresponding to the emissions actually discharged by the end of April of the following calendar year.

Emission allowances purchased from the third parties are initially measured at cost and are recognised as inventory at the moment of their registering in the Registry of emission allowances.

Emission allowances acquired by forward purchase from the third parties and/or acquired for free are classified as held for trading and are measured at fair value. The fair value is considered to be the actual market price. The change in the fair value of the emission allowances held for trading is recognised in the profit and loss statement.

Regarding the obligation of the emission allowances redemption in the volume of the emission produced for the period, the Company recognizes a provision for emission allowances in the estimated volume of emissions for the period, valued by the market price at the reporting period.

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3. Significant accounting judgments, estimates and assumptions

Judgments, estimates and assumptions

The preparation of the Company's separate financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities in future periods. The key assumptions concerning the future and other key sources of uncertainty estimation at the reporting date that bear a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years are discussed below:

(i) Nuclear decommissioning, storage and disposal of spent nuclear fuel and radioactive waste

The Company recognises significant amounts as a provision for decommissioning and post operational costs of nuclear power plants and provision for storage and disposal of spent nuclear fuel and radioactive waste. These amounts are based on the technical and financial estimates of cash flows that will be incurred over periods ranging from 1 to 100 years, based on current technology and strategy for decommissioning and disposal, as applied by the Company. Estimation of this provision is sensitive to assumptions concerning costs, inflation, discount rates and disbursement schedules.

The Company's management has used its best estimates, knowledge and a valid "National Policy and National Programme for handling of spent nuclear fuel and radioactive wastes in the Slovak Republic", adopted by Slovak government on 8 July 2015 in form of an update of strategic document "Strategy of the Back-end Cycle of the Peaceful Exploitation of the Nuclear Energy in the Slovak Republic" as well as the "Updated conceptual plan of decommissioning of the nuclear power plant V2 and EMO1&2 and creation of input database of assets subject to decommissioning" approved by the Nuclear Regulatory Authority of the Slovak Republic on 27 August 2018, and "Conceptual plan of decommissioning of nuclear power plant – construction of the unit 3 and 4 of nuclear power plant Mochovce" approved by the letter from the Nuclear Regulatory Authority of the Slovak Republic dated 15 April 2021, when defining disbursement schedules in respect to the nuclear decommissioning and storage and disposal of spent nuclear fuel and radioactive waste. There is an inherent risk in these estimates given the timeframe, the valid and the planned legislation, the different alternatives open to the management of the Company and the possible future changes in technology for nuclear decommissioning and storage and disposal of spent nuclear fuel and radioactive waste. For further information please refer to Note 15.

(ii) Dismantling of thermal power plants

The Company recognises a significant amount as a provision for dismantling of thermal power plants. Estimation of this provision is sensitive to assumptions concerning costs, inflation, discount rates and disbursement schedules. Disbursement schedules can be significantly impacted by the Company's future decisions regarding the strategy of the thermal power plants dismantling. Market developments could also impact the plans of the Company management in respect of the future utilization of the localities. For further information please refer to Note 16.

(iii) Revaluation of property, plant and equipment

In 2006, the Company applied the revaluation model in accordance with the accounting standard IAS 16 and revalued the items of property, plant and equipment and property related to construction of nuclear power plant Mochovce 3&4. The assumptions used in the revaluation model were taken from the report of an independent professionally qualified expert. Based on the appraisal, the useful life of the property, plant and equipment has been modified.

Subsequent revaluation of the Company's property, plant and equipment and property related to construction of nuclear power plant Mochovce 3&4 was undertaken in regular intervals, during the years 2010, 2014, 2019 and 2024 by an independent professionally qualified experts in accordance with IAS 16 and IFRS 13 Fair value measurement. The following approaches have been used: the cost approach, the market approach and the income approach. The following assumptions were reflected in the revaluation model: technical condition of assets (useful lives, maintenance, technical enhancement), market conditions, economic factors and other specific conditions. For further information please refer to Note 5.

(iv) Testing for impairment of non-financial assets

Following the standard IAS 36 the Company tests the non-current non-financial assets for impairment in case there are any impairment indicators identified. The Company recognises impairment of non-financial assets if the carrying amount exceeds their recoverable amount. The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use.

Value in use is determined as the estimated future post-tax cash flows discounted to their present value that reflects current market assessments of the time value of money and the risks specific to the non-financial asset. The cash flows are derived from the long-term plan of the Company and board approved management plans and forecasts, based on expected generation profile. The value in use is sensitive to the assumptions related to long-term forward commodity prices, fuel costs, discount rates, inflation rate, growth rate, future development of the electricity prices and successful commissioning of nuclear power plant Mochovce 3&4 in accordance with the project timeline.

(v) Fair value of financial instruments

Where the fair value of the financial instruments recorded in the statement of financial position cannot be derived from active markets, it is determined taking into account the observable market inputs and management judgement on the future development of the key variables affecting fair values, such as yield curves, exchange rates or risk-free interest rates. Fair value determination includes considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(vi) Litigations

The Company is involved in various legal disputes in the ordinary course of its business. In view of the nature of such litigations, it is not always objectively possible to predict the outcome of such disputes. Provisions have been recognised to cover all significant liabilities for cases in which the Company's management believe an adverse outcome is probable and a reasonable estimate of the financial effect can be made.

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4. Standards issued but not yet effective

At the date of authorisation of the financial statements, the Company has not applied the following revised IFRS Accounting Standards that have been issued by the IASB and adopted by the EU but are not yet effective:

IAS 21	Amendments to IAS 21: Lack of Exchangeability *(effective for annual reporting periods beginning on or after 1 January 2025)*

At present, IFRS Accounting Standards as adopted by the EU do not significantly differ from IFRS Accounting Standards issued by the IASB, except for the following new accounting standards and amendments to the existing accounting standards, which were not adopted by the EU as at the date of authorisation of the financial statements of the Company:

IFRS 9 IFRS 7	Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity *(IASB effective date: 1 January 2026, not yet adopted by the EU);*
IFRS 1 IFRS 7 IFRS 9 IFRS 10 IAS 7	Annual Improvements to IFRS Accounting Standards - Volume 11 *(IASB effective date: 1 January 2026, not yet adopted by the EU);*
IFRS 18	Presentation and Disclosures in Financial Statements *(IASB effective date: 1 January 2027, not yet adopted by the EU);*
IFRS 19	Subsidiaries without Public Accountability: Disclosures *(IASB effective date: 1 January 2027, not yet adopted by the EU);*
IFRS 14	Regulatory Deferral Accounts *(IASB effective date:1 January 2026, the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard);*
IFRS 10 IAS 28	Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture *(effective date deferred by IASB indefinitely, endorsement process postponed indefinitely until the research project on the equity method has been concluded).*

The Company does not expect that the adoption of the accounting standards listed above will have a material impact on the financial statements of the Company in future periods, except for the standard IFRS 18 Presentation and Disclosures in Financial Statements, where the Company is evaluating the impact on the separate financial statements.

5. Property, plant and equipment

In thousands of EUR	Buildings, halls and structures Level 3	Plant, machinery and other Level 3	Land Level 2	Assets in the course of construction Level 3	Total
Valuation as at 1 January 2024	1,447,199	2,368,944	84,388	7,693,481	11,594,012
Accumulated depreciation as at 1 January 2024	(224,410)	(602,127)	(239)	-	(826,776)
Accumulated impairment losses as at 1 January 2024	(3,016)	(23,803)	(6)	(412,597)	(439,422)
Carrying amount as at 1 January 2024	**1,219,773**	**1,743,014**	**84,143**	**7,280,884**	**10,327,814**
Year ended 31 December 2024					
Opening carrying amount as at 1 January 2024	1,219,773	1,743,014	84,143	7,280,884	10,327,814
Additions	23,650	127,264	(104)	316,590	467,400
Revaluation through revaluation reserve	180,492	248,809	-	-	429,301
Revaluation through profit and loss statement	(17,524)	(49,930)	-	(28,775)	(96,229)
Impairment loss(-) / reversal(+) through revaluation reserve	(1)	(261)	-	-	(262)
Impairment loss(-) / reversal(+) through profit and loss statement	-	(132)	-	(159)	(291)
Transfers from Intangible assets	-	-	-	(1,170)	(1,170)
Transfers	1,261,884	4,015,890	1	(5,277,775)	-
Disposals	(296)	(1,815)	-	1,619	(492)
Depreciation charge (Note 26)	(75,732)	(244,069)	(51)	-	(319,852)
Valuation as at 31 December 2024	2,621,318	5,943,604	84,010	2,291,905	10,940,837
Accumulated depreciation as at 31 December 2024	(26,114)	(81,039)	(15)	-	(107,168)
Accumulated impairment losses as at 31 December 2024	(2,958)	(23,795)	(6)	(691)	(27,450)
Carrying amount as at 31 December 2024	**2,592,246**	**5,838,770**	**83,989**	**2,291,214**	**10,806,219**

The notes form an integral part of the separate financial statements.

In thousands of EUR	Buildings, halls and structures Level 3	Plant, machinery and other Level 3	Land Level 2	Assets in the course of construction Level 3	Total
Valuation as at 1 January 2023	1,404,852	2,341,013	84,905	7,225,135	11,055,905
Accumulated depreciation as at 1 January 2023	(169,200)	(464,444)	(182)	-	(633,826)
Accumulated impairment losses as at 1 January 2023	(3,176)	(23,903)	(6)	(415,983)	(443,068)
Carrying amount as at 1 January 2023	**1,232,476**	**1,852,666**	**84,717**	**6,809,152**	**9,979,011**
Year ended 31 December 2023					
Opening carrying amount as at 1 January 2023	1,232,476	1,852,666	84,717	6,809,152	9,979,011
Additions	11,682	23,648	135	515,437	550,902
Impairment loss(-)/ reversal(+) through revaluation reserve	-	(311)	(549)	-	(860)
Impairment loss(-)/ reversal(+) through profit and loss statement	-	(83)	(6)	1,835	1,746
Transfers from Intangible assets	-	-	-	3	3
Transfers	31,245	11,834	-	(43,082)	(3)
Transfers to Assets held for sale	-	-	(96)	-	(96)
Disposals	(473)	(844)	-	(2,461)	(3,778)
Depreciation charge (Note 26)	(55,157)	(143,896)	(58)	-	(199,111)
Valuation as at 31 December 2023	1,447,199	2,368,944	84,388	7,693,481	11,594,012
Accumulated depreciation as at 31 December 2023	(224,410)	(602,127)	(239)	-	(826,776)
Accumulated impairment losses as at 31 December 2023	(3,016)	(23,803)	(6)	(412,597)	(439,422)
Carrying amount as at 31 December 2023	**1,219,773**	**1,743,014**	**84,143**	**7,280,884**	**10,327,814**

The notes form an integral part of the separate financial statements.

Under the category Assets under construction, the most significant value relates to nuclear power plant Mochovce 3&4. The Company has prepayments for non-current assets in the amount of EUR 25,562 thousand which relate to property, plant and equipment, thereof EUR 10,395 thousand relate to the construction of nuclear power plant Mochovce 3&4 (2023: EUR 14,531 thousand, thereof EUR 13,122 thousand related to the construction of nuclear power plant Mochovce 3&4).

Mochovce Units 3 and 4

Unit 3

On 25 August 2022 the Chairperson of the Nuclear Regulatory Authority of the Slovak Republic (hereinafter as the “UJD SR”) as the second-instance authority issued the decision No. 248/2022 P that authorized the first fuel load. The Decision No. 248/2022 P entered into force on 9 September 2022. On that date, following the first fuel load into the reactor of the unit 3 of Mochovce nuclear installation the commissioning stage was initiated. The commissioning stage consist of the physical start-up phase and of the power testing phase.

On 22 October 2022 the unit 3 of Mochovce nuclear installation reached its first criticality, when the controlled fission chain reaction is already underway in the reactor, although the reactor power is very close to zero. In connection with that the Company recognized initial estimate of costs for nuclear decommissioning and storage for unit 3 of Mochovce nuclear facility in the amount of EUR 160,770 thousand.

Activities of the physical start-up phase were concluded on 9 January 2023 when the Company approached UJD SR with a request for authorization with transition to the power testing phase that was agreed on 13 January 2023.

On 31 January 2023 the first of the two turbogenerators of Unit 3 was connected to the grid at the 20% reactor’s rated power, subsequently, the second turbogenerator on 4 February 2023. The Company continuously proceeded with further tests by increasing the reactor’s rated power. The full functionality of the Unit 3 and achievement of design parameters was confirmed by successful completion of the 144-hour proof run at 100% with 471-megawatt output on 14 October 2023.

On January 12, 2024, the Company supplemented the submission of "*Application for the issuance of a license for operation, a license for the authorization of radioactive waste and spent nuclear fuel, a license for the authorization of nuclear material, consent for trial operation and consent for the temporary use of the Mochovce Unit 3 and 4*“ at UJD in connection with the completion of commissioning of Unit 3, which is a condition for the UJD's approval for trial operation.

This date was considered also as the date of put into use as the submission of the above mentioned application confirmed that all the technical functions of the Unit 3 necessary for its use are fulfilling the obligations according to specific regulation and legislation and the Unit 3 is in condition necessary for it to be capable of operating in the manner as intended by the management.

During the power testing phase, from the moment of connecting of the first turbogenerator of Unit 3 to the grid until the moment of putting the Unit 3 into use, the Company has generated revenue from sale of electricity in amount of EUR 150,153 thousand and recognized EUR 11,345 thousand of nuclear fuel consumed, which were recognized in the income statement predominantly in year 2023.

Unit 4 – under construction

Unit 4 of the nuclear power plant Mochovce is still under construction. Extensive works culminated in December 2024 with the successful completion of the cold hydro test, representing a significant phase of the construction project.

As at 31 December 2024 the progress of works achieved was on the level 93.09%.

Revaluation of property, plant and equipment to fair value and impairment

The first revaluation of the Company’s property, plant and equipment and property related to construction of nuclear power plant Mochovce 3&4 took place on 28 April 2006. This revaluation was carried out by an independent professionally qualified expert.

Subsequent revaluations were performed in regular intervals, during the years 2010, 2014, 2019 and 2024. The latest fair valuation was recognised as at 31 August 2024. All these subsequent fair valuations were undertaken by independent professionally qualified experts. The fair value was determined by using the following approaches: the cost, the market and the income approach.

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Unlike in previous years, during the fair valuation in 2024 the property, plant and equipment of the thermal power plant in Nováky and thermal plant in Vojany were exempt from fair value revaluation as these two power plants were shut down and are not in operation anymore. For details see also Note 16.

The cost approach was the primary method. The cost approach reflects the amount that would be required currently to replace the service capacity of an asset and is based on the cost to a market participant to acquire or construct a substitute asset or comparable utility, adjusted for the obsolescence (Level 3). Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence.

The market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets (Level 2). The market approach was primarily used to value land. Appropriate consideration was given to location and current and future use of individual land plots.

The income approach was used as the secondary method, particularly the discounted cash flows model arising from the draft Strategic Plan of the Company for the period 2025 – 2034. This approach converts future amounts (e.g. cash flows or income and expenses) to a single current (i.e., discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those amounts (Level 3). The income approach was considered on an overall portfolio basis since all these plants work together in generating electricity for the grid. The most significant unobservable inputs related to forecasted long term power prices, which were derived from currently observed forward market prices on liquid long term power markets and market analyst reports, and weighted average cost of capital (hereinafter as the “WACC”) used to discount future cash-flows. The WACC structure comprises the cost of equity and the cost of external capital. The cost of equity was determined based on the Capital Asset Pricing Model while the cost of external capital was determined using the risk-free premium, the country specific risk premium and the risk margin.

Following the revaluation of property, plant and equipment in 2024 the Company recognised overall increase of the value of non-current assets in amount of EUR 333,072 thousand, out of which EUR 429,301 thousand as an increase through the revaluation reserve and, at the same time impairment loss in the value of EUR 96,229 EUR in the income statement.

Impairment of property, plant and equipment

During the period ended 31 December 2024 the Company recognised an overall change in impairment loss of individually assessed items in the total net amount of EUR 553 thousand; out of which EUR 291 thousand represents an impairment loss of individually assessed items recognised in the line Depreciation, amortization and impairment and EUR 262 thousand decrease in Revaluation reserve.

During the period ended 31 December 2023 the Company recognised an overall change in impairment loss of individually assessed items in the total net amount of EUR 886 thousand; out of which EUR 2,184 thousand represented an impairment loss of individually assessed items recognised in the line Depreciation, amortization and impairment, EUR 3,930 thousand represented an impairment loss release recognised in the line Repairs and maintenance and EUR 860 thousand decrease in Revaluation reserve.

The fair value of assets as at 31 December 2024 and 2023 is as follows:

In thousands of EUR	*31 December 2024*	*Level 1*	*Level 2*	*Level 3*
Buildings, halls and structures	2,592,246	-	-	2,592,246
Plant, machinery & other	5,838,770	-	-	5,838,770
Land	83,989	-	83,989	-
Assets in the course of construction	2,291,214	-	-	2,291,214
Total	**10,806,219**	**-**	**83,989**	**10,722,230**

In thousands of EUR	*31 December 2023*	*Level 1*	*Level 2*	*Level 3*
Buildings, halls and structures	1,219,773	-	-	1,219,773
Plant, machinery & other	1,743,014	-	-	1,743,014
Land	84,143	-	84,143	-
Assets in the course of construction	7,280,884	-	-	7,280,884
Total	**10,327,814**	**-**	**84,143**	**10,243,671**

Since there have been no transfers of non-current assets between levels 1 – 3 during years 2024 and 2023, the reconciliation from the opening to closing carrying amounts for each individual level is valid as shown in the table on pages 23 and 24.

If property, plant and equipment were measured using the cost model, the carrying amounts as at 31 December 2024 and 2023 would be as follows:

In thousands of EUR	*Buildings, halls & structures*	*Plant, machinery & other*	*Assets under finance lease*	*Land*	*Assets in the course of construction*	***Total***
Carrying amount as at 31 December 2024 under the cost	1,715,088	5,000,358	20,805	13,893	2,319,989	**9,070,133**
Carrying amount as at 31 December 2023 under the cost	436,691	888,921	1,598	13,877	7,280,884	**8,621,971**

Capitalised borrowing costs

The Company capitalised borrowing costs in the total amount of EUR 149,619 thousand for the year ended 31 December 2024 (2023: EUR 301,611 thousand). The rate used to determine the amount of borrowing costs eligible for capitalisation was 7.60% p.a. which is the average effective interest rate of all the general borrowings of the Company.

Assets classified as held for sale

Assets classified as held for sale are mainly land and buildings, which are not used by the Company for their initial purpose.

As at 31 December 2024 the Company presented the share in the company REAKTORTEST, a.s. in the carrying value of EUR 32 thousand (2023: EUR 32 thousand) as the asset held for sale due to planned sale of this associated company.

Insurance of property, plant and equipment:

As at 31 December 2024 the fixed assets of the Company were insured as follows:

- Fixed assets of conventional power plants and non-generating assets of the Company were insured up to the insurance limit of EUR 200 million.
- Assets of nuclear power plants were insured up to the limit of EUR 700 million for the operating nuclear power plants.
- The insured value of the assets in the course of construction was EUR 1,573 million.

The Company insures its property as follows:

- Fixed assets of conventional power plants are insured by commercial carriers.
- Fixed assets of the nuclear power plants are insured by European Mutual Association for Nuclear Insurance a Northcourt Ltd.

Leases

At 31 December 2024, the carrying value of assets under lease included in Property, plant and equipment was EUR 20,805 thousand (31 December 2023: EUR 1,598 thousand). Total cash outflow for leases in 2024 was EUR 1,322 thousand (in 2023 EUR 2,510 thousand).

Expenses relating to short-term leases and to leases of low-value assets of EUR 3,016 thousand (31 December 2023: EUR 2,338 thousand) are included in the line Other raw materials and consumables in the profit and loss statement.

6. Intangible assets

In thousands of EUR	*Software*	*Other intangible assets*	*Intangible assets in progress*	*Total*
Cost as at 1 January 2024	69,270	1,545	2,833	73,648
Accumulated amortisation as at 1 January 2024	(65,861)	(1,349)	-	(67,210)
Accumulated impairment losses as at 1 January 2024	(20)	-	-	(20)
Carrying amount as at 1 January 2024	**3,389**	**196**	**2,833**	**6,418**
Year ended 31 December 2024				
Opening carrying amount as at 1 January 2024	3,389	196	2,833	6,418
Additions	2,020	-	2,450	4,470
Transfers from Property, plant and equipment	-	-	1,170	1,170
Transfers	2,527	-	(2,527)	-
Amortisation (Note 26)	(1,523)	(10)	-	(1,533)
Cost as at 31 December 2024	70,864	1 545	3 926	76 335
Accumulated amortisation as at 31 December 2024	(64,431)	(1,359)	-	(65,790)
Accumulated impairment losses as at 31 December 2024	(20)	-	-	(20)
Carrying amount as at 31 December 2024	**6,413**	**186**	**3,926**	**10,525**
Cost as at 1 January 2023	77,922	1,545	1,876	81,343
Accumulated amortisation as at 1 January 2023	(73,977)	(1,340)	-	(75,317)
Accumulated impairment losses as at 1 January 2023	(22)	-	-	(22)
Carrying amount as at 1 January 2023	**3,923**	**205**	**1,876**	**6,004**
Year ended 31 December 2023				
Opening carrying amount as at 1 January 2023	**3,923**	**205**	**1,876**	**6,004**
Additions	261	-	1,026	1,287
Impairment loss(-) / reversal(+) through profit and loss statement (Note 26)	(9)	-	-	(9)
Transfers to Property, plant and equipment	-	-	(3)	(3)
Transfers	69	-	(66)	3
Amortisation (Note 26)	(855)	(9)	-	(864)
Cost as at 31 December 2023	69,270	1,545	2,833	73,648
Accumulated amortisation as at 31 December 2023	(65,861)	(1,349)	-	(67,210)
Accumulated impairment losses as at 31 December 2023	(20)	-	-	(20)
Carrying amount as at 31 December 2023	**3,389**	**196**	**2,833**	**6,418**

In 2024 and 2023 the Company did not incur nor capitalize any expenses for development.

7. Derivatives

Assets from derivatives

In thousands of EUR	*2024*		*2023*	
	Non-current	*Current*	*Non-current*	*Current*
Derivatives – exchange rate	-	606	-	-
Derivatives - commodities	-	20,575	-	124,279
Assets from derivatives measured at fair value through profit or loss	***-***	***21,181***	***-***	***124,279***
Hedging derivatives - exchange rate	-	120	-	104
Hedging derivatives - interest rate	-	21,218	53,956	9,496
Hedging derivatives - commodities	12,539	151,210	186,730	271,880
Assets from derivatives measured at fair value through other comprehensive income	***12,539***	***172,548***	***240,686***	***281,480***
Total Assets from derivatives	**12,539**	**193,729**	**240,686**	**405,759**

Liabilities from derivatives

In thousands of EUR	*2024*		*2023*	
	Non-current	*Current*	*Non-current*	*Current*
Derivatives – exchange rate	-	(9,177)	(9,344)	(112)
Derivatives - commodities	-	(27,324)	-	(25,889)
Liabilities from derivatives measured at fair value through profit or loss	***-***	***(36,501)***	***(9,344)***	***(26,001)***
Hedging derivatives - exchange rate	-	(110,455)	(109,175)	(31,210)
Hedging derivatives - interest rate	-	(11)	-	(94)
Hedging derivatives - commodities	(152,636)	(28,083)	(1,004)	(10,986)
Liabilities from derivatives measured at fair value through other comprehensive income	***(152,636)***	***(138,549)***	***(110,179)***	***(42,290)***
Total Liabilities from derivatives	**(152,636)**	**(175,050)**	**(119,523)**	**(68,291)**

Derivatives measured at fair value through profit or loss

Commodity derivatives
The Company recognises commodity derivatives not designated as hedges in respect of trading contracts for purchase and sale of electricity, emission allowances and gas according to the valid accounting policy of the Company. These derivative transactions are executed with the aim of economic hedging against the volatility of the respective commodity prices, or, for further trading.

The Company sells its production via transactions concluded under market conditions, usually using brokerage platforms or energy exchange, e.g. European Energy Exchange AG (EEX), or Polish Power Exchange (PolPX), considered to be the most transparent and most reliable means of electricity trading in the region. In case of EEX trading the open positions are being revalued on daily basis and these are immediately settled in cash. The revaluation of the commodity derivatives at EEX settled in cash as at 31 December 2024 (including hedging derivatives) represents asset of EUR 6,538 thousand – electricity and emission allowances (31 December 2023: liability of EUR 11,740 thousand).

Slovenské elektrárne, a.s.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
for the year ended 31 December 2024
(in thousands of EUR)

The following tables show the value of receivables and payables from commodity and other derivatives measured at fair value through profit or loss, by the period of delivery as at 31 December 2024 and 31 December 2023:

In thousands of EUR	*2024*	*2023*
Receivables		
Delivery 2024	-	111,123
Delivery 2025	20,286	12,483
Delivery 2026	873	673
Delivery 2027	22	-
Total commodity and other derivatives	**21,181**	**124,279**
Liabilities		
Delivery 2024	-	(25,540)
Delivery 2025	(33,605)	(9,805)
Delivery 2026	(1,906)	-
Delivery 2027	(990)	-
Total commodity and other derivatives	**(36,501)**	**(35,345)**

Derivatives designated as hedges

Derivative contracts designated as hedges are classified as cash flow hedges or fair value hedges.

Exchange rate
The Company hedges the impact of the exchange rate fluctuations connected with the purchase and sale of electricity and also the purchase of commodities necessary for the production of electricity through forwards on foreign currency exchange rates. The cash flows from the hedging derivatives are contracted to occur in the moment when the purchase or sale of the hedged transaction is expected to occur.

In case of purchase and sale of electricity the cash flows from the hedging foreign currency derivatives are recognised in profit or loss at the moment of the realization of the trade.

Interest rate and exchange rate
The Company hedges its exposure to interest rate risk and exposure to exchange rate fluctuations in connection with the loans drawn through interest rate swaps, cross-currency interest rate swaps or FX forwards. The maturity of the interest and nominal payments from swaps corresponds with the maturity of interests and nominal from loans. For details of the interest rate risk management strategy refer to Note 32.

Electricity price
The Company hedges cash flows from sales of future electricity production against the risk of electricity price movement by selling the production via forward contracts with respect to the strategy of production selling. Strategy for managing risks associated with fluctuation of the electricity prices is described in more details in the Note 32.

At the reporting date the Company held following derivative contracts classified as cash flow hedge derivatives, according to the type of the underlying instrument:

			2024		
Cash-flow hedge derivatives	*Unit of Measure*	*Volume[1]*	*Nominal value (ths. EUR)*	*Fair value[2] (ths. EUR)*	*Effective hedge (ths. EUR)*
Commodity risk – price of electricity					
2025	GWh	(7,831)	908,262	123,126	84,924
2026	GWh	(10,377)	839,410	(85,849)	(92,827)
2027	GWh	(7,271)	529,927	(54,247)	(59,393)
2028	GWh	(193)	13,476	-	(966)
Interest rate and foreign currency risk					
2025	ths. RUB		(175,000)	(110,336)	10,661
Interest rate risk					
2025	ths. EUR		1,130,000	21,208	20,027
Total		**(25,672)**	**3,246,075**	**(106,098)**	**(37,574)**

1) Positive values represent purchases, negative values represent sales
2) Fair value in respect of electricity prices does not include the fair value of contracts on EEX in amount of EUR (3,764) thousand as these are settled in cash on daily basis

			2023		
Cash-flow hedge derivatives	*Unit of Measure*	*Volume[1]*	*Nominal value (ths. EUR)*	*Fair value[2] (ths. EUR)*	*Effective hedge (ths. EUR)*
Commodity risk – price of electricity					
2024	GWh	(5,161)	735,982	260,893	174,868
2025	GWh	(7,922)	932,883	170,458	184,014
2026	GWh	(2,129)	209,187	15,267	18,078
Foreign currency risk					
2024	ths. CZK		4,645	(19)	(19)
Interest rate and foreign currency risk					
2025	ths. RUB		(225,000)	(140,260)	(29,923)
Interest rate risk					
2025	ths. EUR		1,522,000	63,358	61,030
Total		**(15,212)**	**3,179,697**	**369,697**	**408,048**

1) Positive values represent purchases, negative values represent sales
2) Fair value in respect of electricity prices does not include the fair value of contracts on EEX in amount of EUR (18,212) thousand as these are settled in cash on daily basis

Change in the Hedging reserve in the statement of other comprehensive income, before tax, during the period was as follows:

In thousands of EUR	*FX Forwards*	*Interest rate swaps*	*Cross-currency interest rate swaps*	*Electricity forward contracts*	***Total Hedging Reserve***
Balance as at 1 January 2024	**(19)**	**61,030**	**(29,923)**	**376,960**	**408,048**
Change in valuation of cash flow hedges	(97)	6,275	32,327	(468,476)	(429,971)
Unrealized foreign exchange profit / (loss)	-	-	10,649	-	10,649
Ineffectiveness recognised in profit and loss	-	-	-	(62,239)	(62,239)
Profit / (loss) from the matured contracts*	116	(47,278)	(2,392)	85,493	35,939
Balance as at 31 December 2024	**-**	**20,027**	**10,661**	**(68,262)**	**(37,574)**
Balance as at 1 January 2023	**(321)**	**122,022**	**(23,105)**	**(1,992,207)**	**(1,893,611)**
Change in valuation of cash flow hedges	(372)	(3,705)	(18,537)	2,128,200	**2,105,586**
Unrealized foreign exchange profit / (loss)	-	-	13,806	-	**13,806**
Ineffectiveness recognised in profit and loss	-	300	-	(94,139)	**(93,839)**
Profit / (loss) from the matured contracts*	674	(57,587)	(2,087)	335,106	**276,106**
Balance as at 31 December 2023	**(19)**	**61,030**	**(29,923)**	**376,960**	**408,048**

**Effect of realization of the mature contracts is recognized in the line Gains / (losses) from derivative transactions*

The notes form an integral part of the separate financial statements

8. Company´s subsidiaries

The structure of the Company's interest in subsidiaries is as follows:

In thousands of EUR

Company name	*Country of incorporation*	*Ownership 2024*	*Carrying amount of investment 2024*
Ochrana a bezpečnosť SE, s.r.o.	Mochovce, Slovak Republic	100%	37
Slovenské elektrárne – energetické služby, s.r.o.	Bratislava, Slovak Republic	100%	4,505
Centrum pre vedu a výskum, s.r.o.	Mochovce, Slovak Republic	100%	6
Slovenské elektrárne Česká republika, s.r.o.	Prague, Czech Republic	100%	11,669
SE Služby inžinierskych stavieb, s.r.o.	Mochovce, Slovak Republic	100%	200
Total investments in subsidiaries			**16,417**

In thousands of EUR

Company name	*Country of incorporation*	*Ownership 2023*	*Carrying amount of investment 2023*
Ochrana a bezpečnosť SE, s.r.o.	Mochovce, Slovak Republic	100%	37
Slovenské elektrárne – energetické služby, s.r.o.	Bratislava, Slovak Republic	100%	4,505
Centrum pre vedu a výskum, s.r.o.	Mochovce, Slovak Republic	100%	6
Slovenské elektrárne Česká republika, s.r.o.	Prague, Czech Republic	100%	11,669
SE Služby inžinierskych stavieb, s.r.o.	Mochovce, Slovak Republic	100%	200
Total investments in subsidiaries			**16,417**

9. Investments in associates and other investments

The structure of the Company's interest in the associates is as follows:

In thousands of EUR

Company name	*Country of incorporation*	*Ownership 2024*	*Carrying amount of investment 2024*	*Equity 2024*	*Profit 2024*
REAKTORTEST, s.r.o.*	Slovak Republic	49%	-*	1,176	911
ÚJV Řež, a.s.	Czech Republic	27.77%	4,684	72,953	(9,326)
Energotel, a.s.	Slovak Republic	20%	525	4,127	497
Total investments in associates			**5,209**	**78,256**	**(7,918)**

**The carrying amount of the investment is recognised in the line Assets classified as held for sale in the amount of EUR 32 thousand due to the planned sale of the investment in this associate*

In thousands of EUR

Company name	*Country of incorporation*	*Ownership 2023*	*Carrying amount of investment 2023*	*Equity 2023*	*Profit 2023*
REAKTORTEST, s.r.o.*	Slovak Republic	49%	-*	396	131
ÚJV Řež, a.s.	Czech Republic	27.77%	4,684	91,479	1,912
Energotel, a.s.	Slovak Republic	20%	525	4,036	407
Total investments in associates			**5,209**	**95,911**	**2,450**

**The carrying amount of the investment is recognised in the line Assets classified as held for sale in the amount of EUR 32 thousand due to the planned sale of the investment in this associate*

The notes form an integral part of the separate financial statements

Assets, liabilities, revenues and expenses of the associates were as follows:

In thousands of EUR	*Non–current assets*	*Current assets*	*Total assets*	*Equity*	*Non–current liabilities*	*Current liabilities*	*Total liabilities*	*Revenues*	*Expenses*	***Profit***
2024										
REAKTORTEST, s.r.o.*	4	3,181	3,185	1,176	908	1,101	2,009	23,797	22,886	**911**
ÚJV Řež, a.s.	70,441	50,721	121,162	72,953	28,775	19,434	48,209	71,815	81,141	**(9,326)**
Energotel, a.s.	3,095	9,076	12,171	4,127	15	8,029	8,044	15,281	14,784	**497**
Total	**73,540**	**62,978**	**136,518**	**78,256**	**29,698**	**28,564**	**58,262**	**110,893**	**118,811**	**(7,918)**

**The carrying amount of the investment is recognised in the line Assets classified as held for sale in the amount of EUR 32 thousand due to the planned sale of the investment in this associate*

In thousands of EUR	*Non–current assets*	*Current assets*	*Total assets*	*Equity*	*Non–current liabilities*	*Current liabilities*	*Total liabilities*	*Revenues*	*Expenses*	***Profit***
2023										
REAKTORTEST, s.r.o.*	8	1,947	1,955	396	307	1,252	1,559	16,771	16,640	**131**
ÚJV Řež, a.s.	88,169	50,389	138,558	91,479	26,893	20,186	47,079	72,194	70,282	**1,912**
Energotel, a.s.	2,989	6,649	9,638	4,036	119	5,483	5,602	15,017	14,610	**407**
Total	**91,166**	**58,985**	**150,151**	**95,911**	**27,319**	**26,921**	**54,240**	**103,982**	**101,532**	**2,450**

**The carrying amount of the investment is recognised in the line Assets classified as held for sale in the amount of EUR 32 thousand due to the planned sale of the investment in this associate*

The structure of the other investments is as follows:

In thousands of EUR	*Carrying amount of investment 2024*	*Carrying amount of investment 2023*
Other investments	6,602	6,617
Total	**6,602**	**6,617**

Other investments include the Company's equity interests in the European Liability Insurance for the Nuclear Industry (ELINI), European Mutual Association for Nuclear Insurance (EMANI), Blue Re Mutual Association and Nuclear Industry Reinsurance Association (NIRA) and Cyber and Property insurance and reinsurance mutual for the energy sector (CYPRO).

In 2023 the Company founded Nadácia Slovenských elektrární with 100% ownership share. The share in Nadácia Slovenských elektrární is classified as other investment in line with IFRS 10 and is measured at cost.

10. Inventories

In thousands of EUR	*At cost 2024*	*At lower of cost or net realizable value 2024*	*At cost 2023*	*At lower of cost or net realizable value 2023*
Nuclear fuel	440,649	440,473	385,592	385,416
Fossil fuel	-	-	27,186	27,133
Spare parts	44,916	35,838	38,774	30,102
Material and supplies	14,302	10,033	7,375	3,390
Emission allowances	11,990	11,925	2,912	3,576
Other	1,214	1,214	1,359	1,359
Total inventories	**513,071**	**499,483**	**463,198**	**450,976**

Inventories in total value of EUR 357,436 thousand (2023: EUR 305,988 thousand) are expected to be recovered within a period of more than twelve months following the balance sheet date.

Total balance of emission allowances recognised as at 31 December 2024 and 31 December 2023, including the volume of the emission allowances acquired for free, were held for trading and were valued at the fair value.

Nuclear fuel movements

In thousands of EUR	*2024*	*2023*
Balance as at 1 January	**385,592**	**201,565**
Purchases	132,646	253,391
Consumption	(62,357)	(64,398)
Sale to the Slovak State Reserves	(15,232)	(4,966)
Balance as at 31 December	**440,649**	**385,592**

Movement in the write-down to inventories

In thousands of EUR	*2024*	*2023*
Balance as at 1 January	**12,886**	**11,478**
Write-down	1,728	2,053
Usage	(1,091)	(645)
Balance as at 31 December	**13,523**	**12,886**

The Company writes down obsolete and slow-moving inventories.

11. Trade and other receivables

In thousands of EUR	*2024*	*2023*
Current receivables		
Receivables from contracts with customers	483,099	337,989
Other receivables	32,220	17,564
Receivables from subsidiaries	39,882	33,964
Receivables from related parties	43,515	123,269
Amounts receivable under finance leases	1,893	1,837
Expected credit losses allowance	(143,602)	(143,776)
Total financial receivables	**457,007**	**370,847**
Other taxes and fees	211	265
Total trade and other receivables	**457,218**	**371,112**

In thousands of EUR	*2024*	*2023*
Non-current receivables		
Receivable from the sale of Gabčíkovo hydro power plant	90,961	88,999
Prepayments	65,591	93,386
Amounts receivable under finance leases	3,961	5,854
Grants	8,059	8,052
Total non-current receivables	**168,572**	**196,291**

Receivable from the sale of Gabčíkovo hydro power plant (hereinafter as the "VEG") was recognised based on the Agreement on settlement of legal relations with respect to the VEG assets, signed on 24 March 2006, in the value determined by an expert. The balance of non-current receivable from the sale of the VEG assets recognised as at 31 December 2024 amounting to EUR 90,961 thousand (31 December 2023: EUR 88,999 thousand) represents its discounted present value. The nominal value of the receivable as at 31 December 2024 amounts to EUR 102,612 thousand (31 December 2023: EUR 102,612 thousand). For the information regarding related ongoing legal disputes, refer to Note 30.

Prepayments contain cash collateral deposited for the purpose of trading on the EEX in the amount of EUR 63,620 thousand (2023: EUR 91,781 thousand).

For terms and conditions relating to related parties, refer to Note 29.

Trade receivables are non-interest bearing and are generally due within 14 - 90 days.

Movements in the expected credit losses allowance were as follows:

In thousands of EUR	*2024*
Balance as at 1 January	**143,776**
Charge for the year (Note 26)	36
Utilised	-
Unused amounts reversed (Note 26)	(210)
Balance as at 31 December	**143,602**

In thousands of EUR	*2023*
Balance as at 1 January	**142,451**
Charge for the year (Note 26)	1,357
Utilised	-
Unused amounts reversed (Note 26)	(32)
Balance as at 31 December	**143,776**

As at 31 December 2024 and 2023 trade receivables included receivables against VODOHOSPODÁRSKA VÝSTAVBA, ŠTÁTNY PODNIK in total value of EUR 22,137 thousand, which are subject to an ongoing dispute with the counterparty. Due to uncertainties related to the collectability of these receivables, the Company recognised an allowance for individually impaired receivables in full amount. These receivables were not included in the IFRS 9 simplified model for calculation of the expected credit losses allowance but were assessed on an individual basis.

As at 31 December 2024 and 2023 trade receivables included an amount of EUR 113.85 million related to past contributions to Združenie Dunaj ("the Danube Association") which was established to facilitate the co-operation between the Company and the company VODOHOSPODÁRSKA VÝSTAVBA, ŠTÁTNY PODNIK for the construction of the Gabčíkovo dam and electricity facilities. Due to uncertainties related to the collectability of this receivable, the Company recognised an allowance for individually impaired receivables in full amount. These receivables were not included in the IFRS 9 simplified model for calculation of the expected credit losses allowance but were assessed on an individual basis.

As at 31 December 2024, trade receivables include an amount of EUR 2,153 thousand (31 December 2023: EUR 2,153 thousand) related to purchased credit-impaired trade receivables that are fully impaired since initial recognition.

12. Cash and cash equivalents

In thousands of EUR	*2024*	*2023*
Cash at banks and on hand	203,810	100,305
Total cash and cash equivalents	**203,810**	**100,305**

Cash and cash equivalents as at 31 December 2024 include EUR 100 thousand that is restricted by legislation (31 December 2023: EUR 100 thousand).

13. Other assets

In thousands of EUR	*2024*	*2023*
Other current assets		
Prepaid expenses - insurance	2,388	2,247
Prepaid expenses - lease of buildings	-	388
Prepaid expenses - fees related to loans and borrowings	952	68
Prepaid expenses - other	419	613
Accrued revenue - interest income	60	108
Total other current assets	**3,819**	**3,424**

In thousands of EUR	*2024*	*2023*
Other non-current assets		
Right for reimbursement of the special purpose financial reserve	2,495	2,124
Total other non-current assets	**2,495**	**2,124**

Act No. 79/2015 Coll. on waste and on amendments to certain acts as amended, specifies, inter alia, the pronouncements regarding the special purpose financial reserve for waste dumps which the Company as an operator of the waste dumps must create. According to the § 24, article 4 of this act the funds must be deposited on the special account of the Ministry of Environment in the State Chamber. The Company recognizes this special purpose financial reserve as a long-term asset - a right for reimbursement of the special purpose financial reserve in line with interpretation IFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds.

14. Share capital and reserves

i) Share capital

As at 31 December 2024, the share capital comprised 39,041 ordinary shares (2023: 39,041), thereof 38,238 shares at a par value of EUR 33,193.92 and 803 shares at a par value of EUR 33.19. All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends in accordance with legislation valid in the Slovak Republic and as decided by the general meeting and are entitled to vote, while each EUR 33.19 represents one vote.

The Company does not hold any of its own shares.

ii) Reserves

Revaluation reserve

Following the IAS 16 and the valid accounting policy the Company applies revaluation model for subsequent measurement of property, plant and equipment after initial recognition. The assets' revaluation reserve is recognised in relation to the increase in the carrying value of property, plant and equipment and decrease in this value to the extent that such decrease reverses an increase in the fair value, previously recognised in equity. The reserve cannot be used to pay dividends.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred or have not yet affected profit or loss.

Other reserves

Other reserves mainly consist of the legal reserve fund. As at 31 December 2024 the legal reserve fund amounts to EUR 256,086 thousand (2023: EUR 256,086 thousand). This fund is not available for distribution to shareholders, but to cover losses or increase the share capital.

Distribution of profit from the previous accounting period

Distribution of profit from the previous accounting period of EUR 558,051 thousand was as follows:

In thousands of EUR	*Accounting profit for 2023*
Transfer to retained earnings	558,051
Total	**558,051**

The net profit for 2024 is proposed to be transferred to the retained earnings.

15. Provision for nuclear decommissioning and storage costs

Provision for decommissioning of nuclear power plants

Based on the provisions of the Act No. 541/2004 Coll. on Peaceful use of Nuclear Energy as amended (hereinafter as the "Atomic Act"), the licence holder for operation of nuclear power plants is responsible for preparation of the conceptual plan of decommissioning of each nuclear power plant and provide for its decommissioning after the end of its operation. According to the pronouncements of the Atomic Act, the entity responsible for execution of the decommissioning is the licence holder for decommissioning.

Provision for decommissioning of nuclear power plants includes the costs of dismantling of V2 nuclear power plant in Jaslovské Bohunice (hereinafter as "V2"), the first and the second unit of the nuclear power plant in Mochovce (hereinafter as "EMO 1&2") and also the third unit of nuclear power plant in Mochovce (hereinafter as "EMO 3"). In all nuclear units are installed pressurized water reactors type VVER 440/V-213 with reactors performance 500 MW in V2, 501,44 MW in EMO 1&2 and 471 MW in EMO 3. The underlying assumption for recognizing the provision is the obligation after the end of operation of nuclear power plants to dismantle the facility, process and dispose all radioactive waste from decommissioning and return the site to the condition defined in the conceptual plan of decommissioning developed for the individual power plant. The total present value of the obligations concerning decommissioning of nuclear power plants is covered by a provision. The initial estimate of cost in respect of the provision that has been recognised by the Company forms a part of the carrying amount of property, plant and equipment.

The Council Directive No. 2011/70/EURATOM, which establishes a basic framework for the responsible and safe management of spent nuclear fuel and radioactive waste in the European Atomic Energy Community (hereinafter as the "Directive"), raised the requirement for the member states of the European Union to prepare a national policy and national programme for the responsible and safe management of spent nuclear fuel and radioactive waste. The Directive was reflected in the Slovak legislation through the Act No. 143/2013 Coll. from 21 May 2013, by which the Atomic Act and at that time valid Act No. 238/2006 Coll. on National Nuclear Fund were amended. Following the abovementioned, on 8 July 2015 the Slovak Government adopted the document named "National Policy and National Programme for handling of spent nuclear fuel and radioactive wastes in SR", as an update of the strategic document "Strategy of the back-end cycle of the peaceful exploitation of the nuclear energy in the Slovak Republic" (hereinafter as the "National Policy" and the "National Programme").

The above mentioned documents define the strategy of immediate decommissioning for the nuclear power plants both in Jaslovské Bohunice and Mochovce, which is consistent with the one applied by the Company and reflected in the conceptual plans of decommissioning, subject to approval of the Nuclear Regulatory Authority of the Slovak Republic (hereinafter as the "UJD SR"). Estimation of the costs and disbursements for decommissioning of the nuclear plants as at 31 December 2024 is based on the strategy of the Company to apply more conservative prompt (immediate) decommissioning approach. The decommissioning strategy is subject to review and assessment of the UJD SR and the National Nuclear Fund for decommissioning of nuclear power plants and disposal of spent nuclear fuel and radioactive waste (hereinafter as the "National Nuclear Fund" or the "NNF").

The updated estimation of the costs of decommissioning, as included in the document "Updated conceptual plan of decommissioning of the nuclear power plant V2 and EMO1&2 and creation of input database of assets subject to decommissioning", developed in April 2017 by the company EGP INVEST, spol. s r.o., an independent specialist in determining cost estimates of back-end cycle processes of nuclear industry, was used as a basis for valuation of the provision for decommissioning of nuclear power plants as at 31 December 2024 and 31 December 2023. These documents were approved by the UJD SR on 27 August 2018. For the purpose of estimation of the costs for decommissioning of the unit EMO 3 as at 31 December 2024 the Company used the "Conceptual plan of decommissioning of nuclear power plant – construction of the unit 3 and 4 of nuclear power plant Mochovce", developed in June 2014 by companies DECOM, a.s. and VUJE, a.s., further updated in January 2021 by the Company. The updated document was approved by the UJD SR on 15 April 2021 by the letter No. 2661/2021.

Provision for post-operational costs of nuclear power plants

This provision includes disbursements to be incurred by the operator of a nuclear power plant once the nuclear power plant's energy production is stopped until the license for decommissioning is obtained. The method of termination of operation is determined by the gradual reactors shut-downs (two years apart) and after-cooling of spent nuclear fuel in the storage pool, which creates typical termination of operation phases. The length of the individual phases is determined mainly by the type of spent fuel interim storage.

The provision for post-operational costs of V2, EMO 1&2 and EMO 3 nuclear power plants is recognised considering the responsibility of the Company as the holder of the operating license to bring the plant into the decommissioning stage as defined by the Atomic Act.

The provision for post-operational costs reflects the present value of the expected disbursements to be incurred during the four-year period. Disbursements of the costs are dependent on an expected date of the shut-down of the nuclear power plants.

The expected disbursements reflected in the valuation of the provision as at 31 December 2024 and 31 December 2023 are based on the estimation included in the document "Updated conceptual plan of decommissioning of the nuclear power plant V2 and EMO1&2 and creation of input database of assets subject to decommissioning", developed by the company EGP INVEST, spol. s r.o., and "Conceptual plan of decommissioning of nuclear power plant – construction of the unit 3 and 4 of nuclear power plant Mochovce", developed by the companies DECOM, a.s. and VUJE, a.s.

Provision for storage and disposal of spent nuclear fuel

This provision includes the costs of transportation of spent nuclear fuel (hereinafter as "SNF"), storage of such waste in the interim storage facility and its final disposal in the deep geological repository.

The provision for SNF of V2, EMO 1&2 and EMO 3 nuclear power plants is recognised considering the responsibility of the originator of such waste as defined by the Atomic Act.

On 31 March 2006 the Company entered into a service agreement with the company Jadrová vyraďovacia spoločnosť, a.s. (hereinafter as "JAVYS, a.s."). The subject of this agreement is a provision of services related to transportation to an interim storage facility and storage of SNF in the interim storage facility. The Company concluded a nuclear service agreement and subsequent amendments to it with the prices and quantities until the end of the year 2024. The prices and quantities for the year 2025 and beyond are subject to negotiations.

The disbursement schedule of costs related to transportation of SNF and its storage in the interim repository till the end of 2009 was defined in the service agreement. The disbursements schedule of the costs for the subsequent years until the end of the year 2024 was defined in the amendments to the nuclear service agreement. The provision as at 31 December 2024 was calculated using unit prices as per the amendment to the nuclear service agreement for the years until the end of the year 2024. Costs beyond this date were determined based on technical assumptions after this date. The provision takes into account quantity of SNF existing as at 31 December 2024.

In line with the National Policy, the Company expects final disposal of spent nuclear fuel in a deep geological repository. The provision for disposal in the deep geological repository was calculated considering expected costs to build such repository, since this repository does not exist as at 31 December 2024.

As of 6 December 2016, a team of independent experts for analyses of back-end cycle processes of nuclear power plants (ÚJP Praha a.s., ÚJV Řež, a.s.) developed "Updated feasibility study of deep geological repository in the Slovak Republic". This study was used as a basis for valuation of the provision for final disposal of spent nuclear fuel as at 31 December 2024 and 31 December 2023.

The valuation of the provision as at 31 December 2024 and 31 December 2023 reflects the expected timing of commissioning of the deep geological repository compliant with the National Policy and the National Programme adopted by the Government of the Slovak Republic on 8 July 2015. The valid National Policy and the National Programme specify the year 2065 as the planned year for commissioning of the deep geological repository.

Provision for storage and disposal of radioactive waste

This provision includes the costs of transportation, treatment, modification and disposal in the surface repository facility of low-level radioactive waste and it is recognised for radioactive waste generated by V2 and EMO 1&2.

The provision for long-life low-level radioactive waste of V2 and EMO 1&2 nuclear power plants is recognised considering the responsibility of the originator of such waste as defined by the Atomic Act.

On 31 March 2006 the Company entered into a service agreement with JAVYS, a.s. The subject of this service agreement is a provision of the nuclear services the cost of which is the basis for valuation of this provision. The Company concluded a nuclear service contract and subsequent amendments to it with the prices and quantities being defined until the year end of 2024. The prices and quantities for the year 2025 and beyond are subject to negotiations.

The disbursement schedule of these costs till the end of 2009 was defined in the service agreement. The disbursement schedule of these costs for subsequent years until the end of the year 2024 was defined in the amendments to the nuclear service agreement. The provision as at 31 December 2024 was calculated using unit prices as per the amendment to the nuclear service agreement for the years until the end of the year 2024. Costs beyond this date were determined based on technical assumptions after this date. The provision takes into account quantity of long-life low-level radioactive waste existing as at 31 December 2024.

Movements in the provision are summarised as follows:

In thousands of EUR	*Provision for decommissioning of nuclear power plants*	*Provision for post-operational costs of nuclear power plants*	*Provision for storage and disposal of spent nuclear fuel*	*Provision for storage and disposal of radioactive waste*	*Total*
Balance as at 1 January 2024	**846,503**	**220,202**	**1,725,426**	**61,240**	**2,853,371**
Increase of provision through profit and loss statement	-	-	22,508	5,656	28,164
Unwinding of interest (Note 27)	34,802	9,053	69,700	2,412	115,967
Effect of change in estimates through profit and loss statement	-	-	13,747	6,606	20,353
Usage of provision	-	-	(11,097)	(9,359)	(20,456)
Balance as at 31 December 2024	**881,305**	**229,255**	**1,820,284**	**66,555**	**2,997,399**
Balance as at 1 January 2023	**813,164**	**211,530**	**1,651,656**	**54,339**	**2,730,689**
Increase of provision through profit and loss statement	-	-	15,725	4,292	20,017
Unwinding of interest (Note 27)	33,339	8,672	66,482	1,990	110,483
Effect of change in estimates through profit and loss statement	-	-	1,911	8,792	10,703
Usage of provision	-	-	(10,348)	(8,173)	(18,521)
Balance as at 31 December 2023	**846,503**	**220,202**	**1,725,426**	**61,240**	**2,853,371**

In 2024 as well as in 2023 the Company recognized change in estimate of the provision for storage and disposal of spent nuclear fuel and the provision for storage and disposal of radioactive waste, based on the updated estimation of future costs, following the signed service agreement on provision of the nuclear services with JAVYS, a.s., that is amended on yearly basis. The effects of changes in estimates through income statement for the years ended 31 December 2024 and 31 December 2023 are described in the table above.

The present value assumptions of the provisions

The present value of the provisions mentioned above was calculated applying 2% inflation rate (31 December 2023: 2%) and a discount rate ranging from 3.75% to 4.10% (31 December 2023: 3.75% to 4.10%) over forecasted disbursement schedules. The discount rate was determined based on long-term series of interest rate data and it takes into account the fact that some expenses covered by provisions will be disbursed over periods significantly longer than the duration of instruments generally traded on the financial markets.

The estimated schedule of future disbursements takes into account all known statutory and environmental regulations applicable, together with an uncertainty factor inherent to the fact that payments will only be made in the long-term (see Note 3 (i)).

The provision is presented in the statement of financial position as at 31 December 2024 as follows:

In thousands of EUR	*Provision for decommissioning of nuclear power plants*	*Provision for post-operational costs of nuclear power plants*	*Provision for storage and disposal of spent nuclear fuel*	*Provision for storage and disposal of radioactive waste*	*Total*
Current liabilities	-	-	30,628	6,586	37,214
Non-current liabilities	881,305	229,255	1,789,656	59,969	2,960,185
Total provision	**881,305**	**229,255**	**1,820,284**	**66,555**	**2,997,399**

The provision was presented in the statement of financial position as at 31 December 2023 as follows:

In thousands of EUR	*Provision for decommissioning of nuclear power plants*	*Provision for post-operational costs of nuclear power plants*	*Provision for storage and disposal of spent nuclear fuel*	*Provision for storage and disposal of radioactive waste*	*Total*
Current liabilities	-	-	35,667	7,225	42,892
Non-current liabilities	846,503	220,202	1,689,759	54,015	2,810,479
Total provision	**846,503**	**220,202**	**1,725,426**	**61,240**	**2,853,371**

Estimated timing of the present value of the expected cash outflows related to decommissioning provision is as follows:

In thousands of EUR	*0 – 5 years*	*5 – 10 years*	*10 – 20 years*	*After 20 years*	*31 December 2024*	*31 December 2023*
Provision for decommissioning of nuclear power plants	-	-	418	880,887	**881,305**	**846,503**
Provision for post-operational costs of nuclear power plants	-	-	-	229,255	**229,255**	**220,202**
Provision for storage and disposal of spent nuclear fuel	176,833	108,250	296,629	1,238,572	**1,820,284**	**1,725,426**
Provision for storage and disposal of radioactive waste	37,190	27,262	2,103	-	**66,555**	**61,240**
Total	**214,023**	**135,512**	**299,150**	**2,348,714**	**2,997,399**	**2,853,371**

The sensitivity of the main components of provisions to changes in the discount rate is shown in the table below:

	Present value of the provision		*Sensitivity to discount rate change*			
			2024		*2023*	
In thousands of EUR	*2024*	*2023*	*+ 0.25%*	*- 0.25%*	*+ 0.25%*	*- 0.25%*
Storage and disposal of spent nuclear fuel and radioactive waste	1,886,839	1,786,666	(137,032)	153,155	(132,598)	148,412
Decommissioning and post-operational costs of nuclear power plants	1,110,560	1,066,705	(105,718)	118,397	(103,862)	116,571
Total	**2,997,399**	**2,853,371**	**(242,750)**	**271,552**	**(236,460)**	**264,983**

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Funding for decommissioning of nuclear power plants and for costs of storage and disposal of spent nuclear fuel and radioactive waste

In August 1994, the National Council of the Slovak Republic passed the Act No. 254, which provided for the creation of the State Fund for Decommissioning of Nuclear Facilities and Disposal of Spent Nuclear Fuel and Radioactive Waste (“Fund”). On 16 March 2006 the National Council of the Slovak Republic passed the Act No. 238/2006 Coll. (hereinafter as the “Act on the National Nuclear Fund”), which cancelled the Fund and established its successor, the National Nuclear Fund and rules for the amount of the contributions were established, valid from 1 February 2012.

As of 17 October 2018, new Act No. 308/2018 on the National Nuclear Fund was passed. With the effective date of 1 January 2019, new rules for determination of the amount of the contributions to the National Nuclear Fund have been established. The amount of contribution is separately calculated for each nuclear facility, mostly based on the total estimated cost of the back-end cycle processes of each nuclear power plant, the number of years during which the contributions are accumulated on the sub-account assigned to the nuclear facility, the appreciation of accumulated contributions over time and the impact of macroeconomic factors on each nuclear power plant over individual phases of its life cycle. Based on the calculation and following the regulation No. 478/2022 Coll. dated on 15 December 2022, the contribution was determined stating the value of yearly contribution in the amount of EUR 46,307,425 per year for V2 and EUR 32,182,115 per year for EMO 1&2. Mandatory contribution for EMO 3&4 is determined in the amount of EUR 29,411,437 pre year. In accordance with the transitional provisions pursuant with § 4, section 2 of the government regulation No. 478/2022 Coll. the contribution was proportionally reduced to EUR 2,933,086 for the year 2024. Mandatory contributions to the Fund for the year 2024 were paid in November 2024.

The following table reconciles the right for reimbursement from the National Nuclear Fund which represents financial amounts on the subaccounts of the National Nuclear Fund designated for decommissioning of nuclear facilities owned by the Company including management of radioactive waste from such decommissioning:

In thousands of EUR	*Balance of NNF sub-accounts assigned to NPPs of the Company*
Balance as at 1 January 2024	**1,687,625**
Payments to the fund during 2024	81,422
Interest received (Note 27)	24,682
Fund administration fee	(814)
Balance as at 31 December 2024	**1,792,915**
Balance as at 1 January 2023	**1,531,585**
Payments to the fund during 2023	144,417
Interest received (Note 27)	13,067
Fund administration fee	(1,444)
Balance as at 31 December 2023	**1,687,625**

According to the Act on the National Nuclear Fund the Company is the largest contributor to the National Nuclear Fund. The National Nuclear Fund, reporting to the Ministry of Economy of the Slovak Republic, is not controlled by the Company and the Company does not have any representative in the Fund. The above mentioned right for reimbursement from the National Nuclear Fund is recognised as a separate asset and represents the reimbursement right for the purposes of decommissioning of nuclear facilities owned by the Company including management of radioactive waste from such decommissioning in the amount of actual contributions paid including net revenue interest from this part of contributions in line with the interpretation IFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds.

Based on provisions of the Act on the National Nuclear Fund covering activities of the National Nuclear Fund, the Company expects that the assets of the National Nuclear Fund will be used exclusively for enacted purposes in future. If there is a decrease in the funds accumulated on the sub-accounts assigned to the nuclear power generating facilities owned by the Company as a result of the decision on funds allocation issued by the authorized bodies of the National Nuclear Fund, the Company decreases the carrying value of the right to receive the reimbursement reported as the right for reimbursement from the National Nuclear Fund on the statement of financial position and charges the change in the value of the reimbursement right to profit or loss.

Under the Atomic Act the Company is responsible to secure preparation of decommissioning of nuclear facilities and to manage radioactive waste and spent nuclear fuel until their takeover by an entity established, incorporated or authorized by Ministry of Economy of the Slovak Republic. Assuming all legal requirements are met, the Company therefore expects that, the contributions will be used to reimburse actual costs incurred mainly during decommissioning, liquidation and management of spent nuclear fuel and radioactive waste from decommissioning of the nuclear power plants of the Company. The Company also expects that the remaining part of its contributions (together with other sources of the National Nuclear Fund) determined for the purposes of design, construction, operation and closure of repositories, will be used by the state in future under conditions and for the purposes set by the law. The actual decommissioning and disposal costs may vary from the initial estimates because of regulatory requirements, changes in technology and increased costs of labour, materials and equipment.

The ability of the National Nuclear Fund to meet the costs of decommissioning of the nuclear power facilities operated by the Company and storage of spent fuel is also dependent on other factors that include among other things earnings on cash deposited in the National Nuclear Fund. The Company therefore expects the National Nuclear Fund to ensure that these earnings on deposited cash are as high as possible above the level of inflation.

The current financing scheme of the back-end cycle of nuclear energy includes the sources of financing that are designed to cover the costs related to so-called „historical deficit“ that arose due to not contributing the financial resources from operated nuclear power plants into the Nuclear Fund until the end of 1994 (when the State Fund for Decommissioning of Nuclear Facilities and Disposal of Spent Nuclear Fuel and Radioactive Waste was established). Most of this deficit relates to the state-owned nuclear facilities in Jaslovské Bohunice (A1 and V1) that are not in operation as at the balance sheet date. In order to cover this deficit the Government of the Slovak Republic approved the Regulation No. 426 dated 6 October 2010, introducing a special tariff to be ultimately paid by final consumers amounting to 3 EUR/MWh of electricity delivered in 2011, that is being adjusted by the rate of the core inflation every year. This tariff is included in the price of the electricity delivered to the end customer. Operators of the transmission system and regional distribution systems deliver these funds to the account of the Ministry of Economy of the Slovak Republic and further, via transfer the funds are deposited to the account of the NNF. This tariff is determined to finance the activities related to decommissioning of the nuclear power plant A1 and part of the nuclear power plant V1 in Jaslovské Bohunice.

On 9 January 2019, the Government of the Slovak Republic approved the regulation No. 21/2019 Coll., with the effective date of 1 February 2019, establishing the amount of special tariff to be used to cover the historical deficit from electricity delivered to end customers at 3.27 EUR/MWh.

From the practical reasons it is assumed that the tariff, collected by the operators of the transmission system and regional distribution systems to cover the historical deficit, shall be spread over the longer time horizon and shall cover the actual needs that are to be updated every 6 years.

16. Provision for dismantling of thermal power plants

Thermal power plant Nováky (hereinafter also as the "ENO")
The thermal power plant Nováky was operated based on the decision of the Slovak Government in general economic interest in order to ensure security of supplies in Bystričany nodal area.

On 11 December 2023 the Regulatory Office for Network Industries issued a decision on change of the licence for operation in heating industry and electricity industry. In connection to ENO operation the subject of the decision is cancellation of the licence for ENO for the generation and distribution of heat and issuing a license for operation in electricity industry.

Following the expiration of the validify of the general economic interest and the above mentioned decision, the management of the Company has adopted a decision as at 31 December 2023 to terminate the operation of ENO, whose main activity was generation of the electricity and heat from domestic brown coal.

Thermal power plant Vojany (hereinafter also as the "EVO")
In December 2023 the management of the Company decided on consecutive termination of operation of EVO. The Company terminated the generation of electricity form black coal in EVO as at 29 May 2024.

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Considering the current market and regulatory standards as well as the social responsibility of the Company in the area of the environment, in line with its past practice, takes full responsibility for decommissioning of these thermal power plants and their related waste dumps once the plants cease their operations. Consequently, the Company recognised a provision to cover future decommissioning costs which are expected to be incurred upon shut-down of the plants.

In thousands of EUR	*2024*	*2023*
Balance as at 1 January	**157,165**	**153,157**
Unwinding of interest (Note 27)	5,928	6,024
Effect of change in estimates through profit and loss statement	(29,213)*	(3,693)*
Effect of change in estimates through equity	(270)	2,454
Release	(61)	-
Actual expenditure in period	(3,614)	(777)
Balance as at 31 December	**129,935**	**157,165**

**thereof EUR 282 thousand (2023: EUR 74 thousand) was presented as a credit within the line Depreciation, amortisation and impairment in the income statement, see Note 26*

The provision is presented in the statement of financial position as at 31 December 2024 as follows:

In thousands of EUR	*Provision for dismantling of thermal power plants*
Current liabilities	2,619
Non-current liabilities	127,316
Total provision	**129,935**

The provision is presented in the statement of financial position as at 31 December 2023 as follows:

In thousands of EUR	*Provision for dismantling of thermal power plants*
Current liabilities	4,804
Non-current liabilities	152,361
Total provision	**157,165**

The process of shut down and dismantling of the thermal power plants shall be administered in line with the decommissioning strategy of individual plants in EVO and ENO that considers the cease of operation of ENO in 2023 and EVO in 2024.

For the purpose of dismantling of thermal power plants in Vojany and Nováky comprehensive studies "Assessment of the costs for decommissioning of the thermal power plants of SE, a.s." were developed in the past by the company EGP Invest, spol. s r.o. The studies contain the assessment of the status of individual main production facilities as well as auxiliary equipment reflecting their useful life and planned utilization. The studies also assessed a secondary usage of materials and sources. The dismantling of already shutdown and non-operated production facilities in ENO and EVO was planned to be executed in stages.

The Company is currently in the process of putting the power plants into the condition of safe status and afterwards shall dismantle according to stages as planned. During the year 2024 the Company reassessed and updated the expected costs of dismantling and the planned cash disbursements schedules, mainly related to waste dumps. As a result of this reassessment the Company released provision in amount of EUR 29,483 thousand (2023: release of EUR 1,239 thousand).

The present value assumptions of the provisions
There is an inherent uncertainty involved in the calculation of the provision due to the estimation of various assumptions, including future inflation expectations, discount rates and the actual disbursement schedules. The present value of the provisions mentioned above is calculated applying 2% inflation rate and a discount rate based on long-term series of interest rate data ranging from 3.75% to 4.10% (as at 31 December 2023 ranging from 3.75% to 4.10%) over forecasted disbursement schedules.

The sensitivity of the provision to the change in the discount rate is shown in the table below:

			Sensitivity to discount rate change			
	Present value of the provision		*2024*		*2023*	
In thousands of EUR	*2024*	*2023*	*+ 0.25%*	*- 0.25%*	*+ 0.25%*	*- 0.25%*
Provision for dismantling of thermal power plants	129,935	157,165	(5,529)	5,820	(4,824)	5,010

17. Employee benefits

Employee benefits recognised in the statement of financial position are as follows:

	2024		2023	
In thousands of EUR	*Current liabilities*	*Non-current liabilities*	*Current liabilities*	*Non-current liabilities*
Long-term incentives	-	182	-	182
Post-employment benefits and other employee benefits	2,189	40,250	2,634	33,525
Total	**2,189**	**40,432**	**2,634**	**33,707**

In terms of the Company Collective Agreement (hereinafter as "CCA"), signed between the trade unions operating at the Company and the Company, the long-term employee benefit programs in the Company represent defined benefit plans, specifically classified as post-employment benefits (retirement) and other employee benefits (work anniversary benefits).

In December 2020 the CCA valid for years 2021 – 2023 was approved and signed. In 2023 the CCA was amended and its validity was prolonged to 31 December 2026. All the parties concerned were informed about conditions of the amended CCA.

As at 31 December 2024 the Company had 4,205 employees (2023: 3,927 employees) eligible for employee benefits payable in future periods. The weighted average duration of the post-employment benefits and other benefits is 7 years (2023: 8 years).

Change in the present value of the defined benefit obligation

In thousands of EUR	*Post-employment benefits*	*Other benefits*	*2024*	*2023*
Present value of the obligations as of 1 January	**34,956**	**1,203**	**36,159**	**43,083**
Current service cost	2,472	77	2,549	2,831
Unwinding of interest (Note 27)	1,072	36	1,108	370
Effect of plan amendment and settlements	-	-	-	714
Gains/losses due to change in demographic assumptions	(1,086)	(19)	(1,105)	1,326
Gains/losses due to change in financial assumptions	2,631	32	2,663	(5,023)
Experience gains/losses arising during the year	3,645	292	3,937	270
Benefit payments during the year	(2,667)	(205)	(2,872)	(7,412)
Present value of the obligations as at 31 December	**41,023**	**1,416**	**42,439**	**36,159**

In thousands of EUR	*Post-employment benefits*	*Other benefits*	*2024*	*2023*
Net liability as at 1 January	**34,956**	**1,203**	**36,159**	**43,083**
Expenses recognised in profit and loss	3,544	418	3,962	3,657
Remeasurements recognised in other comprehensive income	5,190	-	5,190	(3,169)
Benefit payments	(2,667)	(205)	(2,872)	(7,412)
Net liability as at 31 December	**41,023**	**1,416**	**42,439**	**36,159**
Thereof: Current portion	2,041	148	2,189	2,634
Non-current portion	38,982	1,268	40,250	33,525

The notes form an integral part of the separate financial statements

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Expenses recognised in the profit and loss statement

In thousands of EUR	*Post-employment benefits*	*Other benefits*	*2024*	*2023*
Current service cost	2,472	77	2,549	2,831
Effect of plan amendment and settlements	-	-	-	714
Unwinding of interest (Note 27)	1,072	36	1,108	370
Immediately recognised actuarial losses	-	305	305	(258)
Expenses for the year	**3,544**	**418**	**3,962**	**3,657**

Actuarial assumptions

Assumptions regarding future mortality are based on published mortality tables valid in the Slovak Republic in the year 2023 issued by the Statistical Office of the Slovak Republic during the year 2024 (used for valuations at 31 December 2024) and based on published mortality tables valid in the Slovak Republic in the year 2022 issued by the Statistical Office of the Slovak Republic during the year 2023 (used for valuations at 31 December 2023).

Other actuarial assumptions are disclosed below:

	2024	*2023*
Discount rate as at 31 December	2.82%	3.18%
Future earnings increases	2025: 2.6% 2026: 3.5% 2027: 3.4% Since 2028: 2%	2024: 10.7% 2025: 5.7% 2026: 3.9% Since 2027: 1.7%
Average fluctuation rate	2.5%	2%
Retirement age	according to valid legislation	according to valid legislation

Historical information

In thousands of EUR	*2024*	*2023*	*2022*	*2021*	*2020*	*2019*
Present value of the defined benefit obligation as at 31 December	42,439	36,159	43,083	40,262	43,803	42,843

Sensitivity analysis

The sensitivity of the provision to the change in significant assumptions is shown in the table below:

		Discount rate		*Future salary increases*
In thousands of EUR	*31 December 2024*	*+ 0.50%*	*- 0.50%*	*+ 0.50%*
Net liability from defined benefit obligation	42,439	(1,431)	1,526	1,317

		Discount rate		*Future salary increases*
In thousands of EUR	*31 December 2023*	*+ 0.50%*	*- 0.50%*	*+ 0.50%*
Net liability from defined benefit obligation	36,159	(1,292)	1,376	1,233

The notes form an integral part of the separate financial statements

18. Other provisions

In thousands of EUR	Environmental provision	Legal provision	Provision for emissions	Other provisions	Total
Balance as at 1 January 2024	**20,095**	**11,738**	**84,074**	**2,393**	**118,300**
Provisions made during the period	-	78	713	-	791
Provisions used during the period	(923)	-	(73,965)	(2,338)	(77,226)
Unwinding of interest (Note 27)	750	-	-	-	750
Effect of change in estimates through profit and loss statement	(1,363)	-	(129)	-	(1,492)
Effect of change in estimates through equity	(36)	-	-	-	(36)
Release of provision	(99)	-	-	(55)	(154)
Balance as at 31 December 2024	**18,424**	**11,816**	**10,693**	**-**	**40,933**
Non-current portion	15,032	11,816	-	-	26,848
Current portion	3,392	-	10,693	-	14,085
Balance as at 1 January 2023	**15,618**	**11,848**	**105,474**	**2**	**132,942**
Provisions made during the period	-	81	99,832	2,393	102,306
Provisions used during the period	(496)	-	(121,415)	(2)	(121,913)
Unwinding of interest (Note 27)	605	-	-	-	605
Effect of change in estimates through profit and loss statement	4,117	-	183	-	4,300
Effect of change in estimates through equity	251	-	-	-	251
Release of provision	-	(191)	-	-	(191)
Balance as at 31 December 2023	**20,095**	**11,738**	**84,074**	**2,393**	**118,300**

Environmental provision

The environmental provision is recognised for the recultivation of waste dumps and the removal of confirmed environmental burdens in accordance with the environmental legislation valid in the Slovak Republic and in line with the Company´s published environmental policy.

The Company owns and operates several waste dumps and has a legal obligation to recultivate them once their capacity is filled up. The Company recognises this provision based on the expected future disbursements arising at the expected date of closure of these dumps. According to valid legislation the monitoring of the dumps is mandatory for at least thirty years after their closure.

The provision for the removal of environmental burdens, where the Company is confirmed originator, is recognised at the value of the estimated future costs for their clearance.

The present value of the environmental provision as at 31 December 2024 is calculated based on applying 2% inflation rate (31 December 2023: 2%) and a discount rate ranging from 3.75% to 4.10% (31 December 2023: 3.75% to 4.10%) over forecasted disbursement schedules.

Legal provision

Based on estimate of the Company's management, a provision for legal cases against the Company has been recognised to reflect probability of an unsuccessful resolution of these legal disputes, including the court fees and other related legal fees.

Provision for emission allowances

Provision for emission allowances was recognised for the greenhouse gas emissions discharged during the period. The provision is measured at the estimated quantity of the emissions discharged for the period of a calendar year valued by the unit market price of the emission allowances designated for the purposes of compliance under the European Union Emissions Trading Scheme and the valid legislation in the Slovak Republic. The volume of emission allowances discharged for the year is confirmed by the end of the calendar quarter following year. By the end of April of the following year, the emission allowances are redempt, which represents usage of the provision.

19. Loans and borrowings

In thousands of EUR	Nominal interest rate (%)	Maturity	2024	2023
Current loans and borrowings				
Loans payable to banks	variable*, fixed	2025	2,219,076	554,545
Subordinated loan	variable*	2025	207	710
Loans from companies within Group	variable*	2025	4,411	13,888
Obligations from finance lease	3.00 – 7.00	2025	1,470	263
Total current loans and borrowings			**2,225,164**	**569,406**
Non-current loans and borrowings				
Loans payable to banks	variable*	2026	23,897	2,414,468
Subordinated loan	variable*	2027	1,166,683	1,139,599
Obligations from finance lease	3.00-7.00	2026 - 2043	21,398	1,461
Total non-current loans and borrowings			**1,211,978**	**3,555,528**

**Variable interest rate is derived as EURIBOR plus a margin. All interest rates are market based.*

The Company has signed contracts with Slovak Power Holding B.V., Enel Produzione S.p.A. a Energetický a průmyslový holding, a.s. to provide a subordinated debt up to the total amount of EUR 1,340 million, out of which EUR 1,070 million was drawn as at 31 December 2024 and as at 31 December 2023.

As of the date of preparation of these separate financial statements, the Company was not in noncompliance of any obligations arising from loan agreements. With some creditors, the Company agreed to extend the deadlines for fulfilling certain non-financial obligations.

On 23 December 2024, the Company signed a Term and Revolving Facilities Agreement with a syndicate of banks in the amount of EUR 3,580,000 thousand. The first and second parts of the syndicated financing are term loans, each in the amount of up to EUR 1,665,000 thousand. The first part is due on 23 December 2027, and the second part on 23 December 2029. The third part is a revolving loan in the amount of EUR 250,000 thousand.

During January 2025, all of the Company's bank and subordinated loans, except for two purpose-specific bank loans, were refinanced with syndicated financing described above. The repayment of the loans also released the collateral through a pledge on a selected portfolio of the Company's assets. The value of the pledged assets as of 31 December 2024, is disclosed in Note 30. The maturity of the two non-refinanced purpose-specific bank loans was extended in January 2025 until the end of 2030. The new senior unsecured financing bears variable interest rate linked to EURIBOR and mandates the Company to comply with certain financial covenants linked to maintaining ratio of EBITDA and indebtedness.

As at 31 December 2024 and 31 December 2023, the scheduled repayments of loans and borrowings are as follows:

In thousands of EUR	2024	2023
On demand or within one year	2,225,164	320,687
In the second to third year inclusive	1,193,522	2,663,497
Beyond the third year	18,456	1,140,750
Total	**3,437,142**	**4,124,934**

Overview of undrawn credit lines balances:

In thousands of EUR	2024	2023
Uncommitted credit lines	3,580,000	180,150
Specific purpose term loans	40,044	4,651
Subordinated loan	270,000	270,000
Total	**3,890,044**	**454,801**

Overview of the loans' movements during the year 2024 and 2023 is as follows:

In thousands of EUR	Balance as at 1 January 2024	Cash flows	Non-cash movements: Other	Non-cash movements: Foreign exchange differences	Balance as at 31 December 2024
Loans payable to banks	2,969,013	(719,853)	7,638	(13,825)	2,242,973
Subordinated loan	1,140,309	-	26,581	-	1,166,890
Loans payable to companies within the Group	13,888	(9,477)	-	-	4,411
Obligations from finance lease	1,724	(1,322)	22,466	-	22,868
Total current and non-current loans and borrowings	**4,124,934**	**(730,652)**	**56,685**	**(13,825)**	**3,437,142**

In thousands of EUR	Balance as at 1 January 2023	Cash flows	Non-cash movements: Other	Non-cash movements: Foreign exchange differences	Balance as at 31 December 2023
Loans payable to banks	3,086,032	(95,197)	18,234	(40,056)	2,969,013
Subordinated loan	1,147,454	-	(7,145)	-	1,140,309
Loans payable to companies within the Group	16,113	(2,225)	-	-	13,888
Obligations from finance lease	3,910	(2,510)	324	-	1,724
Total current and non-current loans and borrowings	**4,253,509**	**(99,932)**	**11,413**	**(40,056)**	**4,124,934**

Total interest calculated using effective interest method amounted to EUR 294,982 thousand in 2024 (2023: EUR 315,974 thousand), out of which EUR 149,619 thousand was capitalized (2023: EUR 301,611 thousand) as disclosed in Note 5.

20. Other liabilities

Other liabilities consist mainly of deferred income from grant designated for modernization of non-current assets, liability from the special levy on business in regulated industries and other deferred income.

Other liabilities comprise the following:

In thousands of EUR	2024	2023
Grants	8,108	8,075
Liability from the special levy on business in regulated industries	22,827	7,856
Accrued expenses - fees for issued bank guarantees	-	3,506
Other deferred income	904	871
Accrued expenses – air pollution charges	35	147
Total	**31,874**	**20,455**
Non-current portion	31,836	16,780
Current portion	38	3,675

21. Trade and other current payables

In thousands of EUR	2024	2023
Financial liabilities		
Trade payables	**298,864**	**299,891**
Other current liabilities		
Social security payables	8,181	7,649
Payables to employees	33,474	31,347
Other taxes	4,409	36,345
Short-term accruals	37,822	119,011
Other payables	1,348	1,009
Total other current liabilities	**85,234**	**195,361**
Total trade and other current payables	**384,098**	**495,252**

Line short-term accruals represents services and supplies related to respective year that were not invoiced or taken over by the end of the reporting period.

As at 31 December 2023, part of the line short-term accruals represents financial compensation in amount of EUR 91,739 thousand related to electricity for household customers not delivered in line with the *Agreement on implementation of emergency measures to eliminate the impact of increased electricity prices on selected customer groups* (hereinafter as the "Implementation Agreement"), that was concluded between the Ministry of Economy of SR, the Ministry of Finance of SR, Slovak Power Holding, B.V., the Company and the company Slovenský plynárenský priemysel, a.s. Based on the Implementation agreement the Company has agreed to offer the electricity produced in nuclear power facilities to company Slovenský plynárenský priemysel, a.s., in the Baseload product in the maximum cumulative quantity of 5.79 TWh at a price of 61.2077 EUR per MWh (excluding the value added tax and the excise tax on electricity) to selected groups of final customers – mainly household customers during the year 2023 and 2024. Due to the fact that the Company was not able to supply full volume of the electricity in 2023 the difference in the volume was supplied at market prices and subsequently, the Company agreed to compensate the price financially. This compensation related to year 2023 was settled during the year 2024 in full. In 2024 the Company delivered electricity to household customers according to the Implementation Agreement in maximum volume. Therefore, the Company had no obligation to recognize any compensation in that respect.

Terms and conditions of the above stated financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms.
- Other payables are non-interest bearing and with an average term of payment of one to three months.
- For terms and conditions relating to related parties, refer to Note 29.

For explanations on the Company's credit risk management processes, refer to Note 32.

The social fund payable is included in other non-financial liabilities. The creation and use of the social fund during the period are shown in the table below:

In thousands of EUR	2024	2023
At the beginning of the period	**203**	**624**
Legal creation through expenses	2,033	1,257
Usage	(1,647)	(1,678)
At the end of the period	**589**	**203**

Trade and other payables divided into due and overdue are shown in the table below:

In thousands of EUR	2024	2023
Trade and other payables due	383,746	494,900
Trade and other payables overdue	352	352
Total	**384,098**	**495,252**

22. Electricity and heat revenues and cost of electricity purchased for resale

Electricity and heat revenues comprise the following:

In thousands of EUR	*2024*	*2023*
Domestic sales, including traders	1,908,400	2,697,125
Ancillary services	88,054	121,798
Regulating electricity	2,382	1,172
Deviation/imbalance	20,645	17,754
Revenues from tariff from system operation	38,009	142,201
Heat revenues	5,814	25,488
Domestic revenues	**2,063,304**	**3,005,538**
Foreign sales	1,658,565	1,781,388
Total electricity and heat revenues	**3,721,869**	**4,786,926**

Cost of electricity purchased for resale comprise the following:

In thousands of EUR	*2024*	*2023*
Purchase of electricity	1,292,293	2,555,708
Electricity fees	418	1,531
Other	10,643	9,949
Cost of electricity purchased for resale	**1,303,354**	**2,567,188**

As described in Note 21, following the conclusion of the Implementation Agreement the Company has agreed to supply volume of 5.79 TWh at a price of 61.2077 EUR per MWh (excluding the value added tax and the excise tax on electricity) during the year 2023 and 2024 to selected groups of final customers – mainly household customers. In 2023 the Company was not able to supply the full volume at the agreed price and therefore agreed to compensate the difference between the market price financially. The provision for the compensation in amount of EUR 91,739 thousand was recognized in the cost of electricity purchased for resale. During the 2024 the Company supplied the electricity to household customers at full volume according to the Implementation Agreement.

Levy on excessive revenues of electricity producers

With effect from 8 December 2022, the Act on Energetics, as amended by Act No. 433/2022 Coll., introduced a levy on excessive revenues of electricity producers.

On 3 February 2023, the Regulation of the Government of the Slovak Republic No. 38/2023 Coll. was issued, laying down the method of determining the amount of excess income from the sale of produced electricity, the market income ceiling, the cost of deviation, the scope of information necessary for monitoring and reporting to the European Commission and the fixed prices of electricity for setting a ceiling on the market intake of electricity produced from biogas, biomass or produced by high-efficiency cogeneration (hereinafter referred to as the "Regulation"). The subject of the levy was excessive income, representing a positive difference between the market income and the market income ceiling.

Following the application of this regulation of the Government of the Slovak Republic the Company has not recognized any excess income and thus no liability was recognized that would affect revenues of the Company during the validity of this regulation.

Slovenské elektrárne, a.s.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
for the year ended 31 December 2024
(in thousands of EUR)

23. Other operating income and other operating costs

Other operating income comprises the following:

In thousands of EUR	*2024*	*2023*
Rental income	1,349	1,138
Gain on sale of emission allowances	-	10
Revaluation of emission allowances	-	22,062
Amortisation of deferred income	2	433
Contractual fines	101	799
Gain on sale of material	2,939	2,545
Compensation of damage from insurance companies	-	2
Guarantees invoked	-	2,444
Settlement agreements	362	7,500
Income from energy certificates	7,466	6,396
Revenue from rendering of other services	4,405	3,231
Revenue from grants for operating expenses	860	-
Other	321	371
Total other operating income	**17,805**	**46,931**

Other operating costs, other than depreciation, amortisation and impairment, comprise the following:

In thousands of EUR	*2024*	*2023*
Local taxes and environmental charges	19,153	16,589
Asset in acquisition written-off	11,261	-
Fee on agreed deferred payment of taxes – change in estimate	(4,744)	9,634
Insurance costs	6,254	5,551
Revaluation of emission allowances	4,518	-
Changes in other provisions	(1,384)	4,007
Loss on sale of property, plant and equipment	339	1,241
Contractual fines	569	1,136
Membership fees	861	854
Changes in provision for reimbursement of damages caused by exhalations	(224)	149
Changes in provision for emission allowances	585	100,015
Write-off of receivables	74	-
Other	748	1,532
Total other operating costs	**38,010**	**140,708**

The expenses for services provided by auditor to the Company were as follows:

In thousands of EUR	*2024*	*2023*
Audit of the financial statements	185	143
Other assurance services	19	-
Other non-audit services	38	-
Total	**242**	**143**

24. Gains and losses from derivative transactions

In thousands of EUR	*2024*	*2023*
Commodity derivatives - electricity	(113,309)	(413,498)
Commodity derivatives – emission quotas	(7,527)	(17,627)
Gains / (Losses) from derivative transactions	**(120,836)**	**(431,125)**

25. Personnel expenses

In thousands of EUR	*2024*	*2023*
Wages and salaries	122,395	105,041
Social security costs	60,822	50,000
Other social expenses	8,942	7,577
Employee benefits (Note 17)	2,854	3,287
Severance payments	573	3,323
Personnel expenses	**195,586**	**169,228**

26. Depreciation, amortisation and impairment

In thousands of EUR	*2024*	*2023*
Depreciation charge - property, plant and equipment (Note 5)	319,852	199,111
Amortisation charge - intangible assets (Note 6)	1,533	864
Impairment loss through profit and loss statement - property, plant and equipment (Note 5)	291	2,184
Change of impairment through profit and loss statement – intangible assets (Note 6)	-	9
Change in estimates in provision for dismantling of thermal power plants (Note 16)	(282)	(74)
Change of allowance for expected credit losses, net (Note 11)	(174)	1,325
Other	1,665	843
Depreciation, amortisation and impairment	**322,885**	**204,262**

27. Finance income and costs

In thousands of EUR	*2024*	*2023*
Interest income	12,701	7,309
National Nuclear Fund – interest received (Note 15)	24,682	13,067
Income from investments in subsidiaries and associates	7,515	5,843
Finance income	**44,898**	**26,219**

In thousands of EUR	*2024*	*2023*
Foreign exchange differences, net	22,738	6,122
Interest expense	145,017	8,284
Unwinding of interest – provision for nuclear decommissioning and storage costs (Note 15)	115,967	110,483
Unwinding of interest – provision for dismantling of thermal power plants (Note 16)	5,928	6,024
Unwinding of interest – employee benefits (Note 17)	1,108	370
Unwinding of interest – other provisions (Note 18)	750	605
Bank guarantees	346	6,079
Other	1,807	3,156
Finance costs	**293,661**	**141,123**

28. Income tax expense

Current and deferred tax expense

In thousands of EUR	*2024*	*2023*
Current tax expense	**133,833**	**88,909**
Out of that: Tax for current period	133,826	88,728
Tax for previous years recognised in the profit and loss statement	7	181
Deferred tax expense		
Origination and reversal of temporary differences	168,477	153,800
Income tax recognised in the profit and loss statement	**302,310**	**242,709**

In accordance with the valid legislation as at 31 December 2024 the Company applied the tax rate of 21% for income tax calculation (21% in the year 2023) and 24% for deferred tax calculation (21% in the year 2023).

Current income tax liability amounting to EUR 118,746 thousand recognised as at 31 December 2024 is related to the income tax position for year 2024 in amount EUR 92,578 thousand and to the position in respect of the special levy on business in regulated industries in amount of EUR 26,168 thousand.

Current income tax liability amounting to EUR 109,022 thousand recognised as at 31 December 2023 is related to the income tax position for year 2023 in amount EUR 69,134 thousand, income tax position for year 2021 in amount of EUR 17,994 thousand payable in 2024 and to the position in respect of the special levy on business in regulated industries in amount of EUR 21,893 thousand.

Special levy

On 23 November 2016, the National Council of the Slovak Republic adopted an amendment to the Act No. 235/2012 Coll. on Special Levy on Business in Regulated Industries with effect from 31 December 2016. The amendment states the force of the legislation is delayed ad infinitum, i.e. the special levy is paid also beyond the year 2016. The amendment also increased the monthly rate from 0.00363 to 0.00726 for the period of the year 2017 and 2018 and to 0.00545 in years 2019 and 2020. For years 2021, 2022 and 2023 the monthly rate is determined at 0.00363. Pursuant the amendment the basis for the special levy has been changed as well and since 2017 the levy is paid only from the regulated activities.

Global minimum taxation

In December 2023, Slovak Republic implemented the EU Council Directive No. 2022/2523 by Act No. 507/2023 Coll. which introduces a global minimum effective tax of 15 percent for multinational enterprises with a consolidated turnover of at least EUR 750 million. These rules are applicable for taxation periods beginning in 2024 as a part of OECD´s initiative Pillar 2/BEPS 2.0 (hereinafter as the “Pillar 2”).

The Company is a part of multinational group of companies with a consolidated turnover of more than EUR 750 million, therefore, the Pillar 2 rules will apply. If effective tax rate (based on the ratio between adjusted accounting result and adjusted corporate income tax computation in the jurisdiction) in the Slovak Republic falls below 15%, members of the Group in the Slovak Republic will be required to pay an additional tax (so-called top-up tax) to reach the 15% tax rate threshold.

Pillar 2 legislation also provides for a transition period in which simplified calculation may be used to avoid the complex effective tax rate calculation. This transition period applies for the first three years after the Pillar 2 rules comes into effect. The simplified calculation during the transition period is based mainly on data extracted from the Country-by-Country Reporting and three types of alternative tests. In each jurisdiction, where the Group operates if at least one of the tests is satisfied, the top-up tax dues for such jurisdiction will be deemed to be zero.

Based on the most recent information about financial data of the Group’s entities in the Slovak Republic, the Company should fulfill the conditions for simplified calculation and the top-up tax should be zero.

Reconciliation of effective tax rate

In thousands of EUR		*2024*		*2023*
Profit / (loss) for the period		815,033		558,051
Total income tax expense		302,310		242,709
Profit / (loss) before income tax		**1,117,343**		**800,760**
Income tax using the Company's domestic tax rate	21%	234,642	21%	168,160
Effect of change in deferred tax rate on temporary differences of the current year recognised in the income statement		32,007		-
Special levy on business in regulated industries		22,043		18,098
Non-deductible expenses/revenues, net	1%	13,611	7%	56,270
Income tax recognised before prior year adjustments	**27%**	**302,303**	**30%**	**242,528**
Current tax for previous years recognised in the profit and loss statement		7		181
Income tax recognised in the profit and loss statement	**27%**	**302,310**	**30%**	**242,709**

Deferred tax recognised directly in equity

In thousands of EUR	*2024*	*2023*
Net movement on cash flow hedges – tax effect of current year	93,583	(460,021)
Net movement on cash flow hedges – effect of change in deferred tax rate	1,127	-
Revaluation of property, plant and equipment – tax effect of current year	(90,153)	-
Revaluation of property, plant and equipment – effect of change in deferred tax rate	(62,984)	-
Changes in valuation of property, plant and equipment – tax effect of current year	55	181
Changes in valuation of property, plant and equipment – effect of change in deferred tax rate	8	-
Remeasurement losses on defined benefit plans – tax effect of current year	1,090	(666)
Remeasurement losses on defined benefit plans – effect of change in deferred tax rate	1,703	-
Change in estimate of the provision for dismantling of thermal power plants – tax effect of current year	(57)	515
Change in estimate of the provision for dismantling of thermal power plants – effect of change in deferred tax rate	(8)	-
Change in estimate of the environmental provision – tax effect of current year	(7)	53
Change in estimate of the environmental provision – effect of change in deferred tax rate	(1)	-
Total deferred tax recognised directly in equity	**(55,644)**	**(459,938)**

Deferred tax assets and liabilities

	Assets		*Liabilities*		*Net*	
In thousands of EUR	*2024*	*2023*	*2024*	*2023*	*2024*	*2023*
Property, plant and equipment	-	-	(1,100,585)	(763,292)	(1,100,585)	(763,292)
Derivatives and cash flow hedges	1,781	-	-	(105,182)	1,781	(105,182)
Inventories	3,246	2,706	-	-	3,246	2,706
Employee benefits	10,229	7,632	-	-	10,229	7,632
Provision for nuclear decommissioning and storage costs	719,376	599,208	-	-	719,376	599,208
Provision for dismantling of thermal power plants	31,185	33,005	-	-	31,185	33,005
Receivable from the sale of the VEG assets	2,796	2,859	-	-	2,796	2,859
Tax loss	-	42,071	-	-	-	42,071
Right for reimbursement from the National Nuclear Fund	-	-	(430,300)	(354,401)	(430,300)	(354,401)
Other	39,051	36,352	(2,004)	(2,062)	37,047	34,290
Balance as at 31 December	**807,664**	**723,833**	**(1,532,889)**	**(1,224,937)**	**(725,225)**	**(501,104)**

Movement in temporary differences during the year

In thousands of EUR	*Balance as at 1 January 2023*	*Recognised in profit or loss*	*Recognised in equity*	*Balance as at 31 December 2023*	*Recognised in profit or loss*	*Recognised in equity*	*Balance as at 31 December 2024*
Property, plant and equipment	(726,067)	(37,406)	181	(763,292)	(184,219)	(153,074)	(1,100,585)
Derivatives and cash flow hedges	428,080	(73,241)	(460,021)	(105,182)	12,253	94,710	1,781
Inventories	2,410	296	-	2,706	540	-	3,246
Employee benefits	9,086	(788)	(666)	7,632	(196)	2,793	10,229
Provision for nuclear decommissioning and storage costs	573,445	25,763	-	599,208	120,168	-	719,376
Provision for dismantling of thermal power plants	32,163	327	515	33,005	(1,755)	(65)	31,185
Receivable from the sale of the VEG assets	3,295	(436)	-	2,859	(63)	-	2,796
Tax loss	110,567	(68,496)	-	42,071	(42,071)	-	-
Right for reimbursement from the National Nuclear Fund	(335,478)	(18,923)	-	(354,401)	(75,899)	-	(430,300)
Other	15,133	19,104	53	34,290	2,765	(8)	37,047
Deferred tax liability	**112,634**	**(153,800)**	**(459,938)**	**(501,104)**	**(168,477)**	**(55,644)**	**(725,225)**

As at 31 December 2024 the Company recognised a deferred tax position in the net amount of EUR 75,223 thousand (31 December 2023: EUR 45,057 thousand) on the face of the statement of financial position (deferred tax asset) from the temporary differences on the following items: dismantling asset, right for reimbursement from the National Nuclear Fund, provision for decommissioning of nuclear power plants, part of provision for storage and disposal of spent nuclear fuel related to its final disposal in the deep geological repository.

Since 2018, an Act No. 308/2018 on the National Nuclear Fund was passed that introduced new legal requirements regarding post operation and decommissioning of nuclear power plants, with the effective date as of 1 January 2019.

With regards to the long-term horizon of the final stage of peaceful utilization of nuclear energy it is not possible to anticipate impact of changes on tax deductibility in future with reference to the valid pronouncements of the Act on the National Nuclear Fund. Under the prudency principles the Company currently resolved not to alter the already recognised tax position.

29. Related party transactions

Related parties have been identified as subsidiaries, associates, shareholders, directors and management of the Company and entities controlled by the government that the Company transacts with.

The Company had the following transactions and outstanding balances with related parties as at and for the year ended 31 December 2024:

In thousands of EUR	*Revenues*	*Costs*	*Receivables*	*Payables*
Shareholders				
Slovak Power Holding B.V.	-	72,633	-	769,889
Companies of ENEL Group	13,587	35,947	6,536	311,608
Companies of EPH Group	159,109	94,028	14,081	227,975
Government related entities*	794,082	147,181	122,116	49,721
Subsidiaries				
Centrum pre vedu a výskum, s.r.o.	20	1,422	3	604
Ochrana a bezpečnosť SE, s.r.o.	239	10,978	1,304	1,282
SE Služby inžinierskych stavieb, s.r.o.	3	179	1	4,411
Slovenské elektrárne - energetické služby, s.r.o.	140,367	2,534	28,039	217
Slovenské elektrárne Česká republika, s.r.o.	182,760	51,436	19,089	11,467
Associates				
Energotel, a.s.	64	1,861	45	281
REAKTORTEST, s.r.o.	2	10,586	1	589
ÚJV Řež, a.s.	2	1,296	-	150
Other investments				
Other investments	-	3,808	-	-
Companies related to key management personnel	-	8,613	-	120,721
Total	**1,290,235**	**442,502**	**191,215**	**1,498,915**

** The Company discloses only those transactions and balances with the government-related entities, which are significant.*

The Company had the following transactions and outstanding balances with related parties as at and for the year ended 31 December 2023:

In thousands of EUR	*Revenues*	*Costs*	*Receivables*	*Payables*
Shareholders				
Slovak Power Holding B.V.	-	71,133	-	754,885
Companies of ENEL Group	2,662	35,709	11,569	302,837
Companies of EPH Group	840,606	827,434	73,995	215,890
Government related entities*	755,335	89,025	166,168	20,878
Subsidiaries				
Centrum pre vedu a výskum, s.r.o.	13	2,261	2	1,168
Ochrana a bezpečnosť SE, s.r.o.	228	10,191	553	1,512
SE Služby inžinierskych stavieb, s.r.o.	91	4,608	1	4,263
Slovenské elektrárne - energetické služby, s.r.o.	191,870	5,828	26,205	8,104
Slovenské elektrárne Česká republika, s.r.o.	317,981	12,417	59,028	10,982
Associates				
Energotel, a.s.	66	1,463	85	574
REAKTORTEST, s.r.o.	-	7,046	4	529
ÚJV Řež, a.s.	2	1,464	-	692
Other investments				
Other investments	-	3,595	-	-
Companies related to key management personnel	-	8,171	-	123,456
Total	**2,108,854**	**1,080,345**	**337,610**	**1,445,770**

** The Company discloses only those transactions and balances with the government-related entities, which are significant.*

For information regarding the transactions with VODOHOSPODÁRSKA VÝSTAVBA, ŠTÁTNY PODNIK, see the Note 11 and 30.

Transactions with National Nuclear Fund are disclosed in the Note 15.

All transactions and outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash in line with contractual payment terms, except for the non-current receivable from VV (see Note 11) and right for reimbursement from National Nuclear Fund (see Note 15). None of the balances is secured.

Statutory bodies of the Company

The Company's statutory bodies have the following composition as at 31 December 2024:

The Board of Directors:
Ing. Branislav Strýček, Chairman of the Board
Michele Bologna, Vice-chairman of the Board
Ing. Andrej Rubint, Vice-chairman of the Board (from 17 September 2024)
Ing. Lukáš Maršálek
Ing. Milan Molnár
Simone Conticelli
Elisabetta Barberi
Ing. Rastislav Fleško (from 17 September 2024)
Mgr. Zoran Kupkovič (from 17 September 2024)

The Supervisory Board:
Ing. Ivan Šramko, Chairman of the Board (from 7 May 2024)
Jiří Feist, Vice-chairman of the Board (from 7 May 2024)
Massimiliano Piccioni
Giuseppe Ferrara
Pavel Janík
Mgr. Zdenek Turian
Ing. Jozef Tischler
Ing. Eduard Veselovský
Mgr. Ondrej Márföldi
Ing. Lukáš Bačkády
Tomáš Szabo
Stéphane Zweguintzow
Mgr. Gabriel Beer
Augusto Patacchiola
Ing. Miroslav Kiss (from 8 September 2024)

The membership in the Company's statutory bodies which ended during 2024:
JUDr. Radoslav Zigo (by 16 September 2024)
Ing. Milan Horváth (by 26 January 2024)
Ing. Radko Gecík (by 16 September 2024)
Ing. Oľga Beckerová (by 7 September 2024)

Emoluments of the members of the Board of Directors:

In thousands of EUR	*2024*	*2023*
Salaries and other short-term employee benefits	1,849	1,353
Benefits in kind	12	17
Total	**1,861**	**1,370**

Emoluments of the members of the Supervisory Board:

In thousands of EUR	*2024*	*2023*
Salaries and other short-term employee benefits	433	318
Total	**433**	**318**

Emoluments of the members of the key management:

In thousands of EUR	*2024*	*2023*
Salaries and other short-term employee benefits	5,525	5,066
Benefits in kind	66	111
Total	**5,591**	**5,177**

No loans and advance payments have been granted to the key management and the members of the Board of Directors and the Supervisory Board. No guarantees have been granted to the key management and the members of the Board of Directors and the Supervisory Board.

30. Commitments and contingencies

Short-term and low value lease commitments – Company as the lessee

Short-term and low value lease charges comprise:

In thousands of EUR	*2024*	*2023*
Lease of cars	1,444	1,342
Lease of land and buildings	632	98
Lease of IT and telecommunication devices	940	898
Total	**3,016**	**2,338**

The Company has entered into contracts on lease of cars and IT and telecommunication devices with definite terms. The Company has entered into contracts on lease of land and buildings with definite and indefinite terms.

The future minimum lease payments under non-cancellable lease contracts are as follows:

In thousands of EUR	*2024*	*2023*
Less than one year	2,993	1,516
Between one and five years (inclusive)	11,221	5,027
More than five years	8,062	5,751
Total	**22,276**	**12,294**

Operating lease commitments – Company as the lessor

Operating lease revenues comprise:

In thousands of EUR	*2024*	*2023*
Lease of land and buildings	3,393	1,268
Lease of IT and telecommunication devices	64	101
Total	**3,457**	**1,369**

The Company has entered into contracts on these leases with both, definite and indefinite terms.

The future minimum lease payments under non-cancellable leases are as follows:

In thousands of EUR	*2024*	*2023*
Less than one year	3,270	1,488
Between one and five years (inclusive)	12,197	4,219
More than five years	13,350	3,411
Total	**28,817**	**9,118**

Capital commitments

The Company is engaged in continuous capital expenditure programs, including environmental improvements and the modernisation, replacement and expansion of existing power generation facilities and continuing of construction of Mochovce 3&4. As at 31 December 2024 the Company has concluded contracts to purchase property, plant and equipment in overall amount of EUR 6,611,088 thousand (31 December 2023: EUR 6,322,060 thousand), thereof EUR 302,920 thousand was not yet utilized as at 31 December 2024 (31 December 2023: EUR 261,715 thousand).

Slovenské elektrárne, a.s.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
for the year ended 31 December 2024
(in thousands of EUR)

Legal claim contingency

The Company is involved in various litigations in the ordinary course of its business. Except for the legal proceedings specified below and the litigations for which the provision has been recognised (see Note 18), the Company is not currently involved in any other legal proceedings that, either individually or in aggregate, could have a significant effect on the accompanying separate financial statements.

VEG court proceedings

The Company, the company VODOHOSPODÁRSKA VÝSTAVBA, ŠTÁTNY PODNIK (hereinafter as the “VV”) and certain other entities are involved in several court disputes pertaining VEG Operating Agreement (hereinafter as the “Operating Agreement”) signed on 10 March 2006 as amended by the Amendment No. 1 dated 17 July 2006, the Agreement on Settlement of Legal Relations with respect to the VEG Assets (hereinafter as the “Settlement Agreement”) signed on 24 March 2006 as well as the Agreement of Indemnity signed on 22 March 2006 between the National Property Fund of the Slovak Republic (hereinafter as the “NPF”) and the Company (hereinafter as the “Indemnity Agreement”).

Finished court proceedings

1. Actions on invalidity of the VEG Operating Agreement

The Company was party to dispute in two proceedings concerning invalidity of the Operating Agreement. The court definitely decided that the Operating Agreement is invalid in the proceedings initiated by the Public Procurement Office.

Another legal action was raised by VV, but the court stopped these proceedings due to the final decision about invalidity of the Operating Agreement in proceedings initiated by the Public Procurement Office.

2. Action on invalidity of the Agreement of Indemnity

The Company was party to dispute in the proceedings concerning invalidity of the Agreement of Indemnity initiated by the National Property Fund of the Slovak Republic (legal predecessor of MH Manažment, a.s.) on declaration of the Agreement of Indemnity null and void.
The court definitely dismissed the action.

Court proceedings ongoing

1. Action initiated by VV challenging the Indemnity Agreement

On 20 June 2008, VV filed an action (against the Company as well as against the NPF) claiming that the Indemnity Agreement is null and void arguing, in essence, that it (i) does not comply with the International Treaty, (ii) is contrary to several laws and good morals and fair commercial relations.

On 27 September 2017, the court dismissed the action filed by VV. VV filed an appeal on 27 November 2017. The appellate proceeding confirmed the dismissal of the action by the first instance court.

On 9 March 2020, VV filed an extraordinary appeal (*dovolanie*).

On 24 March 2021, the Supreme Court of the Slovak Republic cancelled appellate court decision and return matter to the appellate proceeding. On 20 July 2021, the Company filed a constitutional complaint against the ruling of the Supreme Court, which was rejected by the Constitutional Court of the Slovak Republic on 29 July 2021.

On 21 November 2024, appellate court confirmed original judgment on dismissal of the action dated 27 September 2017 and granted the Company with the reimbursement of costs of the appellate and extraordinary appellate proceedings. The appellate proceeding finished.

VV has the possibility to file an extraordinary appeal (*dovolanie*) against the appellate court´s judgment dated 21 November 2024.

2. Action initiated by VV challenging the Settlement Agreement

On 20 June 2008, VV filed an action claiming that Article 6 of the Settlement Agreement is null and void arguing, in essence, that: (i) it does not comply with the International Treaty, (ii) is contrary to several laws and good morals and fair commercial relations. The National Property Fund of the Slovak Republic, the Ministry of Economy of the Slovak Republic and Slovenský energetický podnik, štátny podnik v likvidácii, act as other defendants.

The company MH Manažment, a.s. entered into the proceedings as a legal successor of the NPF. The judge's preliminary legal assessment of the matter complies with the Company's legal argumentation. At the hearing of 5 March 2019, the court dismissed VV's legal action and awarded the right for the reimbursement of the costs of the proceeding in full extent to the other parties to the dispute.

In May 2019, both VV and the Ministry of Economy of the Slovak Republic filed an appeal. On 12 October 2022, the appellate court confirmed the first instance decision on dismissal of the legal action. The appellate proceeding finished

In January 2023, both the Ministry of Economy of the Slovak Republic and VV filed extraordinary appeals (*dovolanie*).

The extraordinary appellate proceeding is pending.

3. Several court disputes in which VV claims unjustified enrichment allegedly gained by the Company due to the operation of the VEG

In ten disputes, VV claims from the Company the amount of 35% share on revenues gained by the Company during operation of the VEG on the basis of the allegedly invalid Operating Agreement for years 2006 – 2015 in total amount of EUR 364,495 thousand (the principal).

Each of the disputes covers one year, or its respective part from the period of 2006 through 2015.

The Company filed a statement for setting up a counterclaim (i.e. for preventive reasons the Company raised its claim to receive payment of services rendered in connection with operation of the VEG in case that the Operating Agreement is null and void).

During 2018 and 2019, the Company raised counterclaims against VV arising from invalidity of the VEG Operating Agreement and also financial compensation for non-financial performance.

In the proceedings concerning recovery of unjustified enrichment for the year 2006 the court dismissed VV's legal action and also the Company's counterclaim on 26 June 2019; on 17 July 2019 VV filed appeal and on 30 July 2019 the Company filed appeal.

On 6 December 2022, the appellate court confirmed the first instance decision on dismissal of VV´s legal action and also the Company´s counterclaim. In April 2023, both the Company and VV filed extraordinary appeals (*dovolanie*).
The extraordinary appellate proceeding is pending.

In the proceedings concerning recovery of unjustified enrichment for the year 2007 the court dismissed VV's legal action and also the Company's counterclaim on 26 June 2019; on 17 July 2019 VV filed appeal and on 30 July 2019 the Company filed appeal.

On 31 January 2023, the appellate court cancelled the first instance court dismissive judgement and return matter back to the first instance court.
The first instance court proceeding is pending again.

In the proceedings concerning recovery of unjustified enrichment for the year 2008 the court dismissed VV's legal action and also the Company's counterclaim on 26 June 2019; on 17 July 2019 VV filed appeal and on 30 July 2019 the Company filed appeal.
The appellate proceeding is pending.

In the proceedings concerning recovery of unjustified enrichment for the year 2009 the court dismissed VV's legal action and also the Company's counterclaim on 24 November 2022. VV filed an appeal on 18 January 2023 and the Company filed an appeal on 19 January 2023.
The appellate proceeding is pending.

In the proceedings concerning recovery of unjustified enrichment for the year 2010 the court dismissed VV's legal action and also the Company's counterclaim on 15 November 2022. VV filed an appeal on 30 December 2022 and the Company filed an appeal on 9 January 2023.
The appellate proceeding is pending.

In the proceedings concerning recovery of unjustified enrichment for the year 2011 the first instance court proceeding is pending.

In the proceedings concerning recovery of unjustified enrichment for the year 2012 the court dismissed VV´s legal action and also the Company's counterclaim on 25 April 2019; on 7 June 2019 VV filed an appeal and on 21 June 2019 the Company filed an appeal.

On 8 November 2023, the appellate court confirmed the first instance decision on dismissal of VV´s legal action and also the Company´s counterclaim. On March 2023, both, VV and the Company filed extraordinary appeal (*dovolanie*).
The extraordinary appellate proceeding is pending.

In the proceedings concerning recovery of unjustified enrichment for the year 2013 the court dismissed VV's legal action and also the Company's counterclaim on 22 November 2022. VV filed an appeal on 3 January 2022 and the Company filed an appeal on 19 January 2023.
The appellate proceeding is pending.

In the proceedings concerning recovery of unjustified enrichment for the year 2014 the court dismissed VV's legal action and also the Company's counterclaim on 10 October 2023. VV filed an appeal on 30 January 2024 and the Company filed an appeal on 5 February 2024.
The appellate proceeding is pending.

In the proceedings concerning recovery of unjustified enrichment for the year 2015 the proceeding has been interrupted, but on 20 January 2025 VV filed an appeal.
The appellate proceeding in the matter of the interruption of the proceeding has started.

4. Action initiated by VV to recover the amounts paid to the Company under the Settlement Agreement

On 8 July 2015, VV filed a claim requesting that the Company is ordered to pay to VV the amount of EUR 43,279 thousand (plus default interests) corresponding to the amount already fulfilled by VV to the Company for VEG assets carved out from the Company's assets in 2006 under the Settlement Agreement. VV argues that the Company should have never received such compensation for VEG assets given the invalidity of the Operating Agreement and the fact that a transfer of VEG assets to the Company in 1994 was illegal. In reaction to the Company's objections, VV decreased requested amount to EUR 20,385 thousand (plus default interests).

During the hearing on 18 December 2020, the VV's action was dismissed. On 4 January 2021, VV filed an appeal.
The appellate proceeding is pending.

5. The Company's claim for annual settlement

On 31 December 2014, the Company filed the claim for a balance resulting from the annual settlement for year 2010 which has not been paid until the date of these financial statements by VV in the amount of EUR 5,824 thousand (including VAT) with default interest.

On 22 January 2019 the court rendered a ruling about continuation in the proceeding. On 10 October 2019 the court dismissed the Company's legal action. Subsequently, on 15 November 2019 the Company filed an appeal.

On 23 January 2021, the appellate court confirmed the dismissal of the Company's action. On 26 March 2021 the Company filed an extraordinary appeal (*dovolanie*).

On 5 October 2022, the Supreme Court cancelled the appellate court decision and took the dispute back to appellate proceeding.
The appellate proceeding is pending.

6. The Company's claim for a return of payments made under Article 10 of the Operating Agreement

On 12 November 2014, the Company filed a claim for EUR 23,887 thousand with default interest, i.e. the return of a regular payment made under Article 10 of the Operating Agreement in the amount not yet statute-barred. The Company argues, in essence, that the contractual conditions under Article 10 of the Operating Agreement by VV for receiving a regular payment were not fulfilled and that the Company was never obliged to pay approximately EUR 5 million per year.

On 22 January 2019 the court rendered a ruling about continuation in the proceeding. On 10 October 2019 the court dismissed the Company´s legal action. Subsequently, on 15 November 2019 the Company filed an appeal.

On 24 September 2020, the appellate court cancelled the decision on dismissal of the action and returned the matter for further proceeding and deciding of the first instance court.

The first instance court suspended the proceedings until final decision in the unjust enrichment recovery proceeding for years 2010 – 2014 by ruling dated 27 December 2023, on 17 January 2024 VV filed an appeal.
The appellate proceeding is pending.

Other court proceedings

1. Court proceedings with SLOVENSKÝ VODOHOSPODÁRSKY PODNIK, štátny podnik

The Company is and was involved in several court disputes with SLOVENSKÝ VODOHOSPODÁRSKY PODNIK, štátny podnik (hereinafter as the "SVP").

The Company and SVP negotiate concrete conditions of a settlement of the mutual receivables and out-out-court closing of all disputes.

a) active and passive dispute pertaining an offtake of surface water from Laborec river in 2002

(i) passive dispute initiated by SVP

In the court proceeding initiated by SVP in 2004 for payment of the EUR 5,847 thousand (principal) and default interests, SVP prevailed on both instances and the Company paid to SVP, in 2010, the amount of EUR 10,004 thousand.

Subsequently, in 2012, the Company was successful with its constitutional complaint and the judgment ordering the Company to pay the above-mentioned amount was cancelled and the matter was referred back to the courts to rehear the case.

In the expert opinion, from expert appointed by the court, a market price for the surface water off-take was stated in amount of EUR 1,566 thousand (including VAT).

On 22 February 2022, the court renders a judgement obliged the Company to pay EUR 1,566 thousand with appurtenances, dismissed the legal action in exceeding part and the reimbursement of the costs of the proceedings were adjudicated to the Company partially.

In 2022, SVP an appeal against the part of judgement by which the court dismissed the legal action in exceeding part.

On 29 May 2024, the appellate court confirmed the first instance judgment dated 22 February 2022 and on 19 August 2024, SVP filed an extraordinary appeal.
The extraordinary appellate proceeding is pending.

(ii) active dispute initiated by the Company

Given the fact that SVP refused to return EUR 10,004 thousand paid originally by the Company under the judgment in the passive dispute in 2010 which was set aside by the Constitutional Court, the Company sued SVP for payment of this sum and obtained the judgment (effective and enforceable) ordering SVP to pay the Company EUR 10,004 thousand and default interests.

Until now, SVP has not paid this amount.

b) passive dispute related to the commission for recovery of SVP's receivables against the Company performed by the company BRNO TRUST, a.s. for SVP

The Company is involved in a court dispute with SVP for payment of an amount of EUR 7,801 thousand and default interests. The Company prevailed in both instances, but the general prosecutor filed an extraordinary review which reversed the matter in the end to the first-instance proceedings.

On 20 October 2020, the first instance court granted SVP's action and obliged the Company and BRNO TRUST to pay claimed amount, default interests and the reimbursement of the costs of proceedings jointly and severally. On 2 December 2020, the Company and BRNO TRUST filed appeal.

On 28 March 2023, the Supreme Court confirmed the first instance court decision obliging the Company and BRNO TRUST to pay to SVP claimed amount, default interests and the reimbursement of the costs of proceedings jointly and severally and in addition granted to SVP reimbursement of the cost of the appellate proceedings.

On 19 July 2023 both, BRNO TRUST and the Company filed extraordinary appeals (*dovolanie*) with a motion for suspension of the enforceability of the Supreme Court judgement.
The extraordinary appellate proceeding is pending.

The Company recognizes provision for this dispute in full amount.

Vienna Convention on Civil Liability for Nuclear Damage

Under the Vienna Convention on Civil Liability for Nuclear Damage (May 1963), the operator of a nuclear installation is absolutely liable for damages caused by a nuclear incident at his nuclear installation. In the Slovak Republic the Vienna Convention entered into force on 7 June 1995. The Vienna Convention requires the operator of a nuclear installation to maintain insurance or other financial security covering his liability for nuclear damages in such an amount, of such a type and in such terms as the installation state shall specify. The installation state may not reduce the limit of the operator's liability below USD 5 million (value of USD in terms of gold on 29 April 1963, that is to say USD 35 per one troy ounce of fine gold) per single nuclear incident.

On 19 March 2015 the National Council of the Slovak Republic approved the Act No. 54/2015 Coll. on Civil Liability for Nuclear Damage and on its Financial Coverage and on amendment and supplement of certain acts, which entered into force on 1 January 2016 and based on which the operator's liability for nuclear damage caused by each nuclear incident is limited to EUR 300 million for a nuclear installation for energy generation purposes and EUR 185 million for other nuclear installation and transport of radioactive materials.

As at the balance sheet date the Company had in place liability insurance policies compliant with the indemnity limit of EUR 300 million for each operating nuclear installation (Jaslovské Bohunice, Mochovce 1&2 and Mochovce 3&4) separately.

Financial guarantees

The Company has granted promise of indemnification in favour of its supplier, value of which amounted to EUR 1,489 thousand as at 31 December 2024 (as at 31 December 2023: EUR 2,234 thousand) The Company does not expect any reimbursements towards the supplier in this respect and therefore no liabilities were recognised on face of the statement of financial position.

Except for the abovementioned, the Company did not have any financial guarantee contracts in favour of third parties as at 31 December 2024 and 31 December 2023.

Other inspections

The Company is subject to various controls performed by the state authorities. Although the Company cannot exclude that any of these proceedings discover irregularities in its activities based on which the Company could be penalized, the management cannot determine any amount for which a provision should be recognised because of such proceedings. Due to that reason, no provision has been recognised for that purpose as at 31 December 2024 and as at 31 December 2023.

The Company has significant transactions with shareholders and other related parties and recognizes significant accounting transactions that are based on technical, financial and other expert assumptions which bear a certain extent of uncertainty. The tax environment in which the Company operates is dependent on the prevailing tax legislation and practice. As the tax authorities are reluctant to provide official interpretations in respect of tax legislation, there is an inherent risk that the tax authorities may require, for example, transfer pricing or other adjustments of the corporate income tax base. The tax authorities in the Slovak Republic have broad powers of interpretation of tax laws which could result in unexpected results from tax inspections. The amount of any potential tax liabilities related to these risks cannot be estimated.

Pledged assets

As of the date of these financial statements the Company's long term tangible assets in the value of EUR 10,728,608 thousand (2023: in the value of EUR 10,261,984 thousand) and inventories in the value of EUR 45,715 thousand (2023: in the value of EUR 35,210 thousand) were pledged in favour of banks.

During January 2025, following the signature of the Term and Revolving Facilities Agreement with a syndicate of banks the Company repaid existing loans which also released the collateral through a pledge on a selected portfolio of the Company's assets mentioned above.

31. Fair values

The fair values of financial assets and liabilities, compared to the carrying amounts shown in the statement of financial position, are as follows:

		31 December 2024		31 December 2023	
In thousands of EUR	*Note*	*Carrying amounts*	*Fair values*	*Carrying amounts*	*Fair values*
Non-current financial assets					
Other receivables	11	168,572	168,572	196,291	196,291
Hedging derivatives	7	12,539	12,539	240,686	240,686
Other investments	9	6,602	6,602	6,617	6,617
Total non-current financial assets		**187,713**	**187,713**	**443,594**	**443,594**
Non-current financial liabilities					
Loans and borrowings	19	1,211,978	1,369,588	3,555,528	4,123,888
Derivatives not designated as hedges	7	-	-	9,344	9,344
Hedging derivatives	7	152,636	152,636	110,179	110,179
Total non-current financial liabilities		**1,364,614**	**1,522,224**	**3,675,051**	**4,243,411**
Current financial assets					
Trade and other receivables	11	457,218	457,218	371,112	371,112
Derivatives not designated as hedges	7	21,181	21,181	124,279	124,279
Hedging derivatives	7	172,548	172,548	281,480	281,480
Cash and cash equivalents	12	203,810	203,810	100,305	100,305
Total current financial assets		**854,757**	**854,757**	**877,176**	**877,176**
Current financial liabilities					
Loans and borrowings	19	2,225,164	2,225,164	569,406	569,406
Derivatives not designated as hedges	7	36,501	36,501	26,001	26,001
Hedging derivatives	7	138,549	138,549	42,290	42,290
Trade and other current payables	21	384,098	384,098	495,252	495,252
Total current financial liabilities		**2,784,312**	**2,784,312**	**1,132,949**	**1,132,949**

The fair values of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between informed, willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Fair values of cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term fixed-rate and variable-rate receivables are evaluated by the Company based on parameters such as interest rates, specific country risk factors, the individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at 31 December 2024 and 31 December 2023, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values.
- Fair value of quoted instruments is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Derivatives valued using a valuation techniques with market observable inputs are mainly foreign exchange forward contracts and commodity forward contracts. The most frequently applied valuation techniques include forward pricing model. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying commodity.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments and non-financial assets (see Note 5) by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs that have a significant effect on the recorded fair value and are not based on observable market data.

As at 31 December 2024 the Company held the following financial instruments measured at fair value:

Financial assets measured at fair value

In thousands of EUR	*Note*	*31 December 2024*	*Level 1*	*Level 2*	*Level 3*
Derivatives not designated as hedges	7	21,181	-	21,181	-
Hedging derivatives	7	185,087	-	185,087	-

Financial liabilities measured at fair value

In thousands of EUR	*Note*	*31 December 2024*	*Level 1*	*Level 2*	*Level 3*
Derivatives not designated as hedges	7	36,501	-	36,501	-
Hedging derivatives	7	291,185	-	291,185	-

As at 31 December 2023 the Company held the following financial instruments measured at fair value:

Financial assets measured at fair value

In thousands of EUR	*Note*	*31 December 2023*	*Level 1*	*Level 2*	*Level 3*
Derivatives not designated as hedges	7	124,279	-	124,279	-
Hedging derivatives	7	522,166	-	522,166	-

Financial liabilities measured at fair value

In thousands of EUR	*Note*	*31 December 2023*	*Level 1*	*Level 2*	*Level 3*
Derivatives not designated as hedges	7	35,345	-	35,345	-
Hedging derivatives	7	152,469	-	152,469	-

There have been no transfers between the Levels 1 - 3 during 2024 and 2023.

The movement in fair value of derivatives on electricity

The fair value of commodity derivatives not designated as hedges (net) is sensitive to movements in electricity prices, effect of which is summarized as follows:

Derivatives on electricity

In thousands of EUR	*Fair value of commodity derivatives, net*	*Change*
10% decrease	(25,164)	(18,800)
Balance as at 31 December 2024	**(6,364)**	
10% increase	12,398	18,762

In thousands of EUR	*Fair value of commodity derivatives, net*	*Change*
10% decrease	69,879	(28,511)
Balance as at 31 December 2023	**98,390**	
10% increase	126,901	28,511

The impact of shift in electricity prices by +/- 10 % has been calculated by changing the spot price at the valuation date or as at the reporting date.

32. Financial risk management objectives and policies

Following financial risks are related to the activities of the Company:

i) Credit risk;
ii) Liquidity risk;
iii) Market risk, which includes:
- Commodity risk;
- Interest rate risk;
- Foreign currency risk.

Risk management

As part of its operations, the Company is exposed to different market risks, notably the risk of volatility of commodity prices, interest rates and exchange rates as well as to the liquidity risk and to the credit risk. To minimize the risk implied from volatility of exchange rates and interest rates, the Company enters into transactions with required parameters or into derivative contracts with the intent to hedge individual risk using instruments available on the market.

Transactions that qualify for hedge accounting in line with the requirements of IFRS 9 are classified as hedging transactions, while those carried out with the intent of hedging that do not qualify for hedge accounting in line with IFRS 9 are classified as trading transactions.

Depending on their purpose and the decision of the management the financial derivative instruments are classified as:
- cash flow hedges, related to hedging the risk of changes in the cash flows;
- fair value hedges, related to hedging the risk of changes in the fair value;
- trading derivatives, related to hedging interest and exchange rate risk and commodity risk which do not qualify for recognition under IFRS 9 as hedges of specific assets, liabilities, commitments or future transactions.

The fair value is determined using the prices on the relevant markets. Accordingly, the impact on profit or loss and shareholders' equity depends on market developments. The credit risk with respect to the derivatives portfolio can be considered as negligible since transactions are conducted solely with leading Slovak and international banks, and the exposure is therefore diversified among different subjects.

Credit risk

The Company makes most of the steps in order to mitigate the credit risk, e.g. to prevent the situations when the contractual party does not fulfil any of its liabilities on time and in full amount. The Company has developed sophisticated tools and procedures for the purpose of identification and analysis of the credit risk. Further monitoring, management and mitigation of the credit risk is ensured via specific processes and methods.

Additional aspects mitigating the credit risk

The specific structure of the Company's customers requires individual approach to the evaluation of the credit risk. Distribution companies represent those with the lowest credit risk. Most of the customers and business partners have long-time history of their activities in the energy sector, thus this fact contributes to the decrease of the risk resulting from the customer insolvency. The credit risk analysis of the business partner is performed every time before the contract is closed and is reviewed on regular basis, at least once per year. With respect to the results of the analysis and other aspects influencing the risk factor the customer is assigned a limit for trading. If the analysis or other information gathered reveals potential credit risk factor of the customer, the Company will evaluate and eliminate risk factor. In case of smaller customers deposit payments are required. Long-time experience of the Company shows that the analytical methods, assessment and management of the credit risk are effective and mitigate the credit risk accordingly.

The expected loss rates and the expected losses allowance, calculated in line with the IFRS 9 simplified approach for trade receivables as at 31 December 2024 and 31 December 2023 were as follows:

In thousands of EUR	*Expected credit loss rate*	*Expected credit loss as at 31 December 2024*	*Expected credit loss rate*	*Expected credit loss as at 31 December 2023*
Receivables not yet due	0.07%	42	0.07%	174
Receivables less than 15 days overdue	0.07%	3	0.07%	-
Receivables less than 30 days overdue	1.55%	-	1.32%	-
Receivables less than 90 days overdue	4.45%	-	2.75%	-
Receivables less than 180 days overdue	5.00%	-	2.96%	-
Receivables less than 270 days overdue	5.03%	-	2.98%	-
Receivables less than 360 days overdue	5.03%		2.98%	1
Receivables more than 360 days overdue	100%	5,415	100%	5,459
Receivables assessed on an individual basis (Note 11)	100%	135,989	100%	135,989
Purchased credit-impaired receivables (Note 11)	100%	2,153	100%	2,153
Total expected credit losses allowance (Note 11)		**143,602**		**143,776**

Analysis of cash at bank and short-term bank deposits based on rating:

In thousands of EUR	*2024*	*2023*
Cash at bank and short-term bank deposits		
AA	7,534	1,390
A	167,240	77,694
No rating	29,004	21,195
Total	**203,778**	**100,279**

Offsetting financial assets and financial liabilities

The following financial assets are subject to offsetting, enforceable master netting arrangements and similar agreements that enable mutual offsetting:

As at 31 December 2024:

	Gross amount on the face of the statement of financial position before offsetting	Gross amount set off on the face of the statement of financial position	Net amounts on the face of the statement of financial position	Related amounts not set off on the face of the statement of financial position		Total
				Financial instrument	Collateral	
In thousands of EUR	*(a)*	*(b)*	*(c) = (a) - (b)*	*(d)*	*(e)*	*(c) - (d) - (e)*
CURRENT ASSETS						
Trade and other receivables	467,963	10,745	457,218	13,199	50,740	393,279
Derivative assets	207,167	13,438	193,729	11,303	-	182,426
Total assets subject to disclosure for offsetting requirements	**675,130**	**24,183**	**650,947**	**24,502**	**50,740**	**575,705**

As at 31 December 2023:

	Gross amount on the face of the statement of financial position before offsetting	Gross amount set off on the face of the statement of financial position	Net amounts on the face of the statement of financial position	Related amounts not set off on the face of the statement of financial position		Total
				Financial instrument	Collateral	
In thousands of EUR	*(a)*	*(b)*	*(c) = (a) - (b)*	*(d)*	*(e)*	*(c) - (d) - (e)*
CURRENT ASSETS						
Trade and other receivables	462,786	91,674	371,112	3,473	134,171	233,468
Derivative assets	448,390	42,631	405,759	17,042	-	388,717
Total assets subject to disclosure for offsetting requirements	**911,176**	**134,305**	**776,871**	**20,515**	**134,171**	**622,185**

The column (d) contains those financial assets that are not offset due to either absence of the enforceable right or intention of the Company.

The column (e) represents financial guarantees received and cash collateral collected by the Company.

Slovenské elektrárne, a.s.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
for the year ended 31 December 2024
(in thousands of EUR)

The following financial liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements that enable mutual offsetting:

As at 31 December 2024:

	Gross amount on the face of the statement of financial position before offsetting	Gross amount set off on the face of the statement of financial position	Net amounts on the face of the statement of financial position	Related amounts not set off on the face of the statement of financial position		Total
				Financial instruments	Collateral	
In thousands of EUR	*(a)*	*(b)*	*(c) = (a) - (b)*	*(d)*	*(e)*	*(c) - (d) - (e)*
CURRENT LIABILITIES						
Loans and borrowings	2,224,957	-	2,224,957	-	60,000	2,164,957
Derivative liabilities	188,488	13,438	175,050	11,303	-	163,747
Trade and other current payables	394,843	10,745	384,098	13,199	50,495	320,404
Total liabilities subject to disclosure for offsetting requirements	**2,808,288**	**24,183**	**2,784,105**	**24,502**	**110,495**	**2,649,108**

As at 31 December 2023:

	Gross amount on the face of the statement of financial position before offsetting	Gross amount set off on the face of the statement of financial position	Net amounts on the face of the statement of financial position	Related amounts not set off on the face of the statement of financial position		Total
				Financial instruments	Collateral	
In thousands of EUR	*(a)*	*(b)*	*(c) = (a) - (b)*	*(d)*	*(e)*	*(c) - (d) - (e)*
NON-CURRENT LIABILITIES						
Loans and borrowings	2,415,929	-	2,415,929	-	60,000	2,355,929
CURRENT LIABILITIES						
Derivative liabilities	110,922	42,631	68,291	17,042	-	51,249
Trade and other current payables	586,926	91,674	495,252	3,473	93,201	398,578
Total liabilities subject to disclosure for offsetting requirements	**3,113,777**	**134,305**	**2,979,472**	**20,515**	**153,201**	**2,805,756**

The column (d) contains those financial liabilities that are not offset due to either absence of the enforceable right or intention of the Company.

The column (e) represents financial guarantees issued and cash collateral paid by the Company.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and/or available sources of funding through credit lines. Considering the dynamic nature of the underlying business, the Company treasury management aims at maintaining flexibility by keeping sufficient amount of credit lines available.

To cover the liquidity risk, as at 31 December 2024, besides specific purpose term loans in the total amount of EUR 734 million (2023: EUR 951 million), the Company had committed loans amounting to EUR 5,191 million (2023: EUR 2,103 million), of which EUR 1,611 million was actually drawn (2023: EUR 2,103 million). At the same date the Company had uncommitted credit lines undrawn in the amount of EUR 40 million (2023: EUR 180 million) and cash on bank accounts in the amount of EUR 204 million (2023: EUR 100 million).

	2024			*2023*		
In thousands of EUR	*Amount available for drawing*	*Amount drawn*	*Available amount*	*Amount available for drawing*	*Amount drawn*	*Available amount*
Uncommited loans	80,000	39,956	40,044	240,000	59,850	180,150
Committed loans for general purposes	5,191,418	1,611,418	3,580,000	2,103,051	2,103,051	-
Specific purpose loans	734,066	734,066	-	951,101	946,450	4,651
Subordinated loan	1,340,000	1,070,000	270,000	1,340,000	1,070,000	270,000

In addition to bilateral lines, the Company also uses commodity exchange trading for its production sales and trading activities, which entail the need to post a certain amount of collateral in favour of the exchange, which, as an intermediary of the trade, assumes the risk of counterparty default. In this context, the Company manages a risk referred to as Margin at Risk (MaR) / Collateral at Risk (CaR), which represents the potential need for additional collateral to cover margin requirements arising from market movements.

The Company has a control process in place Margin at Risk to ensure that potential margin requirements in relation to future price movements in the commodity markets are regularly monitored and recalculated. As part of this process, a number of limits are set either on open positions on the exchange or financial limits to help effectively manage the risk associated with exchange requirements relating to financial hedging.

The risk is regularly recalculated on the basis of Monte Carlo simulations, taking into account different time periods in the future and different confidence levels. This approach allows the Company to estimate the likely level of margin requirements depending on the possible evolution of market conditions, taking into account all types of margin that may affect the overall hedge on the exchange.

The MaR management process also sets thresholds and measures in case of their exceedance, which allow for a timely response and management of potential liquidity impacts. MaR risk is monitored and reported on a regular basis, ensuring robust management of margin requirements and protection against adverse liquidity events.

The table below represents the overall maximum and average daily margin (in EUR millions) required by the commodity exchange over the last 3 years in respect of electricity price. Market prices are the settlement prices of yearly baseload products with delivery in the following year (Y+1), as published by the commodity exchange. The settlement prices correspond to the day of the maximum margin requirement, except for 2024, when the prices refer to the preceding business day, i.e., 23 December 2024.

	Maximum margin requirements		*Settlement price*	
Year	*EUR million*	*Day*	*CAL DE BL Y+1 EUR/MWh*	*Average daily margin requirements (EUR million)*
2022	281	7 March 2022	175,93	103
2023	62	28 September 2023	122,63	45
2024	65	24 December 2024	94,74	31

Financial liabilities as at 31 December 2024

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

In thousands of EUR	*Less than one year*	*Between 1 and 3 years*	*Over 3 years*	*Total*
Loans and borrowings - principal	2,207,982	1,096,731	-	3,304,713
Loans and borrowings - interest	229,949	236,794	-	466,743
Obligations from finance lease	2,897	5,554	26,621	35,072
Trade payables (Note 21)	298,864	-	-	298,864
Derivative financial instruments	340,909	301,447	687	643,043

Financial liabilities as at 31 December 2023

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

In thousands of EUR	*Less than one year*	*Between 1 and 3 years*	*Over 3 years*	*Total*
Loans and borrowings - principal	558,238	2,421,162	1,070,000	4,049,400
Loans and borrowings - interest	346,116	391,122	159,160	896,398
Obligations from finance lease	263	310	1,151	1,724
Trade payables (Note 21)	299,891	-	-	299,891
Derivative financial instruments	307,098	7,179	-	314,277

Market risk

i) Commodity price risk

The exposure of the Company to the risk of volatility of commodity prices is mainly associated with the purchase and sale of electricity as well as with the purchase of fuel used for the power production. The exposition resulting from the difference between purchase and sale of commodities or as a consequence of contracts tied to price indices is quantified by risk factors. Sensitivity analysis in respect of the electricity price fluctuations is discloed in Note 31.

Regarding the electricity sold, the Company enters into fixed-price contracts in the form of bilateral contracts with physical delivery, whereas in case of trading transactions the Company enters into contracts with both types of settlement, physical delivery and financial settlement (e.g. contracts for differences in which the differences are paid to the counterparty should the market electricity price exceed the strike price or to the Company in the opposite case).

Various types of derivative instruments (mainly forward contracts, swaps, options, futures and contracts for differences) are used to reduce the exposure to the fluctuations in commodity prices.

The Company hedges cash flows from sales of future electricity production against the risk of electricity price movement by selling the production via forward contracts up to 4 years prior to the delivery, with respect to the strategy of production selling.

Liquidity of Slovak market with physical delivery is from the view of long-term hedging opportunities lower in comparison with German, Czech or Hungarian market with higher liquidity as a result of higher overall electricity consumption and production, and also in comparison with liquidity of Slovak market with financial delivery.

The Company compensates lower liquidity in Slovak market through sale in German, Czech or Hungarian market. Due to high correlation between forward products in these markets the Company reduces the commodity risk to a significantly lower risk of price spread movements between countries. The forward products correlation between regional markets is a result of interconnections between countries as well as daily market coupling mechanism enabling effective allocation of cross-border capacities.

When there is not enough liquidity in Slovak market with physical delivery at required times, electricity production is therefore being hedged in either German, Czech or Hungarian market as follows: When the electricity price in Slovakia is suitable the electricity is first sold in Germany, Czech Republic or Hungary via baseload yearly contracts. Later when liquidity in Slovak market emerges, the deal in foreign country is closed by purchasing baseload yearly forward contract of same volume and subsequently, the electricity production is being sold in Slovak market with physical delivery. This mechanism is also applied to financial delivery on the Slovak market, in case, when at the required time there is higher liquidity on the Slovak market with financial delivery than on the Slovak market with physical delivery. In this case the Company avoids the risk of price movements.

Also due to lower liquidity on further years, electricity production can be hedged throughout the nearest year. And later when liquidity on further years emerges, the deal in nearest year is closed by purchasing baseload yearly forward contract of same volume.

When there is lower correlation between the hedging instrument and the hedged item this results in the hedge ineffectiveness that is, according to the valid accounting policy of the Company recognised in the profit and loss statement. Significant price volatility present at trading platforms as well as at energy product markets have an impact on the correlation between the hedged items and hedging instruments, as well as on the valuation of open positions.

The commodity price risk management process in the Company is designed to continuously monitor and evaluate the development in risk over time and determine whether the levels of risk comply with the thresholds consistent with the risk appetite of top management. These operations are conducted within the framework of formal governance rules that establish strict risk limits. Compliance with the limits is verified by units that are independent of those undertaking the transactions, while trading positions are monitored on regular basis using multiple risk indicators.

ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term loans with floating interest rates.

The Company uses interest rate derivatives to hedge its interest rate risk.

These contracts are normally agreed with a nominal value and expiry date lower than or equal to that of the underlying financial liability, so that the change in the fair value and/or expected future cash flows of these contracts is offset by a corresponding change in the fair value and/or the expected future cash flows of the underlying position.

The Company adopts a policy of ensuring that adequate part of its exposure to changes in interest rates on borrowings is de facto on a fixed rate basis. Interest rate swaps were entered into to achieve an appropriate mix of fixed and floating rate exposure or cross-currency interest rate swaps in case the loans are denominated in foreign currency to achieve also appropriate currency exposure. The interest rate swaps are denominated in euros with maturity till 2025. In respect of these swaps the Company pays the fixed rate from 0.191% to 0.317% p.a. and receives EURIBOR. As at 31 December 2024 the Company had interest-rate swaps with nominal value in the amount of EUR 1,130,000 thousand (2023: EUR 1,522,000 thousand). The nominal value of cross-currency interest rate swaps was in the amount of EUR 175,000 thousand as at 31 December 2024 (2023: EUR 225,000 thousand).

Sensitivity analysis

The Company has performed an analysis of a possible impact in case of a reasonable change in interest rates by +/- 100 bp with all the other variables held constant.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Company's profit before tax through the impact on floating rate borrowings:

In thousands of EUR	*Increase in basis points*	*Effect on profit before tax 2024*
Variable rate instruments	+100bp	(33,241)

In thousands of EUR	*Increase in basis points*	*Effect on profit before tax 2023*
Variable rate instruments	+100bp	(39,738)

The decrease in basis points would have had the equal but opposite effect on the amounts shown above, on the basis that all the other variables remain constant.

iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate because of changes in foreign exchange rates.

The Company is exposed to a currency risk of receivables and liabilities denominated in currency other than the functional currency of the Company, primarily USD, RUB, CZK and PLN. The risk of fluctuations in RUB exchange rate in respect of the loans in amount of RUB 10,620 million as at 31 December 2024 is fully eliminated by hedging in form of the cross-currency interest rate swaps and FX swaps.

Various types of derivatives are used to reduce the exchange rate risk on foreign currency assets, liabilities and expected future cash flows. These include mainly forward exchange contracts and cross-currency interest rate swaps.

These contracts are normally agreed with a nominal amount and expiry date equal to that of the underlying financial liability or the expected future cash flows, so that any change in the fair value and/or future cash flows of these contracts stemming from a potential appreciation or depreciation of the functional currency against other currencies is fully offset by a corresponding change in the fair value and/or the expected future cash flows of the underlying position.

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the USD, CZK and PLN exchange rate, with all other variables held constant, on the Company's profit before tax and the Company's equity:

In thousands of EUR	*Change in exchange rate*	*Effect on profit before tax*
31 December 2024		
CZK	+10%	(1,410)
USD	+10%	1
PLN	+10%	(805)
31 December 2023		
CZK	+10%	(119)
USD	+10%	(11)
PLN	+10%	(427)

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes the following within net debt: current and non-current loans and borrowings less accrued interests including finance lease liabilities, reimbursement right from the National Nuclear Fund, finance lease receivables and total amount of cash and cash equivalents. As at 31 December 2024 the net debt to equity ratio was 0.23 (as at 31 December 2023: 0.43).

33. Events after reporting date

On 23 December 2024, the Company signed a Term and Revolving Facilities Agreement with a syndicate of banks in the amount of EUR 3,580,000 thousand. The first and second parts of the syndicated financing are term loans, each in the amount of up to EUR 1,665,000 thousand. The first part is due on 23 December 2027, and the second part on 23 December 2029. The third part is a revolving loan in the amount of EUR 250,000 thousand.

Following the signature of the above mentioned agreement all of the Company's bank and subordinated loans, except for two purpose-specific bank loans, were refinanced by the end of January 2025. The maturity of the two non-refinanced purpose-specific bank loans was extended in January 2025 until the end of 2030.

The repayment of the loans also released the collateral through a pledge on a selected portfolio of the Company's assets.